THE LINDSELL TRAIN INVESTMENT TRUST PLC

Report and Financial Statements

For the year ended 31 March 2015

THIS DOCUMENT IS IMPORTANT and, if you are a holder of Ordinary shares requires your immediate 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 Form of Proxy which accompanies it, immediately to the purchaser or transferee; or to the stockbroker, bank or other agent through whom the sale or transfer was effected.

Retail investors advised by Independent Financial Advisors (IFAs)

The Lindsell Train Investment Trust plc (the 'Company') advises that its Ordinary shares of 75p each (Shares) can be recommended to retail investors by Independent Financial Advisors (IFAs), as the Shares are exempt from restriction on distribution under the Financial Conduct Authority's rules on non-mainstream investment products. The Company further advises that it intends to continue to conduct its affairs in a manner which would enable IFAs to able recommend the Shares to retail investors for the foreseeable future.

The Company however would also point out to IFAs considering recommending Shares to clients that whilst the Shares may trade at a premium, potential new investors should be made aware that the Shares have traded at a discount for significant periods in the past. A deterioration in market sentiment accordingly carries a risk that any premium could be eliminated quickly and buyers at a premium might face a material capital loss.

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Highlights for the Year

Performance comparisons 1 April 2014 – 31 March 2015	
Middle market share price per Ordinary Share #	**+23.9%**
Net asset value per Ordinary Share *	+27.9%
Benchmark †	+3.8%
MSCI World Index (Sterling)	+19.7%
UK RPI Inflation (all items)	+0.90%

Calculated on a total return basis

* The net asset value at 31 March 2015 has been adjusted to include the dividend of £6.76 per Ordinary Share paid on 12 September 2014.

† The index of the annual average yield on the UK 2.5% Consolidated Loan Stock between the relevant dates (based on weekly data).

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 Benchmark.

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 a 24.42% interest, 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 at the time of investment. The Company will not invest more than 15% of gross assets in other closed-ended investment funds.

Gearing

Although, the Directors' policy is to permit borrowings up to 50% of the net asset value of the Company in order to enhance returns, the Directors have decided that it is in the Company's best interests to not use gearing in future. This is in part a reflection of the increasing size and risk associated with the Company's unquoted investment in Lindsell Train Limited but also in response to the additional administrative burden required to adhere to the full scope regime of the Alternative Investment Fund Managers Directive ("AIFMD") should any gearing remain in place.

Dividends

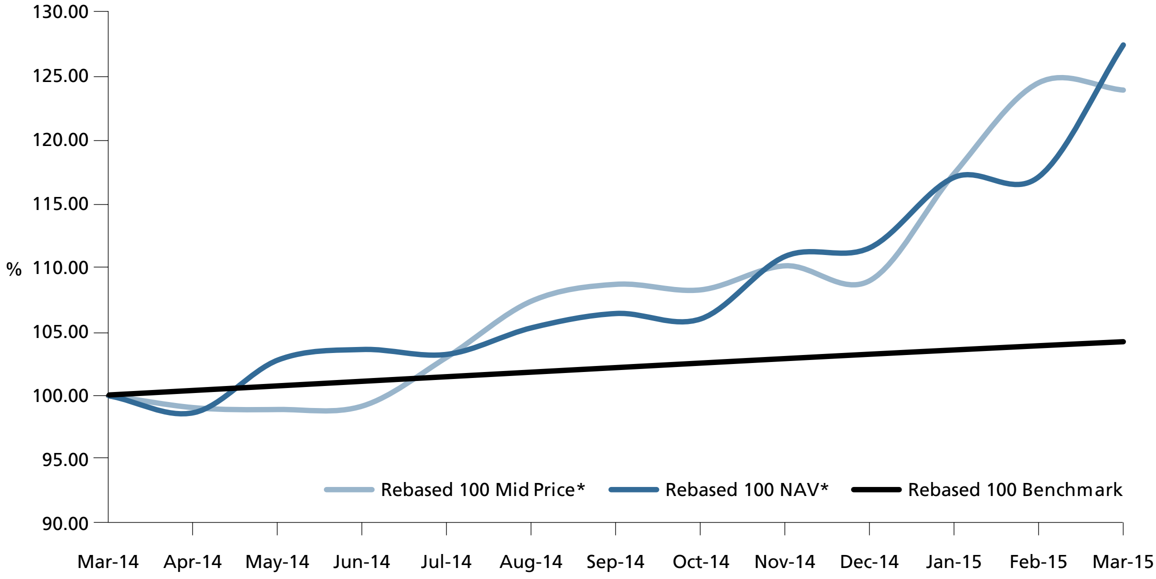
The Directors' policy is to pay annual dividends consistent with retaining the maximum permitted earnings in accordance with investment trust regulations.

The current composition of the portfolio as at 31 March 2015, 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.

Strategic Report

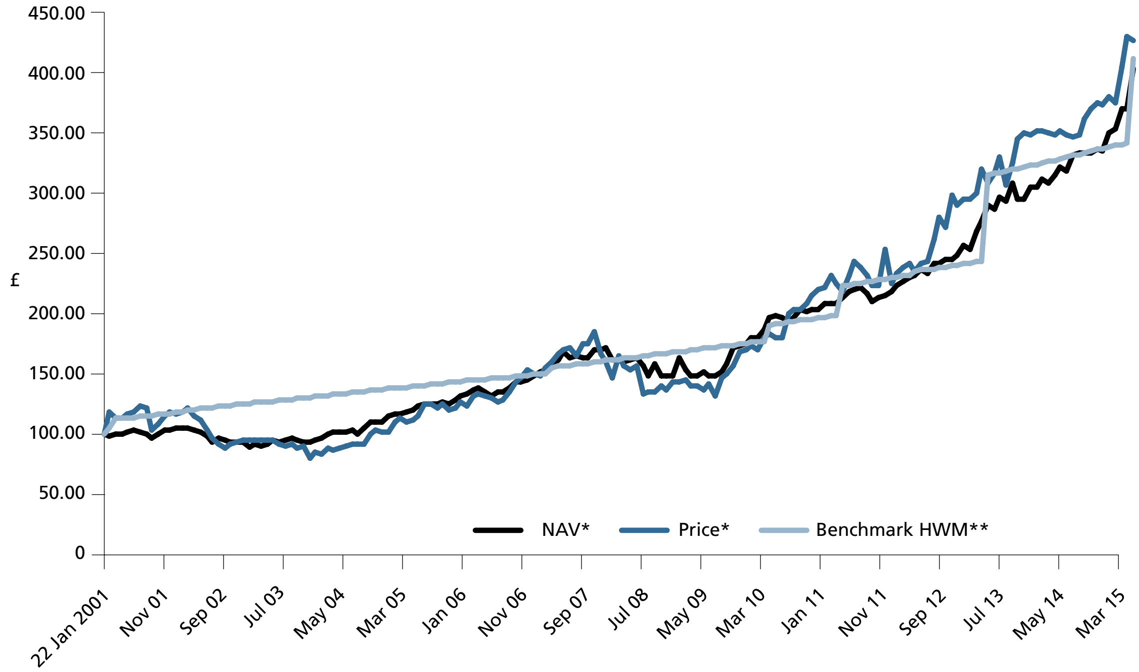
Performance

Share price performance relative to the net asset value and benchmark for the year ended 31 March 2015 (based on total performance with reinvested net dividend)



**Figures are rebased to show the performance per £100 invested.*

Share price performance relative to the net asset value and benchmark since inception on 22 January 2001 to 31 March 2015



**The NAV and share price are unadjusted for dividends.*
***Benchmark adjusted for inclusion of the high watermark.*

Source: Bloomberg and Lindsell Train Limited

Chairman's Statement

This year the Company's net asset value total return per share ('NAV') increased by 27.9%, well ahead of the Company's benchmark (up 3.8%) and the performance of world stock markets as measured by the MSCI World index in Sterling (up 19.7%). It was a result that earned the Manager a £1,533,000 performance fee calculated with reference to the year-end NAV given that the share price ended the year higher, at a 5.9% premium to NAV. The Company's share price, including the dividend paid in September 2014, increased by 23.9%, ending the year at a new high of £426.5 per share.

The main contributor to performance was yet again the uplift in value and the dividend contribution from Lindsell Train Limited ('LTL') that this year contributed to more than half of the rise in the NAV. LTL's share price was up 46% and its dividends contributed 60% of the Company's overall revenues.

Underlying the successful year for LTL was a 48% increase in funds under management ('FUM') to just over £5.0bn at the end of January, LTL's year end. Of the £1.6bn increase, £920m was due to net new business inflows, the highest ever in any one year. Better still, most of the new money was raised in Lindsell Train funds that now make up 43% of total FUM, up from 37% last year. During the year a new Lindsell Train fund was launched as a clone of the Lindsell Train Global Equity Fund ('LTGEF'), designed primarily for US investors. Your Company, in keeping with its long held policy of supporting the business initiatives of LTL, invested as a seed investor in the fund switching from its holding in LTGEF. The Company's costs from making the switch were reimbursed and future reimbursements will ensure that it will bear no higher internal fund expenses than with LTGEF. These rebates are in addition to the Company's longstanding practice of rebating the management fee charged in relation to the fund to avoid the double charging of fees.

Aside from the growth in FUM, which was very much helped by the benign environment for equities in general (especially continued low yields on competing financial assets such as cash and bonds), the performance of LTL's underlying strategies remains as strong as ever. The CF Lindsell Train UK Equity Fund has generated excess returns 7.0% above its benchmark since inception (2006), the Japanese Equity Fund 2.2% (inception 2004) and the Global Equity Fund 5.4% (inception 2011). These returns have improved markedly in recent months. This, more than anything else, provides some support for continued confidence in the growth of LTL's business driven by new fund flows. LTL has strived to make inroads into the US market for pension funds and endowments with a local marketing presence now in place for over a year. It is encouraging to note that new mandates have been won and currently 10.0% of FUM is accounted for by mandates sourced from the USA. Although LTL acknowledge that there are limits to their growth, particularly the number of individual client mandates they are prepared to accept, LTL believes that there remains plenty of capacity to add FUM in all three strategies especially if the new FUM are primarily directed towards Lindsell Train funds.

LTL also recently announced that James Bullock, who has been with the firm for more than four years, has taken joint responsibility with Nick Train and Michael Lindsell for managing its Global equity mandates. It is reassuring for us as a significant minority shareholder of LTL to see responsibility shared amongst a younger cohort.

LTL now accounts for 28% of the Company's NAV, up from 24% last year. Whilst we welcome its continued contribution to the Company we also caution that its fortune remains reliant on a narrow range of fifty-five companies, predominantly media and consumer franchises that LTL owns on behalf of its clients. Some of these the Company owns directly and their share prices have done especially well since 2009. If there were to be any reversal in this trend – even for short periods of time – it could quickly reflect negatively on LTL, its revenues, its profits and its dividends.

Strategic Report

Chairman's Statement continued

It should be noted the share price appears to be increasingly driven by market perceptions of the value of our interest in LTL. Our valuation formula reflects the Board's continuing view of an appropriate valuation method for our 24.42% interest, balancing the risks of the business with the strong growth and profitability it has achieved to date.

The next most significant contributor was the performance of the two irredeemable gilts the Company has held since soon after its establishment. The Debt Management Office has announced its intention to redeem both gilts at par on July 5th 2015 and both are now trading at around this price having risen by c.36% immediately following the announcement. The obvious satisfaction in crystallising such a significant capital gain is tinged with the inconvenience of the government redeeming the issue that formed the basis of the Company's benchmark and was a component of the discount rate applied to LTL's earnings in the valuation formula. The average annual yield on the 2.5% Consolidated Loan Stock provided a measure of what investors judged to be the yield necessary to protect against the diminution of Sterling's value in perpetuity. As the minimum objective of the Company is to maintain the real purchasing power of Sterling capital, the board judged it to be the best market based measure of inflation the board could conceive when the Company was established.

Subject to shareholder ratification at the Annual General Meeting the directors propose to adopt a new benchmark index from 1st April 2015 along the same design derived instead from the annual average running yield of the longest-dated UK government fixed rate bond plus a premium of 0.5%. A minimum yield of 4.0% would be imposed, which equates to the yield on the benchmark prior to the government's first announcement of its intention to redeem its undated Gilt issues. The new benchmark yielded more at the beginning of April at 4.0% than the old benchmark that ended March at 3.7%. The yield of the new benchmark will also replace the old as a component of the discount rate applied to LTL's earnings in the valuation formula. Future performance fees will be calculated with reference to the new benchmark in place of the old and in addition there will a cap on all fees paid to LTL (management and performance) at 5% of NAV or market capitalisation whichever is lower in any one financial year. I encourage you to read the supplement on LTIT's benchmark in Appendix 1 on page 59 which gives further details on the composition of the new benchmark, its relation to the performance fee and the comparison of its historical yield and return with the old one.

In my half year statement I explained that the Company had registered with the Financial Conduct Authority as a small registered Alternative Investment Fund Manager ('AIFM'). What I had not anticipated is that the risk adjusted net asset value would so quickly exceed the €100m level at which the Company either had to apply for full registration or refrain from all borrowing. This level was crossed soon after the beginning of 2015 and the Directors have decided to adopt the latter course. Although the Company has had modest borrowings in its early years both the Manager and the Directors consider that the Company is exposed to significant investment risks already – especially given the large holding in LTL – without borrowing increasing risk even further. The FCA's definition of borrowing includes forward currency contracts and futures, both of which we have had to eliminate from the portfolio. Having foresworn borrowing, the Company's risk adjusted net asset value can now rise to the higher threshold of €500m, at which point reclassification under the full scope regime would result with all the attendant costs and bureaucracy which that will entail.

Since its inception in January 2001 the Company's NAV has compounded at 11.7% p.a. The uplift in the value of LTL has been the most significant single contributor, adding £27.8m of value alone – more than the original starting capital of the whole Company (£20m). But the other investments have also played their part, recording an annualised return of 8.4% p.a. and thereby in overall terms representing the bulk of the Company's uplift in value. In 2001 the company consisted of a portfolio half in bonds and half in equities with less than 1% in LTL. The portfolio is now 72% in funds and quoted securities and 28% in LTL. It is not lost on the Directors that the Company began as an investment trust with a tiny investment in its management company and has now morphed into one where the stake in the management company is increasingly driving the return and risk profile of the Company.

This year the Directors propose an ordinary dividend of £6.42 per share and a special dividend of £0.78 per share. The special dividend has fallen from last year reflecting the lower contribution from LTL performance fees. The total dividend of £7.20 per share represents a rise from last year of 6.5%. The dividend policy of the Company is designed to permit the Company to retain (rather than pay out) as much of its net income as allowable under investment trust rules as the Directors believe this is most tax efficient for the majority of shareholders. Despite this deliberate lack of emphasis on the dividend component of the return of the Company its growth is nonetheless an important measure of success over the years. For those investors who bought shares at issue, and I am glad to say many are still shareholders, today's dividend yield on the original purchase price is now 7.2%, resulting from an annual growth rate of dividends per share of 16.8% since the Company began paying them in 2004.

An important principle for all companies is that fresh talent and perspective should be recruited to the Board from time to time. This needs to be balanced with the advantages provided by a large measure of continuity and stability in the composition of the Board. This year, the Board has given significant thought to this issue and, earlier in the year, after a rigorous selection process, was pleased to announce the appointment of two new Directors, Julian Cazalet and Vivien Gould, each of whom brings valuable and relevant experience to the Company. I have decided, after fourteen years' service on the Board, the last four as Chairman, to step down after this year's AGM. Julian will take over the Chair at that point and Vivien will take over the Chair of the Audit Committee after many years' sterling service from Michael Mackenzie, who will remain on the Board. These changes will achieve the balance of refreshment and continuity which we seek to take the Company forward. As this is my last statement, I would like to express my thanks to my Board colleagues for their diligence and support, to our managers, Lindsell Train Limited, for their outstanding investment and commercial performance and the integrity with which they have delivered it for our shareholders, and to our other service providers for their dedicated and professional input. It has been a pleasure to work with all the elements of the team which supports your Company. I have every confidence that the investment philosophy which has underpinned fourteen years of excellent performance will continue to deliver over the long term.

D L Adamson
Chairman
8 June 2015

Strategic Report

Portfolio Holdings at 31 March 2015

(All Ordinary Shares unless otherwise stated)

Holding	Security	Fair value £'000	% of total assets	*Look-through basis % of total assets*†
651	Lindsell Train Limited	22,591	*28.03*	*28.03*
1,263,393	Barr (AG)	7,700	*9.55*	*9.68*
318,000	Diageo	5,913	*7.34*	*7.76*
6,555,661	Lindsell Train Japanese Equity Fund – B	5,096	*6.32*	*5.74*
161,000	Unilever	4,531	*5.62*	*6.10*
41,000	Nintendo	4,069	*5.05*	*5.85*
157,500	London Stock Exchange	3,867	*4.80*	*5.13*
255,500	Pearson	3,705	*4.60*	*5.09*
73,000	Heineken	3,381	*4.20*	*4.60*
£3,350,000	2.5% Consolidated Loan Stock	3,366	*4.18*	*4.18*
272,500	Reed Elsevier	3,158	*3.92*	*4.31*
76,400	eBay	2,969	*3.68*	*3.85*
£2,500,000	Treasury 2.5%	2,512	*3.12*	*3.12*
420,000	Finsbury Growth & Income Trust	2,478	*3.08*	*1.37*
299,188	Lindsell Train Global Equity LLC	2,238	*2.78*	*1.15*
76,552	Mondelez International	1,861	*2.31*	*2.55*
20,000	Kraft Foods	1,173	*1.45*	*1.52*
	Total Investments	80,608	*100.03*	*100.03*
	Net current assets	(23)	*(0.03)*	*(0.03)*
	Total assets less current liabilities	80,585	*100.00*	*100.00*

† Look-through basis: This adjusts the percentages held in each security upwards by the amount held by Lindsell Train managed funds and adjusts the fund's 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.

We detail below the balance sheet positions of these funds managed by Lindsell Train Limited as at 31 March 2015:

Fund	Net equity exposure
Lindsell Train Global Equity LLC	96.84%
Lindsell Train Japanese Equity Fund	94.80%
Finsbury Growth & Income Trust	103.75%

Analysis of Investment Portfolio at 31 March 2015

Breakdown by geography (look-through basis)^

		2015		2014
Long-term fixed interest				
UK	**7.30%**		5.31%	
		7.30%		5.31%
Equities				
UK	**67.47%**		70.58%	
USA	**9.07%**		7.95%	
Japan	**11.59%**		7.27%+	
Europe	**4.60%**		5.08%	
		92.73%		90.88%
Cash				
USA	**(0.50)%**		6.77%	
Japan	**0.38%**		2.97%+	
Europe	**0.16%**		(1.05)%	
UK	**(0.07)%**		(4.88)%	
		(0.03)%		3.81%
		100.00%		100.00%

Breakdown by currency (look-through basis)^

	2015	2014
£	**74.70%**	71.01%
US$	**8.57%**	14.72%
Yen	**11.97%**	10.24%
Euro	**4.76%**	4.03%
	100.00%	100.00%

^ 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.

+ Adjusted for the underlying exposure of the Nikkei 225 Futures position.

Look-Through Sector Exposure

	Direct	***Look-through basis***
Consumer Franchise/Brands	**30.48%**	***36.14%***
Financials	**32.83%**	***34.08%***
Media	**17.25%**	***20.51%***
Healthcare	**0.00%**	***1.33%***
Other	**0.00%**	***0.36%***
Bonds	**7.30%**	***7.30%***
Funds	**12.17%**	***0.00%***
Cash & Equivalent	**(0.03)%**	***0.28%***
Total	**100.00%**	***100.00%***

Strategic Report

Investment Manager's Report year ended 31 March 2015

The return for the year is further demonstration that you do not necessarily have to be "active" in order to deliver acceptable investment performance. As in recent years there was no new holding added to the portfolio and minimal topping and tailing of existing positions. The inactivity reflects a number of factors. Most importantly we remain sceptical of our ability to add meaningful additional value by buying and selling out of complete investment positions – always assuming our current names maintain their strategic appeal. In addition there is no doubt that the "universe" of possible new investment ideas for us has also gone up in value, along with our actual holdings – meaning that switching opportunities are limited. Last, though, we still like our portfolio and, at current prices, think it most likely that we will add to existing equity holdings with the monies realised from the gilt redemptions.

In the short term we expect your Company to be sensitive to movements in the oil price. A number of the holdings are clear beneficiaries of cheaper energy – a proposition confirmed by strong NAV performance over the last six months. For instance it is hard to conceive of companies more advantaged by this energy price drop than the major global consumer branded goods owners. Their costs are declining, while their billions of customers are feeling better off. Of course we have several such as the core of LTIT's portfolio. Very recently oil has rallied and this has knocked back prices of, for instance, Diageo, Heineken and Unilever.

The bounce in Oil has hit bond prices too and this has an additional, possible impact on your portfolio. A number of the holdings are categorised by other investors as "bond proxies", by which they mean, we think, that their share prices are dictated by the rise and fall of bond prices above any other factor. Now it would be idle of us to claim that bond prices are irrelevant for the portfolio. We use bond yields ourselves in valuation work and the lower those yields go the higher the warranted valuations we come up with. And if enough investors believe something then – justified or not – the weight of their money can move prices in the short term. However, we have two profound issues with the "bond proxy" argument, at least as it applies to a putative bear case for your portfolio. First, if a share is really a bond proxy it ought to have qualities similar to a bond. The most notable characteristic of a conventional government bond is that it has a fixed, unchanging coupon. But our holdings most often cited in this context do not have fixed dividends. They have, instead, long histories of real, inflation-beating dividend growth and, in our opinion, plenty of scope to maintain these records. If there is anything "bond-like" about such companies, then actually the bonds they most closely resemble are index-linked government bonds, not conventionals. We know investing institutions value the inflation-proofing of linkers very highly – evidenced by negative redemption yields on some issues. To us these valuations make the inflation-proofing offered by our stocks still look amazingly attractive. Second, history also teaches that the type of companies that suffer most operational damage during periods of rising inflation are capital intensive suppliers of commodity products. In an inflation such companies routinely find they have not provided enough depreciation in their P&L to cover the escalating cost of replacing capital equipment. Moreover their lack of pricing power, as commodity producers, means inflation hits their costs in ways they can't recoup at the revenue line. The ruinous and dilutive rights issues of the 1970s and 1980s came from the metal bashers and composite insurers, not the cash-generative beverage and household goods companies.

In conclusion here, we are not denying that there are today any number of reasons to be cautious of our strategy (although one can always say the same about any active portfolio), but the risk of falling bond prices and rising inflation is not one that keeps us awake at night. As a for instance of something else to worry about, we have recently seen opposing moves in two of our media "content" companies. Nintendo has risen over 75% in calendar 2015, to a 4-year high. Meanwhile, Pearson has dropped 14% from its recent high. Of course these are two very different companies – one in entertainment, the other education. However what unites them is the necessity both have to respond to changes in technology to protect and grow their traditional business. Both are making concerted efforts at this and, if successful, we'd expect both to go on to be great investments. We know we must watch closely, though, because the pace of technology change is accelerating and their divergent share prices warn us of investor sensitivities.

Finally, Mike and I would never have dreamt that we would be offered a "clean" exit at par from the irredeemable gilts in your portfolio by the UK Treasury. Whether this redemption, at a minimum 20% premium to the undisturbed market price, is really in the interests of the UK tax-payer we cannot say. For your company, though, it is a tidy way to close what has been a successful investment – initiated as long ago as 2001. Who would have thought a gilt could deliver such a competitive return over a decade and a half? As students of the markets, though, we regret the end of the irredeemables. There are not many unbroken price histories going back to 1752 and this history was full of interest and lessons for market observers and participants.

Nick Train
Investment Manager
Lindsell Train Limited
8 June 2015

Strategic Report

Company Profile

Business Review

The Company's business model is detailed in the objective and Investment Policy set out on page 1. Reviews of the year and commentary on the future outlook are presented in the Chairman's Statement on pages 3 to 5 and the Investment Manager's Report on pages 8 and 9.

Key Performance Indicators

Total return and net asset value are measured against the benchmark and provide the key performance indicators for assessing the development and performance of the business. The Company does not envisage changing its objective or investment policy, which constitute its Business Model, or its management for the foreseeable future.

Principal Data

	31 March 2015	31 March 2014	% change
Shareholders' funds (£'000)	**80,585**	64,302	25.3
Basic net asset value per Ordinary share	**£402.93**	£321.51	25.3
Premium to NAV	**5.85%**	9.02%	
Closing mid-market price per Ordinary share	**£426.50**	£350.50	21.7
Recommended final dividend per Ordinary share	**£6.42**	£5.63	14.0
Recommended special dividend per Ordinary share	**£0.78**	£1.13	(31.0)
Dividend yield	**1.69%**	1.93%	
Ongoing Charges	**1.10%**	1.15%	
Earnings per Ordinary share – basic	**£88.18**	£37.96	
Revenue	**£9.20**	£6.75	
Capital	**£78.98**	£31.21	
Net asset value total return			27.9
Share price total return			23.9
Benchmark*			8.8

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

Five Year Historical Record

To 31 March	Gross income £'000	Net revenue available for Ordinary shares £'000	Dividends on Ordinary shares Cost £'000	Dividends on Ordinary shares Rate (p)	Basic net asset value per Ordinary share (£)	Mid-market price per Ordinary share (£)
2011	1,287	760	730	365	212.92	219.00
2012	1,535	1,047	830	415	231.06	235.00
2013	2,078	1,483	1,250	625	289.80	307.50
2014	2,098	1,351	1,352	676	321.51	350.50
2015	**2,657**	**1,839**	**1,440**	**720**	**402.93**	**426.50**

Ongoing Charges

The ongoing charges for the year ended 31 March 2015 amounted to £763,000 (2014: £697,000) equivalent to 1.10% (2014: 1.15%), based on average undiluted net assets of £69,361,000 (2014: £60,619,000).

Principal Risks

The principal financial risks and how these are managed are discussed in note 18 to the financial statements on pages 53 to 58. Non-financial risks to which the Company is exposed include market, economic and regulatory factors, and loss of services provided by third party suppliers. These risks are considered at each Board meeting and the Investment Manager also closely monitors them. In the event that any factor poses a potential material risk to the Company the Board will be alerted immediately so that it can consider what action (if any) should be taken.

The Company is an investment trust and to generate returns for shareholders it may invest in a range of different companies and sectors. Investors should be aware of certain factors which apply to the Company:

- The investment approach of the Company is expected to involve investing in a concentrated portfolio of securities (averaging around fifteen companies). When compared to most other investment trusts the number of investments is relatively few.
- Currently, the Company retains a 24.42% holding in Lindsell Train Limited and has benefited over the years from the growth of the Company's Investment Manager. There is no guarantee that this growth will continue at the same pace or at all.
- The Investment Manager will invest in securities on the Company's behalf that it believes to be attractively valued. There is no guarantee that the perceived value of the underlying investments will be released in any expected timeframe or at all.
- The Company's portfolio is constructed in a manner that does not seek to mirror any stock market index. Consequently there will be periods where performance will be quite unlike that of any index or the benchmark and there is no guarantee that this divergence will be to the Company's advantage.
- Market liquidity in the shares of investment trusts is frequently inferior to the market liquidity of shares issued by larger companies traded on the London Stock Exchange. The Company's Ordinary shares are traded on the London Stock Exchange Main Market but it is possible that there may not always be a liquid market in them and investors may have difficulty in selling.

Economic Conditions

Changes in economic conditions, including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends and tax legislation, can substantially and adversely or favourably affect the Company's prospects and the value of the Company's portfolio.

Employees, Social, Human Rights and Environmental Matters

The principal activity of the Company is to invest in a broad range of investments in line with the Investment Policy set out on page 1. The Company has no employees and accordingly it has no direct social, human rights or environmental impact from its operations. It does not hold sufficiently large proportions of investee companies to be able to influence their social or environmental footprints.

Strategic Report

Company Profile continued

Approval Statement

The Strategic Report of the Company, comprising pages 1 to 12 of this Report and Financial Statements, has been approved by the Board:

For and on behalf of the Board

Donald Adamson
Chairman
8 June 2015

Governance

Directors

Donald Adamson*^†, Chairman, 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. He was awarded an M.A. in economics and history from Oxford University and carried out post-graduate research at Nuffield College, Oxford.

Dominic Caldecott*^†, 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 Oxford University.

Julian Cazalet*^†, is currently Chairman of Herald Investment Trust plc, director of Deltex Medical Group plc, Private Equity Investor plc and a number of charitable trusts. He was Managing Director – Corporate Finance at JPMorgan Cazenove until his retirement in December 2007. From 1989 he worked in corporate finance and advised investment trusts in addition to his work with industrial and commercial companies. A qualified Chartered Accountant, he has an M.A. in economics from Cambridge University.

Vivien Gould*^†, is a non-executive director of Waverton Investment Management Limited, and a trustee of the John Ellerman Foundation and of Cobalt Health. She has worked in the financial services sector since 1981. She was a founder director of River & Mercantile Investment Management Limited (1985) and served as a senior executive and Deputy Managing Director with the Group until 1994. She then worked as an independent consultant and served on the boards of a number of investment management companies, listed investment trusts, other financial companies and charitable trusts including the Stroke Association.

Rory Landman*^†, is the Senior Bursar of Trinity College, Cambridge, and was previously a senior director and the head of global emerging markets at Baring Asset Management. He was a founding partner of the Nevsky emerging market equities team at Thames River Capital. A qualified Chartered Accountant, he has an M.A. in Law from Cambridge University.

Michael Lindsell, 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. In 1989 he moved to Warburg Asset Management 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*^†, 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 Oxford University.

All Directors are non-executive.

* Independent ^ Audit Committee member † Management Engagement Committee member

D Adamson and M Mackenzie were appointed on 29 November 2000. D Caldecott was appointed on 23 May 2006. M Lindsell was appointed on 13 July 2006 and R Landman was appointed on 20 July 2011. J Cazalet and V Gould were both appointed on 29 January 2015.

Investment Manager

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

Administrator and Secretary

Phoenix Administration Services Limited is the Administrator and Company Secretary.

Governance

Report of the Directors

The Directors present their report together with the audited financial statements of the Company for the year ended 31 March 2015.

Status

The Company is registered in England & Wales under number 04119429. It is an investment company as defined in Section 833 of the Companies Act 2006.

The Company is a member of the Association of Investment Companies ("AIC").

HM Revenue & Customs' approval as an investment trust has been received for all financial years to 31 March 2012, but this does not preclude a subsequent enquiry into a tax return from being opened.

The Company has been confirmed by HM Revenue & Customs as having approved investment trust status under the Investment Trusts (Approved Company) (Tax) Regulations 2011 for financial periods commencing from 1 April 2012, subject to it continuing to comply with the Regulations. The Directors conduct the affairs of the Company with a view to maintaining this approved investment trust status in order to preserve the Company's exemption from UK capital gains tax.

Investment Policy and Objective of the Company

Details of the Company's investment policy and objective of the Company are set out on page 1.

Results and Dividend

The revenue return for the financial year ended 31 March 2015 after taxation amounted to £1,839,000 (2014: £1,352,000). A final dividend of £6.42 per Ordinary Share (2014: £5.63) and a special dividend of £0.78 per Ordinary Share (2014: £1.13) is proposed for the year ended 31 March 2015. If these dividends are approved by Shareholders at the forthcoming Annual General Meeting they will be paid on 11 September 2015 to Shareholders on the register at close of business on 21 August 2015 (ex-dividend 20 August 2015).

Use of Financial Instruments

The Company's use of Financial Instruments is disclosed in note 18 to the Financial Statements.

Share Capital

Full details of the Company's Ordinary share capital are provided in Appendix 2 on page 62.

Supplier Agreements

Details of the Company's supplier agreements can be found in Appendix 3 on page 63.

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:

	No. of Shares at 31 March 2015	*No. of Shares at 22 May 2015*	*% of issued capital*
Rathbone Investment Management Limited	18,052	17,949	8.97
Brewin Dolphin Limited	16,591	16,433	8.22
Hargreaves Lansdown Asset Management Ltd	15,578	16,755	8.38
Alliance Trust plc	13,798	13,851	6.93
Mr Nicholas Train	11,930	11,930	5.97
Mr M Lindsell (including non-beneficial interests)	10,755	10,755	5.38
Finsbury Growth & Income Trust PLC	10,000	10,000	5.00
Mr D Caldecott	8,250	8,250	4.13
Troy Asset Management Limited	6,619	6,619	3.31

Directors

Details of the Directors of the Company who served during the year are set out on page 13. Particulars of their remuneration are given on pages 28 to 33. All the directors will stand for re-election at the Company's forthcoming Annual General Meeting.

Directors' Interests

The interests of the Directors, and connected persons, in the Ordinary Shares of the Company are shown on page 32.

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 Articles, 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 portfolio companies.

Directors' Indemnification and Insurance

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.

Given the importance of the investment in Lindsell Train Limited, the Company has taken out a policy to insure the lives of the founders and key managers, Michael Lindsell and Nick Train, for £6m each for the payment of around £20,000 per annum, fixed for five years. In the unfortunate event of a claim being made the funds would partly offset the likely fall in the value of the investment in Lindsell Train Limited.

Governance

Report of the Directors continued

Disclosure of Interests

Save as disclosed below 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.

Michael Lindsell is a director of the Investment Manager, Lindsell Train Limited, and the beneficial holder of 36.5% of the issued share capital of that Company. He is actively involved in the management of the Lindsell Train Global Equity LLC, in which the Company invests and the Lindsell Train Japanese Equity Fund, in which he, the Company and Mr Adamson have investments. He is also actively involved in the management of Finsbury Growth & Income Trust PLC in which he and the Company have an investment. Details of the Company's investments in these funds can be found on page 6.

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

Corporate Governance

The Corporate Governance Statement, which forms part of this Report of the Directors, is set out on pages 20 to 25.

Employment, Social, Human Rights and Environmental Statements

The Strategic Report on pages 1 to 12 includes statements on social, economic, human rights and environmental issues.

Disclosure Concerning Greenhouse Gas Emissions

The Company itself has no greenhouse gas emissions to report on from its activities.

Annual General Meeting

The Annual General Meeting of the Company will be held on Wednesday 2 September 2015 at 2.30pm and all Shareholders are encouraged to attend. In accordance with the Code, the Notice of Meeting is circulated more than twenty working days before the meeting. The Meeting will be held at St Ermin's Hotel, 2 Caxton Street, London, SW1H 0QW.

The Directors recommend that Shareholders vote in favour of all Resolutions being put to the Annual General Meeting, as they themselves intend to do in respect of their own holdings representing 9.3% of total voting rights.

Special business at the Annual General Meeting

Investment Management Agreement
Resolution 12 is proposed as an Ordinary Resolution to approve and ratify the changes to the Investment Management Agreement described in the Chairman's Statement on page 4.

Directors' Remuneration Policy
Resolution 13 is proposed as an Ordinary Resolution to receive and adopt the Directors' Remuneration Policy.

Share buyback authority
Resolution 14 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 may be held in treasury, which are then eligible for subsequent resale or cancellation. No voting rights or entitlement to distribution (either dividend or on a winding up) applies to shares held in treasury.

Authority to allot/sell treasury shares
Resolution 15 authorises the Directors to sell or transfer back into the market shares held in treasury. Treasury shares would not be resold at a price below that at which they had been bought back.

Statement of Directors' Responsibilities for the Annual Report

The Directors are responsible for preparing the annual report, the Directors' Remuneration 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 have elected 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

Governance

Report of the Directors continued

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 and the Directors' Remuneration Report 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 that the annual report and financial statements are made available on a dedicated page on Lindsell Train Limited's website and the National Storage Mechanism. Financial statements are published on the 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.

Audit information

Each of the persons who were Directors at the date of approval of this annual report confirm, in accordance with the provisions of Section 418 of the Companies Act 2006 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

Grant Thornton UK LLP has expressed its willingness to continue to act as the Company's 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.

Going Concern

After considering a schedule of the Company's current financial resources and liabilities for the next twelve months, and as the majority of the net assets of the Company are securities which are traded on recognised stock exchanges, the Directors have determined 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.

The Directors consider that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Directors' Confirmation Statement

The Directors listed on page 13, 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 Strategic Report 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.

By order of the Board

Phoenix Administration Services Limited
Secretary
8 June 2015

Governance

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 UK Corporate Governance Code ("Code") issued by the Financial Reporting Council ("FRC") effective from October 2012, and the principles published in February 2013 by the Association of Investment Companies ("the AIC Principles") and their predecessors issued in 2010. The Codes referred to above can be found on the following websites: www.frc.org.uk and www.theaic.co.uk.

The Board confirms that it complies with the AIC principles in full subject to those aspects explained in the table below which shows where the Company has chosen a different approach.

AIC Code Principle	Additional Information
3, 5, 7, 9, 10, 12, 13, 14, 15, 17, 18, 19, 20, 21	The Company complies with these principles in full.
1 – The Chairman should be independent	The Chairman is independent. The Board does not consider it necessary to appoint a Senior Independent Director as all the Directors endeavour to make themselves available to shareholders including at general meetings of the Company.
2 – A majority of the Board should be independent of the manager.	Mr Lindsell is a director and shareholder of Lindsell Train Limited which is the Investment Manager of the Company. He is therefore not independent. All of the other directors are independent of the Investment Manager.
4 – The Board should have a policy on tenure, which is described in the annual report.	The Board does not have a formal policy requiring Directors should stand down after a fixed period. It considers that a long association with the Company and experience of a number of investment cycles is valuable and does not compromise a Director's independence. Mr Adamson, Mr Mackenzie and Mr Caldecott have served on the Board for more than nine years; however they all demonstrate impartiality when participating in matters being considered by the Board, and accordingly the Board deems them to be independent.
6 – The Board should aim to have a balance of skills, experience, length of service and knowledge of the company.	The Company is committed to ensuring that any vacancies arising are filled by the most qualified candidates and recognises the value of diversity in the composition of the Board.
8 – Director remuneration should reflect their duties.	As the Company has no executive Directors the provisions of the Code in respect of executive Directors' remuneration do not apply to the Company.

AIC Code Principle	Additional Information
11 – The Chairman (and the Board) should be brought into the process of structuring a new launch at an early stage.	This principle only applies to the launch of new investment companies and is therefore currently not applicable to the Company.
16 – The Board should agree policies with the manager covering key operational issues.	The Investment Management Agreement between the Company and the Investment Manager sets out the authority delegated by the Company. Prior Board approval must be sought for any matters not covered under this Agreement. 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 (excluding Lindsell Train managed investments) at his discretion. He is required to consult with the Chairman before voting on special business or any issues of a contentious nature. The voting on investee company shares which are managed by Lindsell Train Limited are approved by the Chairman.

Corporate Governance Framework

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. The Board currently comprises seven members, six of whom are male and one who is female. All directors are non-executive and six are independent of the Investment Manager.

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 resolution by 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 Investment Manager, Company Secretary and Administrator all operate in a supportive and cooperative manner and representatives of each attend Board meetings.

Governance

Corporate Governance Statement continued

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 (regular meetings) (4)	Audit Committee (2)	Management Engagement Committee (1)	Nomination Committee (4)
Donald Adamson	4	2	1	4
Dominic Caldecott	4	2	1	4
Julian Cazalet	1 (1)	0 (0)	1 (1)	0 (0)
Vivien Gould	0 (1)	0 (0)	0 (1)	0 (0)
Rory Landman	4	2	1	4
Michael Lindsell	4	n/a	n/a	4
Michael Mackenzie	4	2	1	4

Note: as Julian Cazalet and Vivien Gould were appointed on 29 January 2015, they were only invited to attend the Board and Management Engagement Committee meetings held on 3 March 2015.

The Board evaluates the performance of the Board, Committees, individual Directors and third party service providers using a structured questionnaire and without recourse to an external facilitator. The Board is satisfied from the results of these that the Board, its Committees and its third party providers function effectively, both collectively and individually, and contain an appropriate balance of skills and experience for the effective management of the Company.

Board Responsibilities

There is a clear division of responsibility between the Board, led by the Chairman to ensure effectiveness, the Manager and third party service providers. The Board receives accurate, timely and clear information to assist it in its decision making, and no one Director has unfettered powers of decision.

Matters Reserved for the Board

The Board is responsible for setting the Company's investment objectives, strategy and benchmark. It also decides on the appointment and replacement of key suppliers including the Investment Manager, external Auditor (subject to shareholder approval), Registrar, Custodian, Company Secretary and Administrator.

The Board determines what items will be put to shareholders at general meetings, approves financial results and any communications/announcements relating to the Company. Within the authority granted by shareholders the Board approves allotments and buy-backs of shares/loan stock and increases/reductions of shares/loan stock in issue and in treasury.

The Board monitors key risks and ensures that there is a structure of internal controls in place to mitigate the likelihood of risks occurring. These are explained in greater detail below. Authority has been delegated to the Investment Manager to take decisions on the purchase and sale of individual investments. The Board has also delegated authority to the Committees listed on page 24 and has established Terms of Reference which are available on the Company's website and from the Registered Office of the Company.

A schedule of matters reserved for the Board is also available on the Company's website and 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 (particularly operational risks) and that this process reflects the guidance provided by the FRC. This process has been in place for the year ended 31 March 2015 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. The Board reviews the operation and effectiveness of the Company's internal controls regularly through identification and assessment of key risks and there is an annual review of how these are managed.

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 including the safeguarding of assets to Northern Trust Company (see note 18). These contracts have been entered into after full consideration by the Board of the services undertaken and are reviewed annually. The Investment Manager, Administrator and Custodian all maintain their own systems of internal and financial controls.

The Investment Manager has established a 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 that effectiveness and on the business risk exposure of the Investment Manager.

The Company Secretary and Administrator also has established internal controls and put procedures in place.

The Audit Committee reviews, at least annually, a detailed analysis of the activities and potential risks which the Company might be exposed to, and the key controls in place to minimise risk and confirm the status of each activity.

The Board is satisfied that its approach to managing internal control and risk conforms to the recommendations of the FRC's Internal Control Revised Guidance for Directors.

As the Company's investment management, administration and custodial activities are carried out by third party service providers, the Board does not consider it necessary to have an internal audit function or whistleblowing procedures. The Audit Committee reviews annually the whistleblowing procedures of the Investment Manager and the Administrator.

Governance

Corporate Governance Statement continued

The Nomination Committee

The Board as a whole fulfils the function of a Nomination Committee but decisions on the appointment of new Directors are taken by independent Directors only. 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.

When the Company conducted the latest recruitment process, which resulted in the appointment of Julian Cazalet and Vivien Gould, the Company was able to attract and consider a diverse group of highly skilled candidates. This exercise also provided the opportunity to consider succession planning for the Board. The result of this succession planning exercise is described in the Chairman's Statement.

The Company will ensure that any future Board vacancies will also be filled by the most qualified candidates. The value of diversity in the composition of the Board is recognised and, when Board positions become available, the Company will consider a diverse group of candidates.

The Board's policy on tenure is that Directors' appointments are reviewed through the regular board performance evaluations. There is no requirement for Directors to stand down after a fixed period of time as the Company values experience of a number of investment cycles.

Remuneration Committee

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

Audit Committee

The Company's Audit Committee comprises Michael Mackenzie (Chairman), Donald Adamson, Dominic Caldecott, Julian Cazalet, Vivien Gould and Rory Landman. Although Mr Adamson is Chairman of the Board, the Board considers it desirable that he continues as a member of the Committee. The Audit Committee has set out a formal Report on pages 25 to 27 of the Annual Report.

Management Engagement Committee

Donald Adamson (Chairman), Dominic Caldecott, Julian Cazalet, Vivien Gould, Rory Landman 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 and 4 to the financial statements), are kept under review by the Committee. It also reviews the performance of the Investment Manager at least annually.

Shareholder Relations

The Company, through the Investment Manager (in accordance with its stated policy on stewardship), 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 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 they may have in relation to the Company and its activities.

Shareholder Relations continued

Rather than read out proxy voting figures at General Meetings of the Company, the Board has instead elected to provide attending Shareholders with a printed summary of proxy voting. The proxy voting figures are also 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 67.

Report of the Audit Committee

This report to Shareholders for the year ended 31 March 2015 has been prepared in accordance with guidance issued by the Financial Reporting Council and the UK Corporate Governance Code issued by it in September 2012.

Composition of the Committee

The Audit Committee comprises six Directors all of whom are members of the Board. All of the members of the Committee are independent and considered to have sufficient recent and relevant experience to enable the Committee to function effectively. Rory Landman and Julian Cazalet have current experience in relation to accounting and financial matters. The Company Secretary is Secretary to the Committee.

Role of the Committee

The principal activities undertaken by the Audit Committee are:

- to monitor and review the effectiveness of all aspects of the Company’s financial reporting;
- to satisfy itself as to the integrity of the full year and half year reports to Members;
- to advise the Board that such reports are fair, balanced and understandable and comply with applicable laws and regulations;
- to monitor the effectiveness of internal controls operated by third party service providers appointed by the Board to undertake the day to day activities and administration of the Company’s business;
- to consider any significant issues (if any) which are identified by the independent auditor and to determine such action (if any) as needs to be recommended to the Board in connection therewith;
- to meet, at least annually, with the Company’s independent auditor and review the audit plan proposed by them; including areas of risk they will look particularly at, their level of materiality and the fee proposed by them for the statutory audit work;
- to make recommendations to the Board on the appointment, re-appointment, replacement or removal of the independent auditor;
- to consider all proposals and fees for non-audit work, which may include tenders from independent third parties as well as proposals from the independent auditor to undertake such work, the fees for such work and their suitability to undertake the work involved;
- to monitor and satisfy itself as to the independence, objectivity, resources and qualifications of the Company’s appointed independent auditor at least annually;
- to consider, at least annually, whether or not the Company should have an internal audit function.

Governance

Report of the Audit Committee continued

Meetings

The Audit Committee normally meets two times each year. Meetings are held to consider the full-year and half-year results, and shortly before each year end to review the external auditor's proposed plans, scope of work and costs for the ensuing full-year audit. Representatives of the Investment Manager and the Administrator attend meetings to provide input and respond to questions. The Committee also holds meetings with the external auditor without any of the Company's third party service providers present at which any aspect of the auditor's work may be discussed.

The Audit Committee operates under written Terms of Reference, copies of which are available on the Company's website and from the Registered Office of the Company.

Internal Controls

The Committee is responsible for ensuring that suitable controls are in place to prevent and detect fraud, error and misstatement of financial information. As the Company outsources all of its functions to third parties, neither the Committee nor the Company has any internal control structure in place but instead requires its third party service providers to report against a checklist of requirements. These reports are received at least annually, including reports which have been independently verified by the relevant service provider's independent auditors.

Audit process

The Committee reviews at least annually whether the Company should have an internal audit function. It has recommended to the Board that given the size, structure and nature of the Company's activities, and that all operations are carried out by third party service providers, an internal audit function is not appropriate. The Board has endorsed the recommendation of the Committee.

Grant Thornton UK LLP is the Company's independent external auditor and has held office since July 2007, when it subsumed RSM Robson Rhodes LLP who had been the Company's external auditor since inception in December 2000. The Committee is not aware of any contractual or other restrictions which would impinge on the Committee's ability to select the external auditor.

The Partner responsible for the audit affairs of the Company is subject to change at least every five years. The current Partner, Christopher Smith, has served for a period of two years.

The Committee satisfies itself as to the independence of the Company's external independent auditor, and in particular takes into account any non-audit work undertaken by the auditor. The auditor is currently engaged to assist with the Company's tax matters and to give accounting advice as required. When considering whether to appoint the Company's external auditor to undertake non-audit work the Committee takes into account any potential impairment of independence or impartiality, knowledge of the Company, and their proposed fee. The Committee may also put non-audit work out to tender.

Significant issues in relation to Financial Statements

When planning the statutory audit, the independent auditor and the Committee identified the following areas of particular significance which might require particular audit emphasis:

- ownership of investments and assets included in the portfolio;
- valuation of positions in the portfolio, especially any which are illiquid or unquoted; and
- accuracy and completeness of the recognition of revenue.

Ownership of investments

The Audit Committee reviewed the Administrator's approach to determining the existence and completeness of investments. The Administrator has highlighted no issues and confirmed that all additions, disposals and corporate actions were agreed to contract notes or other supporting documentation. In addition, a list of holdings was checked against an independent statement provided by the Company's custodian.

Valuation of investments

The Audit Committee considered the valuation methodology of the unquoted investment in Lindsell Train Limited ('LTL') representing 28.03% of net assets. During the financial year no change was required to the valuation methodology and hence the valuation approach remains consistent with prior years. Please refer to the Chairman's Statement for an explanation of a change to the valuation methodology approved after the year end.

The other 71.97% of the Company's net assets are quoted investments. The valuation of these investments is a material matter in the production of the Financial Statements. The Audit Committee reviewed the procedures in place for ensuring the accuracy of the values and is content that these procedures remain robust. The results of the audit in this area were discussed with the external auditor and there were no issues arising.

Revenue

The Audit Committee reviewed the external auditor's approach to the audit prior to the commencement of the audit. The results of the audit in this area were discussed with the external auditor and there were no significant issues arising in relation to the recognition of revenue.

Reappointment of Auditor

The Committee is satisfied that the independence, objectivity and impartiality of the Company's external independent auditor has not been compromised by the non-audit work it provides to the Company. Accordingly the Committee has recommended that a Resolution to reappoint Grant Thornton UK LLP as independent auditor to the Company be proposed at the forthcoming Annual General Meeting.

The Committee has not put the Company's audit work out to tender as it has been satisfied with the services it has been provided with and does not consider the audit fees paid to be materially out of line with expectations. The Committee has considered the regulations on audit tendering and will soon decide what action to take.

Michael Mackenzie
Chairman – Audit Committee
8 June 2015

Governance

Directors' Remuneration Report

This Remuneration Report has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It describes the Company's Directors' Remuneration Policy ("Policy"), and how the Policy was implemented for the year to 31 March 2015.

The Board does not consider it necessary or appropriate to establish a separate Remuneration Committee as the Company has no employees, the Board is small, and there are no executive Directors. Non-executive Directors' remuneration is determined by the Board in line with the Directors' Remuneration Policy (below), subject to an aggregate ceiling of £220,000 per annum under the Company's Articles of Association ("Articles"). No change to this ceiling is currently envisaged. Each Director abstains from voting on the specific remuneration to be paid to them.

REMUNERATION POLICY

This Directors' Remuneration Policy ("Policy") sets out details of the Company's policy on the remuneration of Directors of the Company. All Directors are non-executive and are appointed under the terms of Letters of Appointment. None of the Directors has a service contract. The Company has no employees. The Company does not have a nominated Senior Independent Director.

The Policy is subject to a triennial binding vote. However, the Board has resolved that, for good governance purposes, the Policy vote will be put to shareholders every year. Accordingly a resolution to approve the Policy will be put to shareholders at the 2015 Annual General Meeting. The policy, subject to the vote, is set out in full below and is currently in force.

The non-executive Directors of the Company are entitled to such rates of annual fees as the Board at its discretion determines, subject to aggregate annual fees not exceeding £220,000. In addition to fees, Directors are entitled to reimbursement of reasonable expenses incurred by them in the performance of their duties. In line with the majority of investment trusts, no component of any Director's remuneration is subject to performance factors. There are no provisions in Directors' Letters of Appointment for recovery or withholding of fees or expenses. Annual fees are pro-rated where a change takes place during a financial year.

The Board last reviewed the Directors' Remuneration Components on 10 June 2014. This review considered the remuneration paid by other similar investment trusts and sought to determine whether the Company pays a median level of compensation. The Board considers it important to pay sufficient compensation in order to ensure that directors of a sufficient calibre can be attracted and retained by the Company. The following table of remuneration components was approved with effect from 2 September 2014. These components are subject to periodic review but any review can not result in aggregate fees exceeding £220,000 without approval from shareholders.

Table of Directors' Remuneration Components

Component	Annual Rate (£)	Purpose and operation
Basic Annual Fee: Each Director	20,000	In recognition of the time and commitment required by Directors of public companies. The basic fee is reviewed against those paid for peer companies, to ensure that it reflects fair and adequate compensation for the role.
Additional Fee: Chairman of the Board	10,000	For the additional time, commitment and responsibility required on the Company's business issues; and providing leadership as Chairman of the Board.
Additional Fee: Audit Committee Chairman	4,000	For the greater time required on the financial and reporting affairs of the Company.
Additional Fee: Each Director	Variable	In the event that the Company undertakes a complex or large project, such additional fee as will fairly compensate for the additional time and commitment required by a Director.
Expenses: Each Director	Variable	Reimbursement of expenses properly incurred by Directors in attending meetings and/or otherwise in the performance of their duties to the Company.

Notes:

1. The Board only exercises its discretion in setting rates of fees after an analysis of fees paid to directors of other companies of a similar size to that of the Company;
2. As the Company has no employees, there are no differences in policy between the remuneration of Directors and the remuneration of employees;
3. None of the Directors are entitled to receive any remuneration which is performance-related.

The table below shows the rates of annual fees payable to the highest paid Director and all other non-executive Directors for the year to 31 March 2015 and the year to 31 March 2014:

Fees	2015 (£)	2014 (£)
Chairman	**26,846**	22,500
Board Member	**19,159**	18,000
For additional responsibilities:		
Chairman of Audit Committee	**22,318**	20,000

Note:

The fees for 2015 reflect the fact that remuneration components were changed with effect from 2 September 2014.

Recruitment Remuneration Principles

1. The remuneration package for any new Chairman or non-executive Director will be the same as the prevailing rates determined on the bases set out above. The fees and entitlement to reclaim reasonable expenses will be set out in Directors' Letters of Appointment;
2. The Board will not pay any introductory fee or incentive to any person to encourage them to become a Director. However, it may engage the services of search & selection specialists in connection with the process of appointing new non-executive Directors;
3. The Company does not intend appointing any executive Directors in the foreseeable future; and
4. The aggregate maximum fees currently payable to all directors is £220,000 per annum.

Governance

Directors' Remuneration Report continued

Service Contracts
None of the Directors has a service contract with the Company. Non-executive Directors are engaged under Letters of Appointment.

Loss of Office
Directors' Letters of Appointment expressly prohibit any entitlement to payment or compensation on loss of office.

Scenarios
All remuneration of the Chairman and non-executives Directors' is fixed at annual rates and there are no scenarios where remuneration will vary. It is accordingly not considered appropriate to provide different remuneration scenarios for each Director.

Statement of consideration of conditions elsewhere in the Company
The Company has no employees, nor does it have any subsidiaries or associated companies which have employees, and accordingly a process of consulting with employees on the setting of the Company's Remuneration Policy is not applicable.

Other Items
None of the Directors has any entitlement to pensions or pension related benefits, medical or life insurance schemes, share options, long-term incentive plans or any form of performance related payments. No Director is entitled to any other monetary payment or any assets of the Company except in their capacity (where applicable) as shareholders of the Company.

Directors' and Officers' liability insurance cover is maintained by the Company, at the Company's expense, on behalf of all Directors.

The Company has also provided indemnities to the Directors in respect of costs or other liabilities which they may incur in connection with any claims relating to their performance or the performance of the Company whilst they are Directors.

The Directors' interests in contractual arrangements with the Company are as shown in the Annual Report on Remuneration below. No Director had any interest in any contracts with the Company during the year to 31 March 2015 or subsequently other than as stated in the Directors' Report.

ANNUAL REPORT ON REMUNERATION

A Resolution to adopt this Annual Report on Remuneration will be put to the forthcoming Annual General Meeting. The vote however is advisory only and not binding on the Company, but does give shareholders a chance to inform the Board of their views on Directors' remuneration. There have been no changes to the Remuneration Policy since its adoption by shareholders on 2 September 2014. The Board has proposed no significant changes to the way the remuneration policy will be implemented in the next financial year.

As mentioned in last year's Report, the rates of fees paid to Directors were increased during the year. From 2 September 2014 to 31 March 2015 the directors' fees were equivalent to following annual rates: Donald Adamson (Chairman of the Board) £30,000; Mr Michael Mackenzie (Chairman of the Audit Committee) £24,000; and other directors £20,000 each with the exception of Mr Michael Lindsell who, because of his connection with the Investment Manager, waived his entitlement to fees. The rates applicable for the period from 1 April 2014 to 1 September 2014 were set out in the Directors' Remuneration Report in the Company's Report and Financial Statements for the year to 31 March 2014.

Directors' emoluments
The single total figure of remuneration for each Director for the year to 31 March 2015 is detailed below together with the prior year comparative.

Single Total Figure Table (audited information)

Name of Director	**Fees paid (£)**		**Taxable benefits (£)**		**Total (£)**	
Year to 31 March:	**2015**	2014	**2015**	2014	**2015**	2014
Donald Adamson	**26,846**	22,500	**–**	–	**26,846**	22,500
Michael Mackenzie	**22,318**	20,000	**–**	–	**22,318**	20,000
Dominic Caldecott	**19,159**	18,000	**–**	–	**19,159**	18,000
Julian Cazalet*	**3,564**	n/a	**–**	–	**3,564**	n/a
Vivien Gould*	**3,564**	n/a	**–**	–	**3,564**	n/a
Rory Landman	**19,159**	18,000	**–**	–	**19,159**	18,000
Michael Lindsell	**–**	–	**–**	–	**–**	–
TOTALS	**94,610**	78,500	**–**	–	**94,610**	78,500

** Julian Cazalet and Vivien Gould were appointed on 29 January 2015.*

None of the Directors has any entitlement to pensions or pension related benefits, medical or life insurance, share options, long-term incentive plans, or any form of performance related pay. Also, no Director has any right to any payment by way of monetary equivalent to an entitlement or any assets of the Company except in their capacity as shareholders. The Single Total Figure table above therefore does not include columns for any of these items or their monetary equivalents.

As the Company does not have a Chief Executive Officer or any executive Directors, there are no percentage increases to disclose in respect of their Single Total Figure.

*Sums paid to Third Parties (audited information)**
Of the fees referred to in the above table £26,846 was paid for the year ended 31 March 2015 to Research & Consulting Associates Limited in respect of the services provided by Donald Adamson.

Directors' & Officers' insurance is maintained by the Company, at the Company's expense, on behalf of all Directors, in accordance with Article 173 of the Company's Articles of Association.

Other Benefits
Taxable Benefits – Articles 106 and 107 of the Company's Articles of Association provide that Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with attendance at Board and General Meetings, the performance of their duties, and any additional work or duties they undertake on behalf of the Company.

Pensions related benefits – Although Article 109 of the Company's Articles of Association permits the Company to provide pensions and/or similar benefits for Directors and employees of the Company, no schemes or arrangements have been established and no Director is entitled to any pension or similar benefits.

Loss of office
Directors do not have service contracts with the Company but are engaged under Letters of Appointment. These expressly exclude any entitlement to compensation upon leaving office for whatever reason.

Governance

Directors' Remuneration Report continued

Statement of Directors' shareholding and share interests (audited information)

Neither the Articles nor the Directors' Letters of Appointment require any Director to own shares in the Company. The interests of the Directors and their connected persons in the equity securities of the Company at 31 March 2015 and 31 March 2014 are shown in the table below:

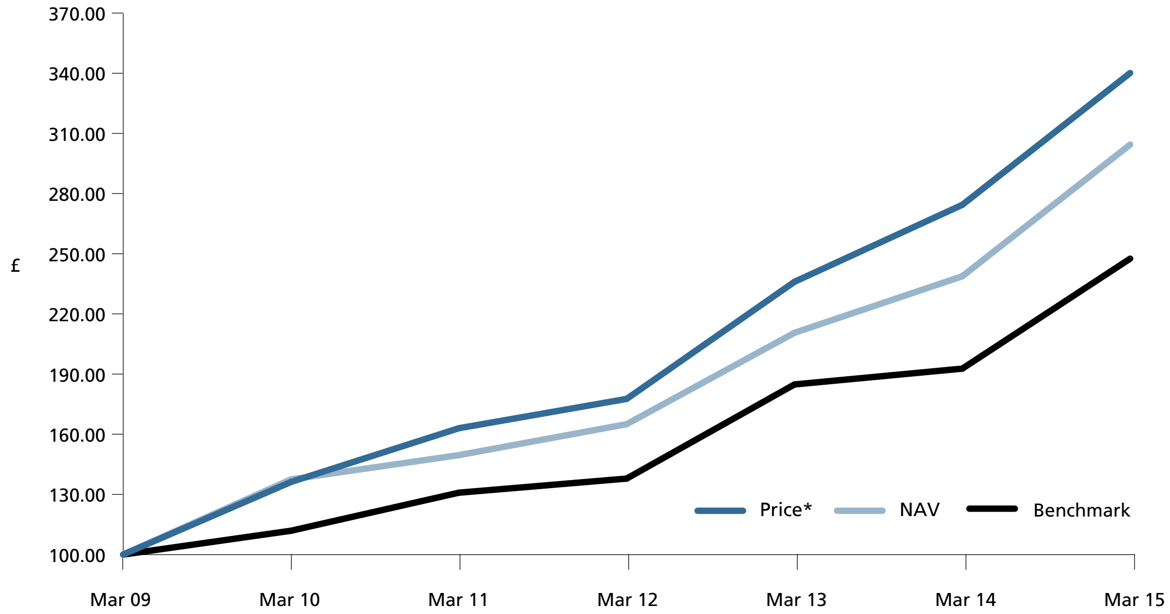
	Ordinary Shares of 75p 31 March 2015	**Ordinary Shares of 75p 31 March 2014**
D Adamson	**2,750**	2,750
D Caldecott	**8,250**	8,250
J Cazalet	**0**	N/A
V Gould	**0**	N/A
R Landman	**402**	402
M Lindsell	**7,155**	7,155
M Lindsell (non-beneficial)	**3,600**	3,600
M Mackenzie (non-beneficial)	**475**	1,475

Michael Mackenzie's non-beneficial interest was reduced by 150 shares in April 2015. No other changes in the above interests occurred between 31 March 2015 and the date of this report. None of the Directors has been granted, or exercised, any options or rights to subscribe for Ordinary Shares of the Company.

Share Price Total Return

The chart below illustrates the total shareholder return for a holding in the Company's shares as compared to the benchmark between the relevant dates. The Board has adopted this as the measure for both the Company's performance and that of the Investment Manager for the year.

Share price performance relative to the net asset value and benchmark for six years to 31 March 2015 (based on total return performance with net dividends reinvested)



**Figures are rebased to show the performance per £100 invested.*

Relative Importance of Spend on Pay

The table below shows the proportion of the Company's income spent on Directors' remuneration in comparison with investment management fees paid and dividends paid to shareholders.

	2015 (£)	2014 (£)	Difference (%)
Directors' remuneration	**94,610**	78,500	20.5%
Investment management fees and other expenses	**2,298,785**	700,931	240.3%
Dividends to Shareholders (final and special)	**1,440,000**	1,352,000	6.5%

Voting at Annual General Meeting

A binding Ordinary Resolution approving the Directors' Remuneration Policy and a non-binding Ordinary Resolution adopting the Annual Report on Directors' Remuneration for the year ended 31 March 2014 were approved by shareholders at the Annual General Meeting held on 2 September 2014. The votes cast by proxy were as follows:

Remuneration Policy	
For – % of votes cast	*99.82%*
Against – % of votes cast	*0.03%*
At Chairman's discretion – % of votes cast	*0.15%*
Total votes cast	*66,276*
Number of votes withheld	*0*

Annual Report on Directors' Remuneration	
For –% of votes cast	*99.85%*
Against – % of votes cast	*0*
At Chairman's discretion – % of votes cast	*0.15%*
Total votes cast	*66,276*
Number of votes withheld	*0*

Statement by the Chairman of the Board

The Directors confirm that the Directors' Remuneration Policy and the Annual Report on Directors' Remuneration set out above provide a fair and reasonable summary for the financial year ended 31 March 2015 of:

a) the major decisions on Directors' remuneration;

b) any substantial changes relating to Directors' remuneration made during the year; and

c) the context in which those changes occurred and the decisions which have been taken.

By order of the Board

Donald Adamson
Chairman
8 June 2015

Governance

Independent auditor's report to the members of The Lindsell Train Investment Trust Plc

Our opinion on the financial statements is unmodified
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Who are we reporting to

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.

What we have audited

The Lindsell Train Investment Trust Plc's financial statements 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 United Kingdom Generally Accepted Accounting Practice.

Our assessment of risk

In arriving at our opinions set out in this report, we highlight the following risks that are, in our judgement, likely to be most important to users' understanding of our audit.

Ownership and valuation of quoted investments
The risk: The Company's business is investing 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. As a consequence of this, the Company has significant exposure to investments which are the main drivers of returns, with the investment portfolio valued at £81m. There is a risk that investments shown in the Balance Sheet may not be owned by the Company or are incorrectly valued. We identified ownership and valuation of quoted investments as risks that required particular audit attention.

Our response on ownership: In order to confirm that the balances referred to above were owned by the Company our audit work included, but was not restricted to, understanding management's process to safeguard assets; obtaining and reading a report prepared on the design, implementation and operation of controls at the custodian; obtaining a confirmation of investments held at the year-end directly from the independent custodian; testing the reconciliation of the custodian records to the records maintained by the Company's administrator; testing a selection of investment additions and disposals shown in the Company's records to supporting documentation.

Our response on valuation: Our audit work on valuation included, but was not restricted to, understanding management's process to value quoted investments; agreeing the valuation of quoted investments to an independent source of market prices; and in order to confirm investments are actively traded we obtained trading volumes of listed investments held at the year-end.

Ownership and valuation of Lindsell Train Limited
The risk: Within the investment portfolio of £81m, the Company has an interest in an unquoted investment, Lindsell Train Limited, the Company's Investment Manager, in order to benefit from the growth of the business, as part of its investment portfolio. The valuation of the investment includes significant assumptions and judgements. We identified ownership and valuation of Lindsell Train Limited as risks that required particular audit attention.

Our response on ownership: We have obtained direct confirmation of ownership from Lindsell Train Limited, the Company's Investment Manager and agreed the holding to supporting documentation.

Our response on valuation: We considered whether the investment has been valued in accordance with the stated accounting policy; discussed the valuation basis with the Investment Manager; reviewed documentation produced by the Investment Manager that supports the valuation basis adopted and reperformed the calculations made. In order to assess whether the valuation methodology being used and the assumptions therein were appropriate, our valuation experts have reviewed and challenged the valuation basis; tested the reasonableness of the assumptions and judgements made by the Investment Manager, including the multiple of funds under management through comparisons with similar companies in the industry, annual average yield applied by recalculation and agreeing underlying data to market sources; and compared valuation estimates by the Investment Manager to acceptable ranges.

The Company's accounting policy on the valuation of the investment portfolio is shown in note 1 and its disclosures about investments movements are included in note 11. The Audit Committee also identified ownership and valuation of investments as an area of particular significance which might require particular audit emphasis in its report on page 27, where the Committee also describes how it addressed this issue.

Completeness and occurrence of investment income
The risk: Investment income is the Company's major source of revenue and a significant, material item in the Income Statement. We identified the completeness and occurrence of investment income from the investment portfolio as risks that required particular audit attention.

Our response: Our audit work included, but was not restricted to, assessing whether the Company's accounting policy for revenue recognition is in accordance with Financial Reporting Standard (FRS) 5 'Reporting the substance of transactions'; obtaining an understanding of the Company's process for recognising revenue in accordance with the stated accounting policy; testing whether a sample of income transactions have been recognised in accordance with the policy; for a sample of investments held in the year, obtaining the ex-dividend dates and rates for dividends declared during the year from an independent source and agreeing the expected dividend entitlements to those recognised in the income statement; performing cut-off testing of dividend income around the year-end; and checking the categorisation of special dividends as either revenue or capital receipts. For Lindsell Train Limited, the unquoted investment, we have obtained direct confirmation of the income that the Company was entitled to during the year and traced the receipt of the income received to bank statements.

The Company's accounting policy on the recognition of investment income is shown in note 1 and the components of that income are included in note 2. The Audit Committee also identified the recognition of revenue as an area of particular significance which might require particular audit emphasis in its report on page 27, where the Committee also describes how it addressed this issue.

Our application of materiality and an overview of the scope of our audit

Materiality
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We determined materiality for the audit of the financial statements as a whole to be £0.8m, which is 1% of the Company's net assets. This benchmark is considered most appropriate because net assets, which is primarily composed of the Company's investment portfolio, is considered to be the key driver of the Company's total return performance. We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality. We also determine a lower level of specific materiality for certain areas such as the revenue column of the income statement, directors' remuneration and related party transactions.

We determined the threshold at which we would communicate misstatements to the audit committee to be £0.04m. In addition we would communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overview of the scope of our audit
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work was focussed on obtaining an understanding of, and evaluating, relevant internal controls at both the Company and third-party service providers. This included a review of reports on the description, design and operating effectiveness of internal controls at relevant third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

Other reporting required by regulations

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the audit committee which we consider should have been disclosed.

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; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the directors' statement, set out on page 18, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review.

Responsibilities for the financial statements and the audit

What an audit of financial statements involves:
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

What the directors are responsible for:
As explained more fully in the Statement of Directors' Responsibilities set out on pages 17 and 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What are we responsible for:
Our responsibility is to audit and express an opinion on 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 Ethical Standards for Auditors.

Christopher Smith
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
9 June 2015

Financial Statements

Income Statement for the year ended 31 March 2015

	Notes	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
Gains on investments	11	–	17,394	17,394	–	6,902	6,902
Exchange gains/(losses) on currency		–	76	76	–	(293)	(293)
Gains/(losses) on forward currency contracts		–	273	273	–	(378)	(378)
(Losses)/gains on futures contracts		–	(411)	(411)	–	14	14
Income	2	2,657	–	2,657	2,098	–	2,098
Investment manager fees	3	(427)	(1,533)	(1,960)	(379)	–	(379)
Other expenses	4	(336)	(3)	(339)	(318)	(4)	(322)
Net return before finance costs and tax		1,894	15,796	17,690	1,401	6,241	7,642
Interest payable and similar charges	7	(36)	–	(36)	(36)	–	(36)
Return on ordinary activities before tax		1,858	15,796	17,654	1,365	6,241	7,606
Tax on ordinary activities	8	(19)	–	(19)	(14)	–	(14)
Return on ordinary activities after tax for the financial year		1,839	15,796	17,635	1,351	6,241	7,592
Return per Ordinary Share	10	£9.20	£78.98	£88.18	£6.75	£31.21	£37.96

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 42 to 58 form part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the year ended 31 March 2015					
At 31 March 2014	**150**	**19,850**	**41,574**	**2,728**	**64,302**
Return on ordinary activities after tax for the financial year	**–**	**–**	**15,796**	**1,839**	**17,635**
Dividends paid (see note 9)	**–**	**–**	**–**	**(1,352)**	**(1,352)**
At 31 March 2015	**150**	**19,850**	**57,370**	**3,215**	**80,585**

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the year ended 31 March 2014					
At 31 March 2013	150	19,850	35,333	2,627	57,960
Return on ordinary activities after tax for the financial year	–	–	6,241	1,351	7,592
Dividends paid (see note 9)	–	–	–	(1,250)	(1,250)
At 31 March 2014	150	19,850	41,574	2,728	64,302

The notes on pages 42 to 58 form part of these financial statements.

Financial Statements continued

Balance Sheet at 31 March 2015

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Investments held at fair value through profit or loss	11		80,608		64,012
Current assets					
Debtors	12	215		3,993	
Cash at bank		1,376		2,158	
		1,591		6,151	
Creditors: amounts falling due within one year	13	(1,614)		(5,861)	
Net current liabilities/(assets)			(23)		290
Net assets			80,585		64,302
Capital and reserves					
Called up share capital	14		150		150
Special reserve			19,850		19,850
			20,000		20,000
Capital reserve	15		57,370		41,574
Revenue reserve			3,215		2,728
Equity Shareholders' funds	16		80,585		64,302
Net asset value per Ordinary Share	16		£402.93		£321.51

The financial statements on pages 38 to 59 were approved by the Board on 8 June 2015 and were signed on its behalf by:

D L Adamson
Chairman
The Lindsell Train Investment Trust Plc
Registered in England, No: 4119429

The notes on pages 42 to 58 form part of these financial statements.

Cash Flow Statement for the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow from operating activities	17a	**1,477**	64
Servicing of finance		**(36)**	(36)
Taxation		**(21)**	(14)
Financial investment	17b	**798**	1,461
Net cash inflow before financing		**2,218**	1,475
Equity dividends paid		**(1,352)**	(1,250)
Increase in cash in the year		**866**	225

	Notes	2015 £'000	2014 £'000
Reconciliation of net cash flow to movement in net funds			
Increase in cash for the year		**866**	225
Exchange movements		**76**	(293)
Opening net funds		**434**	502
Closing net funds	17c	**1,376**	434

The notes on pages 42 to 58 form part of these financial statements.

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 and derivatives. 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 and Venture Capital Trusts" dated January 2009. All of the Company's operations are of a continuing nature.

As the majority of the Company's assets are readily realisable securities and its projected revenue exceeds its projected expenses, the financial statements are prepared on a going concern basis.

(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 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 24.42% 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 (see note 18) 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 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.

(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 expenses are accounted for on an accruals basis. Finance costs are accounted for on an accruals basis using the effective interest rate method. 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

– performance fees payable to the Investment Manager are charged 100% to capital.

(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 recovered. 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

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

– Investment holding gains being the increase and decrease in the valuation of investments held at the year end.

(j) Futures contracts

Futures contracts are classified at fair value through profit or loss and fall within the classification of "held for trading" under FRS 26. The fair value is the applicable closing price of the underlying contract.

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Notes to the Financial Statements continued

(k) Forward currency contracts

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

2 Income

	2015 £'000	2014 £'000
Income from investments		
Overseas dividends	193	193
UK dividends	2,292	1,735
UK fixed interest income	172	170
	2,657	2,098
Total income comprises:		
Dividends	2,485	1,928
Interest	172	170
	2,657	2,098

3 Investment manager fees

	2015 £'000	2014 £'000
Investment management fee	486	440
Manager's performance fee – charged to capital	1,533	–
Rebate of investment management fee (see below)	(59)	(61)
Total management fee	1,960	379

In accordance with an Investment Management Agreement dated 21 December 2000 (last revised in August 2014) 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 £41,432 (2014: £33,293) of the fee for the year was outstanding as at the balance sheet date.

The performance fee is payable at the rate of 10 per cent of the amount by which the growth in the lower of (i) the Adjusted Market Capitalisation per Ordinary Share of the Company and (ii) the Adjusted Net Asset Value per Ordinary Share of the company in each performance period exceeds a specified performance hurdle calculated with reference to the Benchmark 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 2015 amounts to £1,533,000 (2014: £nil).

3 **Investment manager fees** continued

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 amounts rebated on the Investment Management fee are shown above, of which £27,597 (2014: £26,208) relates to the Company's investment in the Lindsell Train Japanese Equity Fund, £13,466 (2014: £25,257) relates to the Company's investment in the Lindsell Train Global Equity Fund and £9,988 (2014: £9,253) relates to the Company's investment in the Finsbury Growth & Income Trust PLC. In the year the Company sold out of the Lindsell Train Global Equity Fund and bought into the Lindsell Train Global LLC. The amount rebated on the Lindsell Train Global LLC was £8,022.

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. In respect of the Company's investment in Finsbury Growth & Income Trust PLC shares, any performance fee earned by the Investment Manager will be rebated to the Company in cash.

4 **Other expenses**

	2015 £'000	2014 £'000
Directors' emoluments (see note 5)	95	79
Administration fee	80	80
Auditor's remuneration for:		
– audit of the financial statements of the Company	25	25
Auditor's remuneration for the provision of tax services:		
– taxation compliance	9	6
Safe custody fee	27	44
Printing fees	16	9
Registrars' fee	14	12
Listing fee	18	13
Legal fees	10	12
Directors' liability insurance	5	5
Key man insurance	21	–
Irrecoverable VAT	–	21
Sundry	16	12
	336	318
Capital charges	3	4
	339	322

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 £80,000.

Financial Statements

Notes to the Financial Statements continued

5 Directors' emoluments

One Director's emoluments are assigned to a consultancy of which he is the principal Director. These total £26,846 (2014: £22,500) and are included in the table below:

	2015	2014
	£'000	£'000
Directors' fees	95	79

Since 2 September 2014, the Chairman of the Board, Chairman of the Audit Committee, and other Directors receive fixed fees at rates of £30,000, £24,000 and £20,000 respectively per annum, and have no entitlement to any performance fees. Directors' fees amounting to £19,159 have been waived by Mr Michael Lindsell in view of his connection with the Investment Manager.

There were no pension contributions paid or payable.

6 Disclosure of interests

As at 31 March 2015 the Company had investments in the following Lindsell Train managed funds: 6,555,661 shares in Lindsell Train Japanese Equity Fund at a cost of £2,703,543; 299,188 shares in Lindsell Train Global LLC at a cost of £1,869,518; 420,000 shares in Finsbury Growth & Income Trust PLC at a total cost of £758,721.

Lindsell Train Limited is also the Investment Manager of Finsbury Growth & Income Trust PLC in which the Company has an investment (see page 6).

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

	2015	2014
	£'000	£'000
On overdrafts	36	36

8 Taxation

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

	2015			2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
UK corporation tax	–	–	–	–	–	–
Overseas tax	20	–	20	18	–	18
Overseas tax recoverable	(1)	–	(1)	(4)	–	(4)
Tax charge per accounts	19	–	19	14	–	14

The current taxation charge for the year is different from the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £'000	2014 £'000
Net return on ordinary activities before taxation	18,516	7,606
Theoretical tax at UK corporation tax rate of 21% (2014: 23%)	3,888	1,749
Effects of:		
– UK dividends which are not taxable	(481)	(399)
– Overseas dividends which are not taxable	(40)	(44)
– Capital gains not subject to corporation tax	(3,640)	(1,435)
– Current year excess expenses	132	130
– Unutilised capital expenses	322	(1)
– Overseas tax suffered	20	18
– Overseas tax recoverable	(1)	(4)
Actual current tax charge	19	14

As an investment trust the Company, whilst it obtains exemption under 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 1159 Corporation Tax Act 2010.

Factors that may affect future tax charges

The Company has not recognised a deferred tax asset of £1,510,000 (2014: £1,158,000) arising from management expenses exceeding taxable income. These expenses could only be utilised if the Company were to generate taxable profits in the future.

Financial Statements

Notes to the Financial Statements continued

9 Dividends paid and payable

	2014 £'000	2013 £'000
Final dividend paid for the year ended 31 March 2014 of 563p per Ordinary share	1,126	1,126
Special dividend paid for the year ended 31 March 2014 of 113p per Ordinary share	226	124

The total dividend forming the basis of Sections 1158/1159 Corporation Tax Act 2010 payable in respect of the financial year is set out below:

	2015 £'000	2014 £'000
Final dividend payable for the year ended 31 March 2015 of 642p per Ordinary share	**1,284**	1,126
Special dividend payable for the year ended 31 March 2015 of 78p per Ordinary share	**156**	226

10 Return per Ordinary Share

	2015	2014
Total return per Ordinary Share		
Total return	**£17,635,000**	£7,592,000
Weighted average number of Ordinary Shares in issue during the year	**200,000**	200,000
Total return per Ordinary Share	**£88.18**	£37.96

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

	2015	2014
Revenue return per Ordinary Share		
Revenue return	**£1,839,000**	£1,351,000
Weighted average number of Ordinary Shares in issue during the year	**200,000**	200,000
Revenue return per Ordinary Share	**£9.20**	£6.75
Capital return per Ordinary Share		
Capital return	**£15,796,000**	£6,241,000
Weighted average number of Ordinary Shares in issue during the year	**200,000**	200,000
Capital return per Ordinary Share	**£78.98**	£31.21

11 Investments held at fair value through profit or loss

	2015 £'000	2014 £'000
Investments listed on a recognised investment exchange	55,779	48,582
Unlisted investments	24,829	15,430
Valuation at year end	80,608	64,012
Opening book cost	24,823	25,241
Opening investment holding gains	39,189	33,330
Opening valuation	64,012	58,571
Movements in the year:		
Purchases at cost	3,356	646
Sales – proceeds	(4,154)	(2,107)
– gains on sales	2,681	1,043
Increase in investment holding gains for the year	14,713	5,859
Closing valuation	80,608	64,012
Closing book cost	26,706	24,823
Closing investment holding gains	53,902	39,189
	80,608	64,012
Sale proceeds	4,154	2,107
Investments at cost	(1,473)	(1,064)
Gains on sales based on historical cost	2,681	1,043
Investment holding losses recognised in previous years	(2,510)	(934)
Gains on sales based on carrying value at previous year's balance sheet date	171	109
Investment holding gains for the year	17,223	6,793
Net gains on investments	17,394	6,902

Investment transaction costs on purchases and sales of investments during the year to 31 March 2015 amounted to £4,000 and £1,000 respectively (2014: £5,000 and £4,000 respectively).

During the year the investment holding gain attributable to the Company's holding in Lindsell Train Limited amounted to £7,161,000 (2014: £6,420,000).

Financial Statements

Notes to the Financial Statements continued

11 Investments held at fair value through profit or loss 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 2015.

Investments	Country of registration or incorporation	Class of capital	% of class held
Lindsell Train Limited*	England	Ordinary Shares of £100	24.42%
Lindsell Train Japanese Equity Fund†	Ireland	Class B Redeemable Participating Share	24.60%
Lindsell Train Global Equity LLC	USA	Limited liability member	84.54%

*As at 31 January 2015, the latest year end for Lindsell Train Limited, the audited aggregate capital and reserves amounted to £10,894,381 (2014: £7,564,377) and the profit for that year ended amounted to £9,728,404 (2014: £7,822,149). The total amount of dividends paid during the year was £6,398,400, equating to a dividend of £2,400 per share. The earnings per share was £3,986.41. The cost of the investment in Lindsell Train Limited was £65,100.

† The unaudited aggregate net assets of Lindsell Train Japanese Equity Class B Redeemable Participating Shares as at 30 March 2015 was ¥3,687,775,864.

^ The unaudited aggregate net assets of Lindsell Train Global Equity LLC.

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

	2015 £'000	2014 £'000
Futures contact held at fair value through profit or loss	–	41
Open forward currency contract held at fair value through profit or loss	–	3,779
VAT recoverable	24	–
Prepayments and accrued income	191	173
	215	3,993

13 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Bank overdraft	–	1,724
Open forward currency contract held at fair value through profit or loss	–	3,813
Accruals and deferred income	1,614	324
	1,614	5,861

14 Called up share capital

	2015		2014	
	No. of shares 000's	£'000	No. of shares 000's	£'000
Authorised:				
Ordinary Shares of 75p each	200	150	200	150
Allotted, called up and fully paid:				
Ordinary Shares of 75p each	200	150	200	150

There has been no change in the capital structure during the year to 31 March 2015.

15 Capital reserve

The capital reserve includes investment holding gains of £53,902,000 (2014: £39,189,000).

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 Articles of Association, the capital reserve and special reserve may not be distributed by way of dividend but may be utilised for the purposes of share buybacks, and the Company may only distribute by way of dividend accumulated revenue profits.

Financial Statements

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 2015 £	Net asset value per share attributable 2014 £	Net asset value attributable 2015 £'000	Net asset value attributable 2014 £'000
402.93	321.51	**80,585**	64,302

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	**64,302**
Total recognised gains for the year	**17,635**
Dividends paid during the year	**(1,352)**
Total net assets attributable at end of year	**80,585**

The net asset value per Ordinary Share is based on net assets of £80,585,000 (2014: £64,302,000) and on 200,000 Ordinary Shares (2014: 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

	2015 £'000	2014 £'000
Net return before finance costs and taxation	**17,690**	7,642
Gains on investments held at fair value	**(17,394)**	(6,902)
Movement in derivatives contracts held at fair value	**41**	(168)
(Gains)/losses on exchange movements	**(76)**	293
Decrease in other debtors	**3,755**	393
(Increase)/decrease in accrued income	**(16)**	591
Decrease in creditors	**(2,523)**	(1,785)
Net cash inflow from operating activities	**1,477**	64

17 Cash flow statement continued

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

	2015 £'000	2014 £'000
Financial investment		
Purchase of investments	(3,356)	(646)
Sale of investments	4,154	2,107
Net cash inflow from financial investment	798	1,461

(c) Analysis of net funds	At 1 April 2014 £'000	Cash flow £'000	Exchange movement £'000	At 31 March 2015 £'000
Cash at bank	2,158	(776)	(6)	1,376
Bank overdraft	(1,724)	1,642	82	–
Total	434	866	76	1,376

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 Benchmark. In pursuit of this objective, the Company may be exposed to various forms of risk, as described below.

The Board sets out its investment policies and its policy on gearing (bank borrowing), diversification and dividends at the front of this report on page 1.

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

Market risk

The fair values or future cash flows of the Company's financial instruments may fluctuate due to changes in market risk. Market risk encompasses mainly equity price risk but also foreign exchange risk and interest rate risk which are discussed below.

Market risk is monitored by the Board on a quarterly basis and on a continuous basis by the Investment Manager.

The Company transacts futures contracts, which alter the exposure to equity price risk.

18 Financial instruments and capital disclosures continued

Foreign currency exposure as at 31 March 2015

	Sterling £'000	US$ £'000	Euro £'000	JPY £'000	Total £'000
Investments held at fair value through profit or loss that are monetary items	5,878	–	–	–	5,878
Forward currency contracts held at fair value through profit or loss	–	–	–	–	–
Futures contracts held at fair value through profit or loss	–	–	–	–	–
Short-term debtors	144	38	6	27	215
Cash at bank	1,112	233	–	31	1,376
Short-term creditors	(1,614)	–	–	–	(1,614)
Overdraft facility	–	–	–	–	–
Foreign currency exposure on net monetary items	5,520	271	6	58	5,855
Investments held at fair value through profit or loss that are equities	53,943	8,240	3,381	9,166	74,730
Total net foreign currency exposure	59,463	8,511	3,387	9,224	80,585

Foreign currency exposure as at 31 March 2014

	Sterling £'000	US$ £'000	Euro £'000	JPY £'000	Total £'000
Investments held at fair value through profit or loss that are monetary items	3,414	–	–	–	3,414
Forward currency contracts held at fair value through profit or loss	(3,813)	3,780	–	–	(33)
Futures contracts held at fair value through profit or loss	–	–	–	41	41
Short-term debtors	114	34	5	19	172
Cash at bank	2,158	–	–	–	2,158
Short-term creditors	(322)	–	(1)	(1)	(324)
Overdraft facility	–	–	(911)	(813)	(1,724)
Foreign currency exposure on net monetary items	1,551	3,814	(907)	(754)	3,704
Investments held at fair value through profit or loss that are equities	46,478	4,644	2,828	6,648	60,598
Total net foreign currency exposure	48,029	8,458	1,921	5,894	64,302

18 Financial instruments and capital disclosures continued

Over the year against all of the Company's principal investing currencies, Sterling weakened against the US Dollar by 10.96% (2014: strengthened by 9.72%), strengthened against the Euro by 14.27% (2014: strengthened by 2.05%) and against the Japanese Yen by 3.69% (2014: strengthened by 19.92%).

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 the net asset value by £1,056,000 or 1.31% of Net Asset Value (2014: £814,000 or 1.27% 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 was only exposed to significant interest rate risk through its overdraft facility with Northern Trust Company. Borrowing varied throughout the year as part of a Board endorsed policy. There were no borrowings at year end and the overdraft facility has been closed.

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.

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 £8,061,000 or £40.30 per Ordinary Share (2014: £6,401,000 or £32.01 per Ordinary Share) on the capital return.

Derivative exposure

As at 31 March 2015 there were no open forward contracts (2014: USD6,300,000 against Sterling of £3,780,000 which matured on 18 April 2014).

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.

Credit risk

Credit risk is mitigated by diversifying the 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 £1,591,000 (2014: £6,151,000).

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Notes to the Financial Statements continued

18 Financial instruments and capital disclosures continued

Counterparty risk

Northern Trust Company (the "Bank") is the appointed custodian of the Company. It provides securities clearing, safe-keeping, foreign exchange, advance credits and overdrafts, and cash deposit services. The Bank has a credit rating of Aa2 from Moody's and AA- from S&P.

As cash placed at the Bank is deposited in its capacity as a banker not a trustee in line with usual banking practice, such cash is not held in accordance with the Financial Conduct Authority's client money rules.

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 in 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 2015

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	49,902	2,238	22,591	74,731
Fixed interest investments	5,877	–	–	5,877
	55,779	2,238	22,591	80,608

Financial liabilities at fair value through profit or loss at 31 March 2015

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
	–	–	–	–
	–	–	–	–

18 Financial instruments and capital disclosures continued

Financial assets at fair value through profit or loss at 31 March 2014

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	45,168	–	15,430	60,598
Fixed interest investments	3,414	–	–	3,414
Forward Currency Contract	–	3,779	–	3,779
Derivatives	41	–	–	41
	48,623	3,779	15,430	67,832

Financial liabilities at fair value through profit or loss at 31 March 2014

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Forward Currency Contract	–	(3,813)	–	(3,813)
	–	(3,813)	–	(3,813)

The valuation techniques used by the company are explained in the accounting policies note on pages 42 and 43.

The valuation of the investment in Lindsell Train Limited ('LTL') derives from a formula adopted by the Board in October 2007, after taking advice from an expert in the sector, and uses a simple average of two different components:

- 1.5% of LTL's most recent funds under management; and
- LTL's net earnings (adjusted for a notional increase in staff costs to 45% of revenues excluding performance fees) divided by the annual average yield on the 2.5% Consolidated Loan Stock plus an equity risk premium of 4.5%.

If the value of the funds under management changes by 10% with unchanged earnings, this will impact the valuation of the investment by 4.3%. If the funds under management are unchanged and earnings change by 10%, the impact on the valuation of the investment would be 5.7%. If both the value of the funds under management and earnings change by 10% then the impact to the valuation of the investment would be 10%.

The valuation of LT Global Equity LLC is based on the net asset value of the Fund, as a proportion of holding owned by LTIT. The net asset value of LT Global Equity Fund LLC is calculated on a monthly basis being the last New York (USA) business day of each month. The NAV of the Fund will be the mid closing price of its investment plus other assets held by the Fund less operating expenses, accrued liabilities and the management fee.

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

	2015 £'000	2014 £'000
Opening fair value	**15,430**	9,010
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	**7,161**	6,420
Closing fair value	**22,591**	15,430

Financial Statements

Notes to the Financial Statements continued

18 Financial instruments and capital disclosures continued

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 use of gearing 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.

19 Guarantees, financial commitments and contingent liabilities

There were no financial commitments or contingent liabilities outstanding at the year end (2014: None).

20 Ongoing charges

	2015		2014	
	£'000	%	£'000	%
Total operating expenses	**763**	**1.10**	697	1.15

Total operating expenses include £59,000 (2014: £61,000) in respect of a management fee waiver (see note 3). They exclude the Manager's perfomance fee of £1,533,000 charged to capital in 2015 (2014: nil).

The above ongoing charge is based on the average Shareholders' Funds of £69,361,000 (2014: £60,619,000) 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 Transactions with the Manager

Lindsell Train Limited acts as the Investment Manager of the Company. The amounts paid to the Investment Manager and further details of the relationship between the Company and the Investment Manager are set out in note 3. Full details of Directors' interests are set out in the Report of the Directors on page 33.

Appendix 1

Lindsell Train Investment Trust's benchmark

The Company has replaced its benchmark from 1st April 2015 owing to the government's planned redemption of the 2.5% Consolidated Loan Stock and all other outstanding undated gilt issues on 5th July 2015.

The original benchmark was chosen as the best measure of one part of the stated objective of the Company which is '*to maximise long-term total returns with* ***a minimum objective to maintain the real purchasing power of Sterling capital***'.

The yield of an undated bond, in our case the 2.5% Consolidated Loan Stock ('Consol'), theoretically represented investors' best judgement of the return necessary to protect Sterling capital against the diminution of value through default or inflation in perpetuity. To put it into context the Consol has existed since 1752 and experienced through its long history many traumas, including the vicissitudes of economic cycles, wars and three reductions in its coupon – first from 3.5% to 3% in 1757, then from 3.0% to 2.75% in 1888 and finally from 2.75% to the current level of 2.5% in 1903. The chart of the Consol Yield History (chart B) shows the average annual yield of the Consol since 1900 and table B details the compounded returns versus inflation. Most of the time the yield exhibited a small premium to reported inflation, perhaps reflecting a risk premium against default or a change in the coupon and/or suspicion that government measures of inflation understate reality. Since 1900 the index of the annual average yield of the Consol has compounded at 5.7%pa compared to 4.2%pa for inflation, as measured by the RPI index, a premium of 1.5%pa. Over the last fifteen years the premium has been similar at 1.6%pa. As such the Consol yield has not only survived the test of time but has also exceeded the minimum return necessary to fulfil the objective of the Trust. Since 1900 the compound return from World equities in Sterling has, as one would have hoped, well exceeded the index of the annual average yield of the Consol rising in value by 9.3%pa versus 5.7%pa. But over the last fifteen years the returns from equities have lagged behind the Consol and have only just exceeded inflation reflecting the poor performance from equities for the first eight years of the millennium.

The Directors have decided that the simplest and most logical replacement would be a new benchmark similar in design to the old but instead derived from the annual average running yield of the longest-dated UK fixed rate government bond currently outstanding. The current reference bond is the Treasury 3.5% 2068, which today is fifty three years from maturity. When a new longer dated fixed rate bond is issued by the government, the new bond will then replace the existing one a year after its first issuance once a full year of yield data is available. The yield on this bond will be increased by a premium of 0.5% to compensate for the lower yield that the longest-dated bond has exhibited compared to the Consol in the past. In addition the minimum annual average yield will be fixed at 4.0%, approximately the level of the existing benchmark around the time that the government first announced its intention to redeem its undated gilts. The new benchmark backdated from the beginning of 2000, fifteen years ago, would have exhibited a yield history between 54bp above and 27bp below (average 21bp above) that of the original Consol benchmark. The yield at the 1st April 2015 when the new benchmark replaced the old was 4.0%, 33bp higher than the yield on the old benchmark on 31st March 2015. The length of maturity of the new benchmark has ranged since 2000 from twenty four years in 2004 to fifty three years today reflecting the government's recent policy of extending the maturity of gilt issuance. Chart A shows the comparison between the Consol and the longest-term UK government fixed rate bond yield – the new benchmark – since the beginning of 2000.

The new benchmark derived from annual average yield on the longest-dated gilt will also be adopted as a component of the discount rate in Lindsell Train Limited's ('LTL') valuation formula replacing the one derived from the Consol.

Future performance fees will be calculated with reference to the new benchmark in place of the old one and in addition there will be a cap on all fees paid (management and performance) at 5% of NAV or market capitalisation whichever is lower in any one financial year. In the event of the imposition of the cap, the high water mark for determining any future performance fee would be adjusted downwards to account for the amount of the fee withheld.

Since the Company was established the original Consol benchmark has always been a tough hurdle to beat versus equities in general. Since inception to the end of March 2015 it compounded at 4.6%pa versus the MSCI index in Sterling at 4.3%pa as shown in the table A comparing LTIT's NAV and the benchmark returns. Of course, continuing to outperform the benchmark becomes even tougher whenever a high water mark is established after the payment of a performance fee. We expect the new benchmark to be even harder to beat in the future.

In our shareholder communication we will continue the practice of referencing our returns to the performance of equities as measured by the MSCI Index in Sterling when it is relevant and especially when exposure to equities is high – as it is today.

Chart A

Comparison of the Consol and longest dated Government Bond yield over the last 15 years

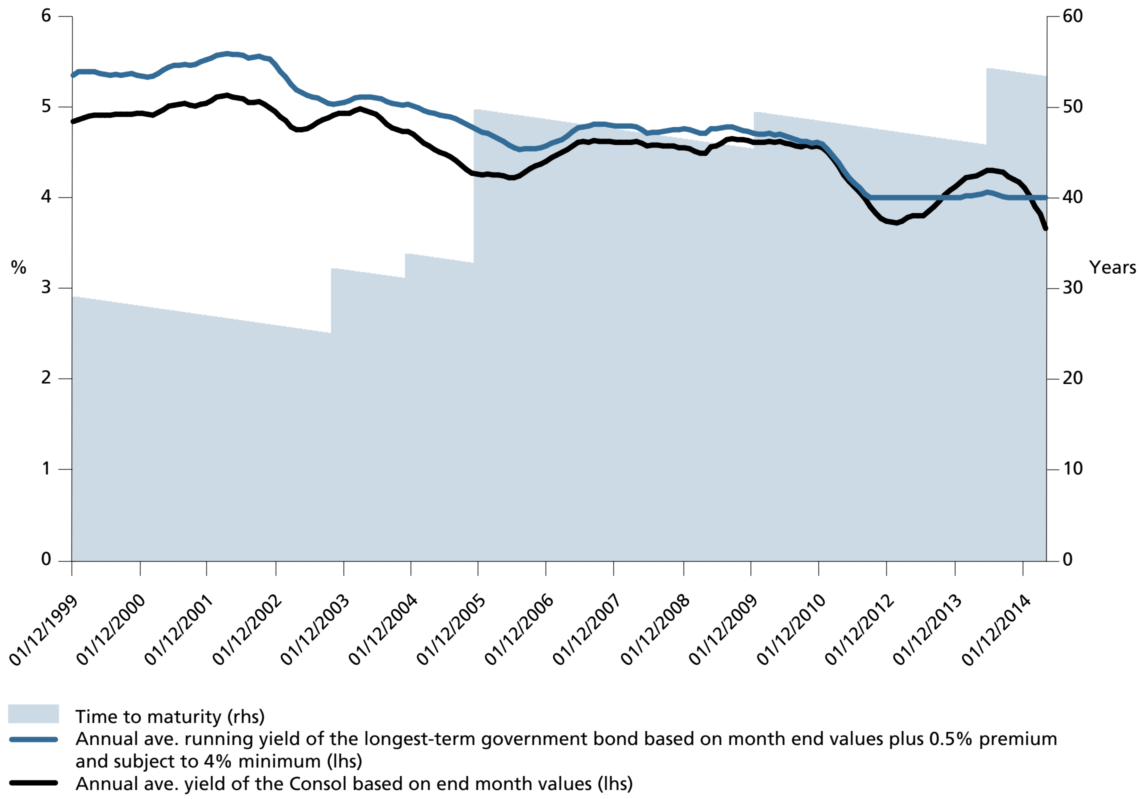

Chart B
Consol Yield History: A market based measure of inflation

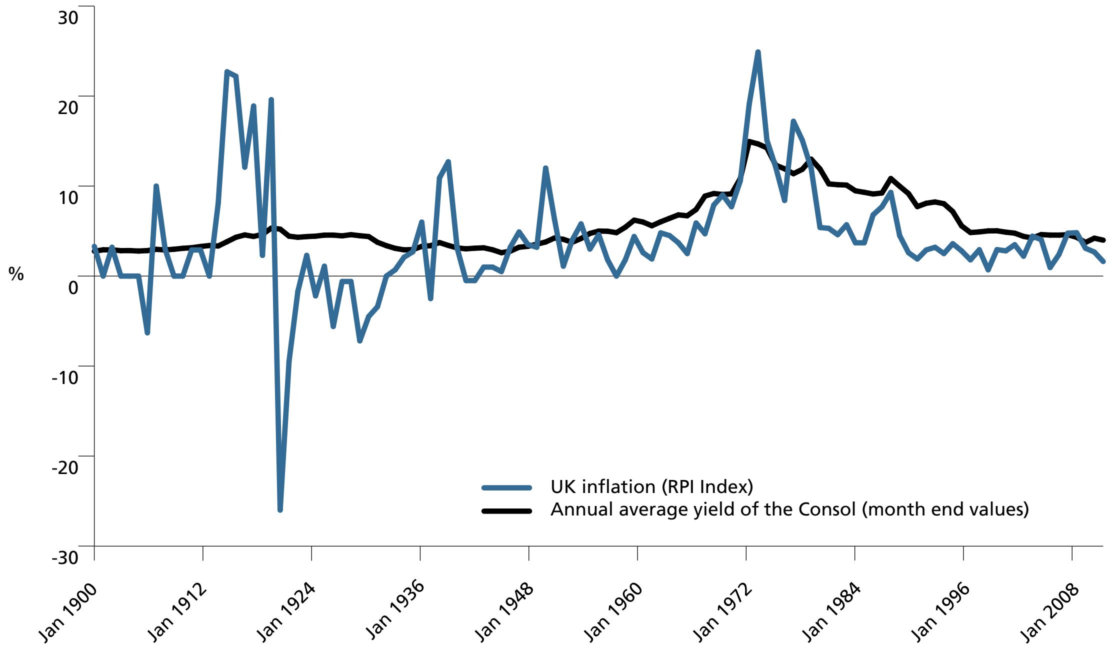

Table A
LTIT & Benchmark Returns Since Inception (22 January 2001)

	Inception to 31 March 2015 Annualised Returns
LTIT NAV Total Return	11.8%
Index of Consol Yield[1]	4.6%
Index of longest-dated government fixed rate bond yield[2]	4.8%
World Equities[3]	4.3%

1. Index of annual average yield of the Consol (month end values).
2. Index of annual running average yield of the longest-term UK fixed rate government bond based on end month values plus 0.5% premium (minimum value 4.0%).
3. MSCI Index in Sterling total return.

Table B
Consol Yield History: A Market Based Measure of Inflation

	1899-2014 Annualised Returns	1999-2014 Annualised Returns
UK Inflation	4.2%[2]	2.9%[2]
Index of Consol Yield*	5.7%[3]	4.5%[3]
Consol Premium	**1.5%**	**1.6%**
World Equities in Sterling	9.3%[1]	3.4%[4]

1. Credit Suisse Global Investment Returns. Sourcebook 2015 (Dimson, Marsh, Staunton).
2. Composite Price Index (Office of National Statistics).
3. Lindsell Train.
4. MSCI World Index total return in Sterling.

* Index of annual average yield of the Consol based on end month values

Appendix 2

Share Capital

At 31 March 2015 and 31 March 2014, 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 2015 the Ordinary Share price was £426.50 (31 March 2014: £350.50).

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 and approved by the Shareholders.

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 four 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.

Appendix 3

Supplier Agreements

Investment Management Agreement

The Investment Manager, Lindsell Train Limited, is engaged under the terms of a contract dated 1 September 2009, details of which are given in note 6 to the financial statements, terminable on twelve months' notice by either party. During the year the Directors reviewed the performance of the Investment Manager and consider that the continued engagement of Lindsell Train Limited 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. The Investment Manager has a stated policy on stewardship and engagement with investee companies, which the Board has reviewed and endorses, and provides verbal reports to the Board where any concerns or issues have been raised.

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 during the year and the Board considered it to be in the best interests of the Company to continue Phoenix's appointment under the existing terms.

Other third party service providers

In addition to the Investment Manager and Administrator the Company has engaged Capita Registrars to maintain the share register of the Company and Northern Trust Company London Office ("Northern Trust") as the Company's custodian. Northern Trust also provided a £5m short-term borrowing facility to the Company which was cancelled in March 2015. The agreements for these services were only entered into after careful consideration of their terms and their cost-effectiveness for the Company.

Shareholder Information

Notice of Annual General Meeting

Notice is hereby given that the thirteenth Annual General Meeting of The Lindsell Train Investment Trust Plc will be held in the Waterloo Suite at the **St Ermin's Hotel, 2 Caxton Street, London, SW1 0QW** on 2 September 2015 at 2.30 pm for the following purposes:

Ordinary business

1. To receive the Financial Statements and Reports of the Directors and the Auditor for the year ended 31 March 2015;
2. To approve the Annual Report on Remuneration for the year ended 31 March 2015;
3. To approve the payment of a final dividend for the year ended 31 March 2015 of 642p per Ordinary Share;
4. To approve the payment of a special dividend for the year ended 31 March 2015 of 78p per Ordinary Share;
5. To re-elect Mr Dominic Caldecott as a Director of the Company;
6. To elect Mr Julian Cazalet as a Director of the Company;
7. To elect Ms Vivien Gould as a Director of the Company;
8. To re-elect Mr Rory Landman as a Director of the Company;
9. To re-elect Mr Michael Lindsell as a Director of the Company;
10. To re-elect Mr Michael Mackenzie as a Director of the Company;
11. 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 12 and 13 as Ordinary Resolutions:

12. To approve and ratify the amendment to the management agreement dated 13 August 2014 between the Company and the Manager consequent to the repurchase of the 2.5% consolidated loan stock as described in the Chairman's Statement to the annual report and accounts for the year ended 31 March 2015.

13. To receive and adopt the Directors' Remuneration Policy.

To consider and, if thought fit, pass resolutions 14 and 15 as Special Resolutions:

14. 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.

15. 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 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 8 day of June 2015

By order of the Board
Phoenix Administration Services Limited
Secretary

Notes

(i) This Report & Financial Statements 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 & Financial Statements. 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, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF – so as to arrive no later than 2.30 pm on 31 August 2015. 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 2.30 pm on 29 August 2014. 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 31 August 2015, or the 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 8 June 2015, 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 8 June 2015 is 200,000.

(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.

(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 338 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 Financial Statements 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.

Company Information

Directors
Donald Adamson (Chairman)
Dominic Caldecott
Julian Cazalet
Vivien Gould
Rory Landman
Michael Lindsell
Michael Mackenzie

Investment Manager
Lindsell Train Limited
Cayzer House
30 Buckingham Gate
London
SW1E 6NN
Tel: 020 7802 4700

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

Registrar
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
Tel: 0871 664 0300
Calls cost 10p per minute plus network extras (from outside the UK: +44 208 639 3399)

Solicitor
Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

Auditor
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Broker
JP Morgan Cazenove Ltd
25 Bank Street
Canary Wharf
London
E14 5JP

Custodian
Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

Shareholder relations

The Company's share price for Ordinary Shares is listed daily in the Financial Times. For further information visit: 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

The Lindsell Train Investment Trust plc
Registered in England, No: 4119429