THE LINDSELL TRAIN INVESTMENT TRUST PLC

Annual Report and Financial Statements

For the year ended 31 March 2022

Company Summary

The Company

The Lindsell Train Investment Trust plc (the "Company") is an investment trust and its shares are listed on the premium segment of the Official List and traded on the main market of the London Stock Exchange. The Company is a member of the Association of Investment Companies ("AIC").

The Company is a UK Alternative Investment Fund ("AIF") under the European Union Alternative Investment Fund Managers' Directive ("AIFMD"). The Board is the Small Registered UK Alternative Investment Fund Manager ("AIFM") of the Company.

Investment Manager

Lindsell Train Limited ("LTL") acts as discretionary Investment Manager (the "Manager") of the Company's assets. However, the Board retains ultimate discretion over the holding in LTL and Lindsell Train managed fund products. Decisions on these holdings are based on advice and information received from the Manager.

Administrator and Company Secretary

Frostrow Capital LLP ("Frostrow") acts as the Administrator and Company Secretary.

Further details concerning the Agreements with the Company's service providers can be found in Appendix 3, on page 100.

Investment Objective

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. The Investment Policy is described in further detail on page 13.

Performance and Benchmark

The performance and financial highlights are provided on pages 3 and 4.

The Company compares its performance and calculates its performance fee relative to its benchmark, the MSCI Index in Sterling.

Dividend

A final dividend of £51.12 per Ordinary Share (2021: £47.07) and a special dividend of £1.88 per Ordinary Share (2021: £2.93) are proposed for the year ended 31 March 2022. If these dividends are approved by shareholders at the Annual General Meeting, they will be paid on Tuesday, 13 September 2022 to shareholders on the register at close of business on Friday, 12 August 2022 (ex-dividend Thursday, 11 August 2022).

Annual General Meeting

The notice of the Annual General Meeting, scheduled for Thursday, 8 September 2022 at 2.30 p.m. at the Marlborough Suite, St Ermin's Hotel, 2 Caxton Street, London, SW1H 0QW, is provided on pages 101 to 105.

Capital Structure

The Company's capital structure comprises 200,000 Ordinary Shares of 75 pence each. Details are given in note 13 to the Financial Statements on page 81.

THIS DOCUMENT IS IMPORTANT AND, IF YOU ARE A HOLDER OF ORDINARY SHARES, REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or otherwise transferred all of your Ordinary Shares in the capital of the Company you should send this document, together with any other accompanying documents, including the form of proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer, was effected, for onward transmission to the purchaser or transferee.

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Strategic Report

Business Review

The Directors present their Strategic Report for the Company for the year ended 31 March 2022. The Report contains: a review of the Company's strategy, an analysis of its performance during the financial year, comment on its future outlook and details of the principal risks and challenges that it faces.

Reviews of the financial year and commentary on the future outlook are presented in the Chairman's Statement on pages 4 to 7 and the Managers Report on pages 10 to 12. The Company's Investment Objective and Investment Policy are set out on page 13.

The Strategic Report has been prepared to provide shareholders with information to assess how the Directors have performed their duty to promote the success of the Company.

Further information on how the Directors have discharged their duty under Section 172 of the Companies Act 2006 can be found on pages 22 to 25.

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this Report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

As an externally managed investment trust the Company has no executive directors, employees or internal operations. The Company delegates its day-to-day management to third parties. The principal service providers to the Company are Lindsell Train Limited ("LTL") which acts as Manager and Frostrow Capital LLP ("Frostrow") which acts as Company Secretary and Administrator.

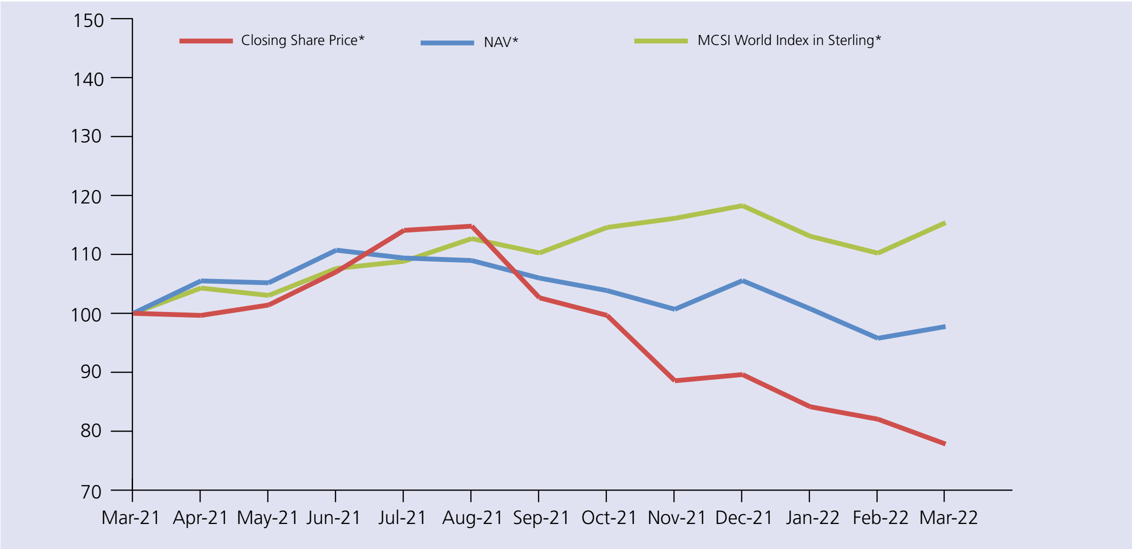
The Board is responsible for all aspects of the Company's affairs, including the setting of parameters for and monitoring of the investment strategy as well as the review of investment performance and policy. It also has responsibility for all strategic issues and corporate governance matters.

Throughout the year under review, the Company continued to operate as an authorised Investment Trust, pursuing its investment objective to maximise long-term total returns with a minimum objective to maintain the real purchasing power of Sterling capital.

The Board is aware of the increased emphasis on Environmental Social and Governance ("ESG") matters in recent years. The Manager engages with all the companies in the portfolio to understand their ESG approach and has developed its own methodology to assess the carbon impact of the portfolio. Further details of the Manager's approach to ESG can be found on pages 26 to 31.

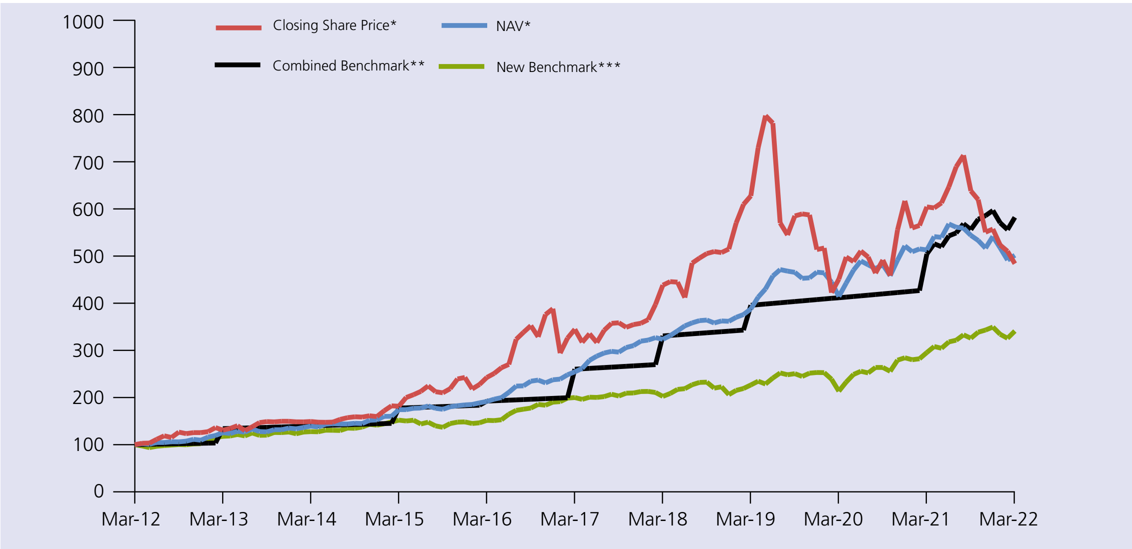
Performance

Share price performance and Net Asset Value ("NAV") compared to the Benchmark for the year ended 31 March 2022 (based on total return performance with reinvested net dividend)



** Rebased to show the performance per £100 invested.*
The closing price is adjusted for the dividends of £50.00 per share which went ex-dividend on 12 August 2021.

Share price performance compared to the NAV and Benchmark for ten years to 31 March 2022



Note: The chart is rebased to 100 from March 2012 and is plotted using monthly data. When a performance fee was paid, the Old Benchmark was adjusted up to the high water mark ("HWM") at that point. This only occurred annually, if at all, on 31 March.

** The NAV and share price are unadjusted for dividends until 31 March 2021 and from then onwards have been adjusted for dividends.*

***The Combined Benchmark is a combination of the Old Benchmark (the annual average redemption yield of the longest dated UK government fixed rate bond, plus a premium of 0.5% subject to a minimum yield of 4%) until 31 March 2021 and the New Benchmark MSCI World index in Sterling from 1 April 2021.*

The Combined Benchmark is adjusted for inclusion of the HWM. Please note that the inclusion of the HWM means that, at the financial year end, if a performance fee was paid, the Benchmark was adjusted to the same level as the NAV or the share price whichever was lower. If the Benchmark performed better than the NAV and/or the share price, or a performance fee had not been paid, no adjustment was made.

****The New Benchmark shows the performance of the MSCI Index in Sterling from 31 March 2012 to 31 March 2022. It was only adopted as the New Benchmark from 1 April 2021.*

Source: Bloomberg and LTL.

Strategic Report

Financial Highlights for the Year

Performance Comparisons	Change
Share price total return per Ordinary Share*^	-20.0%
Net Asset Value total return per Ordinary Share*^	-2.3%
MSCI World Index total return (Sterling)	15.4%
UK RPI Inflation (all items)	8.9%

* The Net Asset Value and the share price at 31 March 2022 have been adjusted to include the Ordinary dividend of £47.07 per Share and a special dividend of £2.93 per Ordinary Share paid on 14 September 2021, with the associated ex-dividend date of 12 August 2021.

^ Alternative Performance Measure ("APM"). See Glossary of Terms and Alternative Performance Measures beginning on page 106.

Source: Morningstar and Bloomberg.

Chairman's Statement

The Company's net asset value ('NAV') total return suffered a second year of disappointing relative performance as compared to its recently introduced equity benchmark - the MSCI World index in Sterling. The NAV at 31 March 2022 was £1,113.81 as compared to £1,185.58 at 31 March 2021 with the NAV total return down 2.3%, which compared with the benchmark's rise of 15.4%. The share price total return fell more, down 20.0%, as the share price premium to NAV contracted from 20.0% to a discount of 0.8% over the twelve month period.

The underperformance relative to the benchmark was attributable to three factors. Firstly, the Company has limited investments in the technology companies that have been at the vanguard of performance in global markets since 2019 and have contributed most to strong benchmark returns. The only direct holding that the Company owns that could be categorised as technology – PayPal – fell by 52% over the year and was the Company's worst performer, having done exceptionally well in the year to 31 March 2021 when it was up 154%. Nick Train comments on this in his Manager's Report beginning on page 10. Secondly, the Manager's investment approach specifically avoids companies in two other sectors that also contributed significantly to the strong performance of the benchmark index – energy and financials. With little or no exposure to these three sectors of the market, and instead big positions in consumer franchises that faced headwinds such as disrupted sales during the pandemic and steeply rising input prices thereafter, keeping up with the market proved particularly difficult. The final factor was the lower valuation attributed to the Company's Manager, Lindsell Train Limited ('LTL') in which the Company owns a 24.3% stake. Recently, LTL's funds under management ('FUM') have fallen, largely as a result of net redemptions but also because of the decline in the value of investments held in client portfolios. We should also record that the Company's holding in the Lindsell Train North American fund has appreciated in value by 41% since we initiated the investment in April 2020 but it too has struggled to match its benchmark returns with the MSCI North American index up 59%.

Chairman's Statement continued

Given LTL's focused investment approach, it is not surprising that the Company's investment performance has been reflected in LTL's other strategies and this is making it more difficult to attract new business. But our view is that no disciplined strategy does well all the time, especially one where concentration and minimal portfolio turnover are its hallmarks. What is crucial is that the exceptional business characteristics of LTL's portfolio companies should endure – in other words, in aggregate they should exhibit higher returns on capital than the average company. This remains the case and the Manager, supported by your Board, expects compounding and time will work to enable returns to catch up in the future.

Certainly these characteristics have underpinned performance in the past, evidenced by the satisfactory long-term absolute and relative annualised returns the Company achieved of 17.2% over five years and 20.0% over ten years to 31 March 2022, compared to MSCI World Index returns of 10.4% and 13.0% respectively. Given the Manager's long-term investment approach the Board considers it important to assess performance over longer periods of time rather than just one year.

Lindsell Train Limited

Despite the pressures documented above, LTL's business performed well during its financial year to 31 January 2022, with revenues and profits exceeding previous years (see Appendix 1). However, as LTL's year end valuation attests, there was a slow but steady deterioration as the year progressed and that trend has persisted into its new financial year.

LTL has for some years been taking steps to improve the durability of its business and is implementing some important initiatives, with particular focus on succession. Both Nick Train and Michael Lindsell plan to continue to be actively involved in portfolio management and running the business for at least another seven years but since 2010 have built up a strong pool of investment talent. There are now five additional members of the investment team, including a Portfolio Manager and two Deputy Portfolio Managers. All are progressing well and taking on more responsibility. Within operations and marketing, a similar line-up of talent is in place to assume additional responsibilities as long-standing employees lessen their involvement. For instance, Michael Lim, a director of LTL, who has undertaken multiple non-investment roles over the 21 years of his tenure with the company, is passing on his COO responsibilities to Joss Saunders, who joined the company in May 2021. LTL has been recruiting to bolster all aspects of its business with the result that its employees now number 25, up from 19 at this time last year.

It is important that key employees are incentivised to build their careers at LTL. LTL's profit share scheme has now been extended to four members of staff who have a perpetual claim (so long as they remain employed by LTL) currently between 5 and 10% of LTL's net profits. Half of this reward (therefore almost all of the post-tax amount) is required to be invested in LTL shares to create the alignment of interest that is a core feature of LTL's business approach. LTL shares will be bought from LTL's treasury and retiring employees but ultimately from the founders of the company who over time expect their holding to diminish. Nine LTL employees have now bought shares in LTL, up from five at this time last year.

Strategic Report

Chairman's Statement continued

Shareholders should note that despite the recent decline in FUM and revenues and the increased costs associated with the rise in staff numbers, LTL's profit margin is currently protected by its salary and bonus cap (ex employers' National Insurance payments), which remains at 25% of all fee revenues (other than those derived from LTIT). This policy has been in place since the Company's inception and, together with the commitment from LTL to pay out 80% of its net profits as dividends, was designed to provide an important reassurance to minority shareholders – LTIT and LTL non-founder employees – that any success in growing LTL would be translated into tangible rewards for LTL shareholders by way of dividends. As LTL's profit share scheme expands (as it is intended it will in future years), it may well be that the salary and bonus cap will need to be raised to accommodate higher awards and, should that occur, shareholders should be aware that LTL profit margins would fall from current levels (see Appendix 1, beginning on page 89).

LTL's relative investment performance has deteriorated across its four strategies for the same reasons as this Company's performance has proved disappointing. Ten year returns both from an absolute and relative perspective remain satisfactory but over shorter-term periods, especially one and three years, returns lag their respective benchmarks by wide margins.

Holding onto investments in good times and bad is difficult when the pressure from much of the financial industry is to demonstrate activity in the face of adversity. We think that by standing out against the crowd LTL has the best chance to generate competitive long-term returns and offer a worthwhile service to its clients.

The Valuation of Lindsell Train Limited

One of the important tasks which your Board undertakes is to value the non-controlling unquoted 24.3% minority stake in LTL, currently valued at £96.9m. The work the Board puts into this task is supplemented by professional advice it receives to inform and validate its decision. Having conducted a review of the valuation methodology with its advisors in early 2022 the Board has changed LTL's valuation methodology from 31 March 2022 onwards to a simpler, single component. This is based on a percentage of LTL's FUM, with the percentage applied adjusted to reflect the ongoing profitability of LTL. It is described in detail on page 96. The Board believes that a change from the old methodology was necessary as in recent years the valuation difference between the two components used previously had widened considerably on account of the operating leverage in LTL's business as its FUM increased. Shareholders should be reassured that the valuations calculated by the new methodology correlate closely to the results of the old one, both on 31st March 2022 and historically (see the graph comparing the output of the two methodologies in Appendix 1 on page 97). The Board will continue to monitor a number of alternative approaches to the valuation of LTL to ensure that the result of the new methodology makes sense in the context of the future prospects for LTL and also when it is compared with similar businesses.

In assessing the net profits of LTL for the purposes of the LTL valuation, the Board continues to apply an adjustment to total salary costs of 45% of revenues as opposed to the actual percentage that has averaged 33% (salary costs including employers' National Insurance payments) over the past 10 years. In doing so the Board has explicitly acknowledged for some years the risk that LTL's

Chairman's Statement continued

salary costs might have to rise above the 25% salary and bonus cap threshold in order to sufficiently incentivise key employees, as I alluded to earlier.

Dividend

The Board recommends paying a dividend for the year to 31 March 2022 of £53.00 per share, up 6% from last year and reflecting the small increase in LTIT's net profits. This is made up of an ordinary dividend of £51.12 and special dividend of £1.88 in respect of the proportion of LTL's income that was earned from performance fees. This is the minimum dividend that the Company must pay to maintain the Company's Investment Trust status.

Last year 85% of the Company's total revenues were accounted for by dividends paid by LTL. It is clear that falling LTL FUM could in future affect the Company's profitability and its dividend. Although the Board has sanctioned paying a maintained dividend out of revenue reserves in the past, consideration may need to be given to reducing the dividend in future years should circumstances so dictate.

Considerations for the Future

Viewed objectively the outlook for the Company's investments could not be more uncertain. The war in Ukraine, the pandemic, supply chain issues and the associated logistical challenges, the rise in commodity prices, inflation and rising interest rates all spring to mind as material risks to the value of equities. We have no special insight on any of these risks except to reflect that their combined impact is impossible for anyone to predict! We endorse our Manager's approach to mitigating these risks – and indeed any others yet to materialise – which is to invest in a concentrated portfolio of treasured and durable business franchises trusting that the unique market positions they have carved out for themselves allow them to survive and prosper through all eventualities.

Julian Cazalet
Chairman
14 June 2022

Strategic Report

Portfolio Holdings at 31 March 2022

(All ordinary shares unless otherwise stated)

Holding	Security	Fair value £'000	% of net assets	*Look-through basis % of net assets†*
6,450	Lindsell Train Limited	96,910	43.51	*43.51*
235,000	London Stock Exchange	18,716	8.40	*8.57*
12,500,000	LF Lindsell Train North American Equity Fund	17,601	7.90	*0.00*
420,500	Diageo	16,246	7.29	*7.51*
41,000	Nintendo	15,819	7.10	*7.10*
363,000	RELX	8,647	3.88	*4.10*
97,400	PayPal	8,554	3.84	*4.07*
222,000	Unilever	7,670	3.45	*3.57*
150,000	Mondelez International	7,152	3.21	*3.62*
1,263,393	A.G. Barr	6,709	3.01	*3.03*
89,000	Heineken	5,347	2.40	*2.48*
420,000	Finsbury Growth & Income Trust	3,482	1.56	*0.00*
36,621	Laurent Perrier	2,915	1.31	*1.31*
	Indirect Holdings	–	–	*7.95*
	Total Investments	215,768	96.86	*96.82*
	Net Current Assets	6,993	3.14	*3.18*
	Net Assets	222,761	100.00	*100.00*

† Look-through basis: Percentages held in each security is adjusted upwards by the amount of securities held by Lindsell Train managed funds. A downward adjustment is applied to the fund's holdings to take into account the underlying holdings of these funds. It provides shareholders with a measure of stock specific risk by aggregating the direct holdings of the Company with the indirect holdings held within Lindsell Train funds.

Leverage

We detail below the equity exposure of the Funds managed by LTL as at 31 March 2022:

	Net Equity Exposure
LF Lindsell Train North American Equity Fund Acc	99.05%
Finsbury Growth & Income Trust	101.93%

Analysis of Investment Portfolio at 31 March 2022

Breakdown by location of listing

(look-through basis)^

UK*	71%
USA	15%
Japan	7%
Europe excluding UK	4%
Rest of World	0%
Cash and Equivalents	3%
	100%

Breakdown by location of underlying company revenues

(look-through basis)^

Europe excluding UK**	30%
UK**	28%
USA**	25%
Rest of World**	11%
Japan	3%
Cash & Equivalents	3%
	100%

Breakdown by sector

(look-through basis)^

Financials*	54%
Consumer Staples	23%
Communication Services	8%
Information Technology	6%
Industrials	5%
Consumer Discretionary	1%
Cash & Equivalents	3%
	100%

^ Look-through basis: this adjusts the percentages held in each asset class, country or currency by the amount held by LTL 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 LTL funds.

* LTL accounts for 43.5% and is not listed.

** LTL accounts for 19 percentage points of the Europe figures, 19 percentage points of the UK figures, 4 percentage points of the USA figures and 1 percentage point of the ROW figure.

Strategic Report

Manager's Report

We are displeased by the investment performance your Company has delivered for shareholders over the last 12 months. Nonetheless, and I don't know if this is reassuring to you, we are happy with the business performance of the quoted companies in your portfolio. I report on these alphabetically below.

A.G. Barr reported full year revenues ahead of pre-Covid-19 levels, on a like for like basis, resulting not only from a rebound from the lockdowns, but continued steady growth from its brand portfolio, notably IRN-BRU in England. Its cocktail mixer brand, Funkin, has prospered under Barr's ownership, roughly quadrupling revenues over 6 years and is now a substantive contributor to the whole, with plenty more potential. The company remains highly cash-generative, with over 10% of its market capitalisation in accumulated net cash. The shares trade on an earnings yield of nearly 6%, which should be cheap. IRN-BRU is 121 years-old but looks well set for the rest of this century, at least.

Diageo's most recent results showed it too is enjoying secular growth in worldwide consumption of premium spirits and cocktails. Diageo is the biggest holding we have at Lindsell Train and we continue to believe the scale of that investment is merited by the calibre of the company's brands and the growth still to come. Senior management note that in its biggest market, the US, spirits-buying households spend only $1 a day, on average, on this premium product and that relatively modest sum is expected to increase meaningfully. Diageo speaks for 4% of the global alcoholic beverage market and the company has set itself the target of reaching 6% by 2030, as premium spirits take an increasing share. Attaining that target would likely be very rewarding for shareholders.

Heineken's business is still recovering from Covid-19, especially in Asia, with recent profits still c.12% below 2019 levels. The company reminds shareholders that over the five years between 2015 – 2019, its revenues grew at 5% pa, driving operating profit growth of 7% pa, ahead of its peers, and it is hopeful this rate of long-term growth will resume. Impressively, those were effectively "real" growth rates with inflation very low in that period. With 40% of its revenues in premium, the successful innovations of Heineken 0.0 and Heineken Silver opening up new markets and important recent acquisitions in India and South Africa this seems credible. Heineken's shares more than quadrupled from the lows of the last global crisis in 2009 to late 2019 and we'd love to think something similar might be possible as this decade proceeds.

Laurent-Perrier describes itself in its press releases as "one of the rare family groups of champagne houses which is listed on the stock market and which is exclusively dedicated to champagne and the high-end market." The scarcity value of the company and the iconic eponymous brand are indeed attractive for long-term investors, we think. Hit by Covid-19, the shares are currently valued on 13x earnings and at little more than book value. We have been adding to the holding.

London Stock Exchange Group's shares have recovered somewhat in 2022, up 15% in the first quarter. This is a relief, because 2021 was a dismal year for them. As another of Lindsell Train's biggest holdings this hurt both our Global and UK Fund performance, as well as your portfolio. The bounce followed its full year results, which seemed to confirm the integration of Refinitiv is going to plan. The strategic rationale for the acquisition is simply stated. The breadth of LSE and Refinitiv's combined services - data and analytics, liquidity pools, and clearing and valuation – is unique in global financial services and means the company can propose to both save money for its clients and simplify its operations. If this powerful strategic proposition can be delivered, we consider the LSE to be one of the best value securities we own.

Manager's Report continued

Mondelez continues its track record of revenue, earnings and dividend growth. Since it spun out of Kraft in 2012 its shares have risen 2.5x, hitting an all-time high as recently as January 2022. Meanwhile, over the last five years earnings are up 40% and dividends 60% (still twice covered). Oreos were launched in 1912, but according to recent surveys remain the most popular food brand of Generation Z. History suggests the longevity of Oreos or Cadbury's is exceptionally valuable for investors, offering predictability and protection against inflation.

Nintendo is enjoying one of the most successful periods in its history. Admittedly, sales of its Switch console are slowing, but it has joined an exclusive group of only three home consoles to ship over 100 million units and is set to sell many millions more. But Nintendo's profitability is primarily driven by its software sales and these continue to hit new highs, as its classic franchises, delivered to Switch's huge installed base, delight old and newer cohorts of gamers. The shares trade on 16x, which seems modest for a business that has a current Return on Capital of 28% and has grown its dividend by over 30% pa for the last five years, accompanied by an on-going share buyback. It also has 20% of its market capitalisation in cash. The sceptics argue the shares deserve to be lowly valued, because of the increasing maturity of this generation of hardware. The bulls, like us, counter that "video-gaming" is now an entrenched, though still young, entertainment industry and that Nintendo's software franchises have triumphantly reasserted their evergreen credentials as being integral to it. This "Disney for the 21st Century" has decades of value-creation ahead of it (although Disney has done a good job reorientating itself for the 21st century too, and is an important holding in our Global Fund, along with Nintendo).

PayPal's recent results were taken by investors to evidence signs of slowing growth and this was enough to hit the share price. Truth be told this had trebled between 2020 and 2021 and was probably due a correction. PayPal management disagrees about possible strategic maturity, with the following recent quote from the CEO laying out the scope of the future opportunity: "Our vision of becoming an essential consumer financial super-app across payments, financial services and shopping tools is more relevant than ever before, and our tens of millions of merchants continue to look to us to provide a comprehensive platform for them to navigate the digital economy." With 421 million individual users of PayPal and acceptance by 76% of the top 1,500 US and European retailers (nearly 3x more than its nearest rival), the company is clearly in a strong position to deliver on that vision. And after the share price fall, an estimated 2022 P.E of 22x does not seem a high price to pay for the potential.

RELX too delivered reassuring 2021 results, growing faster than expected, with a bigger dividend increase and a new share buyback. But what is so compelling about the investment case for the company is the evidence that its clients are becoming increasingly reliant on its services and that this is accelerating growth. Providing not just data, but software and analytics too, RELX's algorithms help clients work faster, cheaper and better. It is no trivial thing to be a leading provider of such services to the global scientific, legal, insurance and e-commerce industries and we are not surprised that RELX's shares have recovered from a sell-off at the start of 2022 to hit new all-time highs in April. And, to our eyes, its valuation remains reasonable in comparison to US peers. The shares have more than quintupled since 2012 and as a result become one of Lindsell Train's biggest holdings. We still have high hopes for them.

Strategic Report

Manager's Report continued

Unilever's full year results were solid enough, albeit pedestrian in comparison to some peers. The business looks to have contracted a case of "long Covid", with its emerging markets recovering slowly, if at all in some cases, and an undoubted vulnerability to rising input costs. However, surely some of this is captured in a share price that by end March 2022 had fallen over 30% from its peak of over £50 in 2019? We remind our clients that Unilever's share price was c.£5 in 1992, c.£12 in 2002, c.£20 in 2012 and £35 in 2022 (albeit down from that £50 of a couple of years ago). Such a price trajectory seems to us to be consistent with our understanding of the strengths of this company – the ability to generate steadily rising, inflation-proofed earnings over long periods of time from its diverse brands and markets. We do look to management to build further value for shareholders by periodic acquisitions, but just as important, by growing existing still promising brands such as Ben & Jerry's, Dermalogica, Dove, Hellmann's and Magnum. Meanwhile, India grew at double digits for Unilever in 2021 and why shouldn't its 62% stake in Hindustan Lever, the biggest consumer company in India, which has created billions of pounds of market appreciation for Unilever shareholders over the last two decades, carry on doing so for decades to come?

I have spent time on each direct equity holding in this report for several reasons. In part because the concentrated nature of the portfolio (indeed all Lindsell Train portfolios) makes it possible. Also, because I believe that a review of the actual business performance and prospects of the companies we are invested in is more promising than the recent performance of their share prices implies. Finally, to reinforce the previous point, all the holdings discussed above, except for Laurent-Perrier, are strategically important holdings in Lindsell Train's Global and/or UK funds. So, for our clients and Lindsell Train's business it is important these companies fulfil the potential we see in them.

In conclusion, our investment approach is based on owning durable and predictable companies, while avoiding the speculative and cyclical ones – which often do offer rapid growth, at least for a period. The idea is that steady dependability is rarely highly valued, because investors are, as a generalisation, too busy trying to identify the next Tesla or trying to time the next gyration of the economic cycle. As a result – so our argument and historic track record asserts – you can be well-rewarded over time for holding what others regard as boring. We hope this remains the case.

Nick Train
Investment Manager
Director, Lindsell Train Limited
14 June 2022

Investment Objective

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.

Investment Policy

The Investment Policy of the Company is to invest:

(i) in a wide range of financial assets including equities, unlisted 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 is likely to be a bias towards equities and 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 investment objective;

(ii) in Lindsell Train managed fund products, subject to Board approval, up to 25% of its gross assets; and

(iii) in LTL and to retain a holding, currently 24.3%, in order to benefit from the growth of the business of the Company's Manager.

The Company does not envisage any changes to its objective, its investment policy, or its management for the foreseeable future. The current composition of the portfolio as at 31 March 2022, which may be changed at any time (excluding investments in LTL and LTL managed funds) at the discretion of the Manager within the confines of the policy stated above, is shown on pages 8 and 9.

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 the 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

The Directors have discretion to permit borrowings up to 50% of the Net Asset Value. However, the Directors have decided that it is in the Company's best interests not to use gearing. This is in part a reflection of the increasing size and risk associated with the Company's unlisted investment in LTL, but also in response to the additional administrative burden required to adhere to the full scope regime of the AIFMD.

Dividends

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

In a year when this policy would imply a reduction in the ordinary dividend the Directors may choose to maintain the dividend by increasing the percentage of revenue paid out or by drawing down on revenue reserves. Revenue reserves are currently twice the annual proposed 2022 ordinary dividend.

All dividends have been distributed from revenue.

Strategic Report

Performance and Prospects

As set out in the Chairman's statement beginning on page 4, considering the opportunities and challenges faced during the year, relative to the wider market, the Board is satisfied with the Company's performance relative to the benchmark and other key performance indicators, when assessed over the five and ten year period referred to on page 5.

The Directors provide an explanation in the Viability Statement as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate.

Key Performance Indicators ("KPIs")

The Board reviews the performance of the portfolio in detail and is presented with the views of the Manager at each meeting. Information on the Company's performance is provided in the Chairman's Statement (beginning on page 4) and the Manager's Report (beginning on page 10). This performance is assessed against the following KPIs which are unchanged from last year.

Net Asset Value Total Return^ and Share Price Total Return^ are measured against the benchmark and provide the key performance indicators for assessing the development and performance of the Company.

Principal Data

	31 March 2022	31 March 2021	% Change
Shareholders' funds (£'000)	**222,761**	237,116	-6.1
NAV per Ordinary Share	**£1,113.81**	£1,185.58	-6.1
(Discount)/premium to NAV^	**(0.79%)**	19.77%	
Share price per Ordinary Share	**£1,105.00**	£1,420.00	-22.2
Recommended final dividend per Ordinary Share	**£51.12**	£47.07	+8.6
Recommended special dividend per Ordinary Share	**£1.88**	£2.93	-35.8
Dividend yield^	**4.80%**	3.52%	
Ongoing Charges^	**0.82%**	0.75%	
Earnings per Ordinary Share – basic	**£(21.77)**	£272.93	
Revenue	**£63.65**	£60.01	
Capital	**£(85.42)**	£212.92	
NAV total return^†	**-2.3%**	29.0%	
Share price total return^†	**-20.0%**	38.9%	
Benchmark (MSCI World Index in Sterling)*	**15.4%**	4.0%**	

^ Alternative Performance Measure (see Glossary beginning on page 106).

† These are percentage change figures for the year to 31 March.

Please see Glossary of Terms beginning on page 106 for an explanation of terms used.

* The Company's Benchmark was changed and first adopted on 1 April 2021.

** Prior to 1 April 2021 the Company's Benchmark was the annual average running yield on the longest-dated UK Government fixed rate bond (UK Treasury 1.625% 2071), calculated using weekly data, plus a premium of 0.5%, subject to a minimum yield of 4.0%.

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 (£)	Net asset value per Ordinary Share (£)	Share price per Ordinary Share (£)
2018	6,505	5,283	4,360	21.80	747.08	1,030
2019	8,680	7,172	5,900	29.50	895.93	1,475
2020	12,395	10,598	8,800	44.00	956.65	1,060
2021	13,782	12,002	10,000	50.00	1,185.58	1,420
2022	**14,784**	**12,729**	**10,600**	**53.00**	**1,113.81**	**1,105**

Alternative Performance Measures ("APM")

The Board believes that each of the APMs, which are typically used within the investment trust sector, provide additional useful information to the shareholders in order to assess the Company's performance between reporting periods and against its peer group. The measures used for the year under review have remained consistent with the prior year.

(Discount)/premium to NAV^

The Board regularly reviews the level of the discount/premium of the Company's share price to the net asset value per share and considers ways in which share price performance may be enhanced, including the effectiveness of share buybacks, where appropriate. Any decision to repurchase shares is at the discretion of the Board.

Dividend Yield^

The Directors regard the Company's dividend yield to be a key indicator of performance. The dividend yield measures the gross income receivable based on the payment of the historic dividend per share expressed as a percentage of the Company's current share price.

Ongoing Charges^

Ongoing charges represent the costs that shareholders can reasonably expect to pay from one year to the next, under normal circumstances. The Board continues to be conscious of expenses and works hard to maintain a sensible balance between high quality service and the cost of provision.

NAV Total Return^

The Directors regard the Company's net asset value per share total return as being the overall measure of value delivered to shareholders over the long-term. The Board considers the principal comparator to be the MSCI World Index Total Return (sterling adjusted).

Share Price Total Return^

The Directors also regard the Company's share price total return to be a key indicator of performance. This reflects share price growth of the Company which the Board recognises is important to investors.

^ Further information on the Alternative Performance Measures can be found in the Glossary beginning on page 106.

Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal identified risks facing the Company, including those that would threaten its objective, future performance, solvency or liquidity. The Audit Committee on behalf of the Board regularly reviews these risks and how they are managed and its Manager also closely monitors them. In the event that any factor poses a potential material risk to the Company, the Board will consider what action (if any) should be taken. The Board's policy on risk management has not materially changed during the course of the reporting period and up to the year end.

While the effects of the Covid-19 pandemic appear to be easing, its ultimate duration and the full extent of its impact remains unknown. The Board recognises the continued heightened risks posed by the pandemic, both to the Company's investments, investment performance and to its operations. The Manager has continued its dialogue with investee companies and the Board remains appraised of any developments.

The Board continues to monitor the ramifications of Russia's invasion of Ukraine and implications on market volatility, investors' risk appetite, and the outlook for the global economy.

The Board considers that the risks detailed within this Report are the principal risks currently facing the Company that could affect the ability of the Company to deliver its strategy. Further detail on financial risks and how these are managed are discussed in note 16 to the Financial Statements on pages 82 to 87.

Strategic Report

Principal Risks continued

Movement during the year: → No change, ↓ Decreased, ↑ Increased, * New risk included during the year

Movement	Key Risks and Uncertainties	Key Mitigations
↑	**Corporate Strategy** The Board may have to reduce the Company's dividend.	The Board reviews the investment portfolio, income forecasts and levels of available revenue reserves prepared by the Company Secretary at every Board meeting. Dividends are paid to maintain investment trust status. The Company has retained revenue reserves which can be used to supplement dividend payments in the event of a short term reduction in net revenue.
→	The Company's share price total return may differ materially from the NAV per share total return.	Regular consideration is given to the share price premium or discount to NAV per share and the Company has authority to buyback shares and hold in treasury.
→	The growth of retail platforms has a detrimental effect on shareholder engagement.	The Board receives regular updates from the Manager and the Company Secretary on developments in the investment trust sector. The shareholder register is reviewed at every Board meeting. The Board will be actively encouraging retail platform holders to attend and vote at the Company's Annual General Meeting.
→	**Investment Strategy and Activity** The departure of a key individual at the Manager may affect the Company's performance.	The Board keeps the investment management arrangements under continual review. In turn, the Manager reports on developments at LTL, including succession and business continuity plans. The Board meets with other members of the wider team employed by the Manager. Key-man insurance has been secured by the Company to help mitigate this risk. The Board is also encouraged by the continued development of the investment management team at LTL who are now taking on greater responsibility at a more senior level.
→	The investment strategy adopted by the Manager, including the high degree of concentration of the investment portfolio, may lead to an investment return that is materially lower than the Company's benchmark index, and/or a possible failure to achieve the Company's investment objective.	The Board discusses with the Manager the structure of the portfolio, including asset allocation and portfolio concentration. The Board reviews the performance of the portfolio against the benchmark at every meeting.
→	The investment in LTL becomes an even greater proportion of the overall value of the Trust's portfolio.	The Board holds quarterly discussions with the Manager at each Board meeting. Consideration is given during a strategy meeting to the prospects of LTL and subsequent impact on the Company. The Board receives monthly compliance reports from the Company Secretary which monitor compliance with the investment restrictions.

Principal Risks continued

Movement	Key Risks and Uncertainties	Key Mitigations
➔	**Operational** Adverse reputational impact of one or more of the Company's key service providers which, by association, causes the Company reputational damage.	The Board has appointed reputable service providers who are well experienced in the investment trust sector. Individual Directors are well connected in the investment market and investment company sector and thereby keep themselves appraised of developments in the sector. The Manager and Company Secretary provide regular news updates on all matters affecting the Company. The Board undertakes an annual review of the level of service provision of the service providers.
➔	**Financial** Fraud (including unauthorised payments and cyber fraud) occurs leading to a loss.	The Manager and Company Secretary have in place robust compliance and risk monitoring programmes. The Board regularly receives monthly compliance reviews and quarterly expenses analysis. An annual statement is obtained by the Audit Committee from all service providers giving representations that there have been no instances of fraud or bribery.
➔	The Company is exposed to credit risk.	The Manager is responsible for undertaking reviews of the creditworthiness of the counterparties that it uses. All business with respect to portfolio activity is conducted through selected brokers on a delivery versus payment basis thereby minimising exposure to broking counterparties. Further information on financial instruments and risk can be found in note 16 to the Financial Statements beginning on page 82.
➔	The Company is exposed to market price risk.	The Directors acknowledge that market risk is inherent in the investment process as the Manager maintains a concentrated portfolio of securities. The Board has imposed guidelines within its investment policy to limit exposure to individual holdings. The Company Secretary reports to the Board with respect to compliance with investment guidelines on a monthly basis. The Manager provides the Board with regular updates on market movements. No investment is made in derivative instruments and no currency hedging is undertaken. Further information on financial instruments and risk can be found in note 16 to the Financial Statements beginning on page 82.

Strategic Report

Principal Risks continued

Movement	Key Risks and Uncertainties	Key Mitigations
→	**Accounting, Legal and Regulatory** The Company and/or the Directors fail(s) to comply with its legal requirements in relation to FCA dealing rules/handbook procedures, the Listing Rules, the Companies Act 2006, relevant accounting standards, the Bribery Act 2010, the Criminal Finances Act 2017, GDPR, tax regulations or any other applicable regulations.	The Board monitors regulatory changes with the assistance of the Company Secretary, Manager and external professional advisers to ensure compliance with applicable laws and regulations. The Board reviews compliance reports and internal control reports provided by its service providers, as well as the Company's Financial Statements and revenue forecasts. The Company Secretary presents a quarterly report on changes in the regulatory environment and how and when changes are to be addressed As a member of the AIC, the Board receives regular technical updates which highlight forthcoming compliance obligations and regulatory issues.
→	The regulatory environment in which the Company operates changes, affecting the Company's business model.	The Board monitors the regulatory environment with the assistance of its Company Secretary, Manager and external professional advisers to ensure that the Board is aware of any likely changes in the regulatory environment and will be able to adapt as required.
→	The Company's valuation of its investment in LTL is materially misstated.	The Board approves the monthly valuation of the Company's Investment. An audit of LTL's valuation is conducted annually by a leading independent external audit firm. During the year the Board appointed J.P. Morgan Cazenove Ltd to undertake an independent review of the Company's valuation methodology applied to its unlisted investment in LTL. The Manager and Company Secretary report to the Board at every meeting. An internal controls report is produced by the Company Secretary on an annual basis covering controls over valuation and release of weekly net asset value per share.

Emerging Risks

The Company has carried out a detailed assessment of the Company's emerging risks. The International Risk Governance Council definition of an 'emerging' risk is one that is new, or is a familiar risk in a new or unfamiliar context or under new context conditions (re-emerging). Failure to identify emerging risks may lead to disruption to the Company's strategy, structure and operations and ultimately threaten its viability. Conversely, the early identification of emerging risks increases the Company's resilience and may provide business opportunities.

The Audit Committee reviews a risk map regularly during the year. Emerging risks are discussed as part of this process. The experience and knowledge of the Directors is useful in these discussions, as are update papers from the Board's key service providers such as the Manager and Company Secretary.

The Audit Committee identified the following emerging risks during the year:

Movement	Key Risks and Uncertainties	Key Mitigations
*	**Emerging Risks** The invasion of Ukraine by Russia introduces new risks and exacerbates existing risks. These include: • Increased inflationary pressures, that were already elevated from supply shortages as the Covid-19 pandemic eased. • Higher inflation is leading policy makers to increase interest rates. This in turn may lead to a reduction in trade, a threat of recession and higher unemployment. • Sanctions damage the prospects of investee companies with material exposure to Russia. • Increased market volatility and reduced risk appetites across a wide variety of asset classes. • Increased threat of state-sponsored cyber-attacks.	The Manager monitors portfolio construction, performance and liquidity to assess and manage the impact of increased market volatility on the listed portfolio and on the Company's holding in LTL. The Manager monitors the current impact of sanctions and other economic responses to the invasion of Ukraine on investee companies. The Company's investment approach sees it own companies with strong brand equity and pricing power making them more able to pass on cost increases and mitigate the effects of inflation on portfolio holdings. The Board reviews regular internal control reports from its key service providers that include cyber defences and other mitigants against unauthorised network access.

Climate Change Risk

The Manager considers how climate change could affect the Company's portfolio companies and shareholder returns. Climate change risks within the portfolio are addressed as part of the Manager's quarterly reports to the Board on its Responsible Engagement and Investment Policy. Details of this policy and the carbon intensity of the Company's portfolio can be found on page 27.

Future Developments

The Board's primary focus is on LTL's investment approach and performance both as the Company's Manager and as an investment. The subject is thoroughly discussed at every Board meeting.

An outline of performance, investment activity and strategy, and market background during the year, as well as the outlook, is provided in the Chairman's Statement beginning on page 4 and the Manager's Report beginning on page 10.

It is expected that the Company's strategy will remain unchanged in the coming year.

Strategic Report

Longer-Term Viability Statement

In accordance with the UK Corporate Governance Code the Board reviews the performance and progress of the Company in depth at each quarterly Board meeting over historic periods. These assessments, regular investment performance updates from the Manager and a continuing programme of monitoring risk are used to assess the future viability of the Company. The Directors consider that a period of three years is the most appropriate time horizon to consider the Company's viability. After careful analysis, the Directors believe that the Company is viable over a three year period, taking into account the possible impact of the potential risks and uncertainties it faces, including the ongoing impact of the Covid-19 pandemic and Russia's invasion of Ukraine as detailed in the Chairman's Statement and Principal Risk sections of this Report. The following facts support the Directors' view:

- The Company has a liquid investment portfolio in relation to investments in UK and internationally listed securities and funds, and has some short-term cash on deposit. These liquid assets represent 56% of net assets. The other 44% is the unlisted investment in LTL, which is not readily realisable.
- Based on historic analysis, 54% of the current portfolio could be liquidated within 30 business days with 49% in five business days. There is no expectation that the nature of the investments held within the portfolio will be materially different in the future.
- The closed-ended nature of the Company means that, unlike an open-ended fund, it does not need to realise investments when shareholders wish to sell their shares.
- The founder directors of LTL, in which the Company holds 24.3%, have given their verbal assurance that they remain committed to the business for at least seven years.
- The Company has decided not to use gearing.
- Revenue expenses of the Company are covered five times by investment income.
- The expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments currently foreseen which would alter that position.
- The Company has no employees, only its non-executive Directors. Consequently it does not have redundancy or other employment related liabilities or responsibilities.

In order to maintain viability, the Company has a robust risk control framework for the identification and mitigation of risk which is reviewed regularly by the Board. The Directors also seek reassurance from service providers that their operations are well managed and they are taking appropriate action to monitor and mitigate risk. The Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

The continued impact of the Covid-19 pandemic was also factored into the key assumptions by addressing its impact on the Company's key risks and whether the effect of those risks on the Company had increased under normal, favourable and stressed market conditions. As part of this review the Board considered the impact of a significant and prolonged decline in the Company's performance and prospects. This included a range of plausible downside scenarios such as reviewing the effects of substantial falls in investment values and the impact of the Company's ongoing charges ratio, which were the subject of stress testing.

The Board's long-term view of viability will, of course, be updated each year in the Company's Annual Report.

Going Concern Statement

In light of the conclusions drawn in the foregoing statement, the Company has adequate financial resources including readily realisable equity securities and cash and the value of its assets is greater than its liabilities. The Company does not have a fixed life.

Additionally, after reviewing the Company's budget including the current financial resources and projected expenses for the next 12 months and its medium-term plans, the Directors believe that the Company's resources are adequate for continuing in business for at least the next 12 months. The Directors have given careful consideration to the consequences for the Company of continuing uncertainty in the global economy. The Russian invasion of Ukraine and the ongoing impact of the Covid-19 pandemic, including further lockdowns in China, have created significant supply chain disruption contributing to inflationary pressures worldwide.

Accordingly, having assessed the principal risks and the other matters set out in the Longer-Term Viability Statement, the Directors believe that the Company is well placed to manage its business risks successfully and it is thus appropriate to prepare the Annual Report and Financial Statements on a going concern basis.

In reviewing the positions as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council.

Strategic Report

Section 172 Disclosure

Engaging with the Company’s Stakeholders

The following Section 172 disclosure, which is required by the Companies Act 2006 and the AIC Code, describes how the Directors have had regard to the views of the Company's stakeholders in their decision making.

STAKEHOLDER GROUP		
Who?	**Why?**	**How?**
Investors	**The benefits of engagement with the Company’s Stakeholders** Clear communication of the Company’s strategy and the performance against the Company’s objective can help maintain demand for the Company’s shares. The Board recognises the importance of communication with shareholders.	**How the Board, the Company Secretary and the Manager have engaged with the Company’s Stakeholders** The Board and the Manager receive shareholder feedback directly from shareholders or from the appointed broker. An analysis of the Company’s shareholder register is provided to the Directors at each Board meeting Shareholders have access to the Board, directly and via the Company Secretary, throughout the year. These communications help the Board make informed decisions when considering how to promote the success of the Company for the benefit of shareholders over the long term. **Key mechanisms of engagement include:** • The Annual General Meeting. • Should any significant votes (greater than 20%) be cast against resolutions, proposed at the Annual General Meeting, the Board will engage with shareholders. • The Board will explain in its announcement of the results of the AGM the actions it intends to take to consult shareholders in order to understand the reasons behind the significant votes against. • Following the consultation, an update will be published no later than six months after the AGM and the Annual Report will detail the impact the shareholder feedback has had on any decisions the Board has taken and any actions or resolutions proposed. • The Company’s website which hosts monthly reports and Annual and Half Year Reports. • One-on-one investor meetings as required.

Engaging with the Company's Stakeholders continued

STAKEHOLDER GROUP		
Who?	**Why?**	**How?**
Manager	**The benefits of engagement with the Company's Stakeholders** Engagement with the Company's Manager is necessary to evaluate its performance against the Company's stated strategy and to understand any risks or opportunities this may present. The Board monitors the Manager's approach to environmental, social and governance ("ESG") issues. Engagement also helps ensure that investment management costs are closely monitored and remain competitive. The Chairman's Statement beginning on page 4 and Appendix 3 beginning on page 100 describe the key decisions taken during the year relating to LTL. In particular, they describe changes to the valuation methodology of the Company's holding in LTL, which the Board and LTL believe will be of benefit to shareholders over the longer-term.	**How the Board, the Company Secretary and the Manager have engaged with the Company's Stakeholders** The Board meets regularly with the Company's Manager throughout the year both formally at the quarterly Board meetings and informally as needed. The Board and Manager communicate regularly outside of these meetings to ensure a collegiate approach. Furthermore, Michael Lindsell is a Director of both the Company and of the Manager. The aim is to maintain a strong relationship between the Board and Manager when considering the interests of the Company's stakeholders, whilst upholding the Company's values. The Manager's attendance at each Board meeting also provides the opportunity for the Manager and Board to further reinforce their mutual understanding of what is expected from both parties. The Manager's performance is evaluated informally on a regular basis, with a formal review carried out on an annual basis by the Management Engagement Committee. The Investment Management Agreement is reviewed as part of this process.
Service Providers	The Company contracts with third parties for other services including: accounting & administration as well as company secretarial, registrar and custody. The Company ensures that the third parties to whom the services have been outsourced complete their roles in line with expectation thereby supporting the Company in its success and ensuring compliance with its obligations. The Covid-19 pandemic meant that it was vital to make certain there were adequate procedures in place at the Company's key service providers to ensure safety of their employees and the continued high quality service to the Company.	The Board engages regularly with other service providers both in one-to-one meetings and via regular written reporting. This regular interaction provides an environment where topics, issues and business development needs can be dealt with efficiently and collegiately. The Board maintains regular contact with the Company's key service providers as well as carrying out a review of the service providers' business continuity plans and additional cyber security provisions. The key service providers' performance is evaluated by the Management Engagement Committee on an annual basis, or more often if appropriate. The terms and conditions underlying the relationship between the service providers are reviewed as part of this process. This approach is taken to enhance service levels and strengthen relationships between the Company and its providers to ensure the interests of the Company's stakeholders are best served by maintaining a high level of service whilst keeping costs proportionate.

Strategic Report

Engaging with the Company's Stakeholders continued

STAKEHOLDER GROUP		
Who?	**Why?**	**How?**
Portfolio companies	**The benefits of engagement with the Company's Stakeholders** The Manager invests in a concentrated portfolio of durable business franchises with the intention of holding these positions for a considerable time. The Manager engages with the management of these companies on a periodic basis and reports its impressions on the prospects of the companies to the Board. Gaining a deeper understanding of the portfolio companies and their strategies as well as incorporating consideration of ESG factors into the investment process assists in understanding and mitigating risks of a investments as well as identifying future potential opportunities.	**How the Board, the Company Secretary and the Manager have engaged with the Company's Stakeholders** The Board encourages the Company's Manager to engage with companies and in doing so expects ESG issues to be a key consideration. The Board receives an update on Lindsell Train's engagement activities within a dedicated quarterly ESG report. Details of Lindsell Train's approach to responsible ownership can be found on pages 26 to 31.
Regulators	The Board ensures compliance with rules and regulations as relevant to the Company.	The Company Secretary reports to the Board on a monthly basis and at each Board meeting.

WHAT WERE THE KEY TOPICS OF ENGAGEMENT?	WHAT ACTIONS WERE TAKEN, INCLUDING PRINCIPAL DECISIONS?
• Ongoing dialogue with shareholders concerning the strategy of the Company, performance and the portfolio.	• The Manager meets with shareholders as required and at the AGM. • Shareholders are provided with performance updates via the Company's website as well as the usual financial reports and monthly reports.
• Board Composition.	• The Board has in place a refreshment programme. During the year Julian Cazalet retired as the Chair of the Nomination Committee and was replaced by Nicholas Allan. • Cornforth Consulting were appointed by the Board in April 2022 to assist with succession planning.
• Informing investors of their rights to attend and vote in the AGM.	• Holders of shares via online platforms will be written to, informing them of how they can vote, attend the AGM and view the Annual Report.

Engaging with the Company's Stakeholders continued

WHAT WERE THE KEY TOPICS OF ENGAGEMENT?	WHAT ACTIONS WERE TAKEN, INCLUDING PRINCIPAL DECISIONS?
• The constituents of the investment portfolio including the percentage of NAV attributable to the holding in the Manager. • Consider the prospects of LTL. • The impact of Covid-19 upon LTL and how companies in the LTIT portfolio have responded to the pandemic, in particular through increased digitalisation. • Review of the valuation methodology applied to the Company's holding in LTL.	• Continued monitoring of the percentage of the NAV attributable to LTL and other investments. • The Board has received regular updates from the Manager throughout the Covid-19 pandemic and its impact on investment decision making. In addition, the impact of new working practices adopted by the Manager as a consequence of the pandemic were reviewed by the Board. • The Chairman's Statement on pages 4 to 7, describes the recent changes to the methodology.
• The integration of ESG into the Manager's investment processes.	• The Manager reports regularly any ESG issues in the portfolio companies to the Board.
Other Service Providers • The Directors have frequent engagement with the Company's other service providers through the annual cycle of reporting.	• No specific action required as the reviews of the Company's service providers have been positive and the Directors believe their continued appointment is in the best interests of the Company.

Social, Human Rights and Environmental Matters

As an externally-managed investment trust, the Company does not have any employees or maintain any premises, nor does it undertake any manufacturing or other physical operations itself. All its operational functions are outsourced to third-party service providers. Therefore the Company has no material, direct impact on the environment or any particular community and, as a result, the Company itself has no environmental, human rights, social or community policies.

LTIT's Responsible Investment Policy

The Board believes that it is in shareholders' best interests to consider ESG factors when selecting and retaining investments and the Manager takes these issues into account.

In its Responsible Engagement & Investment Policy, the Manager states that its evaluation of ESG factors is an inherent part of the investment process. These factors include, but are not limited to: "corporate strategy, operating performance, competitive positioning, governance, environmental factors (including climate change), social factors, remuneration, reputation and litigation risks, deployment of capital, regulation and any other risks or issues facing the business".

The Board has delegated authority to the Manager to vote the shares owned by the Company that are held on its behalf by its Custodian. The Board has instructed that the Manager submits votes for such shares wherever possible and practicable. The Manager is required to refer to the Board on any matters of a contentious nature.

Strategic Report

LTIT's Responsible Investment Policy continued

The Manager's Responsible Investment and Engagement Policy has been reviewed and endorsed by the Board. The Manager is a signatory to the United Nations Principles for Responsible Investment and a Tier 1 signatory of the 2020 UK Stewardship Code.

The Company considers that it does not fall within the scope of the Modern Slavery Act 2015 ("Act") and it is not, therefore, obliged to make a slavery and human trafficking statement. In any event, the Company considers its supply chains to be of low risk as its suppliers are typically professional advisers.

The Company also complies with the AIC Code of Corporate Governance and has policies in place regarding Board diversity, integrity and business ethics.

LTL's approach to Responsible Ownership

ESG integration

Seeking Sustainability

As a long-term investor, LTL aims to identify companies that can generate long-term sustainable high returns on capital. LTL has historically found that such companies tend to exhibit characteristics associated with good corporate governance and responsible business practices. Indeed, LTL believes that companies which observe such standards, and that are serious in their intention of addressing environmental and social factors, will not only become more durable but are likely to prove to be superior investments over time.

To that end LTL's initial analysis and ongoing company engagement strategy seeks to incorporate all sustainability factors that it believes will affect the company's ability to deliver long-term value to shareholders. Such factors may include but are not limited to: environmental (including climate change), social and employee matters (including turnover and culture) and governance factors (including remuneration and capital allocation), cyber resilience, responsible data utilisation, respect for human rights, anti-corruption and anti-bribery, and any other risks or issues facing the business and its reputation. This work is catalogued in a proprietary database of risk factors in order to centralise and codify LTL's investment team's views, as well as to prioritize its ongoing research and engagement work and is cross-referenced with the SASB Materiality Map©.

If, as a result of this assessment, LTL believes that an ESG factor is likely to materially impact a company's long-term business prospects (either positively or negatively) then this will be reflected in the long-term growth rate that is applied in LTL's valuation of that company, which alongside its more qualitative research will influence any final portfolio decisions (for example, whether LTL starts a new position or sells out of an existing holding).

Positive/Negative Screening

As a product of LTL's investment philosophy, it does not invest in the following industries:

- capital intensive industries (energy, commodities or mining) or any companies involved in the extraction and production of coal, oil or natural gas; and
- industries that LTL judges to be sufficiently detrimental to society that they may be exposed to burdensome regulation or litigation that could impinge on financial returns (e.g. tobacco, gambling or arms manufacturers).

LTL's approach to Responsible Ownership continued

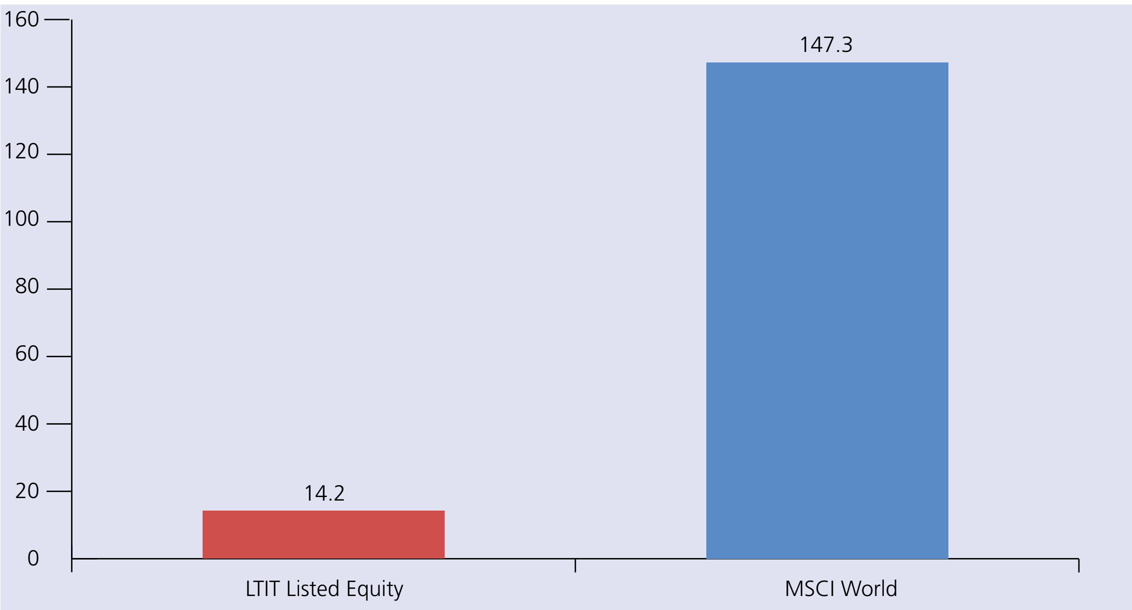
Similarly, LTL's investment approach has steered it to invest in a number of companies that play an important positive social or environmental role, for example through providing access to educational information (e.g. RELX), encouraging saving for the future (e.g. LTL) or encouraging environmental progress and best practice (e.g. Unilever). LTL believe that such positive benefits for society should be consistent with its aim to generate competitive long-term returns, thus helping it meet its clients' investment objectives.

Climate Change

The risks associated with climate change represent the great issue of our era and the transition to a low-carbon economy will affect all businesses, irrespective of its size, sector or geographic location. Therefore, no company's revenues are immune and the assessment of such risks must be considered within any effective investment approach, particularly one like LTL's that seeks to protect its clients' capital for decades to come.

As a relatively small company with a single office location and 25 employees, LTL's climate exposure comes predominantly from the investment portfolios that it manages on behalf of its clients. LTL recognise the systemic risk posed by climate change and the potential financial impacts associated with a transition to a low-carbon economy. LTL therefore support the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") and its efforts to encourage companies to report their climate related disclosures and data in a uniform and consistent way. Further information on LTL's TCFD related disclosures can be found on LTL's website: www.lindselltrain.com within its 2022 TCFD Report. Furthermore, LTL has built a proprietary tool that measures the carbon footprint/intensity of its portfolios, and LTL is pleased to note that LTIT's listed equity holdings have a significantly lower weighted average carbon intensity than its comparable benchmark.

Weighted Carbon Intensity



Source: Bloomberg and individual Company Annual Reports. Data as at December 2021. Carbon Intensity is computed for each equity holding as follows: Total Emissions (metric tons of Co2) / Revenue (Mil USD), and aggregated at the fund level. Data reflects Scope 1 & 2 emissions only. For the sake of clarity, the calculation does not include the holdings (or look through) of Lindsell Train Limited, Finsbury Growth & Income Trust PLC or LT North American Fund.

Strategic Report

LTL's approach to Responsible Ownership continued

Stewardship

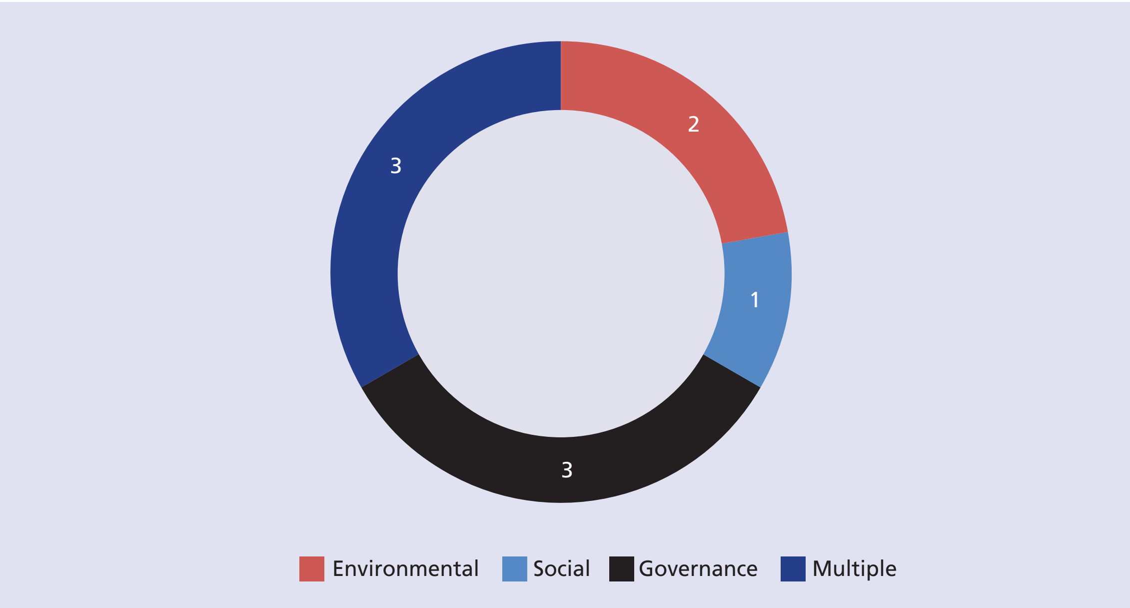
Engagement

Engaging with and monitoring investee companies on matters relating to stewardship has always been an essential element of LTL's investment strategy. Its long-term approach generally leads it to be supportive of company management. However, where LTL disagrees with a company's actions, it will try to influence management on specific matters or policies if LTL believe it is in the best interests of its clients. Constructive dialogue has more often than not resulted in satisfactory outcomes, thus limiting the need for escalation. However, where this is not the case, LTL will consider escalating its engagement and stewardship activities.

During the year, LTL engaged with nine companies held within the Company's portfolio on a wide range of environmental, social and governance issues as detailed in the chart below. LTL is also in the process of writing to several of our companies to complete an information gathering exercise aimed at clarifying its portfolio companies' stances on, and approaches to, certain ESG factors with the objective of ensuring that all portfolio companies report this essential data going forward.

As public supporters of Task Force on TCFD and The Sustainability Accounting Standards Board ("SASB"), LTL is also encouraging these companies to report in line with these, or similar (if more relevant to their business) frameworks, and also to report on positive impact goals and progress. This ongoing ESG research is further complemented by a series of ESG specific telephone calls that LTL is hosting with each of its companies. This will enable LTL to identify additional matters of concern or opportunity that require further scrutiny within its engagement program.

Engagement Activity



Source: Lindsell Train Limited. 1 April 2021 – 31 March 2022. Nine engagement meetings with seven companies covering multiple topics.

LTL's approach to Responsible Ownership continued

Key Engagement Examples and Outcomes

Unilever

This engagement was in part in response to the recent news that from 1 May 2021, China will remove the mandatory animal testing requirements for imported cosmetics. In the case of Unilever, this follows ten years of hard work to ban this practice and it will enable Unilever to develop its Chinese cosmetics business.

Animal testing of health and personal care products, cosmetics and fragrances is a practice that is not only unnecessary but also acts as a barrier to the growing numbers of cruelty-conscious consumers globally. Fortunately, the practice is less common these days and LTL has determined through its research that very few companies engage in animal testing. Indeed, only companies selling personal care products, cosmetics or fragrances into China will have made its products available for animal-testing. Nonetheless LTL has monitored this for some time and engaged with the management of Unilever on this matter.

A.G. Barr

A notable theme of LTL's engagement last year related to conversations with management regarding plastic production. Specifically, LTL spoke to the management of A.G. Barr regarding its strategies to reduce the amount of plastic packaging, to protect the environment and specifically the oceans (Sustainable Development Goal 14 – Life Below Water). Whilst there is clearly value in plastic, in terms of getting products to consumers safely and efficiently, recent global research has widely publicised the alarming rate at which plastic flows into our oceans each year. With the advent of plastic packaging taxes (for example in the UK the proposed tax will apply to packaging produced or imported that does not contain at least 30% recycled plastic), this is fast becoming a potentially material financial issue. A.G. Barr noted not only the potential explicit costs (e.g. litigation, plastic taxes etc.) but also the potential decline in consumer demand they could face given that currently plastic in packaging is the most cited consumer concern. So whilst its reduction commitments are currently an economic drag, A.G. Barr is optimistic that the costs associated with this strategy will be more than outweighed by the positive sentiment and subsequent economic value derived from a trusting consumer base, who love its brands.

Mondelez

LTL had a number of meetings with Mondelez management throughout the year and ESG has been an important thread. In June 2021, the CFO described the opportunities presented by a mindful and deliberate ESG strategy. Management intend to focus their approach on a handful of clear commitments; for example, it is stepping up their efforts to prevent slavery and child labour, as well as improving their knowledge of sustainable cocoa sourcing and deforestation. These are complex challenges that require collaboration across corporations, NGOs and the local communities, as driving change is not about intervention but rather providing tools, training and support. Mondelez's Cocoa Life program, launched in 2012, is a good example of such a collaboration, as are the child-labour monitoring committees that Mondelez has helped establish. Whilst Covid-19 has slowed progress, Chris McGrath, Head of Sustainability at Mondelez, confirmed during a meeting in July 2021 that most projects are well underway and largely on track to meet its published targets. More recently LTL engaged with Mondelez management regarding the recent Nabisco strike in Portland, Oregon, where Mondelez ultimately settled with the workers' union, limiting the potential repercussions.

Strategic Report

LTL's approach to Responsible Ownership continued

LTL has also engaged with the company on several occasions to share its views regarding compensation best practice and continue to believe that the company could foster greater shareholder alignment through improved compensation structures. In assessing its compensation policies LTL focus more on how incentives are structured rather than the actual quantum of compensation. In other words, LTL can be comfortable with the large rewards provided that the incentives are aligned with shareholders' interest and its principles. In the case for Mondelez, LTL wrote to management, outlining its reason for abstaining on the resolution concerning compensation at their 2021 AGM.

Proxy Voting

The primary voting policy of LTL is to protect or enhance the economic value of its investments on behalf of its clients. LTL has appointed Glass Lewis to aid the administration of proxy voting and provide additional support in this area. However, the Manager maintains decision making responsibility based on its detailed knowledge of the investee companies. It is LTL's policy to exercise all voting rights which have been delegated to LTL by its clients.

Voting record:

	Management Proposals	Shareholder Proposals	Total Proposals
With Management	210	3	**213**
Against Management	1^	0	**1**
Abstain	1*	0	**1**
Totals	**212**	**3**	**215**

Source: Glass Lewis. 1 April 2021 – 31 March 2022.
^ PayPal executive compensation resolution.
* Mondelez executive compensation resolution.

Votes against management have typically been in the low single-digit range. The main reason for this is that LTL's long-term approach to investment generally leads it to be supportive of company management and, where required, LTL will try to influence management through its engagement activities. Given LTL often builds up large, long-term stakes in the businesses in which it invests, LTL finds that management is open to (and very often encourage) engagement with LTL. Furthermore, it is LTL's aim to be invested in 'exceptional' companies with strong corporate governance and hence it ought to be rare that LTL finds itself in a position where it is voting against management.

In the majority of cases where LTL has voted against management it has been on matters relating to remuneration. Where LTL does not believe that a company's compensation policy is aligned with the long-term best interests of the shareholders it will write to management to inform them of LTL's intention to vote against such policies.

Integrity and Business Ethics

The Company is committed to carrying out business in an honest and fair manner. In carrying out its activities, the Company aims to conduct itself responsibly, ethically and fairly.

Anti-Bribery and Corruption Policy

The Board has adopted a zero-tolerance approach to instances of bribery and corruption. Accordingly it expressly prohibits any Director or associated persons when acting on behalf of the Company from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit from themselves or for the Company.

The Board applies the same standards to its service providers in their activities for the Company.

A copy of the Company's Anti-Bribery and Corruption Policy can be found in the Board and Policies section of the Company's website. The policy is reviewed regularly by the Audit Committee.

Prevention of the Facilitation of Tax Evasion

In response to the implementation of the Criminal Finances Act 2017, the Board adopted a zero-tolerance approach to the criminal facilitation of tax evasion. A copy of the Company's policy on preventing the facilitation of tax evasion can be found in the Board and Policies section of the Company's website. The policy is reviewed annually by the Audit Committee.

Purpose, Values and Culture

The Company's culture is driven by its values of integrity, knowledge, skill and frank and courteous conduct. It focuses on achieving returns for shareholders in line with the Company's Investment Objective, as set out on the inside front cover.

As the Company has no employees, its culture is represented by the values, conduct and performance of the Board, the Manager and its key service providers.

Approval Statement

The Strategic Report of the Company, comprising pages 2 to 31 of this Report, has been approved by the Board of Directors on 14 June 2022 and is signed on its behalf by:

Julian Cazalet
Chairman

Governance

Board of Directors

Julian Cazalet*^†+, Chairman, is a director of Deltex Medical Group plc and two charitable trusts. He was previously Chairman of Herald Investment Trust plc for 10 years, retiring in 2019. Before that he was a Managing Director – Corporate Finance at J.P. Morgan Cazenove where he advised investment trusts in addition to his work with industrial and commercial companies, having been a partner in Cazenove since 1978. A qualified Chartered Accountant, he has an M.A. in Economics from Cambridge University.

Nicholas Allan*^†+, Chairman of the Nomination Committee, has significant experience of investment management. He was a founder of Boyer Allan Investment Management in 1998 and joint fund manager of the Boyer Allan Pacific Fund Inc until 2012. Prior to that he worked in various roles in UK merchant bank Kleinwort Benson and its affiliates in London, Boston, New York, Tokyo and Hong Kong between 1980 and 1998. This included setting up a pan-Asian securities business and running its global emerging markets securities area. He is a non-executive director of Walled City Hotels Pte Limited (India), trading as RAAS Hotels, and is also a director of several charities. He has an M.A. in Natural Sciences from Cambridge University. Nicholas was appointed Nomination Committee Chairman in March 2022.

Vivien Gould*^†+, Senior Independent Director, is a non-executive director of Baring Emerging EMEA Opportunities PLC, Schroder AsiaPacific Fund plc, Third Point Investors Limited and National Philanthropic Trust UK. 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. Vivien was appointed Senior Independent Director in September 2020.

Richard Hughes*^†+, Chairman of the Audit Committee, is a non-executive director and the Senior Independent Director of Middlefield Canadian Income PCC, where he also serves as the Chair of its Nomination & Remuneration and Audit Committees. He also serves as a non-executive director of Edentree Asset Management Limited, chairs its Investment Committee and is a member of its Risk and Audit Committee. He has significant experience with closed-end funds, namely M&G's Investment Trust business of which he was a director. He managed a number of funds, including M&G Smaller Companies Fund, M&G Recovery Fund and M&G Charifund. He was a director of M&G Group plc and Managing Director of M&G Investment Management Limited. He was a director of M&G Limited and M&G Group plc from 1994 to 2000, and a director of M&G Recovery Trust plc from 1992 to 1998. Richard was appointed Audit Committee Chairman in September 2020.

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 LTL in 1999.

All Directors are Non-Executive.

* Independent
^ Audit Committee member
† Management Engagement Committee member
\+ Nomination Committee member

Michael Lindsell was appointed as a director on 13 July 2006; Julian Cazalet and Vivien Gould were appointed on 29 January 2015; Nicholas Allan and Richard Hughes were appointed on 18 September 2018.

Report of the Directors

The Directors present the Annual Report together with the audited Financial Statements of the Company and the Independent Auditors' Report for the year ended 31 March 2022.

In accordance with the requirement for Directors to prepare a Strategic Report and an enhanced Directors' Remuneration Report for the year ended 31 March 2022, the following information is set out in the Strategic Report: a review of the business of the Company including details about its objective, strategy and details of the key risks and uncertainties associated with the Company's activities.

Listing Rule 9.8.4 requires the Company to include certain information, more applicable for traditional trading companies, in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard. The Corporate Governance Statement forms part of this Directors' Report.

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 has been confirmed by HM Revenue & Customs as having approved investment trust status under the Investment Trusts (Approved Company) (Tax) Regulations 2011, 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.

The Board has been approved by the Financial Conduct Authority to be a Small Registered UK Alternative Investment Manager ("AIFM").

The Alternative Investment Fund Managers' Directive ("AIFMD") requires certain disclosures to be made in respect of any remuneration policy for the AIFM, leverage, risk disclosures and pre-investment disclosures. The Board is the AIFM, and receives no remuneration in this regard. The Company does not use gearing, makes sufficient risk disclosure within the Report, and there have been no material changes to investment policy or objectives. Therefore, it is considered that separate disclosures are not required.

Results and Dividend

The return on ordinary shares after taxation is shown on page 78. Details of the proposed final dividend can be found on page 7.

Share Capital

Full details of the Company's Ordinary Share capital are provided in Note 13 of the Financial Statements on page 81 and in Appendix 2 on page 98.

The Company's Articles of Association permit the Company to purchase its own shares. At the AGM held on 9 September 2021 a special resolution was passed giving the Company authority, until the conclusion of the AGM in 2022, to make market purchases to be cancelled or held in treasury of the Company's ordinary shares up to a maximum of 29,980 shares being 14.99% of the issued Ordinary Share capital and this figure remains unchanged at 14 June 2022. This authority has not been used, the Directors intend to seek a fresh authority at the AGM in 2022.

Governance

Report of the Directors *continued*

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer which are known to the Company; and no agreements to which the Company is party that might affect its control following a successful takeover bid.

Substantial Shareholdings

As at the dates below the Company had received notifications (DTR 5.1.2R) and/or become aware of the following shareholdings representing 3% or greater of the Ordinary Share capital of the Company as at 31 March 2022 and 31 May 2022, being the latest practicable date before publication of the Annual Report:

	No. of Shares as at 31 March 2022	*% of Capital*	*No. of Shares as at 31 May 2022*	*% of Capital*
Hargreaves Lansdown	31,123	15.56	31,221	15.61
Interactive Investor	20,533	10.27	20,461	10.23
Mr Nicholas Train	13,332	6.67	13,332	6.67
Mr Michael Lindsell (including non-beneficial interests)	10,945	5.47	10,945	5.47
Finsbury Growth & Income Trust PLC	10,000	5.00	10,000	5.00
AJ Bell Securities	8,755	4.38	8,981	4.49
Rathbones	8,505	4.25	8,057	4.03

As at 31 March 2022 and 31 May 2022 the Company had 200,000 Ordinary Shares in issue.

Beneficial Owners of Shares – Information Rights

The beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, or to the Company directly.

Directors

Details of the Directors of the Company who served during the year are set out on page 32. Particulars of their remuneration are given on pages 52 to 58. All of the Directors as at the date of this Report will stand for re-election.

Directors' Other Commitments

Each of the Directors assessed the overall time commitment of their external appointments and it was concluded that they have sufficient time to discharge their duties. Further details of this assessment can be found on page 44.

Directors

The number of Directors at the financial year end was five (2021: five).

	2022		2021	
	Male	Female	Male	Female
Directors (Non-Executive)	4	1	4	1

There were no Executive Directors or employees during the year.

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' Interests

The interests of the Directors, and connected persons, in the Ordinary Shares of the Company are shown in the Directors' Remuneration Report beginning on page 52.

Conflicts of Interest

Company Directors have a statutory obligation to avoid a situation in which they (and connected persons) have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. In line with the Companies Act 2006, the Board has the power to authorise any potential conflicts of interest that may arise and impose such limits or conditions as it thinks fit. A register of interests and potential conflicts is maintained and is reviewed at every Board meeting. No conflicts of interest arose during the year under review.

Disclosure of Interests

As disclosed 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 Manager, LTL, and the beneficial holder of 36.22% of the issued share capital of that company.

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

Governance

Report of the Directors continued

Directors' Indemnification and Insurance

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. This cover was in place during the year and also to the date of signing this report.

Given the importance of the investment in LTL, the Company has insured the lives of the founders and key managers, Michael Lindsell and Nick Train, for £10m each. In the unfortunate event of a claim being made the proceeds would partly offset the likely fall in the value of the investment in LTL.

Common Reporting Standard ("CRS")

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to certain shareholders. The reporting obligation began in 2016 and is an annual requirement. The Company's Registrar, Link Group, has been engaged to collate such information and file the reports with HMRC on behalf of the Company.

Climate Change

Disclosure Concerning Greenhouse Gas Emissions ("GHG") for the year ended 31 March 2022

The Company is an investment trust, with neither employees nor premises, nor has it any financial or operational control of the assets which it owns. It has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Reports and Directors' Reports) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, including those within the Company's underlying investment portfolio.

Consequently, the Company consumed less than 40,000 kWh of energy during the year in respect of which the Directors' Report is prepared and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

Taskforce for Climate Related Financial Disclosures ("TCFD")

The Company notes the TCFD recommendations on climate-related financial disclosures. The Company is an investment trust and, as such, it is exempt from the Listing Rules requirement to report against the TCFD framework. Further details of the Manager's TCFD related disclosures can be found on page 27.

Political Donations

The Company does not make political donations.

Alternative Performance Measures

The Company uses a variety of performance measures when monitoring the performance of the Company. These measures are considered to be alternative performance measures under the European Securities and Markets Authority ("ESMA") guidelines and are described further in the Glossary of Terms under Alternative Performance Measures on pages 106 to 108.

Independent Auditor

Resolutions to reappoint PricewaterhouseCoopers LLP as the Company's auditor and to authorise the Audit Committee to determine their remuneration will be proposed at the forthcoming AGM.

Statement of Disclosure of Information to the Auditors

So far as the Directors are aware, there is no relevant information (as defined in the Companies Act 2006) of which the Company's Auditors are unaware. The Directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information (as defined) and to establish that the Auditors are aware of such information.

The above information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Annual General Meeting

The Annual General Meeting of the Company will be held on Thursday, 8 September 2022 at 2.30 p.m. Please refer to the Notice of Meeting beginning on page 101 for details of this year's arrangements, together with the explanations of the proposed resolutions.

Other Statutory Information

The following information is disclosed in accordance with the Companies Act 2006:

- The rules on the appointment and replacement of directors are set out in the Company's Articles of Association (the "Articles"). Any change to the Articles would be governed by the Companies Act 2006.
- Subject to the provisions of the Companies Act 2006, to the Articles, and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company.

The powers shall not be limited by any special powers given to the Directors by the Articles and a meeting of the Directors at which a quorum is present may exercise all the powers exercisable by the Directors. The Directors' powers to issue and buy back shares, in force at the end of the year, are recorded in the Directors' Report.

Governance

Report of the Directors continued

There are no agreements:

i. to which the Company is a party that might affect its control following a takeover bid; and/or

ii. between the Company and its Directors concerning compensation for loss of office.

Approved by the Board and signed on its behalf by:

Frostrow Capital LLP
Company Secretary
14 June 2022

Corporate Governance Statement

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

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance 2019 ("AIC Code"), addresses all the principles set out in the UK Corporate Governance Code ("UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting in line with the principal recommendations of the AIC Code will provide better information to shareholders. The Financial Reporting Council has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules).

Statement of Compliance

The Board confirms that it complies with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

UK Corporate Governance Code	Additional Information
• The role of the chief executive. • Executive directors' remuneration. • The need for an internal audit function. • The Chairman of the Board should not be a member of the Audit Committee.	The Board considers these provisions are not relevant to the Company, as it is an externally managed investment company. All of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. Although Julian Cazalet is Chairman of the Board, in light of his continued independence and his valued contributions in Committee meetings, the Audit Committee considers it appropriate that he continues to be a member. The Company has therefore not reported further in respect of these provisions.

AIC Code	Additional Information
• The Board should establish a Remuneration Committee.	The Board does not consider this provision relevant as the Company has no employees and there are no executive directors. Non-executive Directors' remuneration is determined by the Board in line with the Directors' Remuneration Policy.

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 Manager, the Auditors (subject to shareholder approval), Registrar, Custodian, Company Secretary, Administrator and Tax Services Supplier.

The Board determines what resolutions 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 Ordinary Shares and increases/reductions of Ordinary Shares in issue and in treasury.

Governance

Corporate Governance Statement continued

The Board monitors key risks and ensures that there is a structure of internal controls in place to mitigate the likelihood of risks materialising. These are explained in greater detail on pages 44 and 45. Authority has been delegated to the Manager to take decisions on the purchase and sale of individual investments. However, the Board retains discretion in relation to the investment in LTL and Lindsell Train managed funds. The Board has also delegated authority to the Committees listed on pages 40 and 41 and has established Terms of Reference which are available on the Company's website and from the Company's Registered Office.

A schedule of matters reserved for the Board is also available on the Company's website and from the Company's Registered Office.

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. All Directors are non-executive and four are independent of the Manager.

The Directors normally meet as a Board on a quarterly basis. The Board lays down guidelines within which the Manager implements investment policy. All Board members are able to take independent professional advice at the Company's expense.

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

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:

	Board (regular meetings)	Audit Committee	Management Engagement Committee	Nomination Committee
Total number of meetings	**4**	**3**	**1**	**1**
Julian Cazalet	4	3	1	1
Nicholas Allan	4	3	1	1
Vivien Gould	4	3	1	1
Richard Hughes	4	3	1	1
Michael Lindsell	4	3*	1*	1*

** Present as an attendee and not a Committee member.*

Board Committees

Nomination Committee

The Board has established a Nomination Committee which will meet annually, or more often, if necessary. The Company's Nomination Committee during the year comprised Nicholas Allan (Chairman), Julian Cazalet, Vivien Gould and Richard Hughes.

The Directors have many years' experience within the industry between them and have the necessary skills to promote and develop the Company. As part of the fulfilment of the Succession Plan, the Board engaged the services of third party search consultants. Further details can be found on page 41.

The Board's policy on diversity, including gender, is described in more detail on page 42.

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 over a number of investment cycles.

Audit Committee

The Company's Audit Committee during the year comprised Richard Hughes (Chairman), Nicholas Allan, Julian Cazalet and Vivien Gould. Although Mr Cazalet 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 47 to 51 of the Annual Report.

Management Engagement Committee

The Company's Management Engagement Committee during the year comprised Julian Cazalet (Chairman), Nicholas Allan, Vivien Gould and Richard Hughes.

The Committee reviews LTL's performance against comparator indices and market peers and considers whether terms of the contract, fees and other remuneration payable to LTL remain appropriate on at least an annual basis.

The Committee also considers the performance, terms, fees and other remuneration payable to the Company Secretary and Administrator, the Custodian, and the Registrar.

Appointments to the Board

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association and the succession planning policy. Where the Board appoints a new Director during the year or after the year end and before the notice of annual general meeting is published, that Director will stand for election by shareholders at the next Annual General Meeting.

When considering new appointments, the Board endeavours to ensure that it has the capabilities required to be effective and oversee the Company's strategic priorities.

Subject to there being no conflict of interest, all Directors are entitled to vote on candidates for the appointment of new Directors and to recommend to shareholders the re-election of Directors at the Annual General Meeting. The Chairman will not chair the meeting when the Board is dealing with the appointment of his successor.

Succession Planning

The Board, meeting as the Nomination Committee, regularly considers its structure and recognises the need for progressive refreshment.

The Board has an approved succession planning policy to ensure that (i) there is a formal, rigorous and transparent procedure for the appointment of new directors; and (ii) the Board is comprised of members who collectively display the necessary balance of professional skills, experience and industry/company knowledge. The policy is reviewed annually and at such other times as circumstances may require.

As part of the Board refreshment process the Board engaged the services of specialist recruitment consultants, Cornforth Consulting in April 2022. Cornforth Consulting has no other connection with the Company or any of the individual Directors.

Governance

Corporate Governance Statement continued

Board Diversity

When considering new appointments, the Board reviews the skills of the Directors and seeks to add persons with complementary skills or who possess skills and experience which fill any gaps in the Board's knowledge or experience. The Company is committed to ensuring that any vacancies arising are filled by the best qualified candidates. The Board acknowledges the benefits of greater diversity, and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives to the Board. As such, the Board is minded to increase the diversity of its Board and in particular the proportion of female directors.

The following key objectives for the appointment process for new Directors have been established:

- all Board appointments will be made on merit, in the context of the skills, knowledge and experience that are needed for the Board to be effective;
- candidates selected must have sufficient time to devote to their duties as a Director of the Company; and
- long lists of potential non-executive directors should include diverse candidates of appropriate merit.

The Board is aware that targets concerning ethnic diversity have been recommended for FTSE 250 companies by the Parker Review. While the Company is not a FTSE 250 constituent and the Board is small in size, the Directors will continue to monitor developments in this area and to consider diversity during any director search process.

The Board will always look to appoint the best person for the role and confirm that there is not and will not be any discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or disabilities.

Induction/Development

New appointees to the Board are provided with a full induction programme. The programme covers the Company's investment strategy, policies and practices. New Directors are also given key information on the Company's regulatory and statutory requirements as they arise including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board committees, the Company's corporate governance practices and procedures and the latest financial information. Directors are encouraged to participate in training courses where appropriate.

Removal of Directors

The Company may by special resolution remove any Director and may by ordinary resolution appoint another person who is willing to act to be a Director in their place. The provisions under which a Director would automatically cease to be a Director are set out in the Company's Articles of Association.

Board Responsibilities

It is the responsibility of the independent members of the Board, led by the Chairman, to ensure the effectiveness of the Manager and other 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.

Division of Responsibilities

The Chairman's primary role is to provide leadership to the Board, assuming responsibility for its overall effectiveness in directing the Company. The Chairman is responsible for:

- taking the chair at general meetings and Board meetings, conducting meetings effectively and ensuring all Directors are involved in discussions and decision-making
- setting the agenda for Board meetings and ensuring the Directors receive accurate, timely and clear information for decision-making
- taking a leading role in determining the Board's composition and structure
- overseeing the induction of new directors and the development of the Board as a whole
- leading the annual board evaluation process and assessing the contribution of individual Directors
- supporting and also challenging the Manager (and other suppliers) where necessary
- ensuring effective communications with shareholders and, where appropriate, stakeholders
- engaging with shareholders to ensure that the Board has a clear understanding of shareholder views.

The Senior Independent Director ("SID") serves as a sounding board for the Chairman and acts as an intermediary for the other Directors and the shareholders. The SID is responsible for:

- working closely with the Chairman and providing support
- leading the annual assessment of the performance of the Chairman
- holding meetings with the other non-executive Directors without the Chairman being present, on such occasions as necessary
- working with the Chairman, other Directors and shareholders to resolve major issues
- being available to shareholders and other Directors to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication (i.e. through the Chairman or the Manager).

Governance

Corporate Governance Statement continued

Company Secretary

The Directors have access to the advice and services of a specialist investment trust company secretary, which is responsible for advising the Board on all governance matters. The Company Secretary ensures governance procedures are followed and that the Company complies with applicable statutory and regulatory requirements.

Board Performance Evaluation

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.

The Board also reviewed each director's time commitment and independence by reviewing a complete list of appointments to ensure that each director remained free from conflict and had sufficient time available to discharge each of their duties effectively. All Directors were considered to be independent in character and judgement.

- The Board considered each Director's contributions, and noted that in addition to extensive experience as professionals and non-executive directors, each Director had valuable skills and experience, as detailed in their biographies on page 32.
- Based on its assessment, the Board noted individual recommendations for each Director's re-election.

Risk and 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 2022 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 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 delegated the management of the investment portfolio to the Manager, LTL, while maintaining discretion over the holdings in LTL and Lindsell Train managed funds. LTL and the

Board regularly discuss the investments in LTL and Lindsell Train funds. The day-to-day administration and the Company Secretarial requirements are contractually delegated to Frostrow Capital LLP, and the custodial services including the safeguarding of assets to Northern Trust Company (see note 16 to the Financial Statements). These contracts have been entered into after full consideration by the Board of the services undertaken and are reviewed annually. The Manager, Administrator and Custodian all maintain their own systems of internal and financial controls.

The Manager has established a framework to provide reasonable assurance on the effectiveness of internal controls operated on behalf of its clients. The Manager's Compliance Officer assesses and reports to the Board on that effectiveness and on the various business risks that may be encountered by the Manager.

The Company Secretary and Administrator also has established internal controls and have procedures in place to monitor them.

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

The Board is satisfied that its approach to managing internal control and risk conforms to the recommendations of the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The Board notes that the Covid-19 pandemic has affected the operations of all its service providers but is satisfied that all have been able to adjust their business practices to accommodate the disruption and to continue to provide a satisfactory service to the Company.

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 Company's key service providers.

Stakeholders

As an externally managed investment company, the Company does not have employees. Its main stakeholders therefore comprise its shareholders and a small number of service providers.

Exercise Of Voting Powers

The Board has delegated authority to LTL (as Manager) to cast its vote in relation to the shares owned by the Company.

Nominee Share Code

Where shares in the Company are held via a nominee company, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's Annual General Meeting and vote via proxy.

Governance

Corporate Governance Statement continued

Stakeholders Engagement Reporting

The AIC Code requires directors to explain their statutory duties as stated in sections 171–177 of the Companies Act 2006. Under section 172, directors have a duty to promote the success of the Company for the benefit of its members as a whole and in doing so have regard to the consequences of any decisions in the long term, as well as having regard to the Company's stakeholders amongst other considerations.

The Board's report on its compliance with Section 172 of the Companies Act 2006 is contained within the Strategic Report on pages 22 to 25.

Julian Cazalet
Chairman
14 June 2022

Governance

Report of the Audit Committee

This report to shareholders for the year ended 31 March 2022 has been prepared in accordance with guidance issued by the Financial Reporting Council and the UK Corporate Governance Code.

Composition of the Committee

The Audit Committee during the year comprised four 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. Julian Cazalet and Richard Hughes have current experience in relation to accounting and financial matters. The Company Secretary is Secretary to the Committee.

Role and responsibilities of the Committee

A comprehensive description of the Committee's role, its duties and responsibilities, can be found in its terms of reference, which are available on the Company's website and from the Company's Registered Office.

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 shareholders
- 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 significant issues (if any) which are identified by the Auditors 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 Auditors 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, reappointment, replacement or removal of the Auditors
- to consider all proposals and fees for non-audit work, which may include tenders from independent third parties as well as proposals from the Auditors 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 Auditors 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 met three times during this financial year. Meetings are held to consider the full year and half-year results. Before each year end, the Board reviews the Auditors' proposed plans, scope of work and costs for the ensuing full year audit. Representatives of the Manager and the Company Secretary and Administrator attend meetings to provide input and respond to questions. The Committee also holds a meeting with the Auditors without any of the Company's third party service providers present at which any aspect of the Auditors' work may be discussed.

Significant Issues Considered by the Audit Committee during the year

Audit Regulation

The Committee is aware of the extensive proposals outlined by the Department of Business, Enterprise, Industry and Skills consultation which seek to strengthen the UK's audit and corporate governance framework. The Committee awaits the outcomes of the consultation.

Internal Controls and Risk Management

Going Concern

The Audit Committee, at the request of the Board, considered the ability of the Company to adopt the Going Concern basis for the preparation of the Financial Statements. Having reviewed the Company's financial position, the Committee is satisfied that it is appropriate for the Board to prepare the Financial Statements for the year ended 31 March 2022 on a going concern basis. The Committee's review of the Company's financial position included consideration of the cash and cash equivalents' position of the Company; the diversification of the portfolio; and the analysis of portfolio liquidity. Stress testing was completed in determining the appropriateness of preparing the Financial Statements on a going concern basis, as set out below.

Viability Statement

The Committee considered, again on behalf of the Board, the longer-term viability of the Company in connection with the Board's statement (see page 20). The Committee reviewed the Company's financial position (including its cash flows and liquidity position), the principal risks and uncertainties and the results of stress tests. The stress tests considered the impact of one or more of the key risks crystallising and then modelled the impact on the portfolio. The results demonstrated the impact on the Company's NAV, its expenses and its ability to meet its liabilities. Based on these results the Committee concluded it was reasonable for the Board to expect that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three financial years.

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 on their internal controls. These reports are received at least annually, including reports which have been independently verified by the relevant service provider's independent auditors.

The Directors have identified seven main areas of risk and have set out the actions taken to evaluate and manage these risks. The Committee reviews the various actions taken and satisfies itself that they are sufficient.

Last year the Audit Committee undertook a review of the Company's risk management methodology and this year the Company is able to report on any changes in its risk profile compared with last year's assessment, which can be found in the Strategic Report on page 19.

Alternative Performance Measures

The Committee reviewed the disclosure and description of Alternative Performance Measures provided on pages 14 and 15 and within the Glossary of Terms and Alternative Performance Measures beginning on page 106 and is satisfied that the disclosure is fair and relevant.

Valuation of investments

The Audit Committee considered the valuation methodology of the unlisted investment in LTL that represented 43.5% of net assets at the financial year end. During the year the Board appointed J.P. Morgan Cazenove Ltd to undertake an independent review of the Company's valuation methodology applied to its unlisted investment in LTL. Further details of the outcome of the review can be found in the Chairman's Statement beginning on page 4 and within Appendix 1 beginning on page 89.

The other 56.5% of the Company's net assets are quoted investments, a listed fund and cash. The valuation of these investments is a material matter in the production of the Financial Statements.

The Audit Committee noted that the ongoing impact of Covid-19 pandemic, together with the continuing developments in Ukraine has had a malign impact on economies and stock markets worldwide and that the valuations of all its investments, both listed and unlisted, have been impacted. 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 valuation of all investments were discussed with the Independent Auditors. No material issues were identified.

Ownership of investments

The Administrator has not highlighted any 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.

Revenue

Dividend income is reviewed by the Administrator to ensure it is appropriately accounted for and allocated correctly to revenue or capital. The Audit Committee has also reviewed the Auditors' approach to revenue recognition prior to the commencement of the audit. The results of the audit in this area were discussed with the Auditor and there were no significant issues arising.

Tax Compliance

The Company has engaged Wheelhouse Advisors, formerly part of ACA Compliance Group to assist with the Company's tax compliance matters, in particular, the preparation and submission of the Company's corporation tax computation and tax return.

Governance

Report of the Audit Committee continued

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.

PricewaterhouseCoopers LLP are the Company's Auditors and were appointed in March 2018. The Committee is not aware of any contractual or other restrictions which would impinge on the Committee's ability to select independent auditors.

The Auditors are required to change the Partner responsible for the audit affairs of the Company at least every five years. In accordance with this legislation 2022 would have been the last audit of the Company's previous Senior Statutory Auditor, Mr Chris Meyrick. However, Mr Meyrick left PwC having completed four audits. During the year a new Audit Partner, Ms Colleen Local was appointed.

The Committee satisfies itself as to the independence of the Auditors, and in particular takes into account any non-audit work undertaken by the Auditors. When considering whether to appoint the Auditors 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 Committee identified the following areas of particular significance which might require particular Independent audit emphasis:

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

Independence and effectiveness of the Auditors

The Committee is satisfied with the independence, objectivity and impartiality of the Auditors. In order to fulfil the Committee's responsibility regarding the independence of the Auditors, the Committee reviewed the Auditors' arrangements concerning any conflicts of interest, the extent of any non-audit services, and the statement by the Auditors that they remain independent within the meaning of the regulations and their professional standards.

The Committee is also satisfied that the audit process was effective. In order to consider the effectiveness of the audit process, the Committee reviewed the Auditors' fulfilment of the agreed audit plan, the report arising from the audit and feedback from those involved in the audit process.

Reappointment of the Independent Auditors

The Committee is satisfied that the independence, objectivity and impartiality of the Auditors has not been compromised. Accordingly a resolution to re-appoint PricewaterhouseCoopers LLP as the Auditors will be proposed at the forthcoming Annual General Meeting.

The Committee has not decided to put the Company's audit work out to tender as it is satisfied with the services it has been provided with and the audit fees paid are in line with expectations.

The Company has formal Audit Tender guidelines in place and these are reviewed annually by the Board, upon the recommendation of the Audit Committee. Based on existing legislation, another tender process will be conducted no later than in 2027.

Performance Evaluation

As part of the Board Evaluation process, the Committee undertook an evaluation of its performance during April 2022.

The Committee confirmed that it had conducted its affairs in accordance with its terms of reference. The Committee considers that its approach is comprehensive and appropriate, that it focuses on the right issues and is managed well.

Richard Hughes
Chairman of the Audit Committee
14 June 2022

Directors' Remuneration Report

This Remuneration Report has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 and the Enterprise and Regulatory Reform Act 2013. An Ordinary Resolution for the approval of this Report will be put to shareholders at the Company's forthcoming Annual General Meeting. The Directors' Remuneration Policy Report, which is separate to this Report, can be found on pages 56 to 58.

The law requires the Company's Auditors to audit certain disclosures within this Report. Where disclosures have been audited, they are included as such and the Auditors' opinion is included in their report to members on pages 61 to 67.

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. The Board considers the framework for the remuneration of the Directors on an annual basis. It reviews the ongoing appropriateness of the Company's remuneration of Directors by reference to the activities of the Company and comparison with other companies of a similar structure and size together with a review of independent research. This is in line with the AIC Code.

At the most recent review held in November 2021, it was agreed that with effect from 1 January 2022, the Directors' fees would be as follows:

Chairman £38,500 (January 2021: £36,500)
Chairman of the Audit Committee £31,500 (January 2021: £30,000)
Directors £26,000 (January 2021: £25,000), with the exception of Michael Lindsell who, because of his connection with the Manager, waives his entitlement to fees.

The table below contains the annual percentage increase in remuneration over the three financial years prior to the current year in respect of the various director roles:

Annual Income:	**31 March 2022 (£)**	31 March 2021 (£)	31 March 2020 (£)
Chairman	**37,000**	35,375	32,750
	4.6%	8.0%	2.3%
Chairman of the Audit Committee*	**30,375**	27,500	27,000
	10.5%	1.9%	3.8%
Directors	**25,250**	24,250	22,500
	4.1%	7.8%	2.3%
Taxable expenses	**1,083**	Nil	Nil

** Richard Hughes was appointed Audit Committee Chairman in September 2020.*

Directors' Emoluments

None of the Directors is entitled to pensions or pension related benefits, medical or life insurance, share options, long-term incentive plans, and any form of performance related pay. Also, no Director has any right to any payment by way of monetary equivalent to an entitlement or to any assets of the Company except in their capacity as shareholders.

Expenses

Under the Articles of Association, Directors are entitled to reimbursement of 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 at the Company's request.

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.

The single total figure of remuneration for each Director for the year to 31 March 2022 is detailed below together with the prior year comparative.

Single Total Figure Table (audited information)

Name of Director	Fees paid/Total (£) Year to 31 March:		Taxable Expenses (£)†	
	2022	2021	**2022**	2021
Julian Cazalet	**37,000**	35,375	**–**	–
Nicholas Allan	**25,250**	24,250	**192**	–
Vivien Gould	**25,250**	24,750	**891**	–
Richard Hughes	**30,375**	27,500	**–**	–
Rory Landman*	**–**	10,275	**–**	–
Michael Lindsell	**–**	–	**–**	–
Totals	**117,875**	122,150	**1,083**	–

† Taxable expenses primarily comprise travel and associated expenses incurred by the Directors in attending Board and Committee meetings in London.
** Rory Landman retired at the Annual General Meeting held on 3 September 2020, having served on the Board for nine years.*

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.

Governance

Directors' Remuneration Report continued

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 2021 were approved by shareholders at the Annual General Meeting held on 9 September 2021. The votes cast by proxy were as follows:

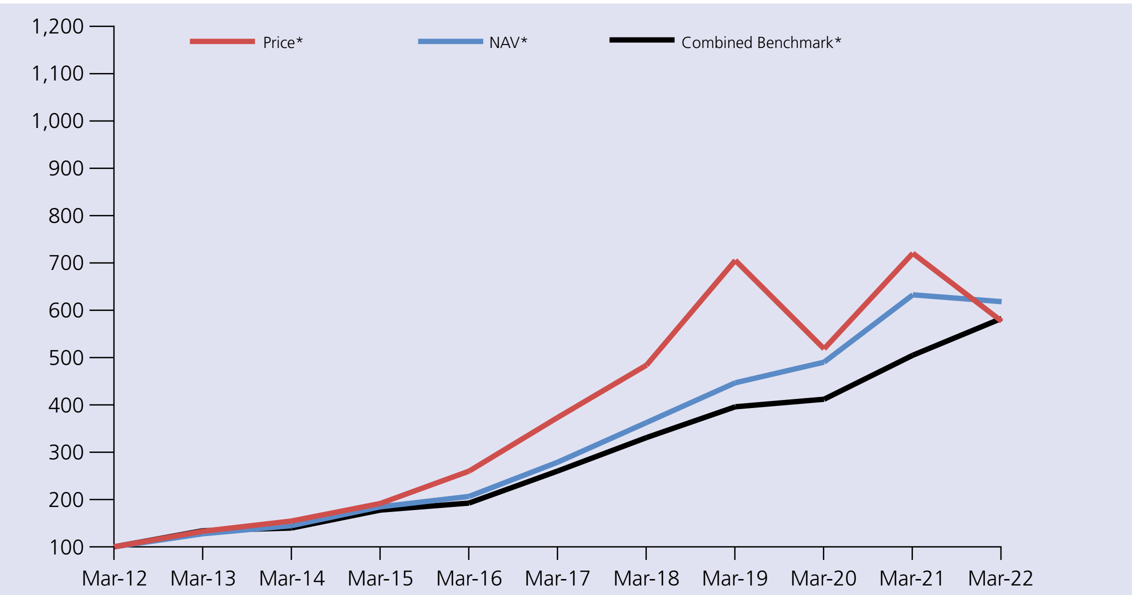
Resolutions	Votes Cast For	%	Votes Cast Against	%	Total Votes Cast	Votes Withheld*
Directors' Remuneration Report	52,714	99.76%	125	0.24%	52,839	121
Directors' Remuneration Policy	52,765	99.86%	72	0.14%	52,837	123

** A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes "For" and "Against" a resolution.*

Share Price Total Return

The chart below illustrates the total Shareholder return for a holding in the Company's shares as compared with the Benchmark between the relevant dates.

Share price performance relative to the net asset value and combined Benchmark for ten years to 31 March 2022 (based on total return performance with net dividends reinvested)



Note: The chart is rebased to 100 from March 2012, includes dividends and is plotted yearly so this smooths out the high watermark's ('HWM') effect on the Old Benchmark.

**Rebased to show the performance per £100 invested.*

***The Combined Benchmark is a combination of the Old Benchmark (the annual average redemption yield of the longest dated UK government fixed rate bond, plus a premium of 0.5% subject to a minimum yield of 4%) until 31 March 2021 and the New Benchmark (MSCI World index in Sterling) from 1 April 2021.*

The Combined Benchmark is adjusted for inclusion of the HWM. Please note that the inclusion of the HWM means that, at the financial year end, if a performance fee was paid, the Benchmark was adjusted to the same level as the NAV or the share price which ever was lower. If the Benchmark performed better than the NAV and/or the share price, or a performance fee had not been paid, no adjustment was made.

Source: Bloomberg and LTL.

Relative Importance of Spend on Pay

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

	Year to 31 March 2022 (£)	Year to 31 March 2021 (£)	Increase (decrease)
Directors' remuneration	**117,875**	122,150	(3.5%)
Investment management fees and other expenses	**1,978,000**	1,679,000	17.8%
Performance fees (charged to capital)	**–**	2,661,702	–
Dividends to shareholders (final and special)	**10,600,000**	10,000,000	6.0%

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 2022 and 31 March 2021 are shown in the table below:

	Ordinary Shares of 75p 31 March 2022	Ordinary Shares of 75p 31 March 2021
Julian Cazalet	**50**	50
Nicholas Allan	**50**	50
Vivien Gould	**25**	25
Richard Hughes	**25**	25
Michael Lindsell (including spouse)	**7,345**	7,345
Michael Lindsell (non-beneficial)*	**3,600**	3,600

** Michael Lindsell's non-beneficial shares relate to him acting as a trustee of a family trust.*

No changes in the above interests occurred between 31 March 2022 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.

Annual Report on Remuneration

A Resolution to adopt this Annual Report on Remuneration will be put to the forthcoming Annual General Meeting. The vote 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. The Board has not proposed any significant changes to the way the remuneration policy will be implemented in the next financial year.

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 2022 of:

a) the major decisions on Directors' remuneration;
b) any 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

Julian Cazalet
Chairman
14 June 2022

Governance

Directors' Remuneration Policy

This Directors' Remuneration Policy ("Policy") sets out details of the Company's policy on the remuneration of Directors of the Company.

The Policy is subject to a triennial binding vote. However, the Board has resolved that, for good governance purposes, the Policy will be put to shareholders every year. Accordingly, a resolution to approve the Policy will be put to shareholders at the 2022 Annual General Meeting. The Policy, subject to the vote, is set out in full below and is currently in force.

The Company has only non-executive directors and no employees. The 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 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.

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 reviews annually the remuneration paid by other similar investment trusts and considers research from third parties. The Board considers it important to pay sufficient compensation in order to promote the long-term success of the Company.

Directors' Fees Current and Projected

	Date of Appointment to the Board	Fees Year Ended 31 March 2022	Projected Fees Year Ending 31 March 2023
Julian Cazalet (Chairman)	29 January 2015	£37,000	£38,500
Nicholas Allan	18 September 2018	£25,250	£26,000
Vivien Gould	29 January 2015	£25,250	£26,000
Richard Hughes	18 September 2018	£30,375	£31,500
Michael Lindsell	13 July 2006	Nil	Nil

The following table of remuneration components was approved with effect from 1 January 2022.

Table of Directors' Remuneration Components

Component	Annual Rate (£)	Purpose and operation
Basic Annual Fee: Each Director	26,000	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	12,500	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	5,500	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 to fix fees after an analysis of fees paid to directors of other companies of a similar size to that of the Company, together with a review of independent research.
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 is entitled to receive any remuneration which is performance-related.
4. No advice from remuneration consultants was received during the year under review.

Directors' Remuneration Year Ended 31 March 2022

The table below shows the rate of annual fees payable to the Chairman, who is the highest paid Director, and all other non-executive Directors at 31 March 2022 and at 31 March 2021:

Fees	2022 (£)	2021 (£)
Chairman	**38,500**	36,500
Chairman of Audit Committee	**31,500**	30,000
Board Member	**26,000**	25,000

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 aggregate maximum fees currently payable to all Directors is £220,000 per annum.

Governance

Directors' Remuneration Policy 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-executive Directors is fixed at annual rates and there are no performance-related 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.

Consideration of Shareholder's views

Any feedback received from shareholders is considered as part of the Board's annual review of remuneration. In respect of the year under review no feedback has been received from shareholders in relation to remuneration.

Governance

Statement of Directors' responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 or loss of the Company for that period.

In preparing the Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors 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.

They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, which whether due to fraud or error, and have general responsibility for taking such steps as are reasonable to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors have delegated responsibility to the Administrator for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the Annual Financial Report

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

Governance

Statement of Directors' responsibilities in respect of the Financial Statements continued

Each of the Directors, whose names and functions are listed in the 'Board of Directors' on page 32 confirms that, to the best of their knowledge:

- the Company Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice), give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of information required by the FCA's Disclosure Guidance and Transparency Rules.

The Directors also confirm that the Financial Statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Approved by the Board of Directors and signed on its behalf by

Julian Cazalet
Chairman
14 June 2022

Note to those who wish to access this document by electronic means:

The Annual Report for the year ended 31 March 2022 has been approved by the Board of The Lindsell Train Investment Trust plc. Copies of the Annual Report are circulated to shareholders and, where possible, to investors through other providers' products and nominee companies (or written notification is sent when they are published online). It is also made available in electronic format for the convenience of readers. Printed copies are available from the Company's Registered Office in London.

Independent Auditors' report to the members of The Lindsell Train Investment Trust plc

Report on the audit of the Financial Statements

Opinion

In our opinion, The Lindsell Train Investment Trust plc's Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2022; the Income Statement, Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the Financial Statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

Our audit approach

Overview

Audit scope	• The Company is a standalone Investment Trust Company and engages Lindsell Train Limited (the "Manager") to manage its assets. • We conducted our audit of the Financial Statements of the Company using information from Frostrow Capital LLP (the "Company Secretary" and "Administrator") to whom the Directors have delegated the provision of certain administrative functions. • We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates. • We obtained an understanding of the control environment in place both at the Manager and the Administrator and adopted a fully substantive testing approach using reports obtained from the Manager and the Administrator.
Key audit matters	• Valuation and existence of unlisted investment. • Valuation and existence of listed investments. • Income from investments.
Materiality	• Overall materiality: £2.2m (2021: £2.3m) based on 1% of Net Assets. • Performance materiality: £1.7m (2021: £1.8m).

Independent Auditors' report to the members of The Lindsell Train Investment Trust plc continued

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Financial Statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Consideration of impacts of Covid-19, which was a key audit matter last year, is no longer included because of reduced uncertainty of the impact of Covid-19 in the current year as markets and economies continue to recover. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of unlisted investment Refer to the Report of the Audit Committee, Note 1 Accounting policies and Note 16 Financial instruments and capital disclosures. The investment portfolio at 31 March 2022 included one unlisted investment valued at £96.9 million (2021: £114.2 million). We focused on the valuation and existence of the unlisted investment as this investment represented a material balance in the Financial Statements. The valuation is a significant estimate that requires a material judgement to be made by the Directors such that changes to the methodology or key inputs can result in a material change to the valuation of the unlisted investment. The valuation methodology underwent a change in approach in the current year, this change did not significantly impact the valuation, but changed how it was calculated.	We understood and evaluated the valuation methodology applied, by reference to the International Private Equity and Venture Capital Valuation guidelines (IPEV), and tested the techniques used by the Directors in determining the fair value of the unlisted investment. We read the Board meeting minutes where the valuation of the unlisted investment was discussed and agreed and attended relevant Audit Committee meetings where the valuation of the unlisted investment was discussed. We assessed the impact of uncertain market wide events, such as Russia's war on Ukraine and the potential future impact of Covid-19 on global markets, on the valuation of the investment. This, together with our knowledge of the investee entity, FRS 102 and the AIC SORP, enabled us to discuss with and challenge the Directors as to the appropriateness of the methodology and key inputs used in the valuation. Supported by our internal valuation experts, we tested the appropriateness of the key assumption, the Funds Under Management multiple used in calculating the valuation. We understood and evaluated the change in methodology in valuing the investment and reviewed the related disclosures. We found that the valuation of the unlisted investment was consistent with the accounting policies and that the assumptions used to derive the valuation within the Annual Report and Financial Statements were appropriate based on the investee's circumstances. We tested the existence of the unlisted investment by agreeing the holding to independently obtained third party confirmations as at 31 March 2022. No material differences were identified.
Valuation and existence of listed investments Refer to the Report of the Audit Committee, Note 1 Accounting policies and Note 10 Investments held at fair value through profit or loss. The investment portfolio at 31 March 2022 comprised listed equity investments of £101.3 million (2021: £104.0 million). We focused on the valuation and existence of investments because investments represent a substantial element of the net asset value as disclosed in the Statement of Financial Position in the Financial Statements.	We tested the valuation of all listed equity investments by agreeing the prices used in the valuation to independent third party sources. No significant exceptions were identified by our testing. We agreed the existence of all listed investments to independent third party sources by agreeing the holdings of investments to independently obtained custodian confirmations as at 31 March 2022. No material differences were identified.

Independent Auditors' report to the members of The Lindsell Train Investment Trust plc continued

Key audit matter	How our audit addressed the key audit matter
Income from investments Refer to the Report of the Audit Committee, Note 1 Accounting policies Note 2 Income and Note 10 Investments held at fair value through profit or loss. ISAs (UK) presume there is a risk of fraud in income recognition. In this instance, we consider that 'income' refers to all the Company's income streams, both revenue and capital (including gains and losses on investments). As the objective of the Company is to 'maximise long-term total return ' we do not believe there is a specific incentive to incorrectly classify income. We have, however, considered, where applicable, the judgement required in classifying dividend income. We focused on the valuation of investments with respect to gains on investments and the accuracy and completeness of dividend income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the 'AIC SORP').	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We understood and assessed the design and implementation of key controls surrounding income recognition. **Capital gains/losses on investments** The gains/losses on investments held at fair value comprise realised and unrealised gains/losses. To test the accuracy for unrealised gains and losses calculated, we tested the valuation of the portfolio at the year-end (see valuation and existence of listed investment key audit matters), together with testing the reconciliation of opening and closing investments. For the accuracy of realised gains/losses, we tested a sample of disposal proceeds by agreeing the proceeds to bank statements and we re-performed the calculation of a sample of realised gains/losses. In addition, we tested dividend receipts by agreeing the dividend rates from investments to independent third party sources. No significant exceptions were identified by our testing which required reporting to those charged with governance. **Revenue (or dividend income)** To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all listed investment holdings in the portfolio. Our testing did not identify any unrecorded dividends. We tested the occurrence assertion by testing that all dividends from listed investments recorded in the year had been declared in the market by investment holdings, and we traced a sample of dividends received to bank statements. We tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP. We did not find any special dividends that were not treated in accordance with the AIC SORP. No material differences were identified.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Financial Statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Financial Statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the Financial Statements as a whole.

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

Overall Company materiality	£2.2m (2021: £2.3m).
How we determined it	1% of Net Assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practise for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe this provides an appropriate and consistent year on year basis for our audit.

Independent Auditors' report to the members of The Lindsell Train Investment Trust plc continued

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £1.7m (2021: £1.8m) for the Company Financial Statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £111,381 (2021: £117,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats, including those presented by Covid-19;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the Financial Statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers;
- assessing the premium/discount at which the Company's share price trades compared to the net asset value per share; and
- assessing the implication of significant reductions in net asset value as a result of market performance on the ongoing ability of the Company to operate.

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

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the Financial Statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we

Independent Auditors' report to the members of The Lindsell Train Investment Trust plc continued

identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 March 2022 is consistent with the Financial Statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the Financial Statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the Financial Statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the Financial Statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

Independent Auditors' report to the members of The Lindsell Train Investment Trust plc continued

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the Financial Statements and the audit

Responsibilities of the Directors for the Financial Statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the Financial Statements

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

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of Chapter 4 of Part 24 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the Financial Statements. We also considered those laws and regulations that have a direct impact on the Financial Statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates and judgemental areas of the Financial Statements. Audit procedures performed by the engagement team included:

- Holding discussions with the Directors, the Manager and the Administrator including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessing the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur;

Independent Auditors' report to the members of The Lindsell Train Investment Trust plc continued

- Reviewing relevant meeting minutes, including those of the Audit Committee;
- Reviewing estimates and judgements made by management in their significant accounting estimates, in particular those relating to the unlisted investment; and
- Identifying and testing journal entries, in particular year end journal entries posted by the Administrator during the preparation of the Financial Statements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Financial Statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this Report

This Report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this Report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; 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.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 1 March 2018 to audit the Financial Statements for the year ended 31 March 2018 and subsequent financial periods. The period of total uninterrupted engagement is five years, covering the years ended 31 March 2018 to 31 March 2022.

Colleen Local *(Senior Statutory Auditor)*

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

14 June 2022

Financial Statements

Income Statement for the year ended 31 March 2022

	Notes	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000
(Losses)/gains on investments held at fair value	10	–	(17,089)	(17,089)	–	45,219	45,219
Exchange gains on currency balances		–	6	6	–	27	27
Income	2	14,784	–	14,784	13,782	–	13,782
Investment management fees	3	(1,309)	–	(1,309)	(1,178)	(2,662)	(3,840)
Other expenses	4	(668)	(1)	(669)	(501)	–	(501)
Net return/(loss) before tax		12,807	(17,084)	(4,277)	12,103	42,584	54,687
Tax	7	(78)	–	(78)	(101)	–	(101)
Return/(loss) after tax for the financial year		12,729	(17,084)	(4,355)	12,002	42,584	54,586
Return/(loss) per Ordinary Share	9	£63.65	£(85.42)	£(21.77)	£60.01	£212.92	£272.93

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

The total columns of this statement represent the profit and loss account 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.

The Company does not have any other recognised gains or losses. The net loss for the year disclosed above represent the Company's total comprehensive income.

No operations were acquired or discontinued during the year.

The notes on pages 72 to 88 form part of these Financial Statements.

Financial Statements continued

Statement of Changes in Equity for the year ended 31 March 2022

	Share capital 2022 £'000	Special reserve 2022 £'000	Capital reserve 2022 £'000	Revenue reserve 2022 £'000	Total 2022 £'000
For the year ended 31 March 2022					
At 1 April 2021	**150**	**19,850**	**198,066**	**19,050**	**237,116**
Return after tax for the financial year	**–**	**–**	**(17,084)**	**12,729**	**(4,355)**
Dividends paid for the year ended 31 March 2021 (see note 8)	**–**	**–**	**–**	**(10,000)**	**(10,000)**
At 31 March 2022	**150**	**19,850**	**180,982**	**21,779**	**222,761**

	Share capital 2021 £'000	Special reserve 2021 £'000	Capital reserve 2021 £'000	Revenue reserve 2021 £'000	Total 2021 £'000
For the year ended 31 March 2021					
At 1 April 2020	150	19,850	155,482	15,848	191,330
Return after tax for the financial year	–	–	42,584	12,002	54,586
Dividends paid for the year ended 31 March 2020 (see note 8)	–	–	–	(8,800)	(8,800)
At 31 March 2021	150	19,850	198,066	19,050	237,116

The notes on pages 72 to 88 form part of these Financial Statements.

Statement of Financial Position at 31 March 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Investments held at fair value through profit or loss	10		215,768		233,893
Current assets					
Other receivables	11	513		561	
Cash at bank		6,708		5,541	
		7,221		6,102	
Creditors: amounts falling due within one year					
Other payables	12	(228)		(2,879)	
Net current assets/(liabilities)			6,993		3,223
Net assets			222,761		237,116
Called up share capital	13		150		150
Special reserve	14		19,850		19,850
			20,000		20,000
Capital reserve	14		180,982		198,066
Revenue reserve			21,779		19,050
Equity Shareholders' funds			222,761		237,116
Net Asset Value per Ordinary Share	15		£1,113.81		£1,185.58

The Financial Statements on pages 68 to 88 were approved by the Board on 14 June 2022 and were signed on its behalf by:

Julian Cazalet
Chairman
The Lindsell Train Investment Trust plc
Registered in England & Wales, No: 4119429

The notes on pages 72 to 88 form part of these Financial Statements.

Financial Statements continued

Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Operating Activities			
Net (loss)/return before finance costs and tax		**(4,277)**	54,687
Losses/(gains) on investments held at fair value		**17,089**	(45,219)
Gains on exchange movements		**(6)**	(27)
(Increase)/decrease in other receivables		**(23)**	12
Decrease/(increase) in accrued income		**80**	(163)
(Decrease)/increase in other payables		**(2,651)**	2,726
Purchase of investments held at fair value		**(673)**	(12,540)
Sale of investments held at fair value		**1,709**	9,544
Net cash inflow from operating activities before interest and taxation		**11,248**	9,020
Interest paid		**–**	–
Taxation on investment income		**(87)**	(96)
Net cash inflow from operating activities		**11,161**	8,924
Financing activities			
Equity dividends paid	8	**(10,000)**	(8,800)
Net cash outflow from financing activities		**(10,000)**	(8,800)
Increase in cash and cash equivalents		**1,161**	124
Cash and cash equivalents at beginning of year		**5,541**	5,390
Gains on exchange movements		**6**	27
Cash and cash equivalents at end of year		**6,708**	5,541

The notes on pages 72 to 88 form part of these Financial Statements.

Notes to the Financial Statements

1 Accounting policies

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

(a) Basis of accounting

The Financial Statements of the Company have been prepared under the historical cost convention modified to include the revaluation of fixed assets in accordance with United Kingdom Company law, FRS 102 'The Financial Reporting Standard applicable in the UK and Ireland' and with the Statement of Recommended Practice ("SORP") "Financial Statements of Investment Trust Companies and Venture Capital Trusts", issued by the Association of Investment Companies dated April 2021.

After considering a schedule of the Company's current financial resources and liabilities for the next twelve months, and as a 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.

(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

Under Section 32 of FRS 102, final dividends should not be accrued in the Financial Statements unless they have been approved by shareholders before the Balance Sheet date.

Dividends payable to shareholders are recognised in the Statement of Changes in Equity when they have been approved by shareholders and have become a liability of the Company. Interim dividends are only recognised in the Financial Statements in the period in which they are paid.

(d) Valuation of fixed asset investments

The Company's investments are classified as held at fair value through profit or loss in accordance with Section 11 and 12 of FRS 102 and are managed and evaluated on a fair value basis in accordance with its investment strategy.

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 are held 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 Company'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 held through profit or loss on initial recognition at fair value. The Company 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.

Lindsell Train fund products are valued daily using prices supplied by the administrator of these funds.

The unlisted investment in Lindsell Train Limited is valued by the Directors at fair value using a valuation methodology adopted by the Board. The formula is monitored by the Board to ensure its ongoing appropriateness. At the most recent update in 2022 the Board sought external advice to verify its approach. Please refer to note 1(j) for further information.

Accounting policies continued

The investment in LTL (representing 24.3% 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 16) on pages 85, 86 and 87 calculated at the end of each month on the basis of fair value as determined by the Directors of the Company. The valuation process effective 31 March 2022, is based upon a methodology that takes a percentage of LTL's funds under management, with the percentage applied being reviewed monthly and adjusted to reflect the ongoing profitability of LTL.

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 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 – Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

(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 are recognised when the Company's right to receive payment is established. 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 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.

In line with recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented in the capital column of the Statement of Comprehensive Income is the marginal basis. Under this basis if taxable income is capable of being offset entirely by expenses presented in the revenue column of the Income Statement then no tax relief is transferred to the capital column.

Financial Statements

Notes to the Financial Statements continued

Accounting policies continued

(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 or 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 or losses being the increase or decrease in the valuation of investments held at the year end.

Revenue reserve

The revenue reserve reflects all income and expenditure which are recognised in the revenue column of the income statement.

Special reserve

The special reserve arose following Court approval in September 2002 to transfer £19,850,000 from the share premium account. This reserve can be used to finance the redemption and/or purchase of shares in issue.

In accordance with the Company's Articles of Association, the capital reserve and special reserve may not be distributed by way of a dividend but may be utilised for the purposes of share buybacks. The Company may only distribute by way of dividend accumulated revenue profits within the revenue reserve.

(j) Significant judgments and estimates

The key significant estimate to report is the valuation of the investment in LTL where material judgments are made. Please refer to notes 1(d) and 16 for details of how this holding is valued.

Other than this, in the course of preparing the Financial Statements, no material judgments have been made in the process of applying the Company's accounting policies, except those that involve estimations.

(k) Registered address and nature of business

The Company is an investment company defined in Section 833 of the Companies Act 2006. Its registered office address is provided on page 109.

2 Income

	2022 £'000	2021 £'000
Income from investments		
Overseas dividends	689	933
UK dividends		
– Lindsell Train Limited	12,861	11,719
– Other UK dividends	1,234	1,130
	14,784	13,782
Total income comprises:		
Dividends	14,784	13,782
	14,784	13,782

3 Management fees

	2022 £'000	2021 £'000
Investment management fee	**1,449**	1,262
Manager's performance fee – charged to capital	**–**	2,662
Rebate of investment management fee (see below)	**(140)**	(84)
Net Management fees	**1,309**	3,840

In accordance with an Investment Management Agreement dated 21 December 2000 (last revised in March 2016) between the Company and LTL, LTL has been providing investment management services to the Company. For their services, LTL receive an annual fee of 0.6%, calculated on the lower of the Adjusted Market Capitalisation and the Adjusted Net Asset Value of the Company, calculated using weekly data and payable in arrears in respect of each calendar month. The amount charged during the year is shown above, and £101,681 (2021: £112,111) of the fee for the year was outstanding as at the balance sheet date.

A performance fee is payable at the rate of 10 per cent of the value of any positive relative performance versus the Benchmark (the MSCI World Index total return in Sterling), in a financial year. Relative performance is measured by taking the lower of the NAV or Average Market Price, taking into account dividends, at the end of each financial year and comparing the percentage annual change with the total return of the Benchmark. A performance fee will only be paid out if the annual change is both above the Benchmark and is a positive figure. Relative performance will be carried forward in years where the Manager is not eligible for a performance fee based on these two criteria. 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 payable to the Manager for the year to 31 March 2022 was £nil (2021: £2,661,702).

For the avoidance of double charging management fees, the 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 LTL is the Manager in respect of the Company's investments in those funds. The amounts rebated on the Investment Management fee are shown above, of which £nil (2021: £4,247) relates to the Company's investment in the Lindsell Train Japanese Equity Fund, £123,593 (2021: £62,796) relates to the Company's investment in Lindsell Train North American Equity Fund and £16,399 (2021: £16,985) relates to the Company's investment in the Finsbury Growth & Income Trust PLC.

Financial Statements

Notes to the Financial Statements continued

4 Other expenses

	2022 £'000	2021 £'000
Directors' emoluments (see note 5)	118	122
Administration fee – Maitland	–	47
Company Secretarial & Administration fee – Frostrow	211	86
AIFM monitoring fee	–	12
Auditors' remuneration*†	35	34
Tax compliance fee	5	5
Safe custody fees	19	20
Printing fees	44	37
Registrars' fees	33	39
Listing fees	10	17
Legal fees	12	18
Employer's National Insurance	8	7
Directors' liability insurance	12	7
Key man insurance	24	19
Consultancy fees**	50	–
Costs associated with the redesign of the Company's website	12	–
VAT Irrecoverable	34	–
Sundry	41	31
	668	501
Capital charges	1	–
	669	501

* Excluding VAT.

† Remuneration for the audit of the Financial Statements of the Company.

** Fees paid to J.P.Morgan Cazenove Ltd in relation to amendments to the Management Agreement and their review of the Company's valuation methodology applied to its unlisted investment in LTL.

With effect from 1 November 2020 Frostrow Capital LLP was appointed Administrator and Company Secretary to the Company. Details of Frostrow's fee arrangements can be found in Appendix 3 on page 100.

5 Directors' emoluments

These are reflected in the table below:

	2022 £'000	2021 £'000
Directors' fees	118	122

Since 1 January 2022, the Chairman of the Board, Chairman of the Audit Committee, and other Directors receive set fees at rates of £38,500, £31,500 and £26,000 respectively per annum, and have no entitlement to any performance fees. Directors' fees amounting to £26,000 (2021: £25,000) have been waived by Michael Lindsell in view of his connection with the Manager.

There were no pension contributions paid or payable.

6 Disclosure of interests

As at 31 March 2022 the Company held 12,500,000 shares in Lindsell Train North American Equity Fund with a fair value of £17,601,000 and a cost of £12,638,225.

LTL is also the Portfolio Manager of Finsbury Growth & Income Trust PLC in which the Company has an investment of 420,000 shares at a cost of £758,721 (see page 8).

LTL's appointment as Manager to the Company is subject to termination by either party on twelve months' notice.

7 Taxation

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

	2022 Revenue £'000	**2022 Capital £'000**	**2022 Total £'000**	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000
UK corporation tax	**–**	**–**	**–**	–	–	–
Overseas tax	**90**	**–**	**90**	105	–	105
Overseas tax recoverable	**(12)**	**–**	**(12)**	(4)	–	(4)
Tax charge per accounts	**78**	**–**	**78**	101	–	101

The taxation charge for the year is higher than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Net (loss)/return before tax	**(4,277)**	54,687
Theoretical tax at UK corporation tax rate of 19% (2021: 19%)	**(813)**	10,390
Effects of:		
– UK dividends which are not taxable	**(2,678)**	(2,441)
– Overseas dividends which are not taxable	**(131)**	(177)
– Capital gains/(losses) not subject to corporation tax	**3,246**	(8,597)
– Current year excess expenses	**376**	319
– Unutilised capital expenses	**–**	506
– Overseas tax suffered	**90**	105
– Overseas tax recoverable	**(12)**	(4)
Total tax charge	**78**	101

As an investment trust the Company, is not subject to UK taxation on capital gains as long as it maintains exemption under Sections 1158/1159 Corporation Tax Act 2010. In the opinion of the Directors, the Company has complied with the requirements of Section 1159 Corporation Tax Act 2010.

Financial Statements

Notes to the Financial Statements continued

7 Taxation continued

Factors that may affect future tax charges

As at 31 March 2022, the Company had unutilised management expenses of £28,241,000 (2021: £26,263,000). These expenses could only be utilised if the Company were to generate taxable profits in the future. As a result, the Company has not recognised a deferred tax asset of £7,060,000 (2021: £4,990,000) arising from management expenses exceeding taxable income based on the prospective corporation tax rate of 25% (2021: 19%).

8 Dividends paid and payable

	2021 £'000	2020 £'000
Final dividend paid for the year ended 31 March 2021 of £47.07 per Ordinary Share (2020: £41.39 per Ordinary Share)	**9,414**	8,278
Special dividend paid for the year ended 31 March 2021 of £2.93 per Ordinary Share (2020: £2.61 per Ordinary Share)	**586**	522
Total Dividends	**10,000**	8,800

The total dividend payable in respect of the financial year is set out below. This complies with the requirements of Section 1158 Corporation Tax Act 2010.

	2022 £'000	2021 £'000
Final dividend payable for the year ended 31 March 2022 of £51.12 per Ordinary Share (2021: £47.07 per Ordinary Share)	**10,224**	9,414
Special dividend payable for the year ended 31 March 2022 of £1.88 per Ordinary Share (2021: £2.93 per Ordinary Share)	**376**	586
Total Dividends	**10,600**	10,000

9 Return/(loss) per Ordinary Share

	2022	2021
Total (loss)/return	**£(4,355,000)**	£54,586,000
Weighted average number of Ordinary Shares in issue during the year	**200,000**	200,000
Total (loss)/return per Ordinary Share	**£(21.77)**	£272.93

9 Return/(loss) per Ordinary Share continued

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

	2022	2021
Revenue return per Ordinary Share		
Revenue return	£12,729,000	£12,002,000
Weighted average number of Ordinary Shares in issue during the year	200,000	200,000
Revenue return per Ordinary Share	£63.65	£60.01
Capital (loss)/return per Ordinary Share		
Capital (loss)/return	£(17,084,000)	£42,584,000
Weighted average number of Ordinary Shares in issue during the year	200,000	200,000
Capital (loss)/return per Ordinary Share	£(85.42)	£212.92

10 Investments held at fair value through profit or loss

	2022 £'000	2021 £'000
Investments listed on a recognised investment exchange	101,256	103,969
Unlisted Investment and Fund	114,512	129,924
Valuation at year end	215,768	233,893
Opening book cost	43,805	33,997
Opening investment holding gains	190,088	151,681
Opening Fair Value	233,893	185,678
Analysis of transactions made during the year		
Purchases at cost	673	12,540
Sales proceeds received	(1,709)	(9,544)
(Loss)/gains on investments	(17,089)	45,219
Closing Fair Value	215,768	233,893
Closing book cost	42,252	43,805
Closing investment holding gains	173,516	190,088
Closing Fair Value	215,768	233,893

The Company received proceeds of £1,709,000 (2021: £9,544,000) from investments sold in the year. The book cost of these investments when they were purchased was £2,227,000 (2021: £2,731,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Investment transaction costs on purchases and sales of investments during the year to 31 March 2022 amounted to £280 and £673 respectively (2021: £0 and £1,758 respectively).

During the year the investment holding loss attributable to the Company's holding in LTL amounted to £17,328,000 (2021 gain: £24,759,000). See note 16 on page 87 for further details.

Financial Statements

Notes to the Financial Statements continued

10 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 2022.

Investments	Country of registration or incorporation	Class of capital	% of class held
Lindsell Train Limited*	England	Ordinary Shares of £100	24.3%

*As at 31 January 2022, the latest year end for LTL, its audited aggregate capital and reserves amounted to £90,554,000, (2021: £80,125,000) and the profit for that year amounted to £65,193,000 (2021: £62,311,000). The total amount of dividends paid during the year was £53,134,000, equating to dividends of £2,003 per share. The earnings per share were £2,458. The cost of the Company's investment in LTL was £64,500.

LTL is the only related undertaking of the Company. LTL's registered office address is 66 Buckingham Gate, London SW1E 6AU.

LTL has been accounted for as an investment in accordance with the accounting policy in note 1(d).

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

11 Other receivables

	2022 £'000	2021 £'000
VAT recoverable	**–**	14
Prepayments and accrued income	**513**	547
	513	561

12 Other payables

	2022 £'000	2021 £'000
Accruals and deferred income	**228**	217
Performance fee	**–**	2,662
	228	2,879

13 Called up share capital

	2022		2021	
	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 2022.

14 Capital reserve

The capital reserve includes investment holding gains of £173,516,000 (2021: £190,088,000).

Revenue reserve

The revenue reserve reflects all income and expenditure which are recognised in the revenue column of the income statement.

Special reserve

The special reserve arose following Court approval in September 2002 to transfer £19,850,000 from the share premium account. This reserve can be used to finance the redemption and/or purchase of shares in issue.

In accordance with the Company's Articles of Association the capital reserve and special reserve may not be distributed by way of a dividend but may be utilised for the purposes of share buybacks. The Company may only distribute by way of dividend accumulated revenue profits within the revenue reserve.

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

15 Net Asset Value per Ordinary 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 of the Company were as follows:

Net Asset Value per share attributable		Net Asset Value attributable	
2022	2021	**2022**	2021
£	£	**£'000**	£'000
1,113.81	1,185.58	**222,761**	237,116

The movements during the year of the assets attributable to each Ordinary Share are disclosed in the Statement of Changes in Equity on page 69.

The Net Asset Value per Ordinary Share is based on net assets of £222,761,000 (2021: £237,116,000) and on 200,000 Ordinary Shares (2021: 200,000), being the number of Ordinary Shares in issue at the year end.

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

The Board sets out its principal risks on pages 15 to 19 and its investment policy including its policy on gearing (bank borrowing), diversification and dividends on page 13.

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

Market risk

The Company's portfolio is exposed to fluctuations in market prices in the regions in which it invests. Market-wide uncertainties which have recently caused increased volatility in the markets include the outbreak of war in Ukraine and the ongoing Covid-19 pandemic including further lockdowns in China and increased inflationary pressures.

At 31 March 2022, the fair value of the Company's assets exposed to market price risk was £215,768,000 (2021: £233,893,000). The Company's exposure to market price fluctuations is reviewed by the Board on a quarterly basis and monitored on a continuous basis by the Manager in pursuance of the investment objective.

Market price risk comprises three elements – foreign currency risk, interest rate risk and other price risk.

16 Financial instruments and capital disclosures continued

Foreign currency risk

Foreign currency exposure as at 31 March 2022

	US$ £'000	**Euro £'000**	**JPY £'000**	**Total £'000**
Short-term debtors	**40**	**6**	**249**	**295**
Foreign currency exposure on net monetary items	**40**	**6**	**249**	**295**
Investments held at fair value through profit or loss that are equities	**33,308**	**8,262**	**15,819**	**57,389**
Foreign currency exposure	**33,348**	**8,268**	**16,068**	**57,684**

Foreign currency exposure as at 31 March 2021

	US$ £'000	Euro £'000	JPY £'000	Total £'000
Short-term debtors	29	4	341	374
Foreign currency exposure on net monetary items	29	4	341	374
Investments held at fair value through profit or loss that are equities	39,192	7,641	16,620	63,453
Foreign currency exposure	39,221	7,645	16,961	63,827

Over the year Sterling weakened against the US Dollar by 4.57% (2021: strengthened by 11.27%), strengthened against the Euro by 0.81% (2021: strengthened by 3.88%) and strengthened against the Japanese Yen by 4.82% (2021: strengthened by 13.89%).

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 £2,884,000 or 1.29% of Net Asset Value (2021: £3,187,000 or 1.36% of Net Asset Value). The impact on the profit and loss account is difficult to estimate, since the profit and loss is the net result of all the transactions in the portfolio throughout the year.

Interest rate risk

There is no direct exposure to interest rate risk.

Other price risk

Other price risk may affect the value of the quoted investments.

If the fair value of the Company's investments at the Statement of Financial Position date increased or decreased by 10%, whilst all other variables remained constant, the capital return and net assets attributable to shareholders as at 31 March 2022 would have increased or decreased by £21,577,000 or 107.88p per share (2021: £23,389,000 or 116.95p per share).

Financial Statements

Notes to the Financial Statements continued

16 Financial instruments and capital disclosures continued

Liquidity risk

Liquidity risk is not considered significant under normal market conditions in relation to the Company's investments which are listed on recognised stock exchanges and are, for the most part, readily realisable securities which can be easily sold to meet funding commitments if necessary. The Company's unlisted investment in LTL is not readily realisable.

As at 31 March 2022, 49% (2021: 45%) of the investment portfolio (95% of the listed portfolio) could be liquidated within five business days, based on 20% of the 90 days' average daily trading volumes obtained from Bloomberg. The Company would be able to sell all of its listed holdings within five business days, with the exception of two securities representing 3% of NAV.

Credit risk

Cash at bank and other debtors of the Company at the year end as shown on the Balance Sheet was £7,221,000 (2021: £6,102,000).

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 for long-term deposits/debt of Aa2 from Moody's, AA- from Standard & Poor's and AA from Fitch Ratings.

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.

Fair values of financial assets and financial liabilities

The tables below set out fair value measurements of financial instruments as at the year end, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets/liabilities at fair value through profit or loss

At 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	**101,257**	**17,601**	**96,910**	**215,768**
	101,257	**17,601**	**96,910**	**215,768**

At 31 March 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	103,969	15,686	114,238	233,893
	103,969	15,686	114,238	233,893

Note: Within the above tables, the entirety of level 1 comprises all the Company's ordinary equity investments, level 2 represents the investment in LF Lindsell Train North American Equity Fund and level 3 represents the investment in LTL.

The valuation techniques used by the Company are explained on pages 85 and 86.

16 Financial instruments and capital disclosures continued

LTL Valuation Methodology

During the year the Board appointed J.P. Morgan Cazenove Ltd to undertake an independent review of the Company's valuation methodology applied to its unlisted investment in LTL. The new methodology was adopted and applied to monthly valuations from 31 March 2022 onwards.

In adopting the new methodology the Board seeks to capture the changing economics and prospects for LTL's business. It is designed to be as transparent as possible so that shareholders can themselves calculate how any change to the inputs would affect the resultant valuation.

The new methodology has a single component based on a percentage of LTL's funds under management ("FUM"), with the percentage applied being reviewed monthly and adjusted to reflect the ongoing profitability of LTL. At the end of each month the ratio of LTL's notional annualised net profits* to LTL's FUM is calculated and, depending on the result, the percentage of FUM is adjusted according to the table below.

Notional annualised net profits*/FUM (%)	Valuation of LTL - Percentage of FUM
0.15 – 0.16	1.70%
0.16 – 0.17	1.75%
0.17 – 0.18	1.80%
0.18 – 0.19	1.85%
0.19 – 0.20	1.90%
0.20 – 0.21	**1.95%**
0.21 – 0.22	2.00%
0.22 – 0.23	2.05%
0.23 – 0.24	2.10%
0.24 – 0.25	2.15%
0.25 – 0.26	2.20%
0.26 – 0.27	2.25%

For instance at 31st March 2022 LTL's annualised notional net profits were £42.6m and its FUM was £20.45bn. The ratio between the two as a percentage was calculated at 0.208% resulting in a percentage of FUM of 1.95% and a valuation of LTL of **£15,024.84** per share.

Appendix 1 provides more detail on this new methodology, as well as showing the close correlation of this new methodology compared with the prior methodology.

The valuation of the investment in LTL continues to be reviewed at the end of each month by the Company's Directors, with the methodology reviewed by the Board at its quarterly meetings.

* LTL's notional net profits are calculated by applying a fee rate (averaged over the last six months) to the most recent end-month FUM to produce annualised fee revenues excluding performance fees. Notional staff costs of 45% of revenues, annualised fixed costs and tax are deducted from revenues to produce notional annualised net profits.

Financial Statements

Notes to the Financial Statements continued

16 Financial instruments and capital disclosures continued

LTL Valuation per share using differing valuation assumptions
The two tables below show the impact on the LTL valuation if:
(i) in Table 1 a different % was applied to 31 March 2022 FUM; and
(ii) in Table 2 a different Price/Earnings ratio was applied to LTL's March notional net profits

Table 1 – varying the % of FUM

LTL Funds under Management as at 31 March 2022 (£'000)	% of FUM	Valuation (£'000)	Valuation per share (£)
20,451,498	1.00%	204,515	7,705.04
20,451,498	1.25%	255,644	9,631.30
20,451,498	1.50%	306,772	11,557.57
20,451,498	1.75%	357,901	13,483.83
20,451,498	**1.95%**	**398,804**	**15,024.84**
20,451,498	2.00%	409,030	15,410.09
20,451,498	2.25%	460,159	17,336.35
20,451,498	2.50%	511,287	19,262.61
20,451,498	2.75%	562,416	21,188.87

Table 2 – varying the P/E ratio

LTL notional net profits as at 31 March 2022 (£'000)	P/E ratio	Valuation (£'000)	Valuation per Share (£)
42,598	7.00	298,188	11,234.15
42,598	8.00	340,786	12,839.03
42,598	9.00	383,385	14,443.91
42,598	**9.36**	**398,804**	**15,024.84**
42,598	10.00	425,983	16,048.79
42,598	11.00	468,581	17,653.67
42,598	12.00	511,180	19,258.55

16 Financial instruments and capital disclosures continued

There were no transfers between levels for financial assets and financial liabilities during the year recorded at fair value as at 31 March 2022 and 31 March 2021. 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

	2022 £'000	2021 £'000
Opening fair value	**114,238**	89,479
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	**(17,328)**	24,759
Closing fair value	**96,910**	114,238

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 with a minimum objective to maintain the real purchasing power of Sterling capital through an appropriate balance of equity capital and debt. The Directors have discretion to permit borrowings up to 50% of the Net Asset Value. However, the Directors have decided it is in the best interests of the Company not to use gearing.

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

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.

At the next Annual General Meeting the Company intends to renew its authority to repurchase shares at a discount to Net Asset Value.

17 Guarantees, financial commitments and contingent liabilities

There were no financial commitments or contingent liabilities outstanding at the year end (2021: None).

Financial Statements

Notes to the Financial Statements continued

18 Ongoing charges (APM)

	2022		2021	
	£'000	**%**	£'000	%
Total operating expenses	**£1,978**	**0.82**	1,679	0.75

Total operating expenses are included after a management fee waiver of £140,000 (2021: £84,000) (see note 3). They exclude the Manager's performance fee of £nil (2021: £2,662,000).

The above total expense ratios are based on the average shareholders' funds of £240,223,000 (2021: £225,120,000) 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.

See page 107 in the Glossary for further details.

19 Related Party transactions

Lindsell Train Limited acts as the Manager of the Company. LTL is considered a related party as it has a Director in common with the Company, as well as the Company owning a significant share of LTL. The amounts paid to the Manager are disclosed in note 3 and further details of the relationship between the Company and the Manager are set out in note 6 and note 10. Disclosure of the Directors' interests in the Ordinary Shares of the Company and fees and expenses payable to the Directors are set out in the Directors' Remuneration Report on pages 52 to 55.

Appendices (unaudited)

DISCLAIMER

The information contained in these Appendices has not been audited by the Auditors and does not constitute any form of financial statement. The appendices are for information purposes and should not be regarded as any offer or solicitation of an offer to buy or sell shares in the Company.

Appendix 1

Annual Review of Lindsell Train Limited ("LTL") at 31 January 2022

The Manager of The Lindsell Train Investment Trust plc ("LTIT")

Background

LTL was established in 2000 by Michael Lindsell and Nick Train and was founded on the shared investment philosophy that developed while they worked together during the 1990s. The company's aim is to foster a work environment in which the investment team can manage capital consistent with this philosophy, which entails managing concentrated portfolios, invested strategically in durable franchises. Essential to success is maintaining a relatively simple business structure encompassing an alignment of interests between on one side LTL's clients and on the other its founders and employees.

People

LTL's board of directors consists of the two founders Michael Lindsell and Nick Train, the Chief Operating Officer Michael Lim, the Head of Marketing and Client Services Keith Wilson, Director of Marketing Jane Orr and two non-executive directors, James Alexandroff and Julian Bartlett. James was a co-founder of a specialist investment boutique, Arisaig Partners, and is a longstanding Shareholder in LTIT and Julian is a former partner of Grant Thornton LLP. LTL's executive staff have increased in number from 19 to 25 over the last 12 months, reflecting additional recruitment in all areas. All staff are based in the UK other than LTL's North American Marketing and Client Services representative, who works out of the New York area.

LTL's board recognises that key employees should share in the ownership of the company whilst furthering the alignment of interests between them, LTIT and the founders. This is achieved by acquiring shares from LTL's major stakeholders either directly or through a dedicated profit share scheme.

Business

LTL's strategy is to build excellent long-term performance records for its funds in a way that is consistent with its investment principles and that meet the aims of its clients. Long-term performance is detailed below.

Success in achieving satisfactory investment performance should allow the company to expand its FUM in its four key product areas: UK, Global, Japanese and, more recently, North American equities. LTL aspires to manage multiple billions of pounds in each product area, whilst recognising that there will be a size per product above which their ability to achieve clients' performance objectives may be compromised. LTL thinks this growth is possible without significantly expanding the investment team, which stood at seven at 31 January 2022.

Appendix 1 continued

To achieve this growth in a manageable way LTL looks to direct new business flows into LT badged pooled funds and to limit the number of separately managed accounts. The open-ended pooled funds represented 70% of FUM at end of January, down from 72% the year before. Additionally, LTL managed 18 separate client relationships, up one from a year ago. The largest pooled fund (the Lindsell Train Global Equity Fund) represented 34% of total FUM and the largest segregated portfolio accounted for nearly 10%.

In the year to 31 January 2022 LTL's total FUM fell by 7% from £22.8bn to £21.2bn. This represented net outflows of £1.9bn, broken down by strategy as Global (£478m), Japan (£177m) and UK (£1,263m). Although relative performance continued to deteriorate in all strategies, market performance cushioned the FUM fall. Long-term excess returns remain competitive, as shown in the table below.

To 31.1.2022	Relative Return	Inception date	Benchmark
UK Equity Fund (GBP)	+4.9% p.a.	July 2006	FTSE All Share
Global Equity Fund (GBP)	+2.4% p.a.	March 2011	MSCI World
Japanese Equity Fund (Yen)	+1.4% p.a.	January 2004	TOPIX
North American Equity Fund (GBP)	-8.0% p.a.	April 2020	MSCI North America

Returns based on NAV. LF Lindsell Train UK Equity Fund Acc share class; Lindsell Train Global Equity Fund B share class; Lindsell Train Japanese Equity Fund A Yen share class; LF Lindsell Train North American Equity Fund Acc share class.

The Marketing and Client Services team is in contact with institutional clients both directly and through investment consultants, primarily in the UK and the USA. Last year LTL succeeded in increasing its clients and FUM from North America mainly through increasing inflows into the Lindsell Train Global Equity LLC. FUM derived from North America now makes up over 11% of total FUM. LTL's funds are also widely represented on the major UK retail and IFA platforms.

Financials

In the year to 31 January 2022 LTL's total revenues grew 6%. Annual management fees make up the lion's share, at 98%, with less predictable performance fees the rest. LTL's biggest cost item, direct staff remuneration, is capped at 25% of fees (other than those earned from the Lindsell Train Investment Trust plc), as governed by LTL's Shareholders' Agreement. Employer national insurance costs are excluded from the restriction. Total staff remuneration, including employer national insurance, amounted to 32% of total revenues, up from 30% last year. Fixed overheads were up from £4.3m to £5.0m. Operating profits were up 5%, registering a margin on sales of 66%.

LTL intends to distribute to shareholders dividends equivalent to 80% of its retained profits in respect of each accounting year-end, subject to retaining sufficient working and fixed or regulatory capital to enable it to continue its business in a prudent manner. Total dividends paid in the year to 31 January 2022 were £2,003 per share, up from £1,817 per share in the previous year.

At the end of January 2022 LTL's balance sheet was made up of shareholders' funds of £90.6m backed by £90.4m of net current assets including £72.8m of cash.

The Future

LTL believes it has plenty of headroom to grow its FUM, with a continued focus on its stable of pooled funds. LTL's investment approach is applied uniformly across all its products and remains differentiated and appealing to a wide range of clients. A crucial part of that appeal is the ability for LTL to demonstrate investment results that meet clients' objectives. Over most of LTL's history this has been achieved but, following the warning in last year's report that performance had started to deteriorate, calendar year 2021 proved to be very disappointing for relative performance across all four strategies. Most clients will tolerate short periods of underperformance, especially in a strategy that is so concentrated and committed to its constituent companies. However, with continued underperformance LTL has started to see net redemptions, predominantly from its key pooled funds.

LTL is confident that by remaining committed to its differentiated investment approach, and with the support of a stable and dedicated team and a still competitive longer-term performance track record, it can stay positive about its future. But it is fully aware that there are risks ahead which could have a material impact on the value of LTL and its dividend paying potential. These risks include increasing pressure on the active management industry; a material reversion of recent strength in global developed equity markets; the growth of ESG designated investment funds; and, as noted above, underperformance from LTL's strategies. Perhaps the greatest risk in relation to LTL's reputation however remains the withdrawal of either of the founders. They are currently aged 63 and 62, in good health and remain strongly committed to LTL. They are supported by increasingly mature and experienced investment professionals, currently numbering five, all of whom are taking on more responsibility and contributing more to investment decisions as their careers progress with the company. The clearer articulation of the firm's succession planning and the accelerated transfer of ownership of LTL shares to key individuals should also help mitigate the risk if either founder withdraws.

Data to 31 January 2022 unless stated otherwise. The period from 31 January to 31 March 2022 has been reviewed by the Board and there are no significant matters to highlight other than those detailed in this Appendix.

Appendix 1 continued

Funds Under Management

FUM by Strategy	**Unaudited Jan 2022 £m**	Jan 2021 £m
UK	**8,475**	9,121
Global	**12,040**	12,637
Japan	**702**	1,020
North America	**28**	24
Total	**21,245**	22,802

Largest Client Accounts

	Unaudited Jan 2022 % of FUM	Jan 2021 % of FUM
Largest Pooled Fund Asset	**34%**	36%
Largest Segregated Account	**10%**	8%

Lindsell Train Fund Performance

Annualised data to 31 January 2022		1 Year %	3 Years %	5 Years %	10 Years %
GBP	UK Equity Fund (Accumulation)	6.3	7.5	8.5	12.5
	FTSE All Share	18.9	6.8	5.4	7.4
GBP	Global Equity Fund (B share)	(2.0)	7.6	12.4	15.7
	MSCI World	19.3	15.8	11.8	13.4
JPY	Japanese Equity Fund (A share)	(10.1)	1.2	5.8	12.3
	TOPIX	7.0	9.1	6.9	12.0
GBP	North American Equity Fund (Accumulation)	15.2			
	MSCI North American	23.5			

Source: Morningstar Direct

Note: all figures above show total returns.

Financials

Profit & Loss	**Unaudited Jan 2022 £'000**	Audited Jan 2021 £'000	% Change
Fee Revenue			
Investment Management fee	**119,971**	109,369	10%
Performance Fee	**2,662**	6,576	-60%
Bank Interest	**11**	121	
	122,644	116,066	
Staff Costs *	**(38,843)**	(34,362)	13%
Fixed Overheads	**(5,041)**	(4,246)	19%
FX Currency Translation Gain/(loss)	**954**	(1,578)	
Investment Unrealised Gain/(loss)	**914**	1,000	
Operating Profit	**80,628**	76,880	5%
Taxation	**(15,435)**	(14,569)	
Net Profit	**65,193**	62,311	5%
Dividends	**(53,134)**	(48,367)	
Retained profit	**12,059**	13,944	

Capital & Reserves		
Called up Share Capital	**267**	267
Share Premium	**57**	9
Other reserves	**(2,237)**	(560)
Profit & Loss Account	**92,467**	80,409
Shareholders' Funds	**90,554**	80,125

Balance Sheet		
Fixed Assets	**174**	195
Investments	**6,914**	6,000
Current Assets (inc cash at bank)	**91,827**	83,587
Liabilities	**(8,361)**	(9,657)
Net Assets	**90,554**	80,125

* Staff costs include permanent staff remuneration, social security, temporary apprentice levy, introduction fees and other staff related costs. No more than 25% of fees (other than LTIT) can be paid as permanent staff remuneration.

Appendix 1 continued

Five Year History

	Unaudited Jan 2022	Jan 2021	Jan 2020	Jan 2019	Jan 2018
Operating Profit Margin	**66%**	66%	65%	66%	62%
Earnings per share (£)*	**2,458**	2,340	2,237	1,688	1,149
Dividends per share (£)*	**2,003**	1,817	1,619	1,099	784
Total Staff Cost as % of Revenue	**32%**	30%	31%	32%	34%
Opening FUM (£m)	**22,802**	21,450	16,260	13,179	8,975
Changes in FUM (£m)	**-1,557**	1,352	5,190	3,081	4,204
– of market movement	**360**	1,200	2,781	808	2,074
– of net fund (outflows)/inflows	**-1,918**	152	2,409	2,273	2,130
Closing FUM (£m)	**21,245**	22,802	21,450	16,260	13,179
LT Open ended funds as % of total	**70%**	73%	73%	72%	67%
Client Relationships					
– Pooled funds	**5**	5	4	4	4
– Separate accounts	**18**	17	17	17	15

Ownership

	Jan 2022	Jan 2021
Michael Lindsell and spouse	**9,650**	9,650
Nick Train and spouse	**9,650**	9,650
The Lindsell Train Investment Trust plc	**6,450**	6,450
Other Directors/employees	**778**	875
	26,528	26,625
Treasury Shares	**132**	35
	26,660	26,660

Board of Directors as at 31st January 2022

Nick Train	Chairman and Portfolio Manager
Michael Lindsell	Chief Executive and Portfolio Manager
Michael Lim	Chief Operating Officer
Keith Wilson	Head of Marketing & Client Services
Jane Orr	Director of Marketing
James Alexandroff	Non-Executive Director
Julian Bartlett	Non-Executive Director

Employees

	Jan 2022	Jan 2021
Investment Team (including three Portfolio Managers)	**7**	6
Client Servicing and Marketing	**8**	6
Operations and Administration	**10**	7
Non-Executive directors	**2**	2
	27	21

* On 1 February 2019 LTL undertook a share split with each share sub divided into 10 shares of £10 each. The per share figures in the table above are retrospectively changed in y/e January 2018 and y/e January 2019 based on 26,660 shares for ease of comparison.

LTIT Director's valuation of LTL

	31 Mar 2022	31 Mar 2021^
Notional annualised net profits (A)* (£'000)	**42,598**	51,017
Funds under Management less LTIT holdings (B) (£'000)	**20,451,498**	22,908,969
Normalised notional net profits as % of FUM A/B = (C)	**0.208%**	0.223%
% of FUM (D) (see table below to view % corresponding to C)	**1.95%**	2.05%
Valuation (E) i.e. B x D (£'000)	**398,804**	469,634
Number of shares in issue (F)†	**26,543**	26,645
Valuation per share in LTL i.e. E / F	**£15,024.84**	£17,625.59

* Notional annualised net profits are made up of:
– annualised fee revenue, based on 6-mth average fee rate applied to most recent month-end AUM
– annualised fee revenue excludes performance fees
– annualised interest income, based on 3-mth average
– notional staff costs of 45% of annualised fee revenue
– annualised operating costs (excluding staff costs), based on 3-mth normalised average
– notional tax at 19%

^ The 31 March 2021 valuation (shown above) was derived by applying the new valuation methodology, described overleaf, which came into effect from 31 March 2022.

† The reduction in shares in issue is accounted for by net purchases of Treasury shares from LTL employees.

Notional annualised net profits*/FUM (%)	Valuation of LTL - Percentage of FUM
0.15 – 0.16	1.70%
0.16 – 0.17	1.75%
0.17 – 0.18	1.80%
0.18 – 0.19	1.85%
0.19 – 0.20	1.90%
0.20 – 0.21	**1.95%**
0.21 – 0.22	2.00%
0.22 – 0.23	**2.05%**
0.23 – 0.24	2.10%
0.24 – 0.25	2.15%
0.25 – 0.26	2.20%
0.26 – 0.27	2.25%

Appendix 1 continued

During the year the Board appointed J.P. Morgan Cazenove Ltd to undertake an independent review of the Company's valuation methodology applied to its unlisted investment in LTL. It was agreed that the new methodology be applied to monthly valuations from 31 March 2022 onwards.

In adopting the new methodology the LTIT Board seeks to capture the changing economics and prospects for LTL's business. It is designed to be as transparent as possible so that shareholders can themselves calculate how any change to the inputs would affect the resultant valuation.

The new methodology is simpler as it has a single component based on a percentage of LTL's FUM (as opposed to two components in the old methodology, see below), with the percentage applied being reviewed monthly and adjusted to reflect the ongoing profitability of LTL. After the end of each month the ratio of LTL's notional annualised net profits* to LTL's FUM is calculated and, depending on its result, the percentage of FUM is adjusted according to the table on the previous page.

For instance at 31 March 2022 LTL's annualised notional net profits were £42.6m and its FUM was £20.45bn. The ratio between the two as a percentage was calculated at 0.208 resulting in a percentage of FUM of 1.95% and a valuation of LTL of **£15,024.84** per share.

The LTIT Board determined that a change from the old methodology was necessary as in recent years the valuation difference between its two components used previously widened considerably. This reflected the effect of the operating leverage in LTL's business as its FUM increased.

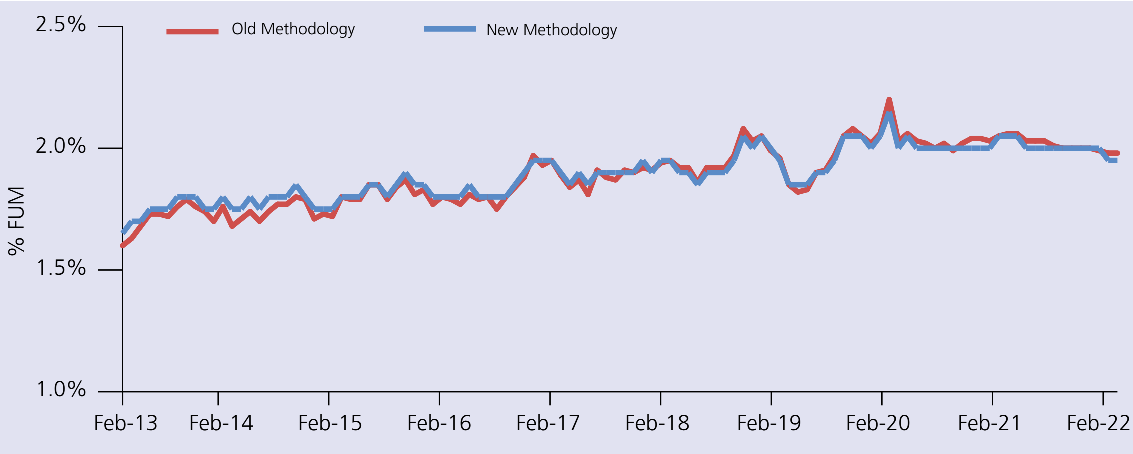
The old methodology was a simple average of two components:

- 1.5% of LTL's most recent funds under management ("FUM"); and
- LTL's net profits (adjusted for a notional increase in staff costs to 45% of revenues excluding performance fees) calculated with reference to LTL's most recent end month's FUM, divided by the annual average redemption yield on the longest dated UK government fixed rate bond, currently UK Treasury 1.625% 2071, calculated using weekly data, plus a premium of 0.5%, subject to a minimum yield of 4%, plus an equity risk premium of 4.5%.

In making this change, the Board notes that the new methodology correlates closely to the result of the old one (when the average of the two components in the old methodology is expressed as a percentage of FUM) both on 31 March 2022 and historically as depicted in the graph overleaf. At 31 March 2022 LTL's valuation based on the old methodology would have been £15,219.25, a difference of just 1.3% to the valuation using the new methodology.

* LTL's notional net profits are calculated by applying a fee rate (averaged over the last six months) to the most recent end-month FUM to produce annualised fee revenues excluding performance fees. Notional staff costs of 45% of revenues, annualised fixed costs and tax are deducted from revenues to then produce notional annualised net profits.

LTL's valuation expressed as a % of its FUM



The Board will continue to monitor a number of alternative approaches to the valuation of LTL to ensure that the result of the new valuation methodology makes sense in the context of the future prospects for LTL and also when it is compared with similar businesses.

In summary, the Board's view is that this new methodology simplifies the valuation of LTL whilst capturing the changing operating leverage of the business and is also historically consistent with results from the old one.

LTL's Salary and Bonus cap

Salary and bonus expenses at LTL are restricted by a salary and bonus cap that mandates that no more than 25% of LTL's fees (other than those derived from LTIT) can be paid as staff remuneration. Employer national insurance costs are excluded from this limit. This policy has been in place since the inception of both LTL and LTIT and together with LTL's dividend policy ensure LTL shareholders earn a tangible reward from their investment in LTL.

The LTIT Board has long recognised that it is important that LTL has the ability to sufficiently reward potential successors or, if it became necessary to replace the founders, to recruit suitable outside talent. As a consequence, since 2007 the LTIT Board has judged it necessary to apply a higher notional salary cost of 45% of revenues in calculating LTL's net profits when determining the valuation of LTL.

To put this in context, LTL's total salary and bonus expenses (including employer national insurance payments) have averaged 37% of revenues since 2001. Currently a peer group of quoted fund managers exhibits an average salary cost to revenue ratio of 36% but the salary to revenue of peers with FUM equivalent to LTL is higher, at 43%. The LTIT board therefore believes that a notional salary to revenue ratio of 45% makes sufficient allowance for the eventualities described above.

Whilst the 25% salary and bonus cap remain in place for now, both the LTL and LTIT Boards recognise that it may be necessary to increase this limit in the future.

Appendix 2

Share Capital (unaudited)

At 31 March 2022 and 31 March 2021, 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 value each. At 31 March 2022 the Ordinary Share price was £1,105 (31 March 2021: £1,420).

Income entitlement
The Company's revenue earnings are distributed to holders of Ordinary Shares by way of such 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
Subject to any rights or restrictions attached to any shares, on a show of hands, every member who is present in person has one vote and every proxy present who has been duly appointed has one vote. However, if the proxy has been duly appointed by more than one member entitled to vote on the resolution, and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he or she has one vote for and one vote against the resolution. Every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation. On a poll, every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which they are the holder or in respect of which their appointment as proxy or corporate representative has been made.

A member, proxy or corporate representative entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members. A member is entitled to appoint another person as his proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company.

The appointment of a proxy shall be deemed also to confer authority to demand or join in demanding a poll. Delivery of an appointment of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it. A proxy need not be a member. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by them.

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 FCA; 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

Agreements with Service Providers (unaudited)

Investment Management Agreement

The Manager, LTL, is engaged under the terms of an amended and restated management agreement dated 10 November 2020 (the "**IMA**"). Details of the IMA are given in note 6 to the Financial Statements. The IMA is terminable on twelve months' notice by either party.

Fees

The Investment Management Fee is payable at the annual rate of 0.60 per cent. of the lower of (a) the Market Capitalisation of the Company and (b) the Net Asset Value of the Company, calculated daily.

The Performance Fee is calculated as 10% of the value of any positive relative performance versus the benchmark in a financial year. Relative performance is measured by taking the lower of the NAV or Average Market Price (defined as the average price over the last month of the performance period), taking into account dividends, at the end of each financial year and comparing the percentage annual change with the total return of the benchmark. A performance fee will only be paid out if the annual change is both above the benchmark and is a positive figure. Relative performance will be carried forward in years where the Manager is not eligible for a performance fee based on these two criteria.

During the year the Directors reviewed the performance of the Manager and consider that the continued engagement of LTL under the existing terms is in the best interests of the Company and shareholders. Michael Lindsell did not participate in the review as he is an employee and shareholder of the Manager.

In addition to the day to day management of investments, the Manager advises the Board on liquidity and borrowings and liaises with major shareholders. The 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, Company Secretarial and Management Services Agreement

Accounting, company secretarial and administrative services are provided by Frostrow Capital LLP ("Frostrow") pursuant to an agreement dated 30 October 2020. With effect from 1 November 2020, Frostrow is entitled to receive from the Company an annual fee of 0.11 per cent. of the Company's Net Asset Value up to £150 million plus 0.05 per cent. of that part of the Company's Net Asset Value in excess of £150 million. The agreement is terminable by either party on not less than six months' notice.

Details of the fees paid to Frostrow are given in note 4 to the Financial Statements. The services provided by Frostrow since their appointment were also reviewed during the year and the Board considered it to be in the best interests of the Company to continue Frostrow's appointment under the existing terms.

Other third party service providers

In addition to the Manager and Administrator, the Company has engaged Link Group Services to maintain the share register of the Company and Northern Trust Company, London Office as the Company's custodian. The agreements for these services were entered into after careful consideration of their terms and their cost-effectiveness for the Company.

Additional Shareholder Information (unaudited)

Notice of Annual General Meeting

Notice is hereby given that the twentieth Annual General Meeting ("AGM") of The Lindsell Train Investment Trust plc (the "Company") will be held at the Marlborough Suite, St Ermin's Hotel, 2 Caxton Street, London, SW1H 0QW on Thursday, 8 September 2022 at 2.30 p.m. for the following purposes:

Ordinary business

1. To receive the Financial Statements and Reports of the Directors and the Auditors for the year ended 31 March 2022.
2. To approve the Directors' Remuneration Report for the year ended 31 March 2022.
3. To approve the payment of a final dividend for the year ended 31 March 2022 of £51.12 per Ordinary Share.
4. To approve the payment of a special dividend for the year ended 31 March 2022 of £1.88 per Ordinary Share.
5. To re-elect Mr Julian Cazalet as a Director of the Company.
6. To re-elect Mr Nicholas Allan as a Director of the Company.
7. To re-elect Ms Vivien Gould as a Director of the Company.
8. To re-elect Mr Richard Hughes as a Director of the Company.
9. To re-elect Mr Michael Lindsell as a Director of the Company.
10. To re-appoint PricewaterhouseCoopers LLP as Auditor to the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which Financial Statements are laid before the Company.
11. To authorise the Audit Committee to determine the remuneration of the Auditor of the Company.
12. To receive and approve the Directors' Remuneration Policy.

Special Business

To consider, and if thought fit, pass the following resolutions which are proposed as special resolutions.

13. 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 29,980;

    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) 105% 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

Notice of Annual General Meeting continued

highest independent bid on the London Stock Exchange as stipulated in Article 5(1) of Regulation No. 2233/2003 of the European Commission (Commission Regulation of 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments);

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 Ordinary 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 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.

14. 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 Annual General Meeting of the Company or the date 15 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.

15. THAT the Directors be authorised to call general meetings (other than the Annual General Meeting of the Company) on not less than 14 clear days’ notice, such authority to expire on the conclusion of the next Annual General Meeting of the Company or if earlier, on the expiry 15 months from the date of the passing of the resolution.

By order of the Board
Frostrow Capital LLP
Company Secretary
14 June 2022

Registered Office:
25 Southampton Buildings
London WC2A 1AL

Notice of Annual General Meeting continued

Notes

1. Subject to paragraph 8, members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company.

2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

3. Hard copy forms of proxy have not been included with this notice. Members can vote by: logging onto www.signalshares.com and following instructions; requesting a hard copy form of proxy directly from the registrars, Link Group, by emailing enquiries@linkgroup.co.uk; or, in the case of CREST members, utilising the CREST electronic proxy appointment service in accordance with the procedures set out below. To be valid any appointment of a proxy must be completed, signed and received at Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 2.30 p.m. on Tuesday, 6 September 2022.

4. In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.

5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a Shareholder attending the meeting and voting in person if they wish to do so.

6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between them and the shareholder by whom they were nominated, have a right to be appointed (or have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

7. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.

8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered on the register of members of the Company (the "Register of Members") at close of business on 6 September 2022 (or, in the event of any adjournment, on the date which is two business days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.

9. As at 14 June 2022 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 200,000 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 14 June 2022 are 200,000. There are no ordinary shares held in treasury.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited ("CRESTCo"), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) no later than 48 hours before the time appointed for holding the meeting, excluding non-business days. For this purpose, the time

Notice of Annual General Meeting continued

of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. 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 (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

13. 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.

14. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register of Members in respect of the joint holding (the first named being the most senior).

15. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

16. Members who have appointed a proxy using a hard-copy proxy form and who wish to change the instructions using another hard-copy form, should contact Link Group on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

17. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

18. In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments then, subject to paragraph 4, the proxy appointment will remain valid.

19. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

Explanatory Notes to the Resolutions

Resolution 1 – To receive the Annual Report and Financial Statements
The first item of business is for the Annual Report and Financial Statements for the year ended 31 March 2022 to be presented to the AGM. As announced, the Annual Report has been available on the Company's website since 15 June 2022 and will be posted to Shareholders on or around 21 June 2022.

Resolution 2 – Directors' Remuneration Report
The Directors' Remuneration Report is set out in full on pages 52 to 55 of the Annual Report.

Resolution 3 and 4 – Dividends
To approve the payment of a final dividend and special dividend for the year ended 31 March 2022 as set out in the Notice of Meeting on page 101 of the Annual Report.

Resolutions 5 to 9 – Re-election of Directors
Resolutions 5 to 9 deal with the re-election of each Director.

The biographies of the Directors offering themselves for re-election are set out on page 32 of the Annual Report.

Resolutions 10 to 11 – Re-appointment of Auditors
Resolution 10 relates to the re-appointment of PricewaterhouseCoopers LLP as the Company's independent auditor to hold office until the next Annual General Meeting of the Company and Resolution 11 authorises the Audit Committee to set their remuneration. Following the implementation of the Competition and Markets Authority order on Statutory Audit Services only the Audit Committee may negotiate and agree the terms of the auditors' service agreement.

Resolution 12 – Directors Remuneration Policy
The Directors' Remuneration Policy is set out in full on pages 56 to 58 of the Annual Report.

Resolution 13 – Authority to Repurchase Shares
Special Resolution 13 would, if passed, renew the authority to permit the Company to buy back through the stock market up to a maximum of 29,980 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 NAV per Ordinary Share, thereby resulting in an increased NAV per Ordinary Share. Shares bought back may be held in treasury and 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.

This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted.

Resolution 14 – Treasury
Authorises the Directors to sell 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 nor below NAV.

Resolution 15 – General Meetings
Special Resolution 15 seeks shareholder approval for the Company to hold General Meetings (other than the Annual General Meeting) on not less than 14 clear days' notice.

The Company will only use this shorter notice period where it is merited by the purpose of the meeting and will endeavour to give not less than 14 working days' notice if possible, in line with the recommendations of the UK Corporate Governance code.

Recommendation
The Board considers that the resolutions relating to the above items are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends to the Shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming Annual General Meeting as Directors intend to do in respect of their own beneficial holdings totalling 7,495 shares.

Glossary of Terms and Alternative Performance Measures ("APM") (unaudited)

AIC

Association of Investment Companies.

Alternative Investment Fund Managers Directive ("AIFMD")

The Alternative Investment Fund Managers Directive (the "Directive") is a European Union Directive that entered into force on 22 July 2013. The Directive regulates EU fund managers that manage alternative investment funds (this includes investment trusts).

Alternative Performance Measure ("APM")

An alternative performance measure is a financial measure of historical or future financial performance, financial position or cash flow that is not prescribed by the relevant accounting standards. The APMs are the discount and premium, dividend yield, share price and NAV total return and ongoing charges as defined within this Glossary. The Directors believe that these measures enhance the comparability of information between reporting periods and aid investors in understanding the Company's performance. The measures used for the year under review have remained consistent with the prior year.

Benchmark

With effect from 1 April 2021 the Company's performance benchmark is the MSCI World Index total return in Sterling.

Prior to 1 April the benchmark was the annual average redemption yield on the longest-dated UK government fixed rate (1.625% 2071) calculated using weekly data, plus a premium of 0.5%, subject to a minimum yield of 4.0%.

Discount and premium (APM)

If the share price of an investment trust is higher than the Net Asset Value ("NAV") per share, the shares are trading at a premium to NAV. In this circumstance the price that an investor pays or receives for a share would be more than the value attributable to it by reference to the underlying assets. The premium is the difference between the share price (based on mid-market share prices) and the NAV, expressed as a percentage of the NAV.

A discount occurs when the share price is below the NAV. Investors would therefore be paying less than the value attributable to the shares by reference to the underlying assets.

A premium or discount is generally the consequence of supply and demand for the shares on the stock market.

The discount or premium is calculated by dividing the difference between the share price and the NAV by the NAV.

Dividend yield (APM)

A financial ratio that indicates how much a company pays out in dividends each year relative to its share price. Dividend yield is represented as a percentage and can be calculated by dividing the value of dividends paid in a given year per share held by the share price.

The figures disclosed on page 14 have been calculated as shown below:

	2022	2021
Total Dividends paid per ordinary share (a)	**£53.00**	£50.00
Closing price per Ordinary Share on 31 March (b)	**£1,105.00**	£1,420.00
Dividend Yield (a) ÷ (b)	**4.80%**	3.52%

MSCI World Index total return in Sterling (the Company's performance Benchmark)

The MSCI information (relating to the Benchmark) may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation lost profits) or any other damages. (www.msci.com).

Net Asset Value (NAV) per Ordinary Share

The NAV per Ordinary Share is Shareholders' funds expressed as an amount per individual share. Equity Shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all current and long-term liabilities and any provision for liabilities and charges.

The NAV per Ordinary Share of the Company is published weekly.

The figures disclosed on page 14 have been calculated as shown below:

	2022	2021
	'000	'000
Net Asset Value (a)	**£222,761**	£237,116
Ordinary Shares in issue (b)	**200**	200
Net Asset Value per Ordinary Share (a) ÷ (b)	**£1,113.81**	£1,185.58

Ongoing charges (APM)

Ongoing charges are expenses of a type that are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the Company as an investment trust, excluding the costs of acquisition or disposal of investments, financing costs and gains or losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge but not the performance fee. The calculation methodology is set out by the Association of Investment Companies.

The figures disclosed on page 14 have been calculated as shown below:

	2022	2021
	£'000	£'000
Total operating expenses (a)	**1,978**	1,679
Average Net Asset Value (b)	**240,223**	225,120
Ongoing Charges (a) ÷ (b)	**0.82%**	0.75%

Revenue return per Share

The revenue return per share is the revenue return profit for the year divided by the weighted average number of ordinary shares in issue during the year.

Glossary of Terms and Alternative Performance Measures continued

SASB
The Sustainability Accounting Standards Board.

SASB Materiality Map©
The Materiality Map was developed by the SASB. It ranks issues by industry based on two types of evidence: evidence that investors in the industry are interested in the issue, and evidence that the issue has the ability to impact companies within the industry.

Share price and NAV total return (APM)
These are the returns on the share price and NAV respectively taking into account both the rise and fall of share prices and valuations and the dividends paid to Shareholders.

Any dividends received by a Shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return).

The share price and NAV total return are calculated as the returns to Shareholders after reinvesting the net dividend in additional shares on the date that the share price goes ex-dividend.

The figures disclosed on page 14 have been calculated at shown below:

		Year Ended 31 March 2022	
		LTIT NAV	**LTIT Share Price**
NAV/Share Price at 31 March 2022	a	**£1,113.81**	**£1.105.00**
Dividend Adjustment Factor*	b	1.041	1.029
Adjusted closing NAV/Share Price	c = a x b	1,158.99	1,137.08
NAV/Share Price at 31 March 2021	d	£1,185.58	£1,420.00
Total return	((c/d)-1)) x100	**-2.3%**	**-20.0%**

* The dividend adjustment factor is calculated on the assumption that the dividends of £50 paid by the Company during the year were reinvested into shares or assets of the Company at the cum income NAV per share/share price, as appropriate, at the ex-dividend date.

LTL total return performance
The total return performance for LTL is calculated as the return after receiving but not reinvesting dividends received over the year.

The figure disclosed on page 14 has been calculated as shown below:

		LTL valuation
Valuation at 31 March 2021	a	£17,711^
Valuation at 31 March 2022	b	**£15,025**
Dividends paid during the year	c	£2,003
Total return	{((b-a)+c)/a}x100	**-3.9%**

^ Based on the old valuation methodology (see page 96 for further details).

TCFD
Task Force on Climate-Related Financial Disclosures.

Treasury Shares
Shares previously issued by a company that have been bought back from Shareholders to be held by the company for potential sale or cancellation at a later date. Such shares are not capable of being voted and carry no rights to dividends.

Company Information

Directors
Julian Cazalet (Chairman of the Board and Management Engagement Committee)
Nicholas Allan (Chairman of the Nomination Committee)
Vivien Gould (Senior Independent Director)
Richard Hughes (Chairman of the Audit Committee)
Michael Lindsell

Company Secretary, Administrator and Registered Office
Frostrow Capital LLP
25 Southampton Buildings
London
WC2A 1AL
Tel: 020 3008 4910
www.frostrow.com
email: info@frostrow.com
(Authorised and Regulated by the Financial Conduct Authority)

Manager
Lindsell Train Limited
3rd Floor
66 Buckingham Gate
London
SW1E 6AU
Tel: 020 7808 1210
(Authorised and Regulated by the Financial Conduct Authority)

Solicitor
Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

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

Independent Auditors
PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

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

Registrar
If you have any queries in relation to your shareholding please contact:
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL
email: enquiries@linkgroup.co.uk.
telephone +44 (0)371 664 0300
Website: www.linkgroup.eu
+ Calls are charged at the standard geographic rate and will vary by provider.
Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Shareholder Portal
You can register online to view your holdings using the Share Portal, a service offered by Link Group at www.signalshares.com.
The Share Portal is an online service enabling you to quickly and easily access and maintain your shareholding online – reducing the need for paperwork and providing 24 hour access to your shareholding details.

Company Information continued

Identification codes

LSE: LTI
SEDOL: 3197794
ISIN: GB0031977944
BLOOMBERG: LTI LN
Legal Entity Identifier: 213800VMBJH2TCFDZU08

Shareholder relations

The price of the Company's Ordinary Shares is listed 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

Disability Act

Copies of this Annual Report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Link Group, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator; or - for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by The Royal National Institute for Deaf People) you should dial 18001 from your textphone followed by the number you wish to dial.

WARNING TO SHAREHOLDERS – BEWARE OF SHARE FRAUD

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Link Group, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

Shareholders who suspect they may have been approached by fraudsters should advise the Financial Conduct Authority ("FCA") using the share fraud report form at www.fca.org.uk/scams or call the FCA Customer Helpline on 0800 111 6768. You may also wish to call either the Company Secretary or the Registrar.

This report is printed on Revive 100% White Silk a totally recycled paper produced using 100% recycled waste at a mill that has been awarded the ISO 14001 certificate for environmental management.

The pulp is bleached using a totally chlorine free (TCF) process. This report has been produced using vegetable based inks.

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Company Secretary and Registered Office
Frostrow Capital LLP
25 Southampton Buildings
London
WC2A 1AL

Tel: 020 3008 4910

www.frostrow.com

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