

LONDON AND  
ST. LAWRENCE  
INVESTMENT COMPANY  
PLC

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REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31st AUGUST 2015



# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Financial Calendar

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Year end	31st August
Interim Report	April
Accounts Posted	November
Annual General Meeting	December
1st Quarter Dividend	February
2nd Quarter Dividend	May
3rd Quarter Dividend	August
4th Quarter Dividend	December

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Corporate Information

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<b>Directors</b>	P. J. C. Ashfield ( <i>Chairman</i> ) S. P. Ashfield *J. B. O. Carleton Paget *C. J. Lloyd *A. T. Maidment, F.C.A. Ms. J. M. Sculley  *Members of the Audit Committee and non-executive directors
<b>Secretary</b>	Ms. J. M. Sculley
<b>Registered Office and Main Office</b>	Fair Lorna House Buckingham Road Singleborough Milton Keynes MK17 0RB 01296 711598
<b>Registrars</b>	Capita Asset Services PXS 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Auditors</b>	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ
<b>Solicitors</b>	Wragge Lawrence Graham LLP 4 More London Riverside London SE1 2AU
<b>Custodian Bankers</b>	The Bank of New York Mellon One Canada Square London E14 5AL
<b>Bankers</b>	NatWest 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ
<b>Website</b>	<a href="http://www.londonandstlawrence.com">www.londonandstlawrence.com</a>
<b>Shareholder Enquiries</b>	01296 711598
<b>Registered No.</b>	107908

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Corporate Summary

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London and St. Lawrence Investment Company plc was launched in 1957 and has been managed as an Approved Investment Trust since then.

**Objective** The objective is to provide long term capital and income growth by investing in Approved Investment Trusts, Authorised Unit Trusts, fixed interest securities and bonds and other securities.

**Investment Policy** Investments are made in companies who have proved their worth over the years, have a consistent record of growth and have good prospects for continued growth in the future.

Investment in British Government Securities and other corporate bonds has provided steady results for shareholders who are mostly individuals and families.

Further details of the Company's investment policy and risk management are given in the Directors' Report on pages 14 and 15.

**Investment Management** The Company's portfolio is managed by the Board of Directors in accordance with this objective.

**Benchmark** The FTSE All-Share Index expressed in sterling.

**AIC** The Company is a member of The Association of Investment Companies.

Information on the Company can be accessed at: [www.londonandstlawrence.com](http://www.londonandstlawrence.com) and further shareholder information is given at the back of this report.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Your Board

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**Philip Ashfield**, aged 75, was appointed a Director in 1983 and became Chairman in 2009. He is Chairman of Consistent Unit Trust Management Company Ltd., which manages Consistent Unit Trust and Practical Investment Fund.

**Sean Ashfield**, aged 51, was appointed a Director in 2009. He is a Director of Consistent Unit Trust Management Company Ltd. and an Investment Manager at Charles Stanley & Co., Stockbrokers.

\***Alan Maidment**, aged 78, was appointed a Director in 1983. He is a Chartered Accountant and has spent over 40 years with various investment management companies.

\***Christopher Lloyd**, aged 44, was appointed a Director in 2015. His city career has spanned 28 years covering Private Client Stockbroking and Market Making in the Investment Trust and Venture Capital Trust sectors.

\***John Carleton Paget**, aged 76, was appointed a Director in 1993. He was formerly a Director of Practical Investment Company plc until it merged with the Company in 1993.

**Jenny Sculley**, aged 63, was appointed Company Secretary in 1988 and a Director in 1993. She is a Director of Consistent Unit Trust Management Company Ltd.

\*Non-executive directors.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Financial Highlights

<b>Financial</b>	<b>Year ended 31st August 2015</b>	Year ended 31st August 2014	<b>Movement %</b>
Net assets per ordinary share <sup>†</sup>	<b>362.97p</b>	364.76p	<b>-0.5</b>
Price per ordinary share (bid)	<b>358.75p</b>	373.75p	<b>-4.0</b>
Total net assets <sup>††</sup>	<b>£105,074,889</b>	£105,595,599	<b>-0.5</b>
Shares in issue	<b>28,948,944</b>	28,948,944	
Ongoing Charges <sup>*</sup>	<b>0.75%</b>	0.86%	<b>-13.6</b>
Dividend per share	<b>14.3p</b>	13.6p	<b>+5.1</b>
<p>† There is no difference between the basic and diluted assets per ordinary shares.</p> <p>†† The total net assets figures have been calculated in accordance with IFRS.</p> <p>* Ongoing charges divided by annualised net asset value.</p>			
	<b>2015</b>	2014	<b>Movement %</b>
<b>Index Changes</b> Over the year ended 31st August 2015 (Total Return)	<b>FTSE All-Share 3434.66</b>	3639.54	<b>-5.6</b>
<b>Exchange Rates</b>	<b>31st August 2015</b>	31st August 2014	
Canadian \$ to £	<b>2.03</b>	1.80	

### Ten Year Financial Record

<b>Year ended 31st August</b>	<b>Gross Revenue £</b>	<b>Ordinary Dividends p</b>	<b>Equity Shareholders' Funds £</b>	<b>Net Asset Value* p</b>
2006	4,204,631	10.00	84,604,431	286.01
2007	4,659,538	10.50	92,034,820	311.13
2008	4,925,735	11.10	81,721,163	276.27
2009	4,514,595	11.10	74,692,060	252.50
2010	4,273,934	11.10	77,290,221	261.29
2011	4,581,926	11.70	82,553,528	279.08
2012	4,353,748	12.30	85,039,459	296.06
2013	4,557,916	12.90	97,862,479	340.70
2014	5,199,962	13.60	105,595,599	364.76
2015	5,276,033	14.30	105,074,889	362.97

\*per ordinary share.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## **Chairman's Statement**

**for the year ended 31st August 2015**

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Our policy has always been to try to produce steady and improving results for our shareholders. This policy has proved itself over the years. The net asset value per ordinary share has decreased slightly over the last 12 months by 0.5% and over the same period the FTSE All-Share Index has decreased by 5.6%. Over the last five years the net asset value per ordinary share has out performed the FTSE All-Share Index, over that period the net asset value per ordinary share has increased by 38.9%, compared to an increase in the FTSE All-Share Index of 27.4%. Over the last twelve months the price of the ordinary shares has decreased by 4.0% but over the last five years it has risen by 42.5%. At the same time, over the last 5 years the dividend paid to shareholders has increased by 28.8%.

We are pleased to report that we have increased the level of dividend distribution for the year by 5.1%. At the end of February, May and August 2015 a dividend of 3.4p (2014: 3.2p) was paid. A fourth and final dividend of 4.1p (2014: 4p) will be paid to shareholders on 1st December 2015.

Over the past few years shareholders have voted to give the Company authority to buy back up to 10% of the shares in issue, should the Board consider that this would be in the interests of all shareholders. Due to the number of shares owned by the Ashfield Family, shareholders have been asked to approve a "Whitewash" given by the Takeover Panel. These resolutions are now included with the normal AGM resolutions, thus saving the Company from holding a separate meeting.

As you may be aware, in February 2003, the Company's subsidiary, Consistent Unit Trust Management Company purchased the management contract of The Practical Investment Fund at an historic cost of £2,159,979 which is shown in the Consolidated Balance Sheet as an Intangible Asset. Consistent now manages and controls two authorised unit trusts, Practical Investment Fund (established in 1941) and Consistent Unit Trust (established in 1988), with total assets now amounting to approximately £87.5 million (2014: £94.3 million). The investment management of both these authorised unit trusts has always been the same as the investment management of all the Companies in the Group.

We always aim to do our best for our shareholders. We believe our cautious investment policy, with a wide spread of interests, should be beneficial to shareholders during the coming uncertain months.



# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Classification of Investments

as at 31st August 2015

	2015 %	2014 %
Corporate bonds	6.6	6.5
UK Government bonds	3.6	3.4
Approved investment trusts	73.3	73.9
Authorised unit trusts	12.7	13.4
Equity investments (Canadian)	0.4	0.4
Cash	3.4	2.4
Total net assets	<u>100.0</u>	<u>100.0</u>

## Investment Portfolio

as at 31st August 2015

Holdings over 1% of Portfolio	Market Value of Holding £'000	% of Portfolio	Country	Description
Consistent Unit Trust	12,279	11.7	UK	Unit Trust
Aberforth Geared Income	5,441	5.2	UK	Investment Trust
Edinburgh Investment	4,763	4.5	UK	Investment Trust
City of London	3,938	3.7	UK	Investment Trust
BlackRock Income Strategies	3,591	3.4	UK	Investment Trust
Merchants Trust	3,388	3.3	UK	Investment Trust
TR Property	3,370	3.2	UK	Investment Trust
Law Debenture	3,302	3.1	UK	Investment Trust
Mercantile Trust	3,184	3.0	UK	Investment Trust
Dunedin Income Growth	3,044	2.9	UK	Investment Trust
Invesco Income Growth	2,918	2.8	UK	Investment Trust
Witan	2,844	2.7	UK	Investment Trust
Standard Life Equity Income	2,807	2.7	UK	Investment Trust
Perpetual Income & Growth	2,366	2.3	UK	Investment Trust
Investors Capital Trust	2,076	2.0	UK	Investment Trust
Scottish Mortgage	2,049	2.0	UK	Investment Trust
Henderson Far East Income	1,786	1.7	UK	Investment Trust
Securities Trust of Scotland	1,784	1.7	UK	Investment Trust
Murray Income	1,736	1.7	UK	Investment Trust
Scottish American Investment	1,712	1.6	UK	Investment Trust
Ishares Iboxx Corporate Bond	1,634	1.6	UK	Investment Trust
BlackRock World Mining	1,538	1.5	UK	Investment Trust
Bankers Trust	1,485	1.4	UK	Investment Trust
JP Morgan Income & Growth Income	1,378	1.3	UK	Investment Trust
Schroder Income Growth Fund	1,348	1.3	UK	Investment Trust
Foreign & Colonial Investment Trust	1,225	1.2	UK	Investment Trust
Treasury 4.25% 2036	1,284	1.2	UK	Fixed Interest
Treasury 4.25% 2032	1,263	1.2	UK	Fixed Interest
Treasury 4.25% 2027	1,236	1.2	UK	Fixed Interest
JP Morgan Claverhouse	1,200	1.1	UK	Investment Trust
Temple Bar	1,173	1.1	UK	Investment Trust
John Laing Infrastructure Fund	1,172	1.1	UK	Investment Trust
Fidelity International 6.75% 2020	1,163	1.1	UK	Fixed Interest
Henderson Preference & Bond Income	1,157	1.1	UK	Unit Trust
GE Capital 6.75% 2018	1,138	1.1	UK	Fixed Interest
Nationwide 5.625% 2019	1,133	1.1	UK	Fixed Interest
City Merchants High Yield	1,124	1.1	UK	Investment Trust
F&C Private Equity Trust	1,096	1.0	UK	Investment Trust
SSE 5% 2018	1,089	1.0	UK	Fixed Interest
European Assets Trust	1,068	1.0	UK	Investment Trust
Schroder Oriental Income	1,058	1.0	UK	Investment Trust
All quoted in the UK.		<u>89.9</u>		

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Strategic Report

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### Principal activities and business review

The Company is an investment trust and has qualified as such with HM Customs and Revenue. During the year the net assets of the Company have decreased by 0.5% to £105,074,889. The dividends paid in respect of the year under review have increased by 5.1% to 14.3p per ordinary share.

### Market commentary

Over the twelve months to the end of August 2015 stock markets fell largely as a result of the impact from the slowdown in the Chinese economy. This directly affected the resources sector and saw the oil price continue to fall. A variety of geo-political issues continue to abound. The Syrian refugee crisis will continue to affect Europe and tensions with the Middle East and Russia remain a central issue.

There continues to be much debate concerning interest rates which remain at such a low level and, at the time of writing, look like doing so for some time yet. The dividend yield of just over 4% on London & St Lawrence shares will remain an attractive proposition. As a result, the company will continue to be fully invested so that the dividend can be maintained and hopefully increased whilst adding to revenue reserves if necessary.

*For example,*

The company's holding in Blackrock Income Strategies Trust was increased during the course of the year. This company, formerly British Assets Trust, has new managers whose ideas have been well received. The shares currently stand at asset value having been on a double digit discount at the start of our year. In addition they yield 4.9% and are growing the dividend.

Conversely we have been impacted by the mining sector and have suffered through our holding in Blackrock World Mining Trust which has reflected the difficulties in this area. However, they have maintained their dividend and we are hopeful that this will remain the case going forward.

### Financial risk management objectives and policies

The Company's principal financial instruments comprise listed securities, bank balances, trade creditors and trade debtors. The main purpose of these instruments is to allow the Company to operate as an investment trust.

In respect of the listed securities, the Company ensures that there is a ready market for sale and actively monitors the price.

In respect of bank balances, the liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the Company's operations. The Company makes use of money market facilities when funds are available.

Trade debtors are managed in respect of credit and cash flow risk by ensuring that dividends and proceeds of sales are collected when due.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amount due.

### Key performance indicators

The Key Performance indicator used by the Company are comparison of movement in net asset value and share price in relation of the FTSE All-Share Index. Over the last 12 months the net asset value of an ordinary share has decreased by 0.5% whereas the FTSE All-Share Index has fallen by 5.6%.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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**Going concern** The directors have undertaken a rigorous assessment of whether the Company was a going concern when the accounts were prepared, considering all available information about the future, covering a period of 12 months from the date of the approval of the accounts. The directors are not aware of any material uncertainty arising from their assessment that would cast doubt on the company's ability to continue as a going concern.

**Future developments** The Company intends to continue to operate as an investment trust for the foreseeable future.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### Approval of Panel Waiver

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**THIS SECTION OF THE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the proposal set out in this section of the document you should consult an independent financial adviser authorised under the FSMA.**

London & St. Lawrence Investment Company PLC  
Fair Lorna House  
Buckingham Road  
Singleborough  
Milton Keynes  
Bucks MK17 0RB

To Independent Shareholders

Dear Shareholder

#### **PANEL WAIVER IN FAVOUR OF THE ASHFIELD CONCERT PARTY**

#### **1. The Share Purchase Authority**

Resolution 7 at the Annual General Meeting will be proposed as a special resolution to authorise the Company to purchase up to 2,894,894 Ordinary Shares in the market, representing approximately 10% of the current issued ordinary share capital of the Company as at 4th November 2015 (the last practicable date prior to the publication of this document), at a price not less than 5 pence and not more than 5% above the average market price of the Ordinary Shares (as derived from the London Stock Exchange Daily Official List) for the 5 business days prior to the day the purchase is made and the higher of the price of the last independent trade on the trading venues where the purchase is carried out and the highest current independent bid on the trading venues where the purchase is carried out. The authority would be given for the period ending on the date of next year's annual general meeting and a resolution for the renewal of such authority will be proposed at each future annual general meeting.

Given the current trading level of the Ordinary Shares in the context of the Company's net asset value, the Directors do not presently intend to make such purchases and would only do so in circumstances where the Directors believe that to do so would result in an appreciable increase in the net asset value per Ordinary Share and as such would be in the best interests of Shareholders generally. In view of the prevailing net asset value, it is not the Directors' present intention to use these powers. During the last financial year, the Company made no purchases of Ordinary Shares.

No options over Ordinary Shares are outstanding as at 4th November 2015 (the last practicable date prior to the publication of this document).

The Share Purchase Authority will also permit the Company to purchase Ordinary Shares to hold as 'treasury shares'. As at 4th November 2015 (the last practicable date prior to the publication of this document), the Company did not hold any Ordinary Shares as treasury shares.

The Directors would consider holding as treasury shares any Ordinary Shares which the Company purchases pursuant to the authority proposed to be granted by resolution 7. In relation to any repurchased Ordinary Shares held in treasury, however, unless such Ordinary Shares are subsequently cancelled, net asset value per Ordinary Share will only be increased on a temporary basis until such time as the Ordinary Shares are subsequently sold out of treasury.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### 2. The Panel Waiver

#### 2.1 Background

As announced on 26th November 2014, the Independent Shareholders approved the Panel Waiver at the 2014 Annual General Meeting (which had previously been approved by the Panel) which gave the Company the flexibility to purchase Ordinary Shares without the Ashfield Concert Party incurring an obligation to make a mandatory offer under Rule 9 of the Takeover Code. Since the 2014 Annual General Meeting the Company has not repurchased any Ordinary Shares.

The Independent Directors consider that it is appropriate for the Company to continue to be in a position to be able to repurchase Ordinary Shares and, accordingly, are seeking a renewal of the 2014 Panel Waiver for the Ashfield Concert Party pursuant to the Waiver Resolution. The Directors consider this flexibility appropriate as a tool to help control any discount to net asset value and, when Ordinary Shares are repurchased, to only make those repurchases at a level which offers Shareholders an appreciable net asset value uplift per Ordinary Share. Given the current trading level of the Ordinary Shares in the context of the Company's net asset value, the Directors do not presently intend to make such purchases and would only do so in circumstances where the Directors believe that to do so would result in an appreciable increase in the net asset value per Ordinary Share and as such would be in the best interests of Shareholders generally.

For the purposes of the Code, the members of the Ashfield Concert Party are treated as acting in concert. The Ashfield Concert Party currently holds, in aggregate, 10,297,838 Ordinary Shares representing 35.6% of the issued ordinary share capital of the Company. Details of the Ashfield Concert Party interests and individual holdings comprised in the Ashfield Concert Party are set out at paragraph 4 of Schedule 1 to this section.

Under Rule 9 of the Code, when any person together with persons acting in concert with him is interested in shares in a company which is subject to the Code (such as the Company) which in aggregate carry not less than 30% of the voting rights, but does not hold shares carrying more than 50% of the voting rights in such company and then acquires an interest in any other shares (which includes an acquisition of shares) which increases the percentage of shares carrying voting rights in which they are interested, those persons are usually required to make a mandatory offer to all the remaining shareholders of such company to acquire their shares.

In addition, under Rule 37 of the Code, when a company purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights which a person or group of persons acting in concert is interested in, will be treated as an acquisition for the purposes of Rule 9 of the Code (although a shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9 of the Code).

If the Company were to utilise the proposed Share Purchase Authority and the Ashfield Concert Party's shareholding were to increase proportionately, then in the absence of the Panel Waiver this would give rise to an obligation on the Ashfield Concert Party to make a mandatory offer in accordance with Rule 9 of the Code. **If the Company were to be granted the Share Purchase Authority and to utilise the same to its fullest extent (assuming no disposal of Ordinary Shares by the Ashfield Concert Party and no further issues of Ordinary Shares), the Ashfield Concert Party's aggregate holding would increase to approximately 39.5% of the issued share capital of the Company.**

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### **Approval of Panel Waiver** (continued)

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A mandatory offer, if required under Rule 9 of the Code, must be in cash and at not less than the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares in the Company during the 12 months prior to the announcement of that offer.

#### **2.2 The Panel Waiver**

Following an application by the Independent Directors, the Panel has agreed, subject to the approval of the Waiver Resolution on a poll by Independent Shareholders at the Annual General Meeting, to grant the Panel Waiver. The effect of the Panel Waiver, if approved by Independent Shareholders, is that there would be no requirement on the Ashfield Concert Party to make the mandatory offer under Rule 9 of the Takeover Code that would otherwise arise as a result of increases in the aggregate holding of the Ashfield Concert Party resulting from a purchase by the Company of Ordinary Shares pursuant to the Share Purchase Authority.

#### **2.3 The Ashfield Concert Party's intentions**

The Ashfield Concert Party have confirmed to the Company that they are not proposing to seek any change in the continued employment of any employees (or the conditions of employment), the management of the Company, any strategic plans for the Company, the composition of the Board, the location of the Company's place of business, the existing trading facilities for the Ordinary Shares of the Company or the redeployment of the fixed assets of the Company or any other aspect of the Company's business.

The Ashfield Concert Party have also confirmed that they have no intention of making an offer for the Company if the Waiver Resolution is approved by Independent Shareholders. The members of the Ashfield Concert Party will, in normal circumstances, be bound by this statement for six months from the date of this document in accordance with Rule 2.8 of the Takeover Code. However, Shareholders should be aware that the members of the Ashfield Concert Party may, notwithstanding the above, reconsider this intention, in the context of the circumstances set out in Note 2 to Rule 2.8 of the Code.

P. J. C. Ashfield and S. P. Ashfield have not taken part in any decision of the Board relating to the Panel Waiver, since it is their shareholding, along with other members of the Ashfield Concert Party, which is the subject of the Panel Waiver. Each member of the Ashfield Concert Party has confirmed his or her intention not to vote on the Waiver Resolution. Additionally, P. J. C. Ashfield and S. P. Ashfield have confirmed that, if the Panel Waiver is approved by Independent Shareholders, they will not participate in Board decisions in relation to any further purchase by the Company of its own Ordinary Shares pursuant to the Share Purchase Authority.

If the Waiver Resolution is approved by Independent Shareholders, the Panel Waiver would apply only in respect of increases in the aggregate holding of the Ashfield Concert Party resulting from market purchases by the Company of its own Ordinary Shares pursuant to the Share Purchase Authority. It would not apply in respect of other increases in the aggregate holding of the Ashfield Concert Party (arising, for example, by market purchases of Ordinary Shares by members of the Ashfield Concert Party made at any time) for so long as these parties are deemed to be acting in concert for the purposes of the Code.

# LONDON AND ST. LAWRENCE

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As the Panel Waiver relates only to increases in the Ashfield Concert Party's aggregate holding arising from purchases of Ordinary Shares by the Company under the Share Purchase Authority, the Panel Waiver will expire on the date of next year's annual general meeting. The Independent Directors envisage that Shareholder approval for a further purchase authority will be sought at subsequent annual general meetings of the Company. In such an event, if the Ashfield Concert Party's aggregate holding does not exceed 50% it is the Independent Directors' current intention to seek a further waiver by the Panel at that time of any obligation of the Ashfield Concert Party under Rule 9 of the Takeover Code which would otherwise arise to make a mandatory offer to Shareholders of the Company to purchase their Ordinary Shares as a result of an increase in the Ashfield Concert Party's aggregate holding arising from the purchase by the Company of its own Ordinary Shares pursuant to such further authority. Any further waiver granted by the Panel would be conditional upon Independent Shareholders' approval at that time.

**3. General** Your attention is drawn to the further information set out in Schedule 1 to this section, including details of the interests of members of the Ashfield Concert Party which are contained in paragraph 4 of Schedule 1 to this section. Financial information relating to the Company is incorporated by reference in paragraph 5 of Schedule 1 to this section.

**4. Action to be taken** A Form of Proxy for use in connection with the Annual General Meeting is enclosed. Whether or not you intend to be present at the Annual General Meeting, you are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so that it is received not later than 48 hours before the time of the Annual General Meeting. The completion and return of a Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person if you so wish.

**5. Recommendation by the Independent Directors** **The Directors consider the resolution relating to the Share Purchase Authority to be put to you at the Annual General Meeting to be in the best interests of Shareholders and the Company as a whole and, accordingly, unanimously recommend you to vote in favour of such resolution at the Annual General Meeting.**

The Independent Directors, who have been so advised by J.P. Morgan Cazenove, consider that the Panel Waiver is fair and reasonable and in the best interests of the Independent Shareholders. In providing advice to the Independent Directors, J.P. Morgan Cazenove has taken into account, amongst other things, the Independent Directors' commercial assessments. The Independent Directors also consider the Panel Waiver to be in the best interests of the Company as a whole.

**The Independent Directors therefore unanimously recommend that you vote in favour of the Waiver Resolution, as they intend to do in respect of their own beneficial holdings amounting to 11,200 Ordinary Shares in aggregate, representing approximately 0.04% of the Ordinary Shares in issue.**

Yours faithfully

**A. T. Maidment**

Senior Independent Non-Executive Director



# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### Business Review and Directors' Report

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The Directors present their Business Review and Directors' Report for the year ended 31st August 2015.

**Principal Activities** The parent company operates as an Investment Trust. The activities of the group also include the management of authorised unit trusts.

**Status** The Company seeks to manage its portfolio in such a way as to meet the tests set down in Section 1158 of the Income and Corporation Taxes Act 2010 and qualifies as an investment trust. This qualification permits the accumulation of capital within the portfolio without any liability to UK Capital Gains Tax. The parent company is not a 'close company' for taxation purposes.

The Company is structured as a public limited company and its shares are listed and traded on the London Stock Exchange.

The Company is an investment company as defined in Section 833 of the Companies Act 2006 and carried on business as an investment trust in accordance with Section 1158 of the Income and Corporation Taxes Act 2010. The Company has been approved by HM Revenue and Customs as an investment trust subject to the Company continuing to meet the relevant conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instruments 2011/2999 for all financial years commencing on or after 1st September 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31st August 2015 so as to enable it to comply with the ongoing requirements for investment trust status.

The Company has no employees and the board is comprised of executive and non-executive Directors. The board manages the day to day operations.

**Objective and Strategy** The Company's investment objective has been since its formation, and will continue to be, to provide long term capital and income growth for shareholders through investing in approved investment trusts, authorised unit trusts, fixed interest securities and bonds and other selected financial securities.

The Directors believe that this strategy has proved itself over the years and will continue to benefit shareholders in the future.

The Board notes the publication of the Investment Entities (Listing Rules and Conduct of Business) Instrument 2003 and has stated that the investment policy of the Company is not to limit investment in other listed investment companies (including listed investment trusts) to a maximum of 15% of the gross assets of the Company. The implementation of this policy did not cause the Company to dispose of any existing shareholdings. As at 31st August 2015 none of the Company's portfolio was invested in investment trust companies which do not have a stated investment policy to invest no more than 15% of their gross assets in other listed UK investment companies.

**Life of the Company** Further to a resolution passed at the Annual General Meeting in 2013, the Company shall continue as an investment trust until the Annual General Meeting in 2015, at which time a similar resolution will be proposed.

**Benchmark** The Company compares its performance to the FTSE All-Share Index.



# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### Business Risks

In delivering long-term returns to shareholders the identification and monitoring of risk is crucial. In addition to the detailed internal controls set out in the Corporate Governance section the Board seeks to identify, assess and monitor risks to the business. These relate primarily to economic uncertainties and its particular sphere of activity of investing in stock markets.

- As the Company's assets comprise mainly of approved investment trusts, authorised unit trusts and fixed interest securities, the principal risks to the performance of the business are market related. The principal risks are market price, credit, liquidity, foreign currency and interest rates.
- As the investment policy is focused on investment trusts, the portfolio performance will be more sensitive to market fluctuations in that area. The policies for managing these risks are set out in note 18 to the accounts.

### Key Performance Indicators

The Directors appraise the performance of the Company against Key Performance Indicators ("KPIs").

The objectives comprise both specific financial and shareholder related measures.

- The provision of investment return to shareholders as measured by long-term NAV and income growth, and relative outperformance of the benchmark.
- Monitoring and reacting to issues created by the discount or premium of the share price to the Net Asset Value per share with the aim of reduced price volatility for shareholders.
- To qualify and meet the requirements for Section 1158 of the Income and Corporation Taxes Act 2010 which has been achieved in each year since launch.

### Capital Structure

The Company's share capital is divided into ordinary shares of 5p each and at the year-end there were 28,948,944 shares in issue (2014: 28,948,944). The Company also has 280,000 (2014: 280,000) 5% cumulative preference shares. These shares are non redeemable. Following the application of IFRS they are now reported as a non current liability of the Company and the attached dividends as a finance cost.

### Annual General Meeting

The AGM of the Company will be held at 4 More London Riverside, London SE1 2AU at 12.15 p.m. on 1st December 2015. At the Annual General Meeting the following resolutions will be proposed:

#### *Ordinary Business (resolutions 1 to 6)*

- Resolution 1, as an ordinary resolution, to receive and adopt the Directors' report and financial statements for the year ended 31st August 2015.
- Resolution 2, as an ordinary resolution, to re-elect Mr. P. J. C. Ashfield as a Director whom retires by rotation under article 91 of the Articles and, being eligible, offers himself for re-election at the Annual General Meeting.
- Resolution 3, as an ordinary resolution, to re-elect Mr. C. J. Lloyd as a Director who was elected by the Board in February 2015 retires and, being eligible, offers himself for re-election at the Annual General Meeting.
- Resolution 4, as an ordinary resolution, to reappoint Shipleys LLP as auditors and to authorise the Directors to fix their remuneration.
- Resolution 5, as an ordinary resolution, to receive and adopt the Directors' Remuneration Report for the year ended 31st August 2015 excluding the Directors' Remuneration Policy (as set out in the Future Policy Table on page 22).

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### **Business Review and Directors' Report** (continued)

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- (f) Resolution 6, as an ordinary resolution, to receive and adopt the Directors' Remuneration Policy for the year ended 31st August 2016 as set out in the Future Policy Table on page 22.

*Special Business (resolutions 7 to 10)*

- (g) Resolution 7, as a special resolution, 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 5 pence each in the capital of the Company (the "**Ordinary Shares**") in such manner and upon such terms as the Directors of the Company may from time to time determine and to cancel or hold in treasury such shares, provided that:

- (i) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 2,894,894;
- (ii) the minimum price (exclusive of expenses) which may be paid for any Ordinary Share is 5 pence;
- (iii) the maximum price (exclusive of expenses) which may be paid for any Ordinary Share shall not be greater than the higher of: (i) 5% above the average of the market price for an Ordinary Share at the close of business on the 5 business days immediately preceding the date of purchase; and (ii) the higher of the price of the last independent trade in shares of the class of that share and the highest then current independent bid for such shares on the London Stock Exchange; and
- (iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2016,

save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

- (h) Resolution 8, as a special resolution, that the directors of the Company (the "**Directors**") be and are generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot ordinary shares of £0.05 in the capital of the Company ("**Ordinary Shares**") up to an aggregate nominal amount of £144,744, such authority to expire on the conclusion of the next Annual General Meeting of the Company or, if earlier, six months after the next publication of the Company's annual accounts unless renewed at a general meeting prior to such time, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted, or rights to subscribe for or to convert securities into Ordinary Shares to be granted, after the expiry of such authority and the Directors may allot Ordinary Shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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- (i) Resolution 9, as a special resolution, that, subject to the passing of Resolution 8 above, the Directors be and they are empowered pursuant to sections 570 to 573 of the Act to allot Ordinary Shares for cash and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in Resolution 8 above as if section 561 of the Act did not apply to any such allotment or sale provided that this power: (i) shall be limited to the allotment of Ordinary Shares and the sale of Ordinary Shares from treasury for cash up to an aggregate nominal amount of £144,744; and (ii) expires on the conclusion of the next Annual General Meeting of the Company or, if earlier, six months after the next publication of the Company's annual accounts unless renewed at a general meeting prior to such time, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or agreement as if such power had not expired.
- (j) Resolution 10, as an ordinary resolution, that pursuant to the resolution passed at the Annual General Meeting in 2013 the Company shall continue as an investment trust until the Annual General Meeting of the Company falling in the year 2017 and at such Annual General Meeting in 2017 an ordinary resolution shall be proposed that the Company shall continue as an investment trust for a specified period of time at which time a resolution in a form similar to this resolution shall be proposed.

### *Ordinary Business (resolution 11)*

- (k) Resolution 11, as an ordinary resolution, that, conditionally upon the passing of resolution 7 above, the waiver by the Panel of any obligation which would otherwise fall on the members of the Ashfield Concert Party to make a mandatory offer pursuant to Rule 9 of the Code as a result of any increase in the Ashfield Concert Party's aggregate percentage shareholding in the Company to a maximum of 39.7% of the issued share capital (represented by 26,054,050 Ordinary Shares) pursuant to the exercise in full of the Share Purchase Authority, be approved.

### *Additional notes*

- (i) *In order to comply with the Takeover Code, resolution 11 will be taken on a poll and members of the Ashfield Concert Party will not vote on resolution 11.*
- (ii) *Words and expressions defined in the circular to members of the Company dated 6th November 2015 shall, save where the context otherwise requires, bear the same meanings in these notes to the Notice of Annual General Meeting.*

### **Substantial Share Interests**

At 4th November 2015 notices have been received of the following substantial interests in the issued ordinary share capital of the Company.

		%
Mrs. M. I. Ashfield	1,250,000	4.32
Axa Investment Managers SA	8,273,165	28.58
Frobridge Assets Company*	5,247,285	18.13

The above percentages are calculated by applying the shareholdings as notified to the Company to the issued ordinary share capital as at 4th November 2015.

\*A company of which P. J. C. Ashfield is a director.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Business Review and Directors' Report (continued)

<b>Environment and Socially Responsible Investment</b>	The Group has a policy on SRI which is given in the Corporate Governance Statement on page 28.																					
<b>Carbon Footprint</b>	Due to the small size of the Group's office (less than 300 sq ft) and the small number of people occupying it (2), the Group's carbon footprint is regarded as negligible.																					
<b>Performance</b>	During the year the asset value per share has decreased by 0.5%, the FTSE All-Share Index decreased by 5.6%. The share price of the ordinary shares has decreased by 4.0%. The total amount of dividends paid for the year has increased by 5.1%.																					
<b>Assets</b>	<p>At 31st August 2015 the total net assets of the Group amounted to £105,074,889 compared with £105,595,599 at 31st August 2014.</p> <p>The net asset value per share fell by 0.5% from 364.76p to 362.97p.</p>																					
<b>Revenue and Dividends</b>	<p>The gross revenue return for the year was £5,276,033 (2014: £5,199,962) and the profit after tax was £4,215,682 (2014: £4,018,958).</p> <p>The Group has declared four interim dividends in the year totalling 14.3p (2014: 13.6p) per ordinary share.</p>																					
<b>Custodian</b>	The Bank of New York Mellon acts as global custodian for all the Group's investments, save those in Consistent Unit Trust and subsidiaries.																					
<b>Directors</b>	<p>The Directors of the Company and their biographies are shown on page 4. The Directors' Remuneration Report is set out on pages 20 to 24.</p> <p>The Directors in office during the year and their interests in the shares of the Company are listed below:</p> <table><thead><tr><th></th><th><b>31st August 2015</b></th><th>31st August 2014</th></tr></thead><tbody><tr><td>P. J. C. Ashfield</td><td><b>1,676,860</b></td><td>1,676,860</td></tr><tr><td>S. P. Ashfield</td><td><b>24,500</b></td><td>24,500</td></tr><tr><td>J. B. O. Carleton Paget</td><td><b>1,550</b></td><td>1,550</td></tr><tr><td>C. J. Lloyd*</td><td><b>1,500</b></td><td>–</td></tr><tr><td>A. T. Maidment</td><td><b>8,150</b></td><td>8,150</td></tr><tr><td>Ms. J. M. Sculley</td><td><b>–</b></td><td>–</td></tr></tbody></table> <p>*C. J. Lloyd was appointed a director on 10 February 2015.</p> <p>Unless otherwise stated, the directors held office for the whole year.</p> <p>There have been no changes in their interests between the end of the financial year and the date of approval of the Annual Report.</p>		<b>31st August 2015</b>	31st August 2014	P. J. C. Ashfield	<b>1,676,860</b>	1,676,860	S. P. Ashfield	<b>24,500</b>	24,500	J. B. O. Carleton Paget	<b>1,550</b>	1,550	C. J. Lloyd*	<b>1,500</b>	–	A. T. Maidment	<b>8,150</b>	8,150	Ms. J. M. Sculley	<b>–</b>	–
	<b>31st August 2015</b>	31st August 2014																				
P. J. C. Ashfield	<b>1,676,860</b>	1,676,860																				
S. P. Ashfield	<b>24,500</b>	24,500																				
J. B. O. Carleton Paget	<b>1,550</b>	1,550																				
C. J. Lloyd*	<b>1,500</b>	–																				
A. T. Maidment	<b>8,150</b>	8,150																				
Ms. J. M. Sculley	<b>–</b>	–																				
<b>Corporate Governance</b>	A formal statement on corporate governance is set out on pages 25 to 28.																					
<b>The Payment of Creditors</b>	It has been and will remain the Company's policy for the forthcoming financial year to obtain the best terms for all business and therefore there is no single policy as to the terms used. In general the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by such terms. There were no trade creditors at 31st August 2015.																					

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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<b>Auditors</b>	Shipleys LLP has indicated its willingness to remain in office and in accordance with Section 489 of the Companies Act 2006, a resolution to reappoint them as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.
<b>Disclosure of Information to Auditors</b>	The Directors who held office at the date of the approval of this Directors' Report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to take as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
<b>Accountability and Audit</b>	The Statement of Directors' Responsibilities in respect of the Accounts is set out on page 28 and the Independent Auditor's Report is on pages 30 to 34.
<b>Going Concern</b>	The Directors believe that the Group has adequate resources to continue in existence for the foreseeable future. For these reasons the Directors consider it appropriate to prepare financial statements on a going concern basis. The Code requires the Directors to report, under the terms set out in the relevant guidelines to the Code, on the appropriateness of adopting the going concern basis in preparing the financial statements. The use of the going concern basis is appropriate as there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the group to continue as a going concern.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Directors' Remuneration Report

**Introduction** The Board presents the Directors' remuneration report for the year ended 31st August 2015 which has been prepared in accordance with sections 420-422 of the Companies Act 2006. In addition, following the publication by the Department for Business, Innovation and Skills (BIS) of final remuneration disclosure regulations effective from 1st October 2013, the report now comprises a policy report, which is subject to a triennial binding shareholder vote, and a remuneration policy implementation report, which will be subject to an annual advisory vote. The future remuneration policy which is subject to a binding vote is set out in the future policy table on page 22.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 30 to 34.

**Statement by the Chairman** The Board's policy on remuneration is set out in the future policy table on page 22. A key element is that fees payable to Directors should reflect the time spent by them on the Company's affairs, and should be sufficient to attract and retain individuals with suitable knowledge and experience. The Company commenced payment of Directors' fees in 2008. With effect from 1st October 2013, all Director's fees were increased from £5,500 to £6,000. The basis for determining the level of increase in Directors' Remuneration is set out in the Policy Report below.

#### Remuneration Implementation report

##### *Audited Information*

Details of individual Directors' emoluments for the year ended 31 August 2015 are as follows:

	Fees £	Salary £	Bonus £	2015 Total £	2014 Total £
<b>Executive</b>					
P. J. C. Ashfield	6,000	–	–	<b>6,000</b>	6,000
S. P. Ashfield	6,000	–	–	<b>6,000</b>	6,000
Ms. J. M. Sculley	6,000	73,000	59,985	<b>138,985</b>	139,364
<b>Non-Executive</b>					
J. B. O. Carleton Paget	6,000	–	–	<b>6,000</b>	6,000
J. C. Lloyd	3,500	–	–	<b>3,500</b>	–
A. T. Maidment	6,000	–	–	<b>6,000</b>	6,000
	33,500	73,000	59,985	<b>166,485</b>	£163,364

With the exception of the fees paid to A. T. Maidment, C. J. Lloyd and J. B. O. Carleton Paget, all other fees and remuneration are paid by the Company's subsidiary, Consistent Unit Trust Management Limited.

An Incentive Agreement has been entered into with Ms. J. M. Sculley. The amount to be paid being 10% of the net profit before tax of Consistent Unit Trust Management Company Limited on an annual basis. Ms. J. M. Sculley's interest under this agreement amounts to £59,985 (2014: £61,364).

#### Relative importance of spend on pay

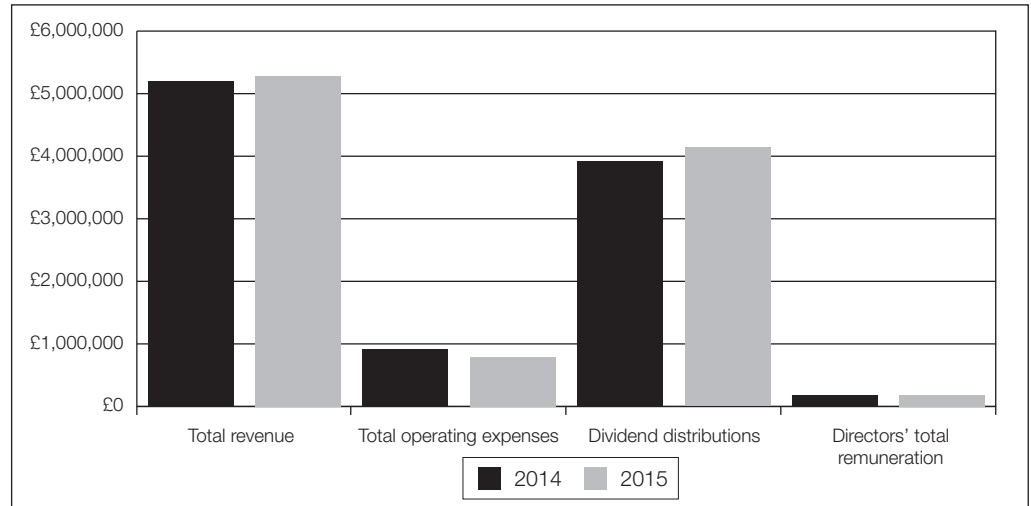
As the Company has one employee, the table above comprises the total directors' remuneration costs and benefits paid by the Company. To enable shareholders to assess the relative importance of spend on pay, this has been shown in the chart below compared to the Company's total revenue, total operating expenditure and dividend distributions.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### Relative importance of spend on Directors' Remuneration



With effect from 1st October 2013, the remuneration of the Directors was increased to £6,000.

No payments were made in the period to any past Directors (2014: £nil).

### Dividends

Mr. P. J. C. Ashfield received dividends of £239,791 (2014: £228,052) in respect of his holding of shares in the Company.

### Unaudited Information

### Remuneration Committee

The Board as a whole fulfils the function of the Remuneration Committee and considers any change in the Directors' remuneration policy. A separate Committee has therefore not been established. The Company has three executive directors and three non-executive directors. The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration.

### Directors' Remuneration Policy Report

In determining Directors' pay, a number of factors were considered, including the average rate of inflation over the period since launch, the level of Directors' remuneration for other investment trusts of a similar size as well as the level and complexity of the Directors' responsibilities.

To ensure fees are set at an appropriate level, the Secretary provides a comparison of the Directors' remuneration with other investment trusts of a similar size. This comparison, together with consideration of any alteration in the Directors' responsibilities, is used to review whether any change in remuneration is necessary.

Ms. J. M. Sculley has entered into an Incentive Agreement with the Company, details of which are set out on page 20. Except for such Incentive Agreement, no Director shall be entitled to any performance related remuneration, benefits in kind, long-term incentive schemes, share options, pensions or other retirement benefits or compensation for loss of office. Directors are entitled to claim expenses in respect of duties undertaken on behalf of the Company.

Other than the Directors, the Company has one employee and consequently no consideration is required to be given to employment conditions elsewhere in setting Directors' pay.



# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Directors' Remuneration Report (continued)

**Future Policy Table**

Purpose and link to strategy	Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Fees should reflect time spent by Directors on the Company's affairs and the responsibilities borne by the Directors.
Description	Current levels of fixed annual Directors' fees: Chairman – £6,000 Audit Committee Chairman – £6,000 Directors – £6,000 All reasonable expenses reimbursed In addition, Ms. J. M. Sculley shall receive a salary of £73,000 and her Incentive Agreement entered into with the Company (pursuant to which Ms. J. M. Sculley receives 10% of the net profit before tax of Consistent Unit Trust Management Company Limited on an annual basis) shall continue.
Maximum and minimum levels	Directors' fees consist of a fixed fee each year, set in accordance with the stated policies and any increase granted must be in line with the stated policies.  The Company's Articles of Association set a limit of £40,000 in respect of the total Directors' fees that may be paid to Directors in any financial year. In addition, the Directors propose a limit of £40,000 in relation to the maximum that may be paid in respect of taxable benefits. These ceilings have been set at a level to provide flexibility in respect of the recruitment of additional Board members and inflation.
Fixed fee element	The Board reviews the quantum of Directors' pay each year to ensure that this is in line with the level of Directors' fees for other investment trusts of a similar size.  When making recommendations for any changes in pay, the Board will consider wider factors such as the average rate of inflation over the period since the previous review, and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements).  There is no compensation for loss of office.
Taxable benefits	Taxable benefits comprise expenses incurred by the Directors in the course of travel to attend Board and Committee Meetings which are held in London, and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company's policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred.



# LONDON AND ST. LAWRENCE

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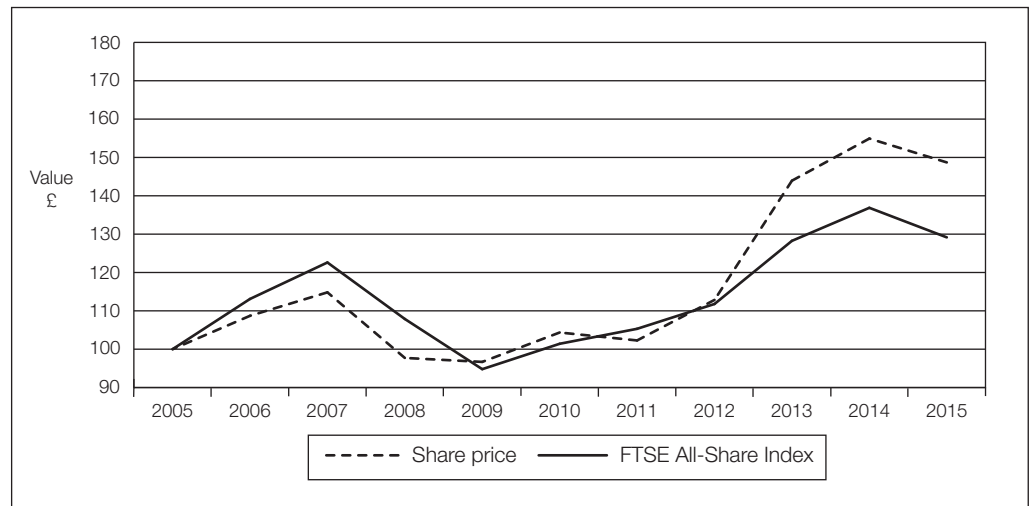
## Remuneration/Directors' Services Contracts

The maximum remuneration of the Directors is determined in accordance with the limit of the Company's Articles of Association. The aggregate amount payable to the Directors is shown on page 20. No element of the Directors' remuneration is performance related, except for an Incentive Agreement which the Company has entered into with Ms. J. M. Sculley which is further detailed on page 20. Except for such Incentive Agreement, the Company has not awarded any share options or long-term performance incentives to any of the Directors. None of the Directors has a service contract with the Company or receive any non-cash benefits or pension entitlements and a Director may resign by giving one month's notice in writing to the Board at any time.

## Retirement of Directors

All of the Company's Directors are subject to retirement by rotation in accordance with the Company's Articles of Association. Directors are appointed for an initial term covering the period from the date of their appointment until the first Annual General Meeting thereafter, at which time they are required to stand for election in accordance with the Articles of Association. Subsequently, Directors retire by rotation at least every three years.

## Company Performance Graph



The graph shows the value of an investment of £100 in London & St. Lawrence ordinary shares and an investment of £100 in the FTSE All-Share Index over the 10 years commencing 31st August 2005. The FTSE All-Share Index has been selected as it is considered to represent a broad equity market index against which the performance of the Company's assets may be assessed. Please note that past performance is not a guide to future performance.

## Shareholdings

All Directors except Ms. J. M. Sculley are currently shareholders.

The interests of the Directors in the ordinary shares of the Company are set out in the table on page 6. None of the Directors has an interest in any share options in the Company.

All of the holdings of the Directors are beneficial. No changes to these holdings have been notified up to the date of this report.

## Approval

The Directors' Remuneration Report was approved by the Board of Directors on 13th October 2015.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Directors' Remuneration Report (continued)

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### **Consideration of Shareholders' Views**

An ordinary resolution to approve the remuneration report is put to shareholders at each AGM, and shareholders have the opportunity to express their views and raise any queries in respect of remuneration policy at this meeting.

In accordance with recent changes to the Companies Act 2006, the Company is required to seek shareholder approval of its remuneration policy. Consequently an ordinary resolution for the approval of the remuneration policy as set out above and in the future policy table set out above will be put to members at the forthcoming AGM. It is the intention of the Board that the above policy on remuneration will continue to apply for the next three financial years to 31st August 2018.

This will be the first year that a binding vote is put to shareholders in respect of the Company's remuneration policy. At the Company's previous AGM, held on 25th November 2014, 99.7% of votes cast were in favour of the resolution to approve the Directors' remuneration report in respect of the year ended 31st August 2014.

By Order of the Board  
J. M. Sculley  
*Secretary*  
6th November 2015

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Corporate Governance

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### **Background and Development**

The UK Listing Authority requires all listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the “FRC Code”) issued by the Financial Reporting Council in September 2012. A copy of the Code can be obtained from the Financial Reporting Council website.

The Financial Reporting Council, which is the body responsible for the Code, have confirmed that AIC Member companies which report against the AIC Code would be meeting their obligations in relation to the FRC Code and associated disclosure required by the Listing Rules.

The Board considers that, as its principles and recommendations have equivalence to the FRC Code, to report against a single standard will allow greater clarity and provide a report which focuses on those areas of relevance to investment companies and their shareholders.

### **Application of the AIC Code’s Principles**

The Board attaches great importance to the matters contained in the AIC Code and observed the relevant requirements throughout the year under review. The Board believes that the Company’s current practices are consistent in all material respects with the principles of the AIC Code and where noncompliance occurs, an explanation will be provided. The Board will continue to observe the principles and recommendations set out in the AIC Code in full.

### **Board Composition and Independence**

The Board is responsible to shareholders for the overall management of the Company’s affairs and currently consists of three executive and three independent non-executive Directors, Mr. Carleton Paget, Mr. C. J. Lloyd and Mr. Maidment.

The audit committee comprises Mr. A. T. Maidment, Mr. C. J. Lloyd and Mr. J. B. O. Carleton Paget.

The Directors’ biographies appear on page 4. These demonstrate a range of experience and sufficient calibre to bring independent judgement on issues of strategy, performance, resources and standards of conduct which is vital to the success of the Company. The Board is responsible to the shareholders for the proper management of the Company and to present a balanced and understandable assessment of the Company’s position. A statement of the Directors’ responsibilities in respect of the accounts is set out on page 29 and a statement of going concern is given on page 19.

The Board has a formal schedule of matters specifically referred to it for decision. All Directors have access to the advice and services of the Company Secretary, Ms. J. Sculley, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. In addition, the Company Secretary ensures that the Directors receive appropriate training as necessary. There is no formal segregation of duties because of the number of Directors involved in the running of the Company.

The appointment and removal of both Directors (executive and non-executive) and the Company Secretary is a matter for the Board as a whole. Any Director appointed during the year must stand for election by shareholders at the next Annual General Meeting. All Directors are required to submit themselves for re-election once every three years.

The Directors submitting themselves for re-election are: Mr. P. J. C. Ashfield and Mr. C. J. Lloyd.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Corporate Governance (continued)

The Board meets every two months and, at each meeting, reviews the investment performance and financial results and authorises the Company's future investment strategy. To enable the Board to discharge its duties, all the Directors receive appropriate and timely information. Briefing papers are distributed by the Company Secretary to all Directors in advance of Board meetings. The Chairman ensures that the Directors take independent professional advice as required.

No formal nomination committee exists as it is the opinion that all nomination matters can be dealt with at full meetings of the Board and to have a separate committee would incur disproportional expenses for the Company and not be in the best interest of its shareholders.

The Board is conscious of the need to maintain continuity in the Board, and believes that retaining Directors with sufficient experience of the Company, industry and the markets is of great benefit to shareholders. The Board also recognises the value of progressive refreshing of, and succession planning for company boards. Accordingly the appointment of each Director retiring at the forthcoming AGM has been reviewed by the Board prior to submission for re-election under the Articles of Association. A copy of the Terms and Conditions for the appointment of non-executive directors may be obtained from the Registered Office of the Company.

#### Role and Responsibilities

Six scheduled Board meetings are held each year to deal with the stewardship of the Company and other matters including the setting and monitoring of investment strategy and performance, review of financial statements and shareholder issues including investor relations. The level of share price discount or premium to net asset value together with policies for re-purchase or issuance of new shares including the use of Treasury shares are kept under review along with matters affecting the industry and the evaluation of third party service providers.

Additional meetings of the Board may be arranged as required. A formal schedule of matters specifically reserved for decision by the full Board has been defined. The Board has delegated to a number of committees specific remits for consideration and recommendations but the final responsibility remains with the Board.

A procedure has been adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

#### Attendance

The number of formal meetings of the Board and its Committees held during the financial year and the attendance of individual Directors are shown below.

#### 1st September 2014 to 31st August 2015

No. of Meetings	Board Meetings	Audit Committee
P. J. C. Ashfield	6	1
S. P. Ashfield	6	1
J. B. O. Carleton Paget	6	1
C. J. Lloyd	4	1
A. T. Maidment	6	1
J. M. Sculley	6	1

All Directors except C. J. Lloyd, who was appointed on 10th February 2015, attended the 2014 AGM, held on 25th November 2014.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### **Directors' Remuneration**

One Director receives a salary and this arises from a subsidiary. A significant proportion of this remuneration is linked to performance (see page 20). In the opinion of the Directors the establishment of a formal Remuneration Committee in these circumstances would involve the Company incurring disproportionate expense and that, at present, it is more efficient for all matters relating to Directors' remuneration to be considered by a full meeting of the Board. The Directors are of the opinion that such an arrangement ensures the Company still meets the requirements of the provisions of the Combined Code. Three non-executive Directors receive Directors' Fees.

Full details of the remuneration received by Directors during the year can be found on page 20.

### **Relations with Shareholders**

Communication with shareholders is given a high priority by the Board. The Board regularly monitors the shareholder profile of the Company and communicates the Board's views to shareholders. All shareholders are encouraged to attend and vote at the Annual General Meeting during which the Board are available to discuss issues affecting the Company.

### **Audit Committee**

The Board has an established Audit Committee, the members of whom are set out on page 2. The committee has specific terms of reference and is responsible for reviewing various matters including the half year and annual accounts and monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. FRC Guidance recommends that the audit committee should meet at least three times a year, however it is the opinion of the committee that as all board and committee members meet six times a year for board meetings, this is sufficient to fulfil the requirements of the committee. In the opinion of the Directors, three separate meetings a year would incur disproportionate expenses and not be to the benefit of the Company's shareholders. There is no internal audit function as this is not considered appropriate in the Company's and Group's circumstances.

### **Auditor Independence**

The Audit Committee reviews the scope and effectiveness of the Audit process and monitors the auditors' independence and objectivity. It makes recommendations in relation to the appointment of the external auditors, including their remuneration and the provision by them of any non-audit services. The Committee has established a procedure to ensure that the engagement of auditors to provide non-audit services cannot exceed a specified proportion of the annual audit fees without due consideration being given by the Committee to the proposed appointment.

### **Internal Controls**

The Board has overall responsibilities for the Group's system of internal control and for reviewing its effectiveness. It has established a process for identifying, evaluating and managing any major risks faced by the Group. The process is subject to regular review by the Board and accords with the Turnbull guidance. The process was fully in place during the year and up to the date of approval of this annual report. However, such a system is designed to manage rather than eliminate risks of failure to achieve the Group's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients.

The Board undertakes an annual review of the Group's system of internal control. The business risks have been analysed and reviewed regularly.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### **Corporate Governance** (continued)

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The Company does not have an internal audit function and it delegates to third parties most of its operation. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended and from time to time the Directors will review if a function equivalent to internal audit is needed. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company.

A sound system of internal control is maintained to safeguard shareholders' investments and the company's assets.

The Board has conducted an annual review of the effectiveness of the system of internal controls taking into account any significant issue which arose during the course of the year ended 31st August 2015 and up to the date of this report.

#### **Risk Management Systems**

The Directors have identified four specific risk areas, detailed in Note 18 for the Company. Satisfactory safeguards and procedures have been adopted in order to best mitigate these risks.

#### **Socially Responsible Investing and Exercise of Voting Powers**

The Company's investment process takes into account the fact that a broad range of both financial and non-financial factors can affect the sustainability of a business and, consequently, the financial returns that can be derived from an investment in any given company's assets. Our analysis endeavours to identify and focus on issues that either are, or could become, material in the context of both financial performance and market valuation. On a routine basis the Company's investment process therefore undertakes research into the environmental, social and ethical views held by Company management and the policies and performance management systems that reflect these views. Where this research identifies potential financial or reputational risks, their relevance is assessed and they are given appropriate consideration when constructing portfolios.

#### **Voting**

As an active fund manager, it is essential that the companies in which the Company invests are monitored for performance. Accordingly the Company will, where necessary, engage or take voting action where there are questions about performance and where it is considered that engagement would benefit shareholders' interests. We normally hope to support company management. However, we will withhold support or oppose management if we believe that it is in the best interests of our shareholders to do so.

#### **Statement of Compliance**

The Directors considered that the Company has complied throughout the year ended 31st August 2015 with all the relevant principles and recommendations set out in the AIC Code. By reporting against the AIC Code the Company has met its obligations under the UK Corporate Governance Code and Rule 9.8.6 of the Listing Rules.

Ms. J. M. Sculley  
Director  
6th November 2015

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Statement of Directors' Responsibilities

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The Directors are responsible for preparing the Annual Report and the consolidated and parent company financial statements in accordance with applicable UK law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

Company law requires the Directors to prepare group and parent financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss and cashflows of the group for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. The Directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The financial statements are published on [www.londonandstlawrence.com](http://www.londonandstlawrence.com), which is a website maintained by the Company. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Directors on 13th October 2015.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Independent Auditor's Report to the members of London & St Lawrence Investment Company Plc

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### Opinion on Financial Statements of London & St Lawrence Investment Company Plc

In our opinion:

- London & St Lawrence Investment Company Plc's Group financial statements and Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 August 2015 and of the Group's profit and the Group's and Company's cash flows for the period then ended;
- The Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union;
- The Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

### What we have audited

London & St Lawrence Investment Company Plc's financial statements comprise:

- The Group and Company balance sheets as at 31 August 2015;
- The Group income statement for the period then ended;
- The Group and Company cash flow statements for the period then ended;
- The Group and Company statements of changes in equity for the period then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report and Financial Statements (the 'Annual Report') rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and; as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

### Going Concern

As required by the Listing Rules we have reviewed the Director's statement on page 9 that the Group and Company are a going concern. We confirm that:

- We have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate; and
- We have not identified any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.



# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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

### **Our assessment of risks of material misstatement**

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

<b>Risk</b>	<b>How the scope of our audit responded to the risk</b>
<i>Management override of controls</i> Journals can be posted that significantly alter the Financial Statements.	We examined journals posted around the year end, specifically focusing on areas which are more easily manipulated such as accruals, prepayments, investment valuation and the bank reconciliation.
<i>Going Concern</i> There is a risk that the investments held by the Group may fall in value making the Group unviable, therefore giving rise to a going concern risk.	We made enquiries with the Directors regarding how they have assessed going concern. The strong position of the Company and Group at the balance sheet date, and post year end is considered to be sufficient for the Company and Group to continue as a going concern.
<i>The Company may lose its Investment Trust Tax status</i> If the company lost this status, it would no longer be tax efficient for investors and likely to affect going concern.	We examined correspondence from HMRC and made enquiries with the directors as to the tax status of the company and no problems were identified.
<i>Fraud in Revenue Recognition</i> There is the risk that revenue is materially understated due to fraud.	Income was tested on a sample basis from third party sources and all come from the investments held by the custodian, Bank of New York. No evidence of fraud or other understatement was identified.
<i>Disclosures</i> There is the risk of incorrect or incomplete disclosures in the financial statements	The financial statements have been reviewed and checks have been undertaken to ensure all compulsory disclosure requirements have been complied with, within the boundaries of materiality.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Independent Auditor's Report to the members of London & St Lawrence Investment Company Plc (continued)

<b>Risk</b>	<b>How the scope of our audit responded to the risk</b>
<i>Risk of material misstatement within related party transactions</i> There is the risk that related party transactions are potentially incomplete or materially misstated.	Correspondence and accounting records were reviewed for evidence of related party transactions and it is considered that all relevant items have been disclosed.
<i>Accounting Estimates</i> Potential risk of inappropriate accounting estimates around accruals giving rise to misstatement in the accounts.	Accruals were agreed to expected costs and supporting documentation, and other areas were examined to identify any potential accounting estimates.

Our audit procedures relating to these matters were designed in the context of our audit of the Financial Statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the Financial Statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

### **Our application of materiality**

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning and in the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Company and Group to be £1.65m for balance sheet items and £142k for all other items. The latter is less than 5% of results before tax and the former is less than 4% of net assets and 2% of gross assets. We agreed with the Audit Committee that we would report to them all audit differences in excess of 10% of materiality, as well as differences below that which would, in our view, warrant reporting on a qualitative basis. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

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

#### *Adequacy of explanations received and accounting records*

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

- We have not received 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
- The Financial Statements are not in agreement with the accounting records or returns.

We have nothing to report in respect of the above matters.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### **Our duty to read other information in the Annual Report**

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is materially inconsistent with the information in the audited Financial Statements; or apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit, or otherwise misleading.

In particular we are required to consider the statement given by Directors, in accordance with provision C1.1 of the UK Corporate Governance Code ('the Code'), that they consider the Annual Report is fair, balanced and understandable and provides the information necessary for members to assess the Group and Company's performance and position, and whether the Annual Report appropriately discloses those matters that were communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

### **Other matters**

#### *Corporate Governance Statement*

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with the UK Corporate Governance Code. We have nothing to report arising from our review.

#### *Directors Remuneration Report – Companies Act 2006 Opinion*

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

#### *Directors Remuneration Report – Other Companies Act 2006 reporting*

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specific by law are not made. We have no exceptions to report arising from this responsibility.

### **Respective Responsibilities of Directors and the auditor**

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

We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our independent partner review processes.

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/or those further matters we have expressly agreed to report to them on in our engagement letter 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.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## **Independent Auditor's Report to the members of London & St Lawrence Investment Company Plc** (continued)

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### **Scope of the audit**

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company and Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

**Joseph Kinton** (Senior Statutory Auditor)

For and on behalf of Shipleys LLP  
Chartered Accountants and Statutory Auditor

10 Orange Street  
Haymarket  
London  
WC2H7DQ

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Consolidated Income Statement

for the year ended 31st August 2015

Notes	Year ended 31st August 2015			Year ended 31st August 2014			
	Revenue return	Capital return	Total return	Revenue return	Capital return	Total return	
3	<b>Investment income</b>	4,151,328	–	4,151,328	4,002,892	–	4,002,892
3 & 4	Other operating income	1,124,705	–	1,124,705	1,197,070	–	1,197,070
	Total income	5,276,033	–	5,276,033	5,199,962	–	5,199,962
5	<b>Gains and losses on investments</b>	–	(501,365)	(501,365)	–	6,906,736	6,906,736
		5,276,033	(501,365)	4,774,668	5,199,962	6,906,736	12,106,698
6	Expenses	(785,763)	(95,326)	(881,089)	(913,861)	(107,489)	(1,021,350)
	Profit before finance costs and tax	4,490,270	(596,691)	3,893,579	4,286,101	6,799,247	11,085,348
7	Finance costs	(14,000)	–	(14,000)	(14,000)	–	(14,000)
	Profit before tax	4,476,270	(596,691)	3,879,579	4,272,101	6,799,247	11,071,348
8	Tax	260,588	–	(260,588)	(253,143)	–	(253,143)
	<b>Net profit for the year</b>	<b>4,215,682</b>	<b>(596,691)</b>	<b>3,618,991</b>	<b>4,018,958</b>	<b>6,799,247</b>	<b>10,818,205</b>
	<b>Earnings per share (pence)</b>						
	From continuing operations						
10	Basic and diluted	14.56p	(2.06)p	12.50p	13.98p	23.64p	37.62p

The total column of this statement represents the profit and loss account of the group.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

A consolidated statement of comprehensive income has not been prepared as all gains and losses are recognised in this income statement.

The notes on pages 42 to 56 form part of these financial statements.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Consolidated and Company Statement of Changes in Shareholders' Funds

Year ended 31st August 2015

Group	Ordinary Share Capital £	Capital Redemption Reserve £	Share Premium £	Capital Reserve £	Retained Earnings £	Total £
<b>Total equity at</b>						
<b>1st September 2014</b>	1,447,447	203,602	21,033,364	79,722,900	3,188,286	105,595,599
*Profit for the year ended 31st August 2015	-	-	-	(596,691)	4,215,682	3,618,991
Dividends in respect of equity shares	-	-	-	-	(4,139,701)	(4,139,701)
<b>Total equity at 31st August 2015</b>	<u>1,447,447</u>	<u>203,602</u>	<u>21,033,364</u>	<u>79,126,209</u>	<u>3,264,267</u>	<u>105,074,889</u>

Company	Ordinary Share Capital £	Capital Redemption Reserve £	Share Premium £	Capital Reserve £	Retained Earnings £	Total £
<b>Total equity at</b>						
<b>1st September 2014</b>	1,447,447	203,602	21,033,364	82,895,602	15,584	105,595,599
*Profit for the year ended 31st August 2015	-	-	-	(547,486)	4,166,477	3,618,991
Dividends in respect of equity shares	-	-	-	-	(4,139,701)	(4,139,701)
<b>Total equity at 31st August 2015</b>	<u>1,447,447</u>	<u>203,602</u>	<u>21,033,364</u>	<u>82,348,116</u>	<u>42,360</u>	<u>105,074,889</u>

\*The capital reserve figure is realised and unrealised gains in market values for the year.

\*The related earnings figure is the net income for the year.

The notes on pages 42 to 56 form part of these financial statements.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Consolidated and Company Statement of Changes in Shareholders' Funds

Year ended 31st August 2014

Group	Ordinary Share Capital £	Capital Redemption Reserve £	Share Premium £	Capital Reserve £	Retained Earnings £	Total £
<b>Total equity at 1st September 2013</b>	1,436,197	203,602	20,207,043	72,923,653	3,091,985	97,862,480
*Profit for the year ended 31st August 2014	–	–	–	6,799,247	4,018,958	10,818,205
Dividends in respect of equity shares	–	–	–	–	(3,922,657)	(3,922,657)
New ordinary shares issued	11,250	–	826,321	–	–	837,571
<b>Total equity at 31st August 2014</b>	<u>1,447,447</u>	<u>203,602</u>	<u>21,033,364</u>	<u>79,722,900</u>	<u>3,188,286</u>	<u>105,595,599</u>

Company	Ordinary Share Capital £	Capital Redemption Reserve £	Share Premium £	Capital Reserve £	Retained Earnings £	Total £
<b>Total equity at 1st September 2013</b>	1,436,197	203,602	20,207,043	75,994,836	20,802	97,862,480
*Profit for the year ended 31st August 2014	–	–	–	6,900,766	3,917,439	10,818,205
Dividends in respect of equity shares	–	–	–	–	(3,922,657)	(3,922,657)
New ordinary shares issued	11,250	–	826,321	–	–	837,571
<b>Total equity at 31st August 2014</b>	<u>1,447,447</u>	<u>203,602</u>	<u>21,033,364</u>	<u>82,895,602</u>	<u>15,584</u>	<u>105,595,599</u>

\*The capital reserve figure is realised and unrealised gains in market values for the year.

\*The related earnings figure is the net income for the year.

The notes on pages 42 to 56 form part of these financial statements.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Consolidated Statement of Financial Position

at 31st August 2015

Notes	2015 £	2014 £	
<b>Assets</b>			
<b>Non Current Assets</b>			
11 & 12	Investments held at fair value through profit and loss	101,185,955	101,919,425
14	Intangible assets	2,159,979	2,159,979
		<u>103,345,934</u>	<u>104,079,404</u>
<b>Current Assets</b>			
15	Trade and other receivables	886,491	2,208,421
	Cash and cash equivalents	2,776,356	2,461,436
		<u>3,662,847</u>	<u>4,669,857</u>
	<b>Total Assets</b>	<u>107,008,781</u>	<u>108,749,261</u>
<b>Current liabilities</b>			
16	Trade and other payables	(1,653,892)	(2,873,662)
	<b>Total assets less current liabilities</b>	<u>105,354,889</u>	<u>105,875,599</u>
<b>Non current liabilities</b>			
17	Preference share capital	(280,000)	(280,000)
	<b>Net Assets</b>	<u>105,074,889</u>	<u>£105,595,599</u>
<b>Share Capital and reserves</b>			
19	Called up share capital	1,447,447	1,447,447
20	Share premium account	21,033,364	21,033,364
21	Capital redemption reserve	203,602	203,602
22	Capital reserves	79,126,209	79,722,900
22	Revenue reserves	3,264,267	3,188,286
	<b>Total shareholders' equity</b>	<u>105,074,889</u>	<u>£105,595,599</u>

The financial statements were approved by the Board of Directors and authorised for issue on 13th October 2015. They were signed on its behalf by:

*P. J. C. Ashfield* }  
*Ms. J. M. Sculley* } Directors

Company Reg. No. 107908

The notes on pages 42 to 56 form part of these financial statements.



# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Company Statement of Financial Position at 31st August 2015

Notes	2015 £	2014 £	
<b>Assets</b>			
<b>Non Current Assets</b>			
11 & 12	Investments held at fair value through profit and loss	<u>104,782,609</u>	<u>105,466,974</u>
		<b>104,782,609</b>	<b>105,466,974</b>
<b>Current Assets</b>			
15	Trade and other receivables	<u>783,891</u>	<u>1,979,991</u>
	Cash and cash equivalents	<u>1,197,064</u>	<u>967,355</u>
		<b>1,980,955</b>	<b>2,947,346</b>
	<b>Total Assets</b>	<b>106,763,564</b>	<b>108,414,320</b>
<b>Current liabilities</b>			
16	Trade and other payables	<u>(1,408,675)</u>	<u>(2,538,721)</u>
	<b>Total assets less current liabilities</b>	<b>105,354,889</b>	<b>105,875,599</b>
<b>Non current liabilities</b>			
17	Preference share capital	<u>(280,000)</u>	<u>(280,000)</u>
	<b>Net Assets</b>	<b>105,074,889</b>	<b>£105,595,599</b>
<b>Share Capital and reserves</b>			
19	Called up share capital	<u>1,447,447</u>	<u>1,447,447</u>
20	Share premium account	<u>21,033,364</u>	<u>21,033,364</u>
21	Capital redemption reserve	<u>203,602</u>	<u>203,602</u>
22	Capital reserves	<u>82,348,116</u>	<u>82,895,602</u>
22	Revenue reserves	<u>42,360</u>	<u>15,584</u>
	<b>Total shareholders' equity</b>	<b>105,074,889</b>	<b>£105,595,599</b>

The financial statements were approved by the Board of Directors and authorised for issue on 13th October 2015. They were signed on its behalf by:

*P. J. C. Ashfield* }  
*Ms. J. M. Sculley* } Directors

Company Reg. No. 107908

The notes on pages 42 to 56 form part of these financial statements.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Consolidated Cash Flow Statement

Year ended 31st August 2015

Notes	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit before finance costs and tax	4,490,270	4,286,101
Decrease/(increase) in receivables	1,343,462	(1,327,941)
Increase in payables	(1,231,465)	1,259,712
Cash generated from operations	4,602,267	4,217,872
Taxation paid	(299,476)	(219,435)
Net cash generated from operating activities	4,302,791	3,998,437
<b>Cash flows from investing activities</b>		
Purchases of investments held at fair value	(8,777,361)	(11,320,371)
Sales of investments held at fair value	8,914,241	10,478,630
Net cash generated from investing activities	136,880	(841,741)
<b>Cash flows from financing activities</b>		
Dividends paid to company's shareholders	(4,110,751)	(3,884,932)
Dividends paid to holders of preference shares	(14,000)	(14,000)
Issue of own shares	–	837,570
Net cash used in financing activities	(4,124,751)	(3,061,362)
Net increase/(decrease) in cash and cash equivalents	314,920	95,334
Cash and cash equivalents at beginning of the year	2,461,436	2,366,102
23 <b>Cash and cash equivalents at end of the year</b>	<b>2,776,356</b>	<b>2,461,436</b>

The notes on pages 42 to 56 form part of these financial statements.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Company Cash Flow Statement

Year ended 31st August 2015

Notes	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit before finance costs and tax	4,332,834	4,059,005
Decrease/(increase) in receivables	1,200,365	(956,944)
(Decrease)/increase in payables	(1,163,260)	1,195,225
Cash generated from operations	4,369,939	4,297,286
Taxation paid	(152,359)	(107,835)
Net cash generated from operating activities	4,217,580	4,189,451
<b>Cash flows from investing activities</b>		
Purchases of investments held at fair value	(8,777,361)	(11,320,371)
Sales of investments held at fair value	8,914,241	10,478,630
Net cash generated from investing activities	136,880	(841,741)
<b>Cash flows from financing activities</b>		
Dividends paid to company's shareholders	(4,110,751)	(3,884,932)
Dividends paid to holders of preference shares	(14,000)	(14,000)
Issue of own shares	–	837,570
Net cash used in financing activities	(4,124,751)	(3,061,362)
<b>Net increase/(decrease) in cash and cash equivalents</b>	229,709	286,348
Cash and cash equivalents at beginning of the year	967,355	681,007
23 <b>Cash and cash equivalents at end of the year</b>	1,197,064	967,355

The notes on pages 42 to 56 form part of these financial statements.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Notes to the Financial Statements

Year ended 31st August 2015

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### 1. General Information

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC), as adopted by the European Union and those parts of the Companies Act 2006 as applicable to the Company's reporting under IFRS.

The Group's functional currency and the currency used for presentation of these financial statements is pounds sterling because that is the currency which is most relevant to the majority of the Company's shareholders and creditors and the currency in which the majority of the Group's operating expenses are paid.

### 2. Accounting Policies

#### (a) Basis of Preparation

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the inclusion of investments of fair value. The principal accounting policies adopted are set out below. Where presentational guidance, set out in the Statement of Recommended Practices: Financial Statements of Investment Companies and Venture Capital Trusts 2009 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

#### (b) Basis of Consolidation

The Group financial statements consolidate the financial statements of the Company and entities controlled by the Company (its wholly owned subsidiary undertakings, Consistent Unit Trust Management Company Limited, Ambit Finance Company Limited & Practical Investment Company Limited) made up to 31st August each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The Income Statement, is only presented in consolidated form, as provided by Section 408 of the Companies Act 2006. No goodwill arises on the acquisition of the subsidiaries nor on consolidation.

#### (c) Presentation of Consolidated Income Statement

In order to better reflect the activities of an investment trust company and in accordance with the guidance set out by the AIC, supplementary information which analyses the Consolidated Income Statement between items of a revenue and capital nature has been presented alongside the Consolidated Income Statement. In accordance with the Company's status as a UK investment company under section 833 of the Companies Act 2006, net capital returns may not be distributed by way of dividend. Additionally, the net revenue is the measure the Directors believe appropriate in assessing the Group's compliance with certain requirements set out in section 1158 Income and Corporation Taxes Act 2010.

#### (d) Income

Dividends receivable from equity shares are taken to the revenue return column of the Consolidated Income Statement on an ex-dividend basis.

Special dividends are recognised on an ex-dividend basis and may be considered to be capital items. The facts and circumstances are considered on a case by case basis before a conclusion on appropriate allocation is reached.

Where the Company has received dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in the revenue return column of the Consolidated Income Statement. Any excess in value of shares received over the amount of the cash dividend foregone is recognised in the capital return column of the Consolidated Income Statement.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### **2. Accounting Policies** (continued)

The fixed returns on debt securities and non-equity shares are recognised under the effective interest rate method. Bank interest and other income receivable are accounted for on an accruals basis.

The dealing profits of the subsidiary undertaking, representing realised gains and losses on the sale of non current asset investments, are dealt with in the Group financial statements as a revenue item.

Fees arising from the management of authorised unit trusts are accounted for on an accruals basis.

#### **(e) Expenses and Finance costs**

All expenses, are accounted for on an accruals basis.

An analysis of retained earnings broken down into revenue (distributable) items and capital (nondistributable) items is given in note 22. In arriving at this breakdown, expenses have been presented as revenue items except as follows:

- transaction costs incurred on the acquisition or disposal of investments are expensed and included in the costs of acquisition or deducted from the proceeds of sale as appropriate.
- finance costs are calculated using the effective yield method and are accounted for on an accruals basis.

#### **(f) Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax substantively enacted at the balance sheet date.

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval as such under section 1158 of the Income and Corporation Taxes Act 2010 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### Notes to the Financial Statements (continued)

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#### **2. Accounting Policies** (continued)

Deferred tax is charged or credited in the Consolidated Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

#### **(g) Investments held at fair value (market bid price) through profit or loss**

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

On initial recognition the Group has designated all of its investments as held at fair value through profit or loss as defined by IFRS. All investments are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Investments in subsidiary undertakings are stated in the Company's accounts at fair value.

Investments in unit trusts are valued at the closing bid price as released by the relevant investment manager.

Changes in fair value of all investments held at fair value and realised gains and losses on disposal are recognised in the capital return column of the Consolidated Income Statement. All investments held at fair value through profit or loss are subject to an assessment of impairment on an annual basis. Associated interest and dividends do not form part of the capital costs.

#### **(h) Other receivables**

Other receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

#### **(i) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash.

#### **(j) Other payables**

Other payables are non interest-bearing and are stated at their nominal value.

#### **(k) Non current liabilities**

Preference Shares have been reclassified as non current liabilities in accordance with International Financial Reporting Standards.

#### **(l) Rates of exchange**

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling on the date of each transaction. Foreign currency assets or liabilities at the balance sheet date are translated into sterling at the rates of exchange ruling on that date. Realised profits or losses on exchange, together with differences arising on the translation of foreign currency assets or liabilities, are taken to the capital return column of the Consolidated Income Statement.

#### **(m) Derivative financial instruments**

The Group's activities expose it primarily to the financial risks of changes in market prices, foreign currency exchange rates and interest rates. The group has not made use of any derivative products.

#### **(n) Segmental Reporting**

Business segments are considered to be the primary reporting segments. An analysis of investments held and investment income by business segment is set out in note 4.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### 2. Accounting Policies

(continued)

#### **(o) Intangible fixed assets**

The group has purchased the right to manage the Practical Investment Fund and to derive income streams therefrom.

The cost of this purchase has been included in the balance sheet as an intangible fixed asset (see note 14).

No amortisation has been provided on this asset as, in the directors' opinion, the asset has an indefinite life as the rights are expected to continue into perpetuity. An impairment review is performed annually to ensure the asset is not carried at above its recoverable amount. This is not in line with the requirements of the Companies Act 2006 but the directors believe that it is necessary in order to provide a true and fair view.

#### **(p) Company income statement**

The company has taken advantage of the exemption provided by Section 408 of the Companies Act 2006 not to present its own income statement.

#### **(q) Acquisition of own shares**

The cost of acquiring own shares for cancellation together with any trading costs are written off to capital reserves. Share capital is reduced by the nominal value of the shares bought back with an equivalent entry made to the capital redemption reserve.

#### **(r) New and revised International Accounting Standards applicable:**

During the year the following Standards and Interpretations were implemented.

IFRS10 Consolidated Financial Statements  
IFRS11 Joint Arrangements  
IFRS12 Disclosure of Interest in Other Entities  
IAS27 Separate Financial Statements  
IAS28 Investment in Associates  
Amendment to IAS36 Impairment of Assets  
Amendment to IAS32 Financial Instruments  
Amendment to IAS39 Financial Instruments

The adoption of these did not have any effect on the financial statements of the Group or result in any changes to accounting policy.

The following were issued with an effective date after the date of these financial statements.

Not applied as not yet effective or endorsed:

IFRS9 Financial instruments  
IFRS 15 Revenue from Contracts with Customers  
Amendment to IFRS 11, 'Joint Arrangements', on acquisition of an interest in a joint operation.  
Amendment to IAS 16 , 'Property, Plant and Equipment', and IAS 38 'Intangible Assets', on depreciation and amortisation.

The directors anticipate that the adoption of these standards in future periods will not have a material impact on the financial statements of the group.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Notes to the Financial Statements (continued)

**3. Income** An analysis of the Group's income is as follows:

	2015 £	2014 £
Investment income		
Dividends – UK	3,211,499	3,184,629
Dividends – Overseas	12,629	14,383
Interest on fixed income securities	927,200	803,882
Other operating income		
Deposit interest	4,151	4,098
Unit trust management fee	1,120,554	1,192,970
	<b>£5,276,033</b>	<b>£5,199,962</b>
Total investment and other operating income comprises:		
Dividend income	4,151,328	4,002,894
Interest income	4,151	4,098
Other income	1,120,554	1,192,970
	<b>£5,276,033</b>	<b>£5,199,962</b>
Investment income comprises:		
Listed investments	3,602,074	3,367,927
Unlisted investments	549,254	634,965
	<b>4,151,328</b>	<b>£4,002,892</b>

### 4. Business Segments

The group derives its income from two areas of activity, that of direct investment and the management of authorised unit trusts.

	Investment Income 2015 £	Unit Trust Management 2015 £	Consolidated 2015 £
<b>Revenue</b>			
Total revenue	4,151,328	1,124,705	5,276,033
<b>Results</b>			
Expenses	(219,869)	(565,894)	(785,763)
Operating profit	3,931,459	558,811	4,490,270
Finance costs (preference share dividend)	(14,000)	–	(14,000)
Profit before tax	3,917,459	558,811	4,476,270
Tax	(152,359)	(108,229)	(260,588)
Profit for the year from continuing operations	<b>3,765,100</b>	<b>450,582</b>	<b>4,215,682</b>
	Investment Income 2015 £	Unit Trust Management 2015 £	Consolidated 2015 £
<b>Balance Sheet</b>			
Current and non current assets	<b>102,776,813</b>	<b>4,231,968</b>	<b>107,008,781</b>
Current and non current liabilities	<b>1,688,675</b>	<b>245,217</b>	<b>1,933,892</b>



# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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4. Business Segments (continued)	2014	Investment Income 2014 £	Unit Trust Management 2014 £	Consolidated 2014 £
<b>Revenue</b>				
Total revenue		4,006,992	1,192,970	5,199,962
<b>Results</b>				
Expenses		(228,112)	(685,749)	(913,861)
Operating profit		3,778,880	507,221	4,286,101
Finance costs (preference share dividend)		(14,000)	–	(14,000)
Profit before tax		3,764,880	507,221	4,272,101
Tax		(127,566)	(125,577)	(253,143)
Profit for the year from continuing operations		<u>£3,637,314</u>	<u>£381,644</u>	<u>£4,018,958</u>
		Investment Income 2014 £	Unit Trust Management 2014 £	Consolidated 2014 £
<b>Balance Sheet</b>				
Current and non current assets		<u>104,454,828</u>	<u>4,294,433</u>	<u>108,749,261</u>
Current and non current liabilities		<u>(2,818,619)</u>	<u>(335,043)</u>	<u>(3,153,622)</u>

The two business segments do not trade with each other and all the income arises in the UK.

5. Gains on Investments Held at Fair Value	2015 £	2014 £
Net realised gains/(losses) based on historical cost	<b>3,954,719</b>	3,966,714
Less: amounts recognised as unrealised in the previous year	<b>(3,479,634)</b>	(3,578,064)
Realised profits/(losses) based on carrying value at previous balance sheet date	<b>475,085</b>	388,650
Net movement in unrealised appreciation on non current assets	<b>(1,071,776)</b>	6,410,597
	<u><b>(596,691)</b></u>	<u>£6,799,247</u>

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Notes to the Financial Statements (continued)

#### 6. Expenses

	2015 £		2014 £			
	Revenue Return	Capital Return	Total Return	Revenue Return	Capital Return	Total Return
<b>Expenses</b>						
Transaction costs on investments held at fair value (market bid price) through profit or loss assets	–	95,326	95,326	–	107,489	107,489
Directors' remuneration	183,719	–	183,719	181,258	–	181,258
Accounting, secretarial and administration fees	552,224	–	552,224	686,623	–	686,623
Auditors' remuneration for audit services	49,820	–	49,820	45,980	–	45,980
	<u>£785,763</u>	<u>£95,326</u>	<u>£881,089</u>	<u>£913,861</u>	<u>£107,489</u>	<u>£1,021,350</u>

Total Directors' remuneration of £166,485 and Employers National Insurance Contributions of £16,692 is analysed in more detail in the Directors' Remuneration Report on page 20.

The average number of staff employed by the group during the financial year amounted to 1 (2014: 1).

The aggregate payroll costs of the above were:

	2015 £	2014 £
Salaries	26,541	26,135
Social Security Costs	2,259	2,530
	<u>£28,800</u>	<u>£28,665</u>

#### Auditors' Remuneration

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Audit of financial statements	36,090	43,830	27,800	36,130
Taxation services	1,210	1,150	700	650
Other services	–	1,000	–	–
	<u>£37,300</u>	<u>£45,980</u>	<u>£28,500</u>	<u>£36,780</u>

Fees in relation to the audit of the subsidiary, Consistent Unit Trust Management Company Ltd., were £9,950 (2014: £7,700).

Other fees include taxation services relating to Consistent Unit Trust Management Company Ltd. were £610 (2014: £1,500).

Transaction costs on fair value through profit or loss assets represent such costs incurred on both the purchase or sale of those assets.

No management fees are paid as the portfolio is managed by the Board of Directors.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## 7. Finance Costs

	2015 £			2014 £		
	Revenue Return	Capital Return	Total Return	Revenue Return	Capital Return	Total Return
Finance costs attributable to preference shares	14,000	–	14,000	14,000	–	14,000
Total finance costs	<u>£14,000</u>	<u>–</u>	<u>£14,000</u>	<u>£14,000</u>	<u>–</u>	<u>£14,000</u>

## 8. Tax

	2015 £			2014 £		
	Revenue Return	Capital Return	Total Return	Revenue Return	Capital Return	Total Return
<b>(a) Analysis of the tax charge</b>						
Current tax:						
UK corporation tax						
Current year	260,486	–	260,486	248,915	–	248,915
(Over)/under provision in prior year	102	–	102	4,228	–	4,228
Total tax for the year	<u>£260,588</u>	<u>–</u>	<u>£260,588</u>	<u>£253,143</u>	<u>–</u>	<u>£253,143</u>

Corporation tax is calculated at 20% and 21% (2014: 23% and 21%) of the estimated assessable profit for the year.

### (b) Factors affecting the current tax charge

The charge for the year can be reconciled to the income statement as follows:

	2015 £	2014 £
Profit/loss before tax	<u>3,879,579</u>	<u>11,071,348</u>
Tax at the UK corporation tax rate of (21% and 20%) (2014: 23% and 21%)	798,547	2,454,149
Gains and losses on investments that are not taxable	122,819	(1,507,166)
Tax effect of non-taxable UK and scrip dividends	(661,034)	(705,926)
Adjustments in respect of the prior period	102	4,228
Items not allowable for tax	154	7,858
Tax expense for the year	<u>£260,588</u>	<u>£253,143</u>
Effective tax rate	<u>6.72%</u>	<u>2.29%</u>

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Notes to the Financial Statements (continued)

9. Dividends	2015 £	2014 £
First quarter for the year ended 31st August 2015 of 3.4p (2014: 3.2p) per share	<b>984,265</b>	919,166
Second quarter for the year ended 31st August 2015 of 3.4p (2014: 3.2p) per share	<b>984,265</b>	919,166
Third quarter for the year ended 31st August 2015 of 3.4p (2014: 3.2p) per share	<b>984,265</b>	926,366
Fourth quarter for the year ended 31st August 2015 of 4.1p (2014: 4.0p) per share	<b>1,186,906</b>	1,157,959
	<b><u>£4,139,701</u></b>	<b><u>£3,922,657</u></b>

There is no difference between the dividends shown above and that on which the requirements of Section 1158 Income and Corporation Taxes Act 2010 apply.

### 10. Earnings and Net Asset Value Per Share

The calculation of the basic and diluted earnings per share is based on the following data:

#### Earnings

##### Ordinary shares

	2015			2014		
	Revenue return £	Capital return £	Total return £	Revenue return £	Capital return £	Total return £
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders	<b>4,215,682</b>	<b>(596,691)</b>	<b>3,618,991</b>	4,018,958	6,799,247	10,818,205
Earnings for the purposes of diluted earnings per share	<b>4,215,682</b>	<b>(596,691)</b>	<b>3,618,991</b>	4,018,958	6,799,247	10,818,205

##### Number of shares

	2015	2014
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>28,948,944</b>	28,752,916
Effect of dilutive potential ordinary shares: Convertible loan notes	<b>nil</b>	nil
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b>28,948,944</b>	28,752,916

##### Net Asset Values

	Net asset Value per share		Net assets Attributable	
	2015 p	2014 p	2015 £	2014 £
Ordinary shares:				
Undiluted	<b>362.97p</b>	367.26p	<b>£105,074,889</b>	£105,595,599
Diluted	<b>362.97p</b>	367.26p	<b>£105,074,889</b>	£105,595,599
5% preference shares:	<b>100.00p</b>	100.00p	<b>£280,000</b>	£280,000

The net asset value per preference share is based on net assets at the year end and on 280,000 preference shares, being the number of 5% preference shares in issue at the year end (2014: 280,000).

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### 11. Investments

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Valuation at 1st September 2014	<b>101,919,425</b>	94,281,347	<b>105,466,975</b>	97,727,277
Unrealised appreciation/ (depreciation)	<b>(27,200,142)</b>	(24,367,710)	<b>(30,084,084)</b>	(27,150,135)
Cost at 1st September 2014	<b>74,719,283</b>	69,913,637	<b>75,382,891</b>	70,577,142
Additions at cost	<b>8,777,361</b>	11,320,371	<b>8,777,361</b>	11,320,371
Proceeds of disposal	<b>(8,914,241)</b>	(10,478,630)	<b>(8,914,241)</b>	(10,478,630)
Realised gains on sale	<b>3,954,719</b>	3,963,905	<b>3,954,719</b>	3,963,905
Cost at 31st August 2015	<b>78,537,122</b>	74,719,283	<b>79,200,730</b>	75,382,788
Add: Unrealised appreciation	<b>22,648,833</b>	27,200,142	<b>25,581,879</b>	30,084,186
Valuation at 31st August 2015	<b>101,185,955</b>	£101,919,425	<b>104,782,609</b>	£105,466,974
Of which:				
(i) Listed on a recognised Stock Exchange	<b>87,360,192</b>	87,365,165	<b>87,360,199</b>	87,365,164
Unlisted	<b>13,825,763</b>	14,554,260	<b>17,422,410</b>	18,101,810
	<b>101,185,955</b>	£101,919,425	<b>104,782,609</b>	£105,466,974
(ii) Other investments	<b>101,185,955</b>	101,919,425	<b>100,795,763</b>	101,507,482
Subsidiaries	-	-	<b>3,986,846</b>	3,959,492
	<b>101,185,955</b>	£101,919,425	<b>104,782,609</b>	£105,466,974

**Details of Investment funds in which the Company holds a material interest of 10% or more are as follows:**

The unlisted investment for both the Company and the Group represents holdings in Consistent Unit Trust. Consistent Unit Trust is an authorised unit trust which is managed by Consistent Unit Trust Management Company Limited, a subsidiary of the Company.

At 31st August 2015 the Company and the Group held:

	Company		Group	
	No. of units	% of income units in creation	No. of units	% of income units in creation
Consistent Unit Trust Income Units	<b>22,921,415</b>	<b>60.03</b>	<b>23,649,615</b>	<b>61.93</b>

A broad sector analysis of the investment portfolio, together with a list of the forty-one largest investments is given on page 7.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Notes to the Financial Statements (continued)

#### 12. Investments in Subsidiaries

	2015 £	2014 £
1st September 2014	<b>3,959,492</b>	3,840,542
Increase in value	<b>27,259</b>	118,950
31st August 2015	<b><u>3,986,751</u></b>	<u>£3,959,492</u>

Subsidiary	Proportion of shares and voting rights held		
Consistent Unit Trust			
Management Co. Ltd.	100%	Ordinary Shares	Fund Management
Ambit Finance Co. Ltd.	100%	Ordinary Shares	Dormant
Practical Investment Co. Ltd.	100%	Ordinary Shares	Dormant

All the Company's subsidiaries are incorporated in Great Britain and registered in England and are included in the group financial statements.

#### 13. Major Shareholdings

At 31st August 2015 the Company had no holdings of 3% or more of a class of issued share capital.

#### 14. Intangible Non Current Assets

	Company		Group	
	2015 £	2014 £	2015 £	2014 £
Fund Management Contract	<b>nil</b>	nil	<b><u>£2,159,979</u></b>	<u>£2,159,979</u>

This intangible asset represents the rights acquired by the Group to manage the Practical Investment Fund and to derive the income therefrom. The asset is valued at cost.

The Group prepares discounted cashflows based on financial forecasting covering a 20 year period (to comply with the Companies Act amortisation requirement) based on the current market conditions and valuations. The relevant discounts used are: inflation 3% (2014: 3%), interest rates 0.5% (2014: 0.5%).

As mentioned in the accounting policies no amortisation has been provided on this asset as required by Companies Act 2006. Had amortisation been provided over 20 years the results for the Group would have been reduced as follows:

	2015 £	2014 £
At 1st September 2014	<b>1,292,776</b>	1,184,777
Notional amortisation for the year	<b>107,999</b>	107,999
At 31st August 2015	<b><u>£1,400,775</u></b>	<u>£1,292,776</u>

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### 15. Trade and Other Receivables

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Other debtors	51,875	1,390,651	34,609	1,252,061
Prepayments and accrued income	834,616	817,771	749,282	727,930
	<u>£886,491</u>	<u>£2,208,422</u>	<u>£783,891</u>	<u>£1,979,991</u>

### 16. Trade and Other Payables

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Taxation payable	142,689	160,046	34,618	38,697
Trade creditors	17,183	1,348,110	–	1,200,193
Other creditors	261,114	115,881	153,151	108,873
Accruals	46,000	91,667	34,000	33,000
Dividends payable	1,186,906	1,157,958	1,186,906	1,157,958
	<u>£1,653,892</u>	<u>£2,873,662</u>	<u>£1,408,675</u>	<u>£2,538,721</u>

### 17. Non-Current Liabilities

#### Preference Shares

The preference shares were issued on 14th November 1963. They were issued at a nominal value of 100p per share and have an effective interest rate of 5% per annum.

	2015	2014
	£	£
Preference shares	280,000	280,000
	<u>£280,000</u>	<u>£280,000</u>

### 18. Financial Instruments

#### (a) Management of Risk

The Group's financial instruments comprise:

- Equity and non-equity shares and fixed interest securities which are held in accordance with the Group's investment objectives which are set out in this report;
- Cash, liquid resources and short-term receivables and payables that arise directly from the Group's operations;

The main risks arising from the Group's financial instruments are market price risk, interest rate risk and foreign currency risk. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the inception of the Group.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### Notes to the Financial Statements (continued)

#### 18. Financial Instruments (continued)

##### Market Price Risk

Market risk arises mainly from uncertainty about future prices of financial instruments used in the Group's operations. It represents the potential loss the Group might suffer through holding market positions in the face of price movements.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce both the statistical risk and the risk arising from factors specific to a particular sector. Market prices are actively monitored throughout the year and the Board meets regularly in order to consider investment strategy.

##### Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to cash flow interest rate risk is primarily through the cash balances held which earn interest by reference to LIBOR or international equivalent.

##### Liquidity Risk

The Group's assets comprise mainly readily realisable securities which can be sold to meet funding commitments if necessary. The maturity of the Group's existing borrowings are set out in this note.

##### Foreign Currency Risk

The Group's total return and net assets are not significantly affected by currency translation movements as the majority of the Group's assets and revenue are denominated in sterling.

#### (b) The interest rate risk profile of financial assets and liabilities

<b>Assets</b>	No rate	2015 Fixed rate	Floating rate	No rate	2014 Fixed rate	Floating rate
Sterling	94,703,068	9,118,700	2,776,356	97,057,196	8,863,450	2,461,436
Canadian \$	410,657	-	-	367,182	-	-
	<u>£95,113,725</u>	<u>£9,118,700</u>	<u>£2,776,356</u>	<u>£97,424,378</u>	<u>£8,863,450</u>	<u>£2,461,436</u>
<b>Liabilities</b>						
Sterling	(1,653,892)	(280,000)	-	(2,873,664)	(280,000)	-
Canadian \$	-	-	-	-	-	-
	<u>£(1,653,892)</u>	<u>£(280,000)</u>	<u>-</u>	<u>£(2,873,664)</u>	<u>£(280,000)</u>	<u>-</u>



# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

### 18. Financial Instruments (continued)

#### (c) Maturity Profile

		Weighted average interest rate %	Weighted average period for which rate is fixed years
2015	<b>Sterling</b>		
2014	Sterling	5.20%	9.06 years

#### (d) Currency Exposure

	Investments	2015 Net monetary assets	Total	Investments	2014 Net monetary assets	Total
Canadian \$	410,657	–	410,657	367,182	–	367,182
Sterling	102,935,277	1,728,955	104,664,232	103,712,223	1,796,195	105,508,417
Total assets						
less current liabilities	£103,345,934	£1,728,955	£105,074,889	£104,079,405	£1,796,195	£105,595,499

### 19. Share Capital

#### Equity Shares

	2015 £	Group & Company 2014 £
<b>Ordinary Shares of 5p each</b>		
<b>Authorised 42,500,000</b> (2014: 42,500,000)	<b>£2,125,000</b>	£2,125,000
	<b>No.</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
At 1st September 2014	<b>28,948,944</b>	<b>£1,447,447</b>
At 31st August 2015	<b>28,948,944</b>	<b>£1,447,447</b>

The ordinary shares are entitled to all the income and assets after payment of the preference shares entitlement to dividends and nominal value.

### 20. Share Premium

	Group and Company
As at 1st September 2014	<b>£21,033,364</b>
At 31st August 2015	<b>£21,033,364</b>

### 21. Capital Premium Reserve

	Group and Company
At 1st September 2014 and 31st August 2015	<b>£203,602</b>

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Notes to the Financial Statements (continued)

22. Capital Reserves and Retained Earnings	Group	Unrealised reserves £	Realised reserves £	Revenue reserve £
	<b>Opening balance at 1st September 2014</b>	<b>20,712,177</b>	<b>59,010,723</b>	<b>3,188,286</b>
	Profit on disposals in the year	-	475,084	-
	Unrealised appreciation now realised	<b>(3,479,634)</b>	<b>3,479,634</b>	-
	Movement in unrealised appreciation for the year	<b>(1,071,775)</b>	-	-
	Profit for the year	-	-	<b>4,215,647</b>
	Dividends in respect of the Company's equity ordinary shares	-	-	<b>(4,139,699)</b>
	<b>Reserves at 31st August 2015</b>	<b>16,160,768</b>	<b>62,965,441</b>	<b>3,264,234</b>
	<b>Company</b>	<b>Unrealised reserves £</b>	<b>Realised reserves £</b>	<b>Revenue reserve £</b>
	<b>Opening balance at 1st September 2014</b>	<b>29,996,967</b>	<b>52,898,635</b>	<b>15,584</b>
	Profit on disposals in the year	-	475,084	-
	Unrealised appreciation now realised	<b>(3,479,634)</b>	<b>3,479,634</b>	-
	Movement in unrealised appreciation for the year	<b>(1,022,570)</b>	-	-
	Profit for the year	-	-	<b>4,166,475</b>
	Dividends in respect of the Company's equity ordinary shares	-	-	<b>(4,139,699)</b>
	<b>Reserves at 31st August 2015</b>	<b>25,494,763</b>	<b>56,853,353</b>	<b>42,360</b>

### Company income statement

As permitted by s408 of the Companies Act 2006, the Company has not presented its own income statement. The amount of company profit before appropriations dealt with in the accounts of the Group is £4,166,475 (2014: £3,917,439).

### 23. Notes to the Cashflow Statement

The purchase and sale of investments is considered to be operating activities of the Company. However, the cashflows associated with these activities are presented below.

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Cash at bank and on hand	<b>£2,776,356</b>	£2,461,436	<b>£1,197,064</b>	£967,355

### 24. Related Parties

All related party transactions are disclosed in the Directors' Remuneration Report on pages 20 to 24 as per IAS 24 Related Party Disclosures. There were no other related party transactions during the year.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### General Shareholder Information

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#### Release of results

Half year results are announced in April. Full year results are announced in October.

#### AGM

The annual general meeting is held in London in November/December.

#### Dates of dividend and interest payments

Ordinary shares: First announced in January, paid in February, second announced in April, paid in May, third announced in July, paid in August, fourth announced in September, paid in November/December.

5 per cent Cumulative Preference Shares interest paid on 28th February and 31st August.

#### Second interim dividend warrants and tax vouchers

Dividend warrants and tax vouchers for the 2015 fourth interim dividend will be posted on 30th November 2015 to shareholders on the register on 11th September 2015. The dividend will be paid on 1st December 2015.

#### Payment of dividends

Dividends can be paid to shareholders by means of BACS; mandate forms for this purpose are available from the Registrar. Alternatively, shareholders can write to the Registrar (the address is given on page 2 of this report) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

#### Share price listings

The market price of the Company's ordinary shares is published daily in The Financial Times and the Daily Telegraph. The Financial Times also shows figures for the estimated net asset value and the discount.

#### Internet

Details of the Company's share price and net asset value can be found on the Company's website. The address is [www.londonandstlawrence.com](http://www.londonandstlawrence.com).

#### SEDOL number

The SEDOL (London Stock Exchange Daily Official List) number of the Company's shares is 0531005.

#### 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.

#### Incorporation

London and St. Lawrence Investment Company plc is incorporated in England and Wales. The Company's register of members is held at 34 Beckenham Road, Beckenham, Kent BR3 4TU.

#### Corporate Broker

J.P. Morgan Cazenove have been appointed to act as corporate broker to the Company.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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## Schedule 1: Information required by the Code

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### 6. Principal Activities of the Company

The principal activity of London and St. Lawrence is to operate as an investment trust with the objective of providing long-term capital and income growth by investing in other investment trusts, unit trusts, fixed interest securities and bonds and other financial securities.

### 7. Responsibility

7.1

The Directors accept responsibility for the information contained in this section (save that P. J. C. Ashfield and S. P. Ashfield do not accept responsibility for the recommendation of the Panel Waiver by the Independent Directors). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this section for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

7.2

P. J. C. Ashfield and S. P. Ashfield accept responsibility for the information contained in this section which relates to members of the Ashfield Concert Party. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this section which relates to the Ashfield Concert Party is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 8. The Ashfield Concert Party Interests

#### 8.1 Ashfield Family

#### **Philip Ashfield (75), Executive Chairman (Board member)**

P. J. C. Ashfield was appointed a Director in 1983 and became Chairman in 2009. Philip has enjoyed a 50+ years career in the City. Philip began his career in 1961 at Denny Brothers. In 1963 he moved to Vickers da Costa and subsequently joined Teather and Greenwood in 1985. Philip is also chairman of Consistent Unit Trust Management Company Ltd, which manages Consistent Unit Trust and Practical Investment Fund.

#### **Sean Ashfield (51), (Board member)**

S. P. Ashfield was appointed a Director in 2009. Sean is a director of Consistent Unit Trust Management Ltd and is currently employed as an investment manager at Charles Stanley & Co., stockbrokers.

#### **Michael Ashfield (77)**

Michael Ashfield is not a Director. Following compulsory military services, Michael pursued a career working for large companies (in business economics and market research).

#### **Jane Brundukova (44)**

Jane Brundukova is not a Director. Jane is an historian working for the EU. She lives in County Wicklow, Ireland.

#### **Eleanor Ashfield (43)**

Eleanor Ashfield is not a Director. Eleanor is a designer working for Harper Collins in London, England.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### **Dr Georgina Hicks (35)**

Dr Georgina Hicks is not a Director. Georgina is a doctor working for the NHS in Southampton, England.

Philip Ashfield and Michael Ashfield are brothers. Sean Ashfield is the adult son of Philip Ashfield. Jane Brundukova, Eleanor Ashfield and Dr Georgina Hicks are the adult daughters of Michael Ashfield.

### **Felicity Ashfield (73)**

Felicity Ashfield is not a Director. Felicity is the wife of Philip Ashfield and is beneficially interested in 64,000 Ordinary Shares representing 0.2% of the issued share capital of the Company. Philip Ashfield holds the legal title to the Ordinary Shares in which Felicity Ashfield is interested.

### **Practical Investment Fund**

Practical Investment Fund, a unit trust authorised by the Financial Conduct Authority, is beneficially interested in 1,590,000 Ordinary Shares, representing 5.5% of the issued share capital of the Company. Practical Investment Fund is managed by Consistent Unit Trust Management Company Limited, a wholly-owned subsidiary of the Company. Philip Ashfield and Sean Ashfield are directors of Consistent Unit Trust Management Company Limited. Members of the Ashfield Concert Party hold, in aggregate, 19.3% of the issued units of Practical Investment Fund.

## 8.2 **Ashfield Family Trusts**

- 8.2.1 A trust ("**Pyrford**"), established by a settlement dated 23rd April 1963 for the benefit of Philip Ashfield's children (Sean Ashfield, Lucy McGregor, Melanie McQuillin and Holly El Majdoubi), is beneficially interested in 3,046,548 Ordinary Shares, representing 10.5% of the issued share capital of the Company. The trustees of Pyrford are Michael Ashfield and Richard Foot (an accountant).
- 8.2.2 A trust ("**MIST**"), established by a settlement dated 15th March 1965 for the benefit of Jane Brundukova, Eleanor Ashfield and Dr Georgina Hicks, is beneficially interested in 2,920,717 Ordinary Shares, representing 10.1% of the issued share capital of the Company. The trustees of MIST are Richard Foot and Sean Ashfield.
- 8.2.3 A trust (the "**PA Trust**"), established by a settlement dated 3rd October 1994 for the benefit of Philip Ashfield's grandchildren (currently there are seven grandchildren), is beneficially interested in 414,001 Ordinary Shares, representing 1.4% of the issued share capital of the Company. The trustees of the PA Trust are Michael Ashfield, Richard Foot and Philip Ashfield.
- 8.2.4 Three separate trusts (the "**MAF Trusts**") each established by settlement deeds dated 3rd October 1994 for the benefit of Michael Ashfield's grandchildren (currently there are three grandchildren) are beneficially interested in 331,500 Ordinary Shares, representing 1.1% of the issued share capital of the Company. The trustees of each of the MAF Trusts are Philip Ashfield, Richard Foot and Michael Ashfield.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Schedule 1: Information required by the Code (continued)

### 9. Interests and Dealings

#### 9.1 Interests

##### 9.1.1

The Ashfield Concert Party are treated as acting in concert for the purposes of the Takeover Code. On the latest practicable date before the publication of this document, being 4th November 2015, the Ashfield Concert Party's holdings of Ordinary Shares, in respect of which they are treated as acting in concert, were as follows:

Name	No. of Ordinary Shares	Percentage of Current Issued Share Capital	Percentage of Issued Share Capital <sup>1</sup>
Philip Ashfield <sup>2</sup>	1,676,860	5.8	6.4
Sean Ashfield <sup>3</sup>	24,500	0.1	0.1
Michael Ashfield	183,213	0.6	0.7
Jane Brundukova	36,833	0.1	0.1
Eleanor Ashfield	36,833	0.1	0.1
Dr Georgina Hicks	36,833	0.1	0.1
Ashfield Family Trusts <sup>4</sup>	6,712,766	23.2	25.8
Practical Investment Fund	1,590,000	5.5	6.1
<b>Total</b>	<b>10,297,838</b>	<b>35.6</b>	<b>39.5</b>

<sup>1</sup> Assuming full utilisation of the Share Purchase Authority, no disposal of Ordinary Shares by the Ashfield Concert Party and no further issue of Ordinary Shares.

<sup>2</sup> Philip Ashfield holds the legal title in respect of 64,000 Ordinary Shares which are beneficially owned by Felicity Ashfield (his wife).

<sup>3</sup> Sean Ashfield is a potential beneficiary under certain of the Ashfield Family Trusts, as detailed at paragraph 3.2 of this Schedule 1.

<sup>4</sup> Details of the interests of the Ashfield Family Trusts are set out at paragraph 3.2 of this Schedule 1.

##### 9.1.2

At the latest practicable date before the publication of this document, being 4th November 2015, the interests of the Directors (inclusive of any interests of their Connected Persons (as defined in section 96B(2) of FSMA)) in the issued Ordinary Share capital of the Company (as required to be included in the Annual Report and Financial Statements of the Company pursuant to Listing Rule 9.8.68) were as follows:

Name	No. of Ordinary Shares	% of Share Capital
Philip Ashfield	1,676,860	5.8
Sean Ashfield	24,500	0.1
Christopher Lloyd	1,500	0.0
Alan Maidment	8,150	0.0
John Carleton Paget	1,550	0.0
<b>Total</b>	<b>1,712,560</b>	<b>5.9</b>

#### 9.2 Dealings

During the period of 12 months preceding the date of this document, there have been the following dealings in relevant securities by the Ashfield Concert Party:

P.A. Trust sold 40,000 ordinary shares

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### 9.3 General

9.3.1 Save as disclosed in paragraphs 4.1 and 4.2 above:

9.3.1.1 no member of the Ashfield Concert Party or related trusts is interested in any relevant securities, has a right to subscribe for relevant securities, has borrowed or lent relevant securities or has dealt in relevant securities during the period of 12 months preceding the date of this document;

9.3.1.2 none of the following has an interest in any relevant securities or has a right to subscribe for relevant securities:

(a) any Director;

(b) any party acting in concert with the Company;

(c) any pension fund of the Company or of any party acting in concert with the Company;

(d) any employee benefit trust of the Company or of any party acting in concert with the Company;

(e) any Connected Adviser to the Company or to any party acting in concert with the Company or to any person acting in concert with the Directors; and

(f) any persons controlling, controlled by or under the same control as any such Connected Adviser (except for an exempt principal trader or an exempt fund manager);

9.3.1.3 no person referred to in paragraphs 4.3.1.1 or 4.3.1.2 above has any short position in relation to Ordinary Shares (whether conditional or absolute and whether in the money or otherwise and including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery); and

9.3.1.4 neither the Company nor any person acting in concert with the Company has borrowed or lent relevant securities.

9.3.2 In this paragraph 4.3 references to:

9.3.2.1 “**pension fund**” excludes a pension fund which is managed under an agreement or arrangement with an independent third party which gives such third party absolute discretion regarding dealing, voting and offer acceptance decisions relating to the fund;

9.3.2.2 “**Connected Adviser**” means an organisation advising the Company in relation to the Panel Waiver or a corporate broker to the Company;

9.3.2.3 “**control**” means an interest, or interests, in shares carrying in aggregate 30% or more of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control; and

9.3.2.4 “**relevant securities**” mean Ordinary Shares and securities convertible into rights to subscribe for, derivatives referenced to and options (including traded options) in respect of Ordinary Shares.

# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

## Schedule 1: Information required by the Code (continued)

### 10. Financial Information Incorporated by Reference

- 10.1 The audited consolidated accounts for the Company for the financial year ended 31st August 2014 and the interim report for the six months ended 28th February 2015 (the “**Historical Accounts**”) are hereby incorporated by reference into this document and are available free of charge on the London and St. Lawrence website [www.londonandstlawrence.com/pages/annualacc](http://www.londonandstlawrence.com/pages/annualacc). Information in relation to the above has not been published in an inflation adjusted form.
- 10.2 The Historical Accounts referred to above are available in “read only” format and can be printed from the London and St. Lawrence website. London and St. Lawrence will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of any documents incorporated by reference in this document. Copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for copies should be directed to: The Company Secretary, Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB (Tel: +44 (0) 1296 711598).

### 11. Significant Change

There has been no significant change in the financial or trading position of the Company since 31st August 2015, the date to which the last published audited accounts of the Company were prepared.

### 12. Middle Market Quotations

The following table sets out the middle market quotations for an Ordinary Share, as derived from the Daily Official List, for the first business day in each of the six months immediately preceding the date of this document and for the latest practicable date before the publication of this document, being 4th November 2015:

Date	Price per Ordinary Share pence
1st May 2015	368.25
1st June 2015	373.00
1st July 2015	379.63
3rd August 2015	361.00
1st September 2015	373.75
1st October 2015	347.00
2nd November 2015	348.50
4th November 2015	349.00

### 13. General

- 13.1 No agreement, arrangement or understanding (including any compensation arrangement) exists between the Ashfield Concert Party and any of the Directors, recent Directors, Shareholders, or recent Shareholders of the Company, or any person interested or recently interested in Ordinary Shares, having any connection with or dependence upon the Panel Waiver.
- 13.2 There is no agreement, arrangement or understanding whereby the beneficial interest in any Ordinary Shares held by any member of the Ashfield Concert Party will be transferred to another person.
- 13.3 J.P. Morgan Cazenove, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority in respect of regulated activities, is acting for the Company in connection with the Panel Waiver and is not acting for any other person and, accordingly, will not be responsible to anyone other than the Company for providing the protections afforded to clients of J.P. Morgan Cazenove or for providing advice in relation to the Panel Waiver or any other matter referred to in this document.



# LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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- 13.4 J.P. Morgan Cazenove has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they are included.
- 13.5 No Director has any service contract with the Company.
- 13.6 Neither the Company nor any of its subsidiaries has entered into any material contracts otherwise than in the ordinary course of business during the period of two years preceding the date of this document.

## **14. Documents Available for Inspection**

- 14.1 The Historical Accounts are available free of charge from the registered office of the Company at Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB. Requests for copies should be directed to: The Company Secretary, Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB (Tel: +44 (0) 1296 711598).
- 14.2 Copies of the following documents will be available for inspection at the Company's registered office, Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB and at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of posting of this document up to the close of the Annual General Meeting and also on the Company's website: [www.londonandstlawrence.com/pages/annualacc](http://www.londonandstlawrence.com/pages/annualacc):
  - 14.2.1 the memorandum of association of the Company;
  - 14.2.2 the Articles;
  - 14.2.3 the Historical Accounts;
  - 14.2.4 the consent letter from J.P. Morgan Cazenove referred to in paragraph 8.3 above;
  - 14.2.5 the irrevocable undertakings from each member of the Ashfield Concert Party.

6th November 2015

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### Schedule 2: Definitions

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<b>“2014 Annual General Meeting”</b>	the annual general meeting of the Company held on 25th November 2014 at which Independent Shareholders approved the 2014 Panel Waiver
<b>“2014 Panel Waiver”</b>	the waiver granted by the Panel of any obligation which would otherwise be imposed on the Ashfield Concert Party under Rule 9 of the Code on exercise of the 2014 Share Purchase Authority
<b>“2014 Share Purchase Authority”</b>	the authority granted pursuant to section 701 of the Act for the Company to make market purchase of, in aggregate, up to 2,872,394 Ordinary Shares which was approved at the 2014 Annual General Meeting
<b>“2014 Waiver Resolution”</b>	the ordinary resolution passed at the 2014 General Meeting by Independent Shareholders which approved the 2014 Panel Waiver
<b>“Act”</b>	the UK Companies Act 2006, as amended
<b>“Annual General Meeting”</b>	the annual general meeting of the Company (or any adjournment thereof)
<b>“Articles”</b>	the articles of association of the Company
<b>“Ashfield Concert Party”</b>	Philip Ashfield, Sean Ashfield, Michael Ashfield, Jane Brundukova, Eleanor Ashfield, Dr Georgina Hicks, the Ashfield Family Trusts, Practical Investment Fund and other members of their respective families and associated parties details of which are set out at paragraph 8 of Schedule 1 to this section, each care of the Company’s registered office, Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB
<b>“Ashfield Family Trusts”</b>	the trusts established for the benefit of certain members of the Ashfield Concert Party details of which are set out at paragraph 8.2 of Schedule 1 to this section
<b>“Code” or “Takeover Code”</b>	the UK City Code on Takeovers and Mergers issued by the Panel
<b>“Company” or “London and St Lawrence”</b>	London and St Lawrence Investment Company PLC
<b>“Connected Adviser”</b>	has the meaning given to it in paragraph 9.3.2.2 of Schedule 1 to this section
<b>“Consistent Unit Trust”</b>	Consistent Unit Trust, a unit trust authorised by the FCA and managed by CUTMC
<b>“control”</b>	has the meaning given to it in paragraph 9.3.2.3 of Schedule 1 to this section
<b>“Consistent Unit Trust Management Company” or “CUTMC”</b>	Consistent Unit Trust Management Company Limited, a company incorporated in England and Wales with company no. 2145528 whose registered office is at Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes, United Kingdom MK17 0RB
<b>“Directors” or “Board”</b>	the directors of the Company being P. J. C. Ashfield, S. P. Ashfield, C. J. Lloyd, J. B. O. Carleton Paget, A. T. Maidment and J. M. Sculley and <b>“Director”</b> shall be construed accordingly
<b>“FCA”</b>	the Financial Conduct Authority
<b>“Form of Proxy”</b>	the form of proxy accompanying this document for use in connection with the Annual General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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<b>“Independent Directors”</b>	J. B. O. Carleton Paget, C. J. Lloyd, A. T. Maidment and J. M. Sculley
<b>“Independent Shareholders”</b>	Shareholders other than the Ashfield Concert Party
<b>“J.P. Morgan Cazenove”</b>	J.P. Morgan Limited (which conducts its UK investment banking business as J.P. Morgan Cazenove)
<b>“Listing Rules”</b>	the listing rules made by the UK Listing Authority pursuant to Part VI of FSMA
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“MAF Trusts”</b>	has the meaning given to it in paragraph 8.2.4 of Schedule 1 to this section
<b>“MIST”</b>	has the meaning given to it in paragraph 8.2.2 of Schedule 1 to this section
<b>“Notice of Annual General Meeting”</b>	the notice convening the Annual General Meeting set out at pages 62 to 64 of this document
<b>“Ordinary Shares”</b>	ordinary shares of 5 pence each in the capital of the Company
<b>“PA Trust”</b>	has the meaning given to it in paragraph 8.2.3 of Schedule 1 to this section
<b>“Panel”</b>	the UK Panel on Takeovers and Mergers
<b>“Panel Waiver”</b>	the waiver granted by the Panel of any obligation which would otherwise be imposed on the Ashfield Concert Party under Rule 9 of the Code, on exercise of the Share Purchase Authority
<b>“pension fund”</b>	has the meaning given to it in paragraph 9.3.2.1 of Schedule 1 to this section
<b>“Practical Investment Fund”</b>	Practical Investment Fund, a unit trust authorised by the FCA and managed by CUTMC
<b>“Pyrford”</b>	has the meaning given to it in paragraph 8.2.1 of Schedule 1 to this section
<b>“Registrar”</b>	Capita IRG plc
<b>“relevant securities”</b>	has the meaning given to it in paragraph 9.3.2.4 of Schedule 1 to this section
<b>“Shareholder”</b>	a holder of Ordinary Shares
<b>“Share Purchase Authority”</b>	the authority to be granted pursuant to section 701 of the Act for the Company to make market purchases of, in aggregate, up to 2,894,894 Ordinary Shares to be approved at the Annual General Meeting
<b>“Waiver Resolution”</b>	the ordinary resolution to approve the Panel Waiver set out in the Notice of Annual General Meeting

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN that the one hundred and fourth Annual General Meeting of the Company will be held at 4 More London Riverside, London SE1 2AU on 1st December 2015 at 12.15 p.m. to consider and, if thought fit, pass the following resolutions which will be proposed, in the case of resolutions 1 to 6 and 11 (inclusive) as ordinary resolutions. Resolutions 7 to 10 will be proposed as special resolutions.

#### ORDINARY BUSINESS

##### ORDINARY RESOLUTIONS

1. To receive and adopt the Directors' Report and financial statements for the year ended 31st August 2015.
2. To re-elect Mr. P. J. C. Ashfield as a Director.
3. To re-elect Mr. C. J. Lloyd as a Director.
4. To reappoint Shipleys LLP as Auditors and to authorise the Directors to fix their remuneration.
5. To receive and adopt the Directors' Remuneration Report for the year ended 31st August 2015, excluding the Directors' Remuneration Policy (as set out in the Future Policy Table on page 22).
6. To receive and adopt the Directors' Remuneration Policy for the year ended 31st August 2016, as set out in the Future Policy Table on page 22 of the Directors' Remuneration Report.

#### SPECIAL BUSINESS

##### SPECIAL RESOLUTIONS

7. 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 5 pence each in the capital of the Company (the "**Ordinary Shares**") in such manner and upon such terms as the Directors of the Company may from time to time determine and to cancel or hold in treasury such shares, provided that:
  - 7.1 the maximum number of Ordinary Shares hereby authorised to be purchased shall be 2,894,894;
  - 7.2 the minimum price (exclusive of expenses) which may be paid for any Ordinary Share is 5 pence;
  - 7.3 the maximum price (exclusive of expenses) which may be paid for any Ordinary Share shall not be greater than the higher of: (i) 5% above the average of the market price for an Ordinary Share at the close of business on the 5 business days immediately preceding the date of purchase; and (ii) the higher of the price of the last independent trade in shares of the class of that share and the highest then current independent bid for such shares on the London Stock Exchange; and
  - 7.4 unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2016,

save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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8. That the directors of the Company (the "**Directors**") be and are generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot ordinary shares of £0.05 in the capital of the Company ("**Ordinary Shares**") up to an aggregate nominal amount of £144,744, such authority to expire on the conclusion of the next Annual General Meeting of the Company or, if earlier, six months after the next publication of the Company's annual accounts unless renewed at a general meeting prior to such time, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted, or rights to subscribe for or to convert securities into Ordinary Shares to be granted, after the expiry of such authority and the Directors may allot Ordinary Shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
9. That, subject to the passing of Resolution 8 above, the Directors be and they are empowered pursuant to sections 570 to 573 of the Act to allot Ordinary Shares for cash and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in Resolution 8 above as if section 561 of the Act did not apply to any such allotment or sale provided that this power: (i) shall be limited to the allotment of Ordinary Shares and the sale of Ordinary Shares from treasury for cash up to an aggregate nominal amount of £144,744; and (ii) expires on the conclusion of the next Annual General Meeting of the Company or, if earlier, six months after the next publication of the Company's annual accounts unless renewed at a general meeting prior to such time, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or agreement as if such power had not expired.

### ORDINARY RESOLUTIONS

10. That pursuant to the resolution passed at the Annual General Meeting in 2013 the Company shall continue as an investment trust until the Annual General Meeting of the Company falling in the year 2017 and at such Annual General Meeting in 2017 an ordinary resolution shall be proposed that the Company shall continue as an investment trust for a specified period of time at which time a resolution in a form similar to this resolution shall be proposed.
11. That, conditionally upon the passing of resolution 7 above, the waiver by the Panel of any obligation which would otherwise fall on the members of the Ashfield Concert Party to make a mandatory offer pursuant to Rule 9 of the Code as a result of any increase in the Ashfield Concert Party's aggregate percentage shareholding in the Company to a maximum of 39.5% of the issued share capital (represented by 26,054,050 Ordinary Shares) pursuant to the exercise in full of the Share Purchase Authority, be approved.

By Order of the Board  
Ms. J. M. SCULLEY  
Secretary

Dated 6th November 2015

Registered Office  
Fair Lorna House  
Buckingham Road  
Singleborough  
Milton Keynes  
MK17 0RB

# LONDON AND ST. LAWRENCE

## INVESTMENT COMPANY PLC

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### Notice of Annual General Meeting (continued)

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**Notes:**

- (i) Information about the AGM is available from the Company's website.
- (ii) A member is entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote on their behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share.
- (iii) A form of proxy for use by shareholders is enclosed with these accounts. Completion and return of the form of proxy will not prevent any shareholder from attending the meeting and voting in person. To be valid, the form of proxy should be lodged, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority at the address stated thereon, so as to be received not less than 48 hours before the time of the meeting (excluding non-working days).
- (iv) 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 Company's register of members in respect of the joint holding (the first-named being the most senior).
- (v) If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- (vi) In accordance with Regulation 41 of the Uncertified Securities Regulations 2001, to have the right to attend and vote at the Meeting a member must first have his or her name entered in the Company's register of members by 6.00 p.m. on 29th November 2015 (or, in the event that the Meeting is adjourned, 6.00 p.m. on the day forty-eight hours before the time of the adjourned Meeting). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the Meeting referred to above.
- (vii) The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes (i) and (ii) above does not apply to nominated persons. The rights described in these notes can only be exercised by members of the Company.
- (viii) No Director has a service contract with the Company.
- (ix) The following documents will be available for inspection at the Company's registered office, Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB from 1st November 2015 to the time of the Meeting and at the Meeting venue itself for at least 15 minutes prior to the Meeting until the end of the Meeting: (i) copies of the letters of appointment of the Directors; and (ii) a copy of the proposed new articles of association of the Company, together with a copy of the existing articles of association of the Company marked to show the changes being proposed.
- (x) As at close of business on 4th November 2015, (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 28,948,944 Ordinary shares of 5p each. The total number of voting rights in the Company as at 4th November 2015 is 28,948,944.
- (xi) Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the Disclosure and Transparency Rules.
- (xii) The members of the Company may require the Company to publish, on its website, a statement setting out any matter relating to the audit of the Company's accounts, including the Auditor's Report and the conduct of the audit, which they intend to raise at the next meeting of the Company. The Company will be required to do so once it has received such requests from either (i) members representing at least 5% of the total voting rights of the Company or (ii) at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100.
- (xiii) Words and expressions defined in the Annual Report of the Company dated 6th November 2015 shall, save where the context otherwise requires, bear the same meanings in these notes to the Notice of Annual General Meeting.
- (xiv) In order to comply with the Takeover Code, resolution 11 will be taken on a poll and members of the Ashfield Concert Party will not vote on resolution 11.



