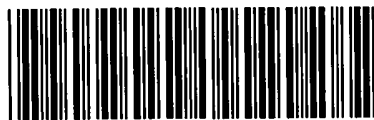


LINDSELL TRAIN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

MONDAY



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LINDELL TRAIN LIMITED

COMPANY INFORMATION

Directors	J M Alexandroff (Non Executive) M Lim M J Lindsell J Orr N J Train
Company secretary	M Lim
Registered number	03941727
Registered office	66 Buckingham Gate London SW1E 6AU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	Royal Bank of Scotland Plc 62/63 Threadneedle Street London EC2R 8LA
Solicitors	Dechert LLP 160 Queen Victoria Street London EC4V 4QQ

LINDSELL TRAIN LIMITED

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LINDSELL TRAIN LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2018

Business review

The directors are encouraged by the company's long term performance track record of funds managed which should enhance the company's ability to retain and grow the number of investment mandates and size of its assets under management.

Principal risks and uncertainties

The company's principal business risks and uncertainties are legal, credit, market, operations, financial and regulatory risks. These risks are regularly reviewed by senior management to ensure that any risk arising from changes in business operations or external environment are identified and appropriately managed.

Financial key performance indicators

Overall, the company had a positive financial performance with improving fee and operating margins. Funds under management (FUM) increased by 44% from £9 billion to £13 billion through increased net inflows and market value changes. Overall fee revenue for the year rose by 53% to £60.9 million and 100% of overall fee revenue for the year was earned from recurring fees. Operating profit which is stated before interest income and tax rose 41% to £38 million.

Going concern

The company's business activities, together with the factors that will affect trade in the forthcoming year are set out in this strategic report.

The main financial risks arising from the activities of the company are also set out above, together with the company's policies and processes for managing these risks.

The company has also prepared forecasts, covering a period of at least twelve months from the date of signing these financial statements, which have been reviewed and approved by the board of directors, who have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

This report was approved by the board on 26 April 2018 and signed on its behalf.

M J Lindsell
Director



LINSELL TRAIN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2018

The directors present their report and the financial statements for the year ended 31 January 2018.

Principal activity

The principal activity of the company is the provision of investment management services.

Results and dividends

The company had another profitable result for the year to 31 January 2018 driven by organic growth from a combination of investment performance and net investment flows.

The profit for the year, after taxation, amounted to £30,626,834 (2017 :£21,667,383).

The company declared and paid the following interim dividends in the year:

First interim dividend of £3,900 per share on 7 June 2017, paid on 12 June 2017 (£10,397,400);

Second interim dividend of £3,940 per share on 08 December 2017, paid on 12 December 2017 (£10,504,040).

The total dividend amounted to £20,901,440 (2017: 14,529,700).

Directors

The directors who served during the year were:

J M Alexandroff (Non Executive)

M Lim

M J Linsell

J Orr

N J Train

LINDSELL TRAIN LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2018

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

Pillar 3 disclosures

Pillar 3 disclosures can be found on the Company's website at www.lindselltrain.com.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

LINDELL TRAIN LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2018**

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 April 2018 and signed on its behalf.

M J Lindsell
Director

A handwritten signature in black ink, appearing to be 'M J Lindsell', written over a horizontal line.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINDSELL TRAIN LIMITED

Opinion

We have audited the financial statements of Lindsell Train Limited for the year ended 31 January 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINDSELL TRAIN LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINDSELL TRAIN LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.



William Pointon (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
London (Finsbury Square)

26 April 2018

LINDELL TRAIN LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2018

	Note	2018 £	2017 £
Turnover	4	60,913,056	39,800,009
Gross profit		60,913,056	39,800,009
Administrative expenses		(22,996,455)	(12,728,482)
Operating profit	5	37,916,601	27,071,527
Interest receivable and similar income	9	59,551	20,408
Profit before tax		37,976,152	27,091,935
Tax on profit	10	(7,349,318)	(5,424,552)
Profit for the financial year		30,626,834	21,667,383
Other comprehensive income for the year			
Total comprehensive income for the year		30,626,834	21,667,383

There were no recognised gains and losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income.

The notes on pages 12 to 25 form part of these financial statements.

LINDSELL TRAIN LIMITED
REGISTERED NUMBER:03941727

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	74,851	91,774
		<u>74,851</u>	<u>91,774</u>
Current assets			
Debtors: amounts falling due within one year	13	9,483,709	7,091,410
Cash at bank and in hand	14	32,993,294	23,497,935
		<u>42,477,003</u>	<u>30,589,345</u>
Creditors: amounts falling due within one year	15	(7,993,209)	(5,846,749)
Net current assets		<u>34,483,794</u>	<u>24,742,596</u>
Total assets less current liabilities		<u>34,558,645</u>	<u>24,834,370</u>
Provisions for liabilities			
Deferred tax	17	(8,784)	(9,903)
		<u>(8,784)</u>	<u>(9,903)</u>
Net assets		<u><u>34,549,861</u></u>	<u><u>24,824,467</u></u>
Capital and reserves			
Called up share capital	18	266,600	266,600
Profit and loss account	19	34,283,261	24,557,867
		<u><u>34,549,861</u></u>	<u><u>24,824,467</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2018.

M J Lindsell
Director



The notes on pages 12 to 25 form part of these financial statements.

LINDELL TRAIN LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2017	266,600	24,557,867	24,824,467
Comprehensive income for the year			
Profit for the year	-	30,626,834	30,626,834
Total comprehensive income for the year	-	30,626,834	30,626,834
Dividends: Equity capital	-	(20,901,440)	(20,901,440)
Total transactions with owners	-	(20,901,440)	(20,901,440)
At 31 January 2018	266,600	34,283,261	34,549,861

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2016	266,600	17,420,184	17,686,784
Comprehensive income for the year			
Profit for the year	-	21,667,383	21,667,383
Total comprehensive income for the year	-	21,667,383	21,667,383
Dividends: Equity capital	-	(14,529,700)	(14,529,700)
Total transactions with owners	-	(14,529,700)	(14,529,700)
At 31 January 2017	266,600	24,557,867	24,824,467

The notes on pages 12 to 25 form part of these financial statements.

LINDELL TRAIN LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	30,626,834	21,667,383
Adjustments for:		
Depreciation of tangible assets	61,175	72,947
Interest received	(59,551)	(20,408)
Taxation charge	7,349,318	5,424,552
(Increase) in debtors	(2,392,299)	(787,182)
Increase in creditors	1,579,245	357,256
Corporation tax (paid)	(6,783,222)	(4,829,587)
Net cash generated from operating activities	30,381,500	21,884,961
Cash flows from investing activities		
Purchase of tangible fixed assets	(44,252)	(9,609)
Interest received	59,551	20,408
Net cash from investing activities	15,299	10,799
Cash flows from financing activities		
Dividends paid	(20,901,440)	(14,529,700)
Net cash used in financing activities	(20,901,440)	(14,529,700)
Net increase in cash and cash equivalents	9,495,359	7,366,060
Cash and cash equivalents at beginning of year	23,497,935	16,131,875
Cash and cash equivalents at the end of year	32,993,294	23,497,935
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	32,993,294	23,497,935
	32,993,294	23,497,935

LINSELL TRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

1. General information

Lindsell Train Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 66 Buckingham Gate, London, England, SW1E 6AU.

The principal activity of the company during the year continued to be the provision of investment management services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Turnover - investment management and performance fees

Turnover, which is stated net of value added tax is attributable to one continuing activity, the supply of investment management and advisory services.

Periodic investment management fees are accrued on a daily basis and payable in arrears in each calendar month other than one investment advisory mandate, where fees are earned when due, and are accounted for accordingly. For the avoidance of doubt charging management fees to Lindsell Train Investment Trust plc (LTIT), the company has agreed to abate the periodic investment management fee it receives indirectly from LTIT by an amount equal to the fees it earns from the portion of Lindsell Train products invested by LTIT. The current investments by LTIT are the Lindsell Train Global Fund, Lindsell Train Global Equity LLC and the Finsbury Growth & Income Trust of which the company acts as investment manager.

Performance fees are accounted for and become due when the right to income is established. Invoicing occurs annually in accordance with management agreements in place. Performance fees earned from Lindsell Train products are rebated (reinvested in the shares in those Funds) to LTIT in respect of the proportion of those funds where LTIT is the investor.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

LINDELL TRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures & fittings	- 3 years
Office equipment	- 3 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

LINDELL TRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

2. Accounting policies (continued)

2.6 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Interest income

Interest income is recognised on an accrual basis.

LINDELL TRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

At the year end, the accrued income from management fees are estimated with reference to the Investment Management Agreements.

LINDELL TRAIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Management fees	56,264,865	38,484,271
Performance fees	4,648,191	1,315,738
	<u>60,913,056</u>	<u>39,800,009</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	36,679,760	25,245,461
Rest of Europe	17,779,122	10,564,318
Rest of the world	6,454,174	3,990,230
	<u>60,913,056</u>	<u>39,800,009</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	61,175	72,947
Operating lease	154,875	139,062
Foreign exchange translation (Gain)/loss	834,490	(887,229)
	<u></u>	<u></u>

LINDELL TRAIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	19,000	18,000
Fees payable to the company's auditor and its associates in respect of:		
Audit related assurance services	33,705	31,200
Taxation compliance services	6,000	4,500
All other services	4,350	2,000
	<u>43,055</u>	<u>37,700</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	18,093,865	10,705,583
Social security costs	2,420,578	1,418,644
	<u>20,514,443</u>	<u>12,124,227</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Fund Management	5	5
Marketing/Administration/Compliance	11	11
Non-executive director	1	1
	<u>17</u>	<u>17</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	14,213,410	8,729,000
	<u>14,213,410</u>	<u>8,729,000</u>

The highest paid director received remuneration of £5,986,446 (2017:£3,647,000).

LINDELL TRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

9. Interest receivable

	2018 £	2017 £
Other interest receivable	59,551	20,408

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	7,349,834	5,433,618
Adjustments in respect of previous periods	603	(48)
	<u>7,350,437</u>	<u>5,433,570</u>
Total current tax	<u>7,350,437</u>	<u>5,433,570</u>
Deferred tax		
Origination and reversal of timing differences	(345)	(9,018)
Adjustment in respect of previous periods	(774)	-
	<u></u>	<u></u>
Taxation on profit on ordinary activities	<u>7,349,318</u>	<u>5,424,552</u>

LINDELL TRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 : *higher than*) the standard rate of corporation tax in the UK of 19.16% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	37,976,152	27,091,935
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 : 20%)	7,276,694	5,418,387
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,169	3,929
Capital allowances for year in excess of depreciation	(75)	2,284
Adjustments in respect of tax charge in respect of prior periods	(171)	(48)
Tax charge in relation to loan to participators	63,701	-
Total tax charge for the year	7,349,318	5,424,552

LINDELL TRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

10. Taxation (continued)

Factors that may affect future tax charges

The UK corporation tax rate has been reduced from 20% to 19% from April 2017 and will reduce further to 17% from April 2020. In accordance with accounting standards the effect of these rate reductions on deferred tax balances have been reflected in these accounts as the relevant legislation in relation to the reduction in the UK corporation tax rate has been substantively enacted at the balance sheet date.

11. Dividends

	2018 £	2017 £
First interim dividend of £3,900 per share (2017: £2,850 per share)	10,397,400	7,598,100
Second interim dividend of £3,940 per share (2017: £2,600 per share)	10,504,040	6,931,600
	<u>20,901,440</u>	<u>14,529,700</u>

LINDELL TRAIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

12. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 February 2017	93,286	88,277	54,577	236,140
Additions	1,592	42,660	-	44,252
At 31 January 2018	94,878	130,937	54,577	280,392
Depreciation				
At 1 February 2017	47,337	49,877	47,152	144,366
Charge for the year on owned assets	29,600	26,370	5,205	61,175
At 31 January 2018	76,937	76,247	52,357	205,541
Net book value				
At 31 January 2018	17,941	54,690	2,220	74,851
At 31 January 2017	45,949	38,400	7,425	91,774

13. Debtors

	2018 £	2017 £
Trade debtors	3,032,856	2,698,089
Other debtors	207,474	15,739
Prepayments and accrued income	6,243,379	4,377,582
	9,483,709	7,091,410

14. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	32,993,294	23,497,935

LINDSELL TRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	81,167	197,270
Corporation tax	3,649,834	3,082,619
Other taxation and social security	640,822	521,998
Other creditors	5,392	6,690
Accruals and deferred income	3,615,994	2,038,172
	<u>7,993,209</u>	<u>5,846,749</u>

16. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>9,157,014</u>	<u>6,789,792</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(3,701,933)</u>	<u>(2,209,019)</u>

Financial assets measured at amortised cost comprise of trade and other debtors and accrued fees.

Financial liabilities measured at amortised cost comprise of trade and other creditors and accrued expenses.

17. Deferred taxation

	2018 £	2017 £
At beginning of year	(9,903)	(18,921)
Charged to the profit or loss	1,119	9,018
At end of year	<u>(8,784)</u>	<u>(9,903)</u>

LINDELL TRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

17. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(8,784)	(9,903)

18. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
2,666 Ordinary shares of £100 each	266,600	266,600

19. Reserves

Profit & loss account

Includes all current and prior year retained profits and losses.

Called up share capital

Represents the nominal value of shares that have been issued

LINSELL TRAIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

20. Related party transactions

The company earns management fees in respect of funds in which Linsell Train Investment Trust plc has an interest. Linsell Train Investment Trust plc has an interest of 24.27% in the ordinary share capital of the company. The net investment management fees (inclusive of performance fees and after abatement fees) received by the company in respect of funds in which Linsell Train Investment Trust plc has interests amounting to £3,675,848 (2017: £2,181,361), of which £Nil (2017: £Nil) was outstanding at the year end.

	Number of shares held 2018	Number of shares held 2017
Michael James Linsell*	968	969
Nicholas John Train*	968	969
Michael Lim	52	52
Jane Orr	25	25
Linsell Train Investment Trust Plc	647	648
James Bullock	6	3

* includes spouse holdings

LINSELL TRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

Management fees

The company earns management fees in respect of the following funds in which directors of the company are also non-executive directors of the funds:

	2017 £
Michael James Lindsell - Director of Lindsell Train Investment Trust plc	856,221
	<u>856,221</u>

Transactions with funds under management

Transactions entered into by the Directors with funds managed by Lindsell Train Limited for the period ended 31 January 2018 were:

Jane Orr	LT Global Equity Fund * £5,724 (2017: £Nil). Lindsell Train Investment Trust * £4,211 (2017: £Nil)
Michael Lim	LT Japanese Equity Fund £130 * (2017: £Nil) Finsbury Growth Income Trust plc * £275 (2017: £Nil). LT Global Equity Fund * £101 (2017: £Nil).
Nicholas Train	Lindsell Train Investment Trust * £4,411 (2017: £Nil). Finsbury Growth Income Trust plc * £4,504,183 (2017: £1,307,388).
Michael James Lindsell	LT Global Equity Fund * £150,000 (2017: £215,000). Finsbury Growth Income Trust * £19,292 (2017: £Nil)

* includes direct family interests

There are no other related party transactions.

21. Capital commitments

As at 31 January 2018, the company did not have any capital commitments (2017: £Nil).

22. Commitments under operating leases

At 31 January 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	148,995	148,995
Later than 1 year and not later than 5 years	148,995	297,990
Later than 5 years	<u>-</u>	<u>-</u>