

Registered number: 03941727

**LINDELL TRAIN LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2019**



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**LINDELL TRAIN LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J M Alexandroff (Non Executive) M Lim M J Lindsell J Orr N J Train
<b>Company secretary</b>	M Lim
<b>Registered number</b>	03941727
<b>Registered office</b>	66 Buckingham Gate London SW1E 6AU
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG
<b>Bankers</b>	Royal Bank of Scotland Plc 62/63 Threadneedle Street London EC2R 8LA
<b>Solicitors</b>	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT

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**LINDSELL TRAIN LIMITED**

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## LINDELL TRAIN LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2019

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#### 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 24% (2018: 47%) from £13.2 billion (2017: £9 billion) to £16.3 billion (2018: £13.2 billion) through increased net inflows and market value changes. Overall fee revenue for the year rose by 39% (2018: 53%) to £84.5 million (2018: £60.9 million) and 90% of overall fee revenue for the year was earned from recurring fees. Operating profit which is stated before interest income and tax rose 46% (2018: 41%) to £55.5 million (2018: £38.0 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 9 May 2019 and signed on its behalf.

  
**M J Lindsell**  
Director

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**LINDELL TRAIN LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors present their report and the financial statements for the year ended 31 January 2019.

**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 2019 driven by organic growth from a combination of investment performance and net investment inflows.

The profit for the year, after taxation, amounted to £45,000,418 (2018: £30,626,834).

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

First interim dividend of £5,250 per share on 12 June 2018, paid on 15 June 2018 (£13,996,500);

Second interim dividend of £5,740 per share on 12 December 2018, paid on 17 December 2018 (£15,302,840).

The total dividend amounted to £29,299,340 (2018: 20,901,440).

**Directors**

The directors who served during the year were:

J M Alexandroff (Non Executive)

M Lim

M J Lindsell

J Orr

N J Train

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## LINDSELL TRAIN LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

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#### 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 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](http://www.lindselltrain.com).

#### Post balance sheet events

A written resolution was passed on 1 February 2019 in relation to a sub-division of existing shares. The company's existing share capital consists of 2,666 issued ordinary shares of £100 each. It has been resolved that each ordinary share be divided into 10 ordinary shares of £10 each in accordance with section 618 of the Companies Act 2006.

#### 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.

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**LINDELL TRAIN LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2019**

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**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 9 May 2019 and signed on its behalf.



**M J Lindsell**  
Director



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

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### **Opinion**

We have audited the financial statements of Lindsell Train Limited for the year ended 31 January 2019, 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 2019 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 Auditor's 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 UK, including the FRC'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.





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

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### **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.

### **Opinions 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.

### **Matter on which we are required to report under 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.



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

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### 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.

### Auditor's 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

William Pointon  
Senior statutory auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

9 May 2019

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**LINDELL TRAIN LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2019**

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	Note	2019 £	2018 £
Turnover	4	84,503,983	60,913,056
<b>Gross profit</b>		<b>84,503,983</b>	<b>60,913,056</b>
Administrative expenses		(29,150,233)	(22,996,455)
<b>Operating profit</b>	5	<b>55,353,750</b>	<b>37,916,601</b>
Interest receivable and similar income	9	212,060	59,551
<b>Profit before tax</b>		<b>55,565,810</b>	<b>37,976,152</b>
Tax on profit	10	(10,565,392)	(7,349,318)
<b>Profit for the financial year</b>		<b>45,000,418</b>	<b>30,626,834</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>45,000,418</b>	<b>30,626,834</b>

The notes on pages 12 to 23 form part of these financial statements.

**LINDSELL TRAIN LIMITED**  
**REGISTERED NUMBER:03941727**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	42,529	74,851
		<u>42,529</u>	<u>74,851</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	12,725,045	9,483,709
Cash at bank and in hand	14	48,311,110	32,993,294
		<u>61,036,155</u>	<u>42,477,003</u>
Creditors: amounts falling due within one year	15	(10,823,363)	(7,993,209)
<b>Net current assets</b>		<u>50,212,792</u>	<u>34,483,794</u>
<b>Total assets less current liabilities</b>		<u>50,255,321</u>	<u>34,558,645</u>
<b>Provisions for liabilities</b>			
Deferred tax	16	(4,382)	(8,784)
		<u>(4,382)</u>	<u>(8,784)</u>
<b>Net assets</b>		<u><u>50,250,939</u></u>	<u><u>34,549,861</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	266,600	266,600
Profit and loss account	18	49,984,339	34,283,261
		<u>50,250,939</u>	<u>34,549,861</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 May 2019.

  
**M J Lindsell**  
 Director

The notes on pages 12 to 23 form part of these financial statements.

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**LINDSELL TRAIN LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2019**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2018	266,600	34,283,261	34,549,861
<b>Comprehensive income for the year</b>			
Profit for the year	-	45,000,418	45,000,418
<b>Total comprehensive income for the year</b>	-	45,000,418	45,000,418
Dividends paid	-	(29,299,340)	(29,299,340)
<b>Total transactions with owners</b>	-	(29,299,340)	(29,299,340)
<b>At 31 January 2019</b>	<b>266,600</b>	<b>49,984,339</b>	<b>50,250,939</b>

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

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

The notes on pages 12 to 23 form part of these financial statements.

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**LINDELL TRAIN LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2019**

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	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	45,000,418	30,626,834
<b>Adjustments for:</b>		
Depreciation of tangible assets	48,985	61,175
Interest received	(212,060)	(59,551)
Taxation charge	10,565,392	7,349,318
(Increase) in debtors	(3,241,338)	(2,392,299)
Increase in creditors	910,237	1,579,245
Corporation tax (paid)	(8,649,875)	(6,783,222)
<b>Net cash generated from operating activities</b>	<b>44,421,759</b>	<b>30,381,500</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(16,663)	(44,252)
Interest received	212,060	59,551
<b>Net cash from investing activities</b>	<b>195,397</b>	<b>15,299</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(29,299,340)	(20,901,440)
<b>Net cash used in financing activities</b>	<b>(29,299,340)</b>	<b>(20,901,440)</b>
<b>Net increase in cash and cash equivalents</b>	<b>15,317,816</b>	<b>9,495,359</b>
Cash and cash equivalents at beginning of year	32,993,294	23,497,935
<b>Cash and cash equivalents at the end of year</b>	<b>48,311,110</b>	<b>32,993,294</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	48,311,110	32,993,294

The notes on pages 12 to 23 form part of these financial statements.

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## LINDELL TRAIN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1. General information

#### 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 right to income is established, and are accounted for accordingly. For the avoidance of double 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 Japanese Equity Fund 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.

##### 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.

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## LINDSELL TRAIN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

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#### 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.



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## LINDELL TRAIN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

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#### 2. Accounting policies (continued)

##### 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 Statement of financial position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

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## LINDELL TRAIN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

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#### 2. Accounting policies (continued)

##### 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.

##### 2.11 Interest income

Interest income is recognised on an accrual basis.

##### 2.12 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.

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**LINDSELL TRAIN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2019**

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**4. Turnover**

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

	2019 £	2018 £
Management fees	76,316,670	56,264,865
Performance fees	8,187,313	4,648,191
	<u>84,503,983</u>	<u>60,913,056</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	44,844,822	36,679,760
Rest of Europe	30,120,007	18,044,686
Rest of the world	9,539,154	6,188,610
	<u>84,503,983</u>	<u>60,913,056</u>

**5. Operating profit**

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	48,985	61,175
Operating lease	139,062	154,875
Foreign exchange translation (Gain)/loss	(597,349)	834,490
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**LINDSELL TRAIN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2019**

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**6. Auditor's remuneration**

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	19,500	19,000
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
Audit related assurance services	34,350	33,705
Taxation compliance services	5,500	4,120
Tax consultancy	17,600	1,550
All other services	3,000	2,800
	<u>          </u>	<u>          </u>

**7. Staff costs**

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

	2019 £	2018 £
Wages and salaries	24,208,567	18,093,865
Social security costs	3,252,260	2,420,578
	<u>27,460,827</u>	<u>20,514,443</u>

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

	2019 No.	2018 No.
Fund Management	5	5
Marketing/Administration/Compliance	12	11
Non-executive director	1	1
	<u>18</u>	<u>17</u>

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**LINDELL TRAIN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2019**

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**8. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	<u>19,081,955</u>	<u>14,213,410</u>

The highest paid director received remuneration of £8,166,990 (2018: £5,666,946).

**9. Interest receivable**

	2019 £	2018 £
Other interest receivable	<u>212,060</u>	<u>59,551</u>

**10. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	10,569,753	7,349,834
Adjustments in respect of previous periods	41	603
	<u>10,569,794</u>	<u>7,350,437</u>
<b>Total current tax</b>	<u>10,569,794</u>	<u>7,350,437</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,402)	(345)
Adjustment in respect of previous periods	-	(774)
	<u>-</u>	<u>(1,119)</u>
<b>Taxation on profit on ordinary activities</b>	<u>10,565,392</u>	<u>7,349,318</u>

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10. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2018: *higher than*) the standard rate of corporation tax in the UK of 19% (2018: 19.16%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>55,565,810</u>	<u>37,976,152</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19.16%)	10,557,504	7,276,694
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,847	9,169
Capital allowances for year in excess of depreciation	-	(75)
Adjustments in respect of tax charge in respect of prior periods	41	(171)
Tax charge in relation to loan to participators	-	63,701
<b>Total tax charge for the year</b>	<u>10,565,392</u>	<u>7,349,318</u>

**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

	2019 £	2018 £
First interim dividend of £5,250 per share (2018: £3,900 per share)	13,996,500	10,397,400
Second interim dividend of £5,740 per share (2018: £3,940 per share)	15,302,840	10,504,040
	<u>29,299,340</u>	<u>20,901,440</u>

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**LINDSELL TRAIN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Tangible fixed assets**

	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 February 2018	94,878	130,937	54,577	280,392
Additions	8,397	8,266	-	16,663
At 31 January 2019	<u>103,275</u>	<u>139,203</u>	<u>54,577</u>	<u>297,055</u>
<b>Depreciation</b>				
At 1 February 2018	76,937	76,247	52,357	205,541
Charge for the year on owned assets	17,955	29,152	1,878	48,985
At 31 January 2019	<u>94,892</u>	<u>105,399</u>	<u>54,235</u>	<u>254,526</u>
<b>Net book value</b>				
At 31 January 2019	<u>8,383</u>	<u>33,804</u>	<u>342</u>	<u>42,529</u>
At 31 January 2018	<u>17,941</u>	<u>54,690</u>	<u>2,220</u>	<u>74,851</u>

**13. Debtors**

	2019 £	2018 £
Trade debtors	4,473,524	3,032,856
Other debtors	200,550	207,474
Prepayments and accrued income	8,050,971	6,243,379
	<u>12,725,045</u>	<u>9,483,709</u>

**14. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	<u>48,311,110</u>	<u>32,993,294</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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**15. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	29,368	81,167
Corporation tax	5,569,754	3,649,834
Other taxation and social security	806,906	640,822
Other creditors	2,736	5,392
Accruals and deferred income	4,414,599	3,615,994
	<u>10,823,363</u>	<u>7,993,209</u>

**16. Deferred taxation**

	2019 £	2018 £
At beginning of year	(8,784)	(9,903)
Charged to the profit or loss	4,402	1,119
<b>At end of year</b>	<u>(4,382)</u>	<u>(8,784)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>(4,382)</u>	<u>(8,784)</u>

**17. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
2,666 (2018: 2,666) Ordinary shares of £100 each	<u>266,600</u>	<u>266,600</u>



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FOR THE YEAR ENDED 31 JANUARY 2019

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**18. 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.

**19. Related party transactions**

The company earns management fees in respect of funds in which Lindsell Train Investment Trust plc has an interest. Lindsell Train Investment Trust plc has an interest of 24.23% (2018: 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 Lindsell Train Investment Trust plc has interests amounting to £3,869,533 (2018: £3,675,848), of which £Nil (2018: £Nil) was outstanding at the year end.

	Number of shares held 2019	Number of shares held 2018
Michael James Lindsell*	967	968
Nicholas John Train*	967	968
Michael Lim	52	52
Jane Orr	25	25
Lindsell Train Investment Trust Plc	646	647
James Bullock	9	6

\* includes spouse holdings

**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:

	2019 £	2018 £
Michael James Lindsell - Director of Lindsell Train Investment Trust plc	1,042,343	856,221

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## LINDELL TRAIN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

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#### 19. Related party transactions (continued)

##### Transactions with funds under management

Transactions entered into by the directors with funds managed by Lindsell Train Limited for the period ended 31 January 2019 were:

Jane Orr	LT Global Equity Fund* £657 (2018: £5,724). Lindsell Train Investment Trust* £610 (2018: £4,211). LT Japanese Equity Fund* £106 (2018: £130).
Michael Lim	Finsbury Growth Income Trust plc* £133 (2018: £275). LT Global Equity Fund* £35 (2018: £101). Lindsell Train Investment Trust* £Nil (2018: £4,411).
Nicholas Train	Finsbury Growth Income Trust plc* £2,455,164 (2018: £4,504,183).
Michael James Lindsell	LT Global Equity Fund* £2,000,000 (2018: £150,000). Finsbury Growth Income Trust* £1,355,253 (2018: £19,292).

\* includes direct family interests

There are no other related party transactions.

#### 20. Capital commitments

As at 31 January 2019, the company did not have any capital commitments (2018: £Nil).

#### 21. Commitments under operating leases

At 31 January 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	148,995	148,995
Later than 1 year and not later than 5 years	-	148,995
Later than 5 years	-	-

#### 22. Post balance sheet events

A written resolution was passed on 1 February 2019 in relation to a sub-division of existing shares. The company's existing share capital consists of 2,666 issued ordinary shares of £100 each. It has been resolved that each ordinary share be divided into 10 ordinary shares of £10 each in accordance with section 618 of the Companies Act 2006.