

LONDON AND
ST. LAWRENCE
INVESTMENT COMPANY
PLC

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st AUGUST 2016

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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Financial Calendar

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

Corporate Information

Directors	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
Secretary	Ms. J. M. Sculley
Registered Office and Main Office	Fair Lorna House Buckingham Road Singleborough Milton Keynes MK17 0RB 01296 711598
Registrars	Capita Asset Services PXS 34 Beckenham Road Beckenham Kent BR3 4TU
Auditors	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ
Solicitors	Gowlings WLG 4 More London Riverside London SE1 2AU
Custodian Bankers	The Bank of New York Mellon One Canada Square London E14 5AL
Bankers	NatWest 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ
Website	www.londonandstlawrence.com
Shareholder Enquiries	01296 711598
Registered No.	107908

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Corporate Summary

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, 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 17.

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 and further shareholder information is given at the back of this report.

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INVESTMENT COMPANY PLC

Your Board

Philip Ashfield, aged 76, 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 52, 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 79, 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 45, was appointed a Director in 2015. His city career has spanned 29 years covering Private Client Stockbroking and Market Making in the Investment Trust and Venture Capital Trust sectors.

***John Carleton Paget**, aged 77, 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 64, 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.

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INVESTMENT COMPANY PLC

Financial Highlights

Financial		Year ended	Year ended	Movement %
		31st August 2016	31st August 2015	
	Net assets per ordinary share†	381.76p	362.97p	+5.2
	Price per ordinary share (bid)	344.25p	358.75p	-4.0
	Total net assets††	£110,515,033	£105,074,889	+5.2
	Shares in issue	28,948,944	28,948,944	
	Ongoing Charges*	0.69%	0.75%	-8.7
	Dividend per share	14.8p	14.3p	+3.5
	† There is no difference between the basic and diluted assets per ordinary shares.			
	†† The total net assets figures have been calculated in accordance with IFRS.			
	* Ongoing charges divided by annualised net asset value.			
				Movement
		2016	2015	%
Index Changes	FTSE All-Share	3697.19	3434.66	+7.6
Over the year ended				
31st August 2015				
(Total Return)				
		31st August 2016	31st August 2015	
Exchange Rates	Canadian \$ to £	1.72	2.03	

Ten Year Financial Record

Year ended 31st August	Gross Revenue £	Ordinary Dividends p	Equity Shareholders' Funds £	Net Asset Value* p
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
2016	5,374,736	14.80	110,515,033	381.76

*per ordinary share.

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INVESTMENT COMPANY PLC

Chairman's Statement

for the year ended 31st August 2016

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 increased over the last 12 months by 5.2%, over the same period the All Share Index has increased by 7.6%. Over the last five years the net asset value per ordinary share has out performed the FTSE All-Share Index, the net asset value per ordinary share has increased by 33.9%, compared to an increase in the FTSE All Share Index of 32.0%. 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 39.5%. At the same time, over the last 5 years the dividend paid to shareholders has increased by 26.5%.

We are pleased to report that we have increased the level of dividend distribution for the year by 3.5%. At the end of February, May and August 2016 a dividend of 3.5p (2015: 3.4p) was paid. A fourth and final dividend of 4.3p (2015: 4.1p) will be paid to shareholders on 6th December 2016.

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 £86.9 million (2015: £88.4 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.

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Classification of Investments

as at 31st August 2016

	2016	2015
	%	%
Corporate bonds	3.8	6.6
UK Government bonds	4.0	3.6
Approved investment trusts	75.1	73.3
Authorised unit trusts	12.8	12.7
Equity investments (Canadian)	0.4	0.4
Cash	3.9	3.4
Total net assets	100.0	100.0

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Investment Portfolio

as at 31st August 2016

	Market Value of Holding £'000	% of Portfolio	Country	Description
Holdings over 1% of Portfolio				
Consistent Unit Trust	12,925	12.2	UK	Unit Trust
Edinburgh Investment	5,198	4.9	UK	Investment Trust
Aberforth Geared Income	4,989	4.7	UK	Investment Trust
City of London	4,156	3.8	UK	Investment Trust
Dunedin Income Growth	3,618	3.3	UK	Investment Trust
Merchants Trust	3,593	3.3	UK	Investment Trust
Law Debenture	3,575	3.3	UK	Investment Trust
Mercantile Trust	3,354	3.2	UK	Investment Trust
BlackRock Income Strategies	3,102	2.8	UK	Investment Trust
British Land	2,981	2.7	UK	Investment Trust
Invesco Income Growth	2,858	2.6	UK	Investment Trust
Henderson Far East Income	2,571	2.3	UK	Investment Trust
Scottish Mortgage	2,398	2.2	UK	Investment Trust
Perpetual Income & Growth	2,362	2.1	UK	Investment Trust
Standard Life Equity Income	2,355	2.1	UK	Investment Trust
Investors Capital Trust	2,154	2.0	UK	Investment Trust
F&C Private Equity Trust	2,148	1.9	UK	Investment Trust
Scottish American Investment	2,091	1.9	UK	Investment Trust
Securities Trust of Scotland	2,055	1.9	UK	Investment Trust
Witan	2,054	1.9	UK	Investment Trust
BlackRock World Mining	1,965	1.8	UK	Investment Trust
Ishares Iboxx Corporate Bond	1,928	1.7	UK	Investment Trust
Murray International	1,880	1.7	UK	Investment Trust
Murray Income	1,824	1.7	UK	Investment Trust
JP Morgan Global Emerging Markets	1,820	1.6	UK	Investment Trust
Schroder Oriental Income	1,570	1.4	UK	Investment Trust
Treasury 4.25% 2036	1,544	1.4	UK	Fixed Interest
Treasury 4.25% 2032	1,476	1.3	UK	Fixed Interest
JP Morgan Income & Growth Income	1,465	1.3	UK	Investment Trust
Schroder Income Growth Fund	1,412	1.3	UK	Investment Trust
Treasury 4.25% 2027	1,380	1.3	UK	Fixed Interest
North American Income	1,350	1.2	UK	Investment Trust
Henderson Preference & Bond Income	1,200	1.1	UK	Unit Trust
Fidelity International 6.75% 2020	1,181	1.1	UK	Fixed Interest
City Merchants High Yield	1,170	1.1	UK	Investment Trust
Temple Bar	1,164	1.1	UK	Investment Trust
JP Morgan Claverhouse	1,146	1.0	UK	Investment Trust
Nationwide 5.625% 2019	1,138	1.0	UK	Fixed Interest
European Assets Trust	1,070	1.0	UK	Investment Trust
All quoted in the UK		89.0		

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Strategic Report

Principal activities and business review

The Company is an investment trust and has qualified as such with HM Revenue and Customs. During the year the net assets of the Group have increased by 5.2% to £110,515,033. The dividends paid in respect of the year under review have increased by 3.5% to 14.8p per ordinary share.

Market commentary

Over the 12 months to the end of August 2016, stockmarkets rallied following a difficult year previously. Although there have been a number of political and economic factors, the UK has been dominated by the EU Referendum and the subsequent Brexit decision. The impact of this outcome was an effective devaluation of sterling against all the major currencies. As the UK market is dominated by global multinationals, there was a strong performance by the market generally as a consequence of this unexpected boost in international companies' earnings. At the same time, companies whose earnings derive primarily from the UK have suffered which, perhaps, is a more realistic reaction to the Brexit decision.

In contrast to last year, the oil price has stabilised and the Chinese economy appears to be back on track. This has had the effect of boosting the Oil and Resources sector which had previously been so difficult. The Middle East continues to be a great cause of concern and tensions with Russia have increased over the past 12 months.

Interest rates, which were already at negligible levels, managed to fall further to 0.25% which also gave a boost to the stockmarket. This provoked further funds being invested, particularly by private clients who were reminded that cash in the bank provides virtually no return. As has been said before, London and St Lawrence shares yield just over 4% which remains an attractive income return given this interest rate background.

An example of a successful holding in the company's portfolio is Murray International which was purchased during the course of the year. The share price has risen by 31% during the 12 months in question but continue to provide good value. At the same time the yield is just over 4 % with the dividend having been increased over the past 12 months.

Last year, one of your company's weakest holdings was BlackRock World Mining Trust which reflected the difficulties in the Resources sector. We are pleased to report that there has been a strong recovery during the year in question with the shares having risen by 28%. However, there is also disappointment as the company have reduced their dividend due to a sharp fall in revenue reserves. This perhaps illustrates the difficulty in maintaining a balance between sustainable income and capital growth potential.

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INVESTMENT COMPANY PLC

Strategic Report (continued)

Principal risks 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 sales and actively monitors the prices.

The Board regularly reviews the principal risks and uncertainties facing the Company which the Board has identified and the Board sets out delegated controls designed to manage those risks and uncertainties. Key risks within investment strategy, including inappropriate stock selection, are managed by the Board through a defined investment policy, with guidelines and restrictions, and by the process of oversight at each Board meeting. Operational disruption, accounting and legal risks are also covered at least annually and regulatory compliance is reviewed at each Board meeting.

The Directors have adopted a robust framework of risk management systems which are designed to monitor the principal risks and uncertainties facing the Company and to provide a monitoring system to enable the Directors to mitigate these risks as far as possible. A description of the Directors' risk management system is set out in the Statement of Corporate Governance on pages 23 to 28. The major risks associated with the Company are:

Investment and market risk: The Company is exposed to the effect of variations in share prices due to the nature of its business. A fall in the value of its investment portfolio will have an adverse effect on the value of shareholders' funds. Investment performance is reviewed in detail and discussed at each Board meeting.

Revenue and dividend risk: In view of the Company's investment objective, which 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.

Financial risk: 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 amounts due.

Regulatory risk: The Company operates in a complex regulatory environment and faces a number of regulatory risks. A breach of Section 1158 of the Corporation Tax Act 2010 would result in the Company being subject to capital gains tax on portfolio investments. Breaches of other regulations, including the Companies Act 2006, the UKLA Listing Rules or the Disclosure Guidance and Transparency Rules, could lead to a number of detrimental outcomes and reputational damage.

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On 3rd July 2016 the EU's Market Abuse Regulation (MAR) came into force, replacing the Market Abuse Directive (MAD) in the UK, and is now applicable to all UK Listed and AIM quote companies. The aim of MAR is to enhance market integrity and investor protection and, although on similar lines to MAD, its scope has been expanded to include financial instruments traded on multilateral trading facilities, organised trading facilities and certain 'over-the-counter' activities, and also introduced new rules on the disclosure of inside information, insider lists and share dealings by persons discharging managerial responsibilities. The Company anticipates that compliance with MAR will not have a significant impact but all relevant policies and procedures have been updated as appropriate.

Geopolitical risk: The Company is exposed to the effects of geopolitical instability or change, as this could have an adverse effect on stock markets. The Board regularly reviews and discusses current geopolitical issues and seek appropriate expert advice, when necessary, in relation to managing any impacts on the Company.

The Board is mindful of the uncertainty following the UK's referendum decision to leave the EU and is closely monitoring any impact on the Company's share price, discount level and underlying investment performance.

Key performance indicators

A Key Performance indicator used by the Company is a 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 increased by 5.2% whereas the FTSE All-Share Index has risen by 7.6%. Additional Key Performance Indicators are detailed on page 14.

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.

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Strategic Report (continued)

Employee, Environmental and Human Rights Policy

As an investment trust, the Company has no disclosures to be made in respect of employee or environmental responsibilities, nor in respect of the emission of greenhouse gases, which are necessary for an understanding of the development, performance, position or future prospects of the Company's business. The Company's principal responsibility to shareholders is to ensure that the investment portfolio is properly managed and invested. In light of the Company's business, there are no human rights issues and, therefore, the Company does not have a human rights policy.

Future developments

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

By Order of the Board
Ms J. M. Sculley
Director
10th November 2016

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Business Review and Directors' Report

The Directors present their Business Review and Directors' Report for the year ended 31st August 2016.

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 2016 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 2016 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 2015, the Company shall continue as an investment trust until the Annual General Meeting in 2017, at which time a similar resolution will be proposed.

LONDON AND ST. LAWRENCE

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Business Review and Directors' Report (continued)

Director indemnification and insurance	<p>As permitted by the Company's Articles of Association, each Director has the benefit of an indemnity which is a qualifying third party indemnity, as defined by section 234 of the Companies Act 2006. The indemnities were in place during the year and as at the date of this report.</p> <p>An insurance policy is maintained by the Company which insures the Directors of the Company against certain liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.</p>
Benchmark	<p>The Company compares its performance to the FTSE All-Share Index.</p>
Business Risks	<p>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.</p> <ul style="list-style-type: none">● 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	<p>The Directors appraise the performance of the Company against Key Performance Indicators ("KPIs").</p> <p>The objectives comprise both specific financial and shareholder related measures.</p> <ul style="list-style-type: none">● 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	<p>The Company's share capital is divided into ordinary shares of 5p each, with voting rights, and at the year-end there were 28,948,944 shares in issue (2015: 28,948,944), representing 68.1 per cent. of the Company's total share capital. The Company also has 280,000 (2015: 280,000) 5% cumulative preference shares. These shares are non redeemable. The holders of cumulative preference shares are not entitled to receive notice of or be present or to vote at any general meeting of the Company. 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.</p> <p>Each Ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every Ordinary share held.</p>

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The Company has authority both to issue new shares for cash at a premium to net asset value and to repurchase shares in the market (for cancellation or to be held in Treasury) at a discount to net asset value. At the Annual General Meeting held on 1st December 2015, shareholders granted Directors authority to issue ordinary shares up to an aggregate nominal amount of £144,744 in the Company (being approximately 10% of the issued share capital of the Company as at 6th November 2015) for cash. Shareholders also granted the Directors authority to disapply pre-emption rights in respect of these share issues. The Company has not repurchased any ordinary shares and no new ordinary shares were issued during the year under review or subsequent to the year end. The Company will not seek to renew to such authorities at the forthcoming AGM.

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 6th December 2016. At the Annual General Meeting the following resolutions will be proposed:

Ordinary Business (resolutions 1 to 5)

- (a) Resolution 1, as an ordinary resolution, to receive and adopt the Directors' report and financial statements for the year ended 31st August 2016.
- (b) Resolution 2, as an ordinary resolution, to re-elect Mr. Alan Maidment 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.
- (c) Resolution 3, as an ordinary resolution, to re-elect Ms. J. M Sculley as a Director whom retires by rotation under Article 91 of the Articles and, being eligible, offers herself for re-election at the Annual General Meeting.
- (d) Resolution 4, as an ordinary resolution, to reappoint Shipleys LLP as auditors and to authorise the Directors to fix their remuneration.
- (e) Resolution 5, as an ordinary resolution, to receive and adopt the Directors' Remuneration Report for the year ended 31st August 2016 excluding the Directors' Remuneration Policy (as set out in the Remuneration Policy Table on page 20).

Substantial Share Interests

At 10th November 2016 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
Aviva plc	5,651,428	19.52
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 7th November 2016.

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

Environment and Socially Responsible Investment

The Group has a policy on SRI which is given in the Corporate Governance Statement on page 27.

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Business Review and Directors' Report (continued)

Employment, Environmental and Human Rights Policy	As an investment trust, the Company has no disclosures to be made in respect of employee or environmental responsibilities, nor in respect of the emission of greenhouse gases, which are necessary for an understanding of the development, performance, position or future prospects of the Company's business. The Company's principal responsibility to shareholders is to ensure that the investment portfolio is properly managed and invested. In light of the Company's business, there are no relevant human rights issues, and therefore, the Company does not have a human rights policy.																					
Carbon Footprint	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.																					
Performance	During the year the asset value per share has increased by 5.0%, the FTSE All-Share Index increased by 7.6%. The share price of the ordinary shares has decreased by 4.0%. The total amount of dividends paid for the year has increased by 3.5%.																					
Assets	<p>At 31st August 2016 the total net assets of the Group amounted to £110,515,033 compared with £105,074,889 at 31st August 2015.</p> <p>The net asset value per share rose by 5.2% from 362.97p to 381.76p.</p>																					
Revenue and Dividends	<p>The gross revenue return for the year was £5,374,736 (2015: £5,276,033) and the profit after tax was £4,452,527 (2015: £4,215,682).</p> <p>The Group has declared four interim dividends in the year totalling 14.8p (2015: 14.3p) per ordinary share. It is not the Company's investment objective to target a particular level of dividend growth and there is no guarantee that any dividends will be paid in respect of any financial year, the ability to pay dividends being dependent on the level of dividends earned from the portfolio.</p>																					
Custodian	The Bank of New York Mellon acts as global custodian for all the Group's investments, save those in Consistent Unit Trust and subsidiaries.																					
Directors	<p>The Directors of the Company and their biographies are shown on page 4. The Directors' Remuneration Report is set out on pages 18 to 22.</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>31st August 2016</th><th>31st August 2015</th></tr></thead><tbody><tr><td>P. J. C. Ashfield</td><td>1,676,860</td><td>1,676,860</td></tr><tr><td>S. P. Ashfield</td><td>24,500</td><td>24,500</td></tr><tr><td>J. B. O. Carleton Paget</td><td>1,550</td><td>1,550</td></tr><tr><td>C. J. Lloyd</td><td>1,500</td><td>1,500</td></tr><tr><td>A. T. Maidment</td><td>8,150</td><td>8,150</td></tr><tr><td>Ms. J. M. Sculley</td><td>–</td><td>–</td></tr></tbody></table> <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, 11th October 2016.</p>		31st August 2016	31st August 2015	P. J. C. Ashfield	1,676,860	1,676,860	S. P. Ashfield	24,500	24,500	J. B. O. Carleton Paget	1,550	1,550	C. J. Lloyd	1,500	1,500	A. T. Maidment	8,150	8,150	Ms. J. M. Sculley	–	–
	31st August 2016	31st August 2015																				
P. J. C. Ashfield	1,676,860	1,676,860																				
S. P. Ashfield	24,500	24,500																				
J. B. O. Carleton Paget	1,550	1,550																				
C. J. Lloyd	1,500	1,500																				
A. T. Maidment	8,150	8,150																				
Ms. J. M. Sculley	–	–																				
Corporate Governance	A formal statement on corporate governance is set out on pages 23 to 28.																					

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

**The Payment
of Creditors**

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 2016.

Auditors

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.

**Disclosure of Information
to Auditors**

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.

Accountability and Audit

The Statement of Directors' Responsibilities in respect of the Accounts is set out on pages 29 and 30 and the Independent Auditor's Report is on pages 31 to 35.

Going Concern

The Directors believe that the Group has adequate resources to continue in existence for the foreseeable future (being a period of at least 12 months from the date of approval of the Company's financial statements). 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.

By Order of the Board
Ms J. M. Sculley
Director
10th November 2016

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Directors' Remuneration Report

Introduction

The Board presents the Directors' remuneration report for the year ended 31st August 2016 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 remuneration policy which was approved by a binding vote by shareholders at the Company's annual general meeting held on 1st December 2015 is set out in the policy table on page 20.

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 31 to 35.

Statement by the Chairman

The Board's policy on remuneration is set out in the policy table on page 20. 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 31st August 2016 are as follows:

	Fees £	Salary £	Bonus £	2016 Total £	2015 Total £
Executive					
P. J. C. Ashfield	6,000	–	–	6,000	6,000
S. P. Ashfield	6,000	–	–	6,000	6,000
Ms. J. M. Sculley	6,000	73,000	59,707	138,707	138,985
Non-Executive					
J. B. O. Carleton Paget	6,000	–	–	6,000	6,000
C. J. Lloyd	6,000	–	–	6,000	3,500
A. T. Maidment	6,000	–	–	6,000	6,000
	36,000	73,000	59,707	168,707	166,485

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 amortisation and tax of Consistent Unit Trust Management Company Limited on an annual basis [capped at 200% of the salary payable to Ms J. M. Sculley for the relevant period]. Ms. J. M. Sculley's interest under this agreement amounts to £59,707 (2015: £59,985).

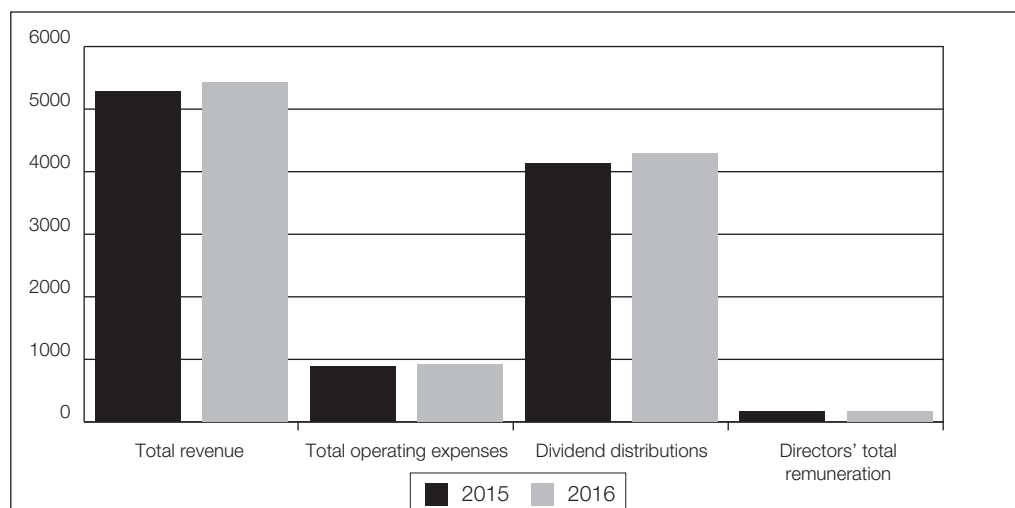
Relative importance of spend on pay

As the Group 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

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 (2015: £nil).

As the Company does not have a chief executive officer, there is no information to disclose in this respect.

Dividends

Mr. P. J. C. Ashfield received dividends of £248,175 (2015: £239,791) 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 18. 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 Group 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)

Remuneration 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 amortisation and 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.

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INVESTMENT COMPANY PLC

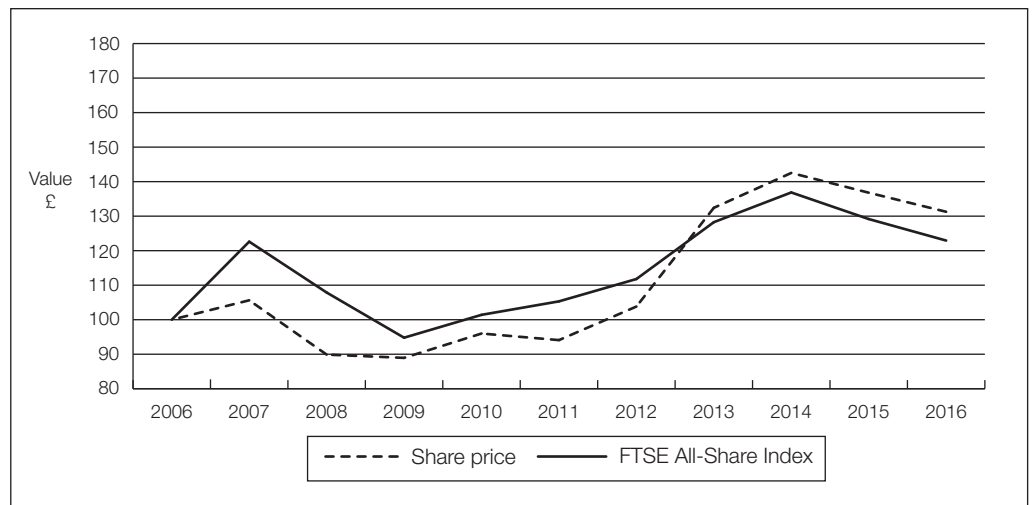
Remuneration/Directors' Services Contracts

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 18. 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 18. 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 2006. 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 16. 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 11th October 2016.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Directors' Remuneration Report (continued)

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. At the AGM held on 1st December 2015 shareholders approved the Company's Remuneration Report for the year ended 31st August 2015 (97.3% of the votes were cast in favour of the Company's Remuneration Policy, and 2.7% votes were cast against).

In accordance with recent changes to the Companies Act 2006, the Company is required to seek shareholder approval of its remuneration policy. At the AGM held on 1st December 2015, shareholders approved the Company's Remuneration Policy for the three year period ending 31st August 2018 (95.7% of the votes were cast in favour of the Company's Remuneration Policy, and 4.3% votes were cast against). It is the Board's intention that the Company's Remuneration Policy be put to a shareholders' vote at least once every three years. An Ordinary Resolution for the approval of the Company's Remuneration Policy will be proposed at the AGM in 2018. It is the intention of the Board that the policy on remuneration will continue to apply for the next three financial years to 31st August 2018.

By Order of the Board
J. M. Sculley
Secretary
10th November 2016

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Corporate Governance

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 2014. 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 Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board. At 31st August 2016, there were five male Directors and one female Director on the Board.

The Chairman, Mr. P. J. C. Ashfield, is responsible for the leadership of the Board and for ensuring its effectiveness in all aspects of its role. Mr. C. J. Lloyd was appointed to the role of Senior Independent Director on 12th April 2016. The Company does not have a Chief Executive and the roles of Chairman and Chief Executive have not been combined.

The Company did not comply during the year, nor does it currently comply with the Code requirements on the number of independent directors. Whilst not complying, the Company believes it meets the underlying principle of having a Board that is well balanced between executive and independent non-executive directors. The Company does not believe it would be beneficial to increase the size of the Board further, as the number of executive directors adds value.

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 pages 29 and 30 and a statement of going concern is given on page 17.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Corporate Governance (continued)

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 Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need authorising either in relation to the Director concerned or his/her connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential or actual conflict situations which will require authorising by the Board. Authorisations given by the Board will be reviewed at each Board meeting.

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. A. T. Maidment and Ms. J. M. Sculley. Neither Mr. A. T. Maidment nor Ms. J. M. Sculley have a service contract with the Company.

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.

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INVESTMENT COMPANY PLC

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 2015 to 31st August 2016

	Board Meetings	Audit Committee
No. of Meetings		
P. J. C. Ashfield	5	1
S. P. Ashfield	5	1
J. B. O. Carleton Paget	5	1
C. J. Lloyd	5	1
A. T. Maidment	5	1
J. M. Sculley	5	1

All Directors attended the 2015 AGM, held on 1st December 2015.

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 18). 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 18.

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.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Corporate Governance (continued)

Audit Committee

The Board has an established Audit Committee, the members of whom are set out on page 2. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the committee. At least one member of the committee has recent and relevant financial experience and the Audit Committee as a whole has competence relevant to the sector. 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.

Having taken all available information into consideration and having discussed the content of the annual report and accounts with the Company Secretary, the Audit Committee has concluded that the annual report and accounts for the year ended 31st August 2016, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported these findings to the Board.

The Board conclusions in this respect are set out in the Statement of Directors' Responsibilities on pages 29 and 30. The Board was made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the financial statements.

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. Shipleys LLP was first appointed as auditors of the Company during the financial period commencing on [DATE]. The Audit Committee is aware that UK legislation requires listed companies to rotate their auditor. Under the transitional arrangements for firms that have been audited by the same auditor for between 11 and 20 years there will be a grace period of nine years after the enactment of the EU legislation. Accordingly, based upon the new legislation, the Company will not be able to renew its appointment with Shipleys LLP from 2023 and an audit tender will be undertaken accordingly.

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.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

The Board undertakes an annual review of the Group's risk management and internal controls systems, including financial, operational and compliance controls. The business risks have been analysed and reviewed regularly.

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 2016 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.

ESG matters and practice

In addition, the Company ensures that its investments adhere to appropriate environmental, social governance standards and considers both risk and opportunities stemming from ESG issues. The Company believes this approach benefits both its shareholders and the realms in which it invests and operates.

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.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Corporate Governance (continued)

**Statement of
Compliance**

The Directors considered that the Company has complied throughout the year ended 31st August 2016 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
10th November 2016

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Statement of Directors' Responsibilities

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 the assets, liabilities, financial position and profit or loss 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 whether 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.

Each of the Directors, whose names and functions are listed on page 4 confirm that, to the best of their knowledge the financial statements, which have been prepared in accordance with IFRS and UK law, give a true and fair view of the assets, liabilities, financial position and return or loss of the Company.

The Board confirms that it is satisfied that the annual report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business and strategy.

The Board also confirms that it is satisfied that the Strategic Report and Directors' Report include a fair review of the development and performance of the business, and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

The financial statements are published on 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.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Statement of Directors' Responsibilities (continued)

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 11th October 2016.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

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

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 31st August 2016 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 31st August 2016;
- 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

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

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.

Risk	How the scope of our audit responded to the risk
<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.

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Risk	How the scope of our audit responded to the risk
<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 £1.74m for balance sheet items and £147k for all other items. The latter is less than 4% of results before tax and the former is less than 2% 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.

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

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.

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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

10th November 2016

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Consolidated Income Statement

for the year ended 31st August 2016

Notes	Year ended 31st August 2016 £			Year ended 31st August 2015 £			
	Revenue return	Capital return	Total return	Revenue return	Capital return	Total return	
3	Investment income	4,499,845	–	4,499,845	4,151,328	–	4,151,328
3 & 4	Other operating income	874,891	–	874,891	1,124,705	–	1,124,705
	Total income	5,374,736	–	5,374,736	5,276,033	–	5,276,033
5	Gains and losses on investments	–	5,396,193	5,396,193	–	(501,365)	(501,365)
		5,374,736	5,396,193	10,770,929	5,276,033	(501,365)	4,774,668
6	Expenses	(730,770)	(124,132)	(854,902)	(785,763)	(95,326)	(881,089)
	Profit before finance costs and tax	4,643,966	5,272,061	9,916,027	4,490,270	(596,691)	3,893,579
7	Finance costs	(14,000)	–	(14,000)	(14,000)	–	(14,000)
	Profit before tax	4,629,966	5,272,061	9,902,027	4,476,270	(596,691)	3,879,579
8	Tax	(177,439)	–	(177,439)	260,588	–	(260,588)
	Net profit for the year	4,452,527	5,272,061	9,724,588	4,215,682	(596,691)	3,618,991
	Earnings per share (pence)						
	From continuing operations						
10	Basic and diluted	15.38p	18.21p	33.59p	14.56p	(2.06)p	12.50p

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 43 to 57 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 2016

Group	Ordinary Share Capital £	Capital Redemption Reserve £	Share Premium £	Capital Reserve £	Retained Earnings £	Total £
Total equity at						
1st September 2015	1,447,447	203,602	21,033,364	79,126,209	3,264,267	105,074,889
*Profit for the year ended 31st August 2016	-	-	-	5,272,061	4,452,527	9,724,588
Dividends in respect of equity shares	-	-	-	-	(4,284,444)	(4,284,444)
Total equity at						
31st August 2016	<u>1,447,447</u>	<u>203,602</u>	<u>21,033,364</u>	<u>84,398,270</u>	<u>3,432,350</u>	<u>110,515,033</u>

Company	Ordinary Share Capital £	Capital Redemption Reserve £	Share Premium £	Capital Reserve £	Retained Earnings £	Total £
Total equity at						
1st September 2015	1,447,447	203,602	21,033,364	82,348,116	42,360	105,074,889
*Profit for the year ended 31st August 2016	-	-	-	5,134,519	4,319,982	9,454,501
Dividends in respect of equity shares	-	-	-	-	(4,284,444)	(4,284,444)
Total equity at						
31st August 2016	<u>1,447,447</u>	<u>203,602</u>	<u>21,033,364</u>	<u>87,482,635</u>	<u>77,898</u>	<u>110,244,946</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 43 to 57 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 £
Total equity at						
1st September 2014	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)
Total equity at						
31st August 2015	<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 £
Total equity at						
1st September 2014	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)
Total equity at						
31st August 2015	<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 43 to 57 form part of these financial statements.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Consolidated Statement of Financial Position

at 31st August 2016

Notes		2016 £	2015 £
	Assets		
	Non Current Assets		
11 & 12	Investments held at fair value through profit and loss	106,588,895	101,185,955
14	Intangible assets	2,159,979	2,159,979
		108,748,874	103,345,934
	Current Assets		
15	Trade and other receivables	784,571	886,491
	Cash and cash equivalents	2,781,541	2,776,356
		3,566,112	3,662,847
	Total Assets	112,314,986	107,008,781
	Current liabilities		
16	Trade and other payables	(1,519,953)	(1,653,892)
	Total assets less current liabilities	110,795,033	105,354,889
	Non current liabilities		
17	Preference share capital	(280,000)	(280,000)
	Net Assets	110,515,033	105,074,889
	Share Capital and reserves		
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	84,398,270	79,126,209
22	Revenue reserves	3,432,350	3,264,267
	Total shareholders' equity	110,515,033	105,074,889

The financial statements were approved by the Board of Directors and authorised for issue on 11th October 2016. They were signed on its behalf by:

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

Company Reg. No. 107908

The notes on pages 43 to 57 form part of these financial statements.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Company Statement of Financial Position

at 31st August 2016

Notes	2016 £	2015 £	
Assets			
Non Current Assets			
11 & 12	Investments held at fair value through profit and loss	<u>110,075,428</u>	<u>104,782,609</u>
		110,075,428	104,782,609
Current Assets			
15	Trade and other receivables	<u>999,124</u>	<u>783,891</u>
	Cash and cash equivalents	<u>869,895</u>	<u>1,197,064</u>
		1,869,019	1,980,955
	Total Assets	111,944,447	106,763,564
Current liabilities			
16	Trade and other payables	<u>(1,419,501)</u>	<u>(1,408,675)</u>
	Total assets less current liabilities	110,524,946	105,354,889
Non current liabilities			
17	Preference share capital	<u>(280,000)</u>	<u>(280,000)</u>
	Net Assets	110,244,946	105,074,889
Share Capital and reserves			
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>87,482,635</u>	<u>82,348,116</u>
22	Revenue reserves	<u>77,898</u>	<u>42,360</u>
	Total shareholders' equity	110,244,946	105,074,889

The financial statements were approved by the Board of Directors and authorised for issue on 11th October 2016. They were signed on its behalf by:

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

Company Reg. No. 107908

The notes on pages 43 to 57 form part of these financial statements.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Consolidated Cash Flow Statement

Year ended 31st August 2016

Notes	2016 £	2015 £
Cash flows from operating activities		
Profit before finance costs and tax	4,643,959	4,490,270
(Increase)/decrease in receivables	96,780	1,343,462
Increase in payables	(69,796)	(1,231,465)
Cash generated from operations	4,670,943	4,602,267
Taxation paid	(266,911)	(299,476)
Net cash generated from operating activities	4,404,032	4,302,791
Cash flows from investing activities		
Purchases of investments held at fair value	(11,855,249)	(8,777,361)
Sales of investments held at fair value	11,696,948	8,914,241
Net cash generated from investing activities	(158,301)	136,880
Cash flows from financing activities		
Dividends paid to company's shareholders	(4,226,546)	(4,110,751)
Dividends paid to holders of preference shares	(14,000)	(14,000)
Net cash used in financing activities	(4,240,546)	(4,124,751)
Net increase/(decrease) in cash and cash equivalents	5,185	314,920
Cash and cash equivalents at beginning of the year	2,776,356	2,461,436
23 Cash and cash equivalents at end of the year	2,781,541	2,776,356

The notes on pages 43 to 57 form part of these financial statements.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Company Cash Flow Statement

Year ended 31st August 2016

Notes	2016 £	2015 £
Cash flows from operating activities		
Profit before finance costs and tax	4,438,115	4,332,834
(Increase)/decrease in receivables	(220,373)	1,200,365
Increase/(decrease) in payables	(12,455)	(1,163,260)
Cash generated from operations	4,205,287	4,369,939
Taxation paid	(133,609)	(152,359)
Net cash generated from operating activities	4,071,678	4,217,580
Cash flows from investing activities		
Purchases of investments held at fair value	11,855,249	(8,777,361)
Sales of investments held at fair value	11,696,948	8,914,241
Net cash generated from investing activities	(158,301)	136,880
Cash flows from financing activities		
Dividends paid to company's shareholders	(4,226,546)	(4,110,751)
Dividends paid to holders of preference shares	(14,000)	(14,000)
Net cash used in financing activities	(4,240,546)	(4,124,751)
Net increase/(decrease) in cash and cash equivalents	(327,169)	229,709
Cash and cash equivalents at beginning of the year	1,197,064	967,355
23 Cash and cash equivalents at end of the year	869,895	1,197,064

The notes on pages 43 to 57 form part of these financial statements.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Notes to the Financial Statements

Year ended 31st August 2016

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 2014 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

Notes to the Financial Statements (continued)

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

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

Notes to the Financial Statements (continued)

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:

Amendments to IFRS8 – Operating Segments
Amendments to IAS24 – Related Party Disclosures

Accounting Standards not yet effective:

Amendments to IAS1 – Presentation of Financial Statements which clarifies existing IAS1 requirements.

Amendment to IAS27 – “Consolidated and separate financial statements” which allows an entity to use the equity method as described in IAS28 to accounts for its investments in subsidiaries.

IFRS16 – Leases

IFRS9 – Financial Instruments

Amendments to IFRS9 and IFRS7 – Mandatory Effective Date of IFRS9 and Transition Disclosures

Amendment to IAS7 – Statement of Cashflows on the disclosures in financial statements.

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

3. Income

An analysis of the Group's income is as follows:

	2016 £	2015 £
Investment income		
Dividends – UK	3,642,183	3,211,499
Dividends – Overseas	16,173	12,629
Interest on fixed income securities	837,377	927,200
Other operating income		
Deposit interest	4,412	4,151
Unit trust management fee	874,591	1,120,554
	<u>5,374,736</u>	<u>£5,276,033</u>
Total investment and other operating income comprises:		
Dividend income	4,495,733	4,151,328
Interest income	4,412	4,151
Other income	874,591	1,120,554
	<u>5,374,736</u>	<u>£5,276,033</u>
Investment income comprises:		
Listed investments	3,883,022	3,602,074
Unlisted investments	612,712	549,254
	<u>4,495,734</u>	<u>4,151,328</u>

4. Business Segments

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

2016	Investment Income 2016 £	Unit Trust Management 2016 £	Consolidated 2016 £
Revenue			
Total revenue	4,495,734	879,002	5,374,736
Results			
Expenses	(348,570)	(382,200)	(730,770)
Operating profit	4,147,164	496,802	4,643,966
Finance costs (preference share dividend)	(14,000)	–	(14,000)
Profit before tax	4,133,164	496,802	4,629,966
Tax	(101,390)	(76,049)	(177,439)
Profit for the year from continuing operations	<u>4,031,774</u>	<u>420,753</u>	<u>4,452,527</u>
	Investment Income 2016 £	Unit Trust Management 2016 £	Consolidated 2016 £
Balance Sheet			
Current and non current assets	<u>107,747,282</u>	<u>4,567,704</u>	<u>112,314,986</u>
Current and non current liabilities	<u>1,699,500</u>	<u>100,453</u>	<u>1,799,953</u>

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INVESTMENT COMPANY PLC

Notes to the Financial Statements (continued)

4. Business Segments (continued)	2015	Investment	Unit Trust	Consolidated
		Income	Management	2015
		2015	2015	2015
		£	£	£
Revenue				
Total revenue		4,151,328	1,124,705	5,276,033
Results				
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		3,765,100	450,582	4,215,682
		Investment	Unit Trust	Consolidated
		Income	Management	2015
		2015	2015	2015
		£	£	£
Balance Sheet				
Current and non current assets		102,776,813	4,231,968	107,008,781
Current and non current liabilities		1,688,675	245,217	1,933,892

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	2016	2015
	£	£
Net realised gains/(losses) based on historical cost	3,885,128	3,954,719
Less: amounts recognised as unrealised in the previous year	(3,667,911)	(3,479,634)
Realised profits/(losses) based on carrying value at previous balance sheet date	217,217	475,085
Net movement in unrealised appreciation on non current assets	5,054,844	(1,071,776)
	5,272,061	(596,691)

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6. Expenses

	2016 £	2015 £		2016 £	2015 £
	Revenue Return	Capital Return	Total Return	Revenue Return	Capital Return
Expenses					
Transaction costs on investments held at fair value (market bid price) through profit or loss assets	–	124,132	124,132	–	95,326
Directors' remuneration	183,729	–	183,729	183,719	–
Accounting, secretarial and administration fees	497,381	–	497,381	552,224	–
Auditors' remuneration for audit services	49,660	–	49,660	49,820	–
	<u>£730,770</u>	<u>£124,132</u>	<u>£854,902</u>	<u>£785,763</u>	<u>£95,326</u>
				<u>£881,089</u>	

Total Directors' remuneration of £168,707 and Employers National Insurance Contributions of £15,022 is analysed in more detail in the Directors' Remuneration Report on page 18.

The average number of staff employed by the group during the financial year amounted to 1 (2015: 1).

The aggregate payroll costs of the above were:

	2016 £	2015 £
Salaries	26,742	26,541
Social Security Costs	2,571	2,259
	<u>29,313</u>	<u>£28,800</u>

Auditors' Remuneration

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Audit of financial statements	36,750	36,090	28,300	27,800
Taxation services	1,235	1,210	715	700
Other services	–	–	–	–
	<u>£37,985</u>	<u>£37,300</u>	<u>£29,015</u>	<u>£28,500</u>

Fees in relation to the audit of the subsidiary, Consistent Unit Trust Management Company Ltd., were £8,490 (2015: £8,290).

Other fees include taxation services relating to Consistent Unit Trust Management Company Ltd. were £520 (2015: £510).

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

Notes to the Financial Statements (continued)

7. Finance Costs

	2016 £			2015 £		
	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

	2016 £			2015 £		
	Revenue Return	Capital Return	Total Return	Revenue Return	Capital Return	Total Return
(a) Analysis of the tax charge						
Current tax:						
UK corporation tax						
Current year	204,838	–	204,838	260,486	–	260,486
(Over)/under provision in prior year	(27,399)	–	(27,399)	102	–	102
Total tax for the year	<u>£177,439</u>	<u>–</u>	<u>£177,439</u>	<u>£260,588</u>	<u>–</u>	<u>£260,588</u>

Corporation tax is calculated at 20% (2015: 20% 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:

	2016 £	2015 £
Profit/loss before tax	<u>9,902,027</u>	<u>3,879,579</u>
Tax at the UK corporation tax rate of 20% (2015: 21% and 20%)	1,980,406	798,547
Gains and losses on investments that are not taxable	(1,054,412)	122,819
Tax effect of non-taxable UK and scrip dividends	(720,922)	(661,034)
Adjustments in respect of the prior period	(27,399)	102
Items not allowable for tax	(234)	154
Tax expense for the year	<u>£177,439</u>	<u>£260,588</u>
Effective tax rate	<u>1.79%</u>	<u>6.72%</u>

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9. Dividends

	2016 £	2015 £
First quarter for the year ended 31st August 2016 of 3.5p (2015: 3.4p) per share	1,013,213	984,265
Second quarter for the year ended 31st August 2016 of 3.5p (2015: 3.4p) per share	1,013,213	984,265
Third quarter for the year ended 31st August 2016 of 3.5p (2015: 3.4p) per share	1,013,213	984,265
Fourth quarter for the year ended 31st August 2016 of 4.3p (2015: 4.1p) per share	1,244,805	1,186,906
	<u>£4,284,444</u>	<u>£4,139,701</u>

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

	2016			2015		
	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	4,452,527	5,272,061	9,724,588	4,215,682	(596,691)	3,618,991
Earnings for the purposes of diluted earnings per share	4,452,527	5,272,061	9,724,588	4,215,682	(596,691)	3,618,991

Number of shares

	2016	2015
Weighted average number of ordinary shares for the purposes of basic earnings per share	28,948,944	28,948,944
Effect of dilutive potential ordinary shares: Convertible loan notes	nil	nil
Weighted average number of ordinary shares for the purposes of diluted earnings per share	28,948,944	28,948,944

Net Asset Values

	Net asset Value per share		Net assets Attributable	
	2016 p	2015 p	2016 £	2015 £
Ordinary shares:				
Undiluted	381.76p	362.97p	£110,515,033	£105,074,889
Diluted	381.76p	362.97p	£110,515,033	£105,074,889
5% preference shares:	100.00p	100.00p	£280,000	£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 (2015: 280,000).

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Notes to the Financial Statements (continued)

10. Earnings and Net Asset Value Per Share (continued)

Change in net assets per ordinary share

	2016	2015
Net asset value at 31 August 2015	362.97p	364.76p
Net profit for the year	15.38p	14.56p
Dividends for the year	(14.80p)	(14.3p)
Capital movements for the year	18.21p	(2.05p)
Net asset value at 31 August 2016	381.76p	362.97

11. Investments

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Valuation at 1st September 2015	101,185,955	101,919,425	104,782,609	105,466,975
Unrealised appreciation/ (depreciation)	(22,648,833)	(27,200,142)	(25,581,879)	(30,084,084)
Cost at 1st September 2015	78,537,122	74,719,283	79,200,730	75,382,891
Additions at cost	11,855,248	8,777,361	11,855,248	8,777,361
Proceeds of disposal	(11,664,818)	(8,914,241)	(11,664,818)	(8,914,241)
Realised gains on sale	3,852,999	3,954,719	3,852,999	3,954,719
Cost at 31st August 2016	82,580,551	78,537,122	83,244,159	79,200,730
Add: Unrealised appreciation	24,008,344	22,648,833	26,831,269	25,581,879
Valuation at 31st August 2016	106,588,895	101,185,955	110,075,428	104,782,609
Of which:				
(i) Listed on a recognised Stock Exchange	92,052,677	87,360,192	92,052,677	87,360,199
Unlisted	14,536,218	13,825,763	18,022,751	17,422,410
	106,588,895	101,185,955	110,075,428	104,782,609
(ii) Other investments	106,588,895	101,185,955	106,178,263	100,795,763
Subsidiaries	–	–	3,897,155	3,986,846
	106,588,895	101,185,955	110,075,428	104,782,609

Fair value disclosure for investments

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Quoted prove for identical instruments in active markets	102,691,730	97,199,204	106,178,263	100,795,858
Valuation techniques using non-observable market data	3,897,165	3,986,751	3,897,165	3,986,751
	£106,588,895	£101,185,955	£110,075,428	£104,782,609

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.

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11. Investments (continued) At 31st August 2016 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	22,921,415	60.87	23,649,615	62.80

A broad sector analysis of the investment portfolio, together with a list of the 39 largest investments is given on pages 7 and 8.

12. Investments in Subsidiaries

	2016 £	2015 £
1st September 2015	3,986,751	3,959,492
(Decrease)/Increase in value	(89,586)	27,259
31st August 2016	3,897,165	3,986,751

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 2016 the Company had no holdings of 3% or more of a class of issued share capital.

14. Intangible Non Current Assets

	Company		Group	
	2016 £	2015 £	2016 £	2015 £
Fund Management Contract	nil	nil	£2,159,979	£2,159,979

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 2% (2015: 2%), interest rates 0.5% (2015: 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:

	2016 £	2015 £
At 1st September 2015	1,400,775	1,292,776
Notional amortisation for the year	107,999	107,999
At 31st August 2016	£1,508,774	£1,400,775

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INVESTMENT COMPANY PLC

Notes to the Financial Statements (continued)

15. Trade and Other Receivables

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Other debtors	102,974	51,875	29,469	34,609
Prepayments and accrued income	681,597	834,616	969,655	749,282
	<u>£784,571</u>	<u>£886,491</u>	<u>£999,124</u>	<u>£783,891</u>

16. Trade and Other Payables

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Taxation payable	48,078	142,689	–	34,618
Trade creditors	–	17,183	–	–
Other creditors	177,570	261,114	139,696	153,151
Accruals	49,500	46,000	35,000	34,000
Dividends payable	1,244,805	1,186,906	1,244,805	1,186,906
	<u>£1,519,953</u>	<u>£1,653,892</u>	<u>£1,419,501</u>	<u>£1,408,675</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.

	2016 £	2015 £
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.

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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

Assets	No rate	2016		No rate	2015	
		Fixed rate	Floating rate		Fixed rate	Floating rate
Sterling	99,450,191	6,718,850	2,781,541	94,703,068	9,118,700	2,776,356
Canadian \$	419,854	–	–	410,657	–	–
	<u>99,870,045</u>	<u>6,718,850</u>	<u>2,781,541</u>	<u>£95,113,725</u>	<u>£9,118,700</u>	<u>£2,776,356</u>
Liabilities						
Sterling	(1,519,953)	(280,000)	–	(1,653,892)	(280,000)	–
Canadian \$	–	–	–	–	–	–
	<u>(1,519,953)</u>	<u>(280,000)</u>	<u>–</u>	<u>£(1,653,892)</u>	<u>£(280,000)</u>	<u>–</u>
As at 31st August 2016						
			1% decrease in interest rates	1% increase in interest rates	10% weakening in sterling	10% strengthening in sterling
Impact on income statement – gain/(loss)			(27,815)	27,815	–	–
Impact on equity – gain/(loss)			–	–	(41,985)	41,985
			<u>(27,815)</u>	<u>27,815</u>	<u>(41,985)</u>	<u>41,985</u>

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Notes to the Financial Statements (continued)

18. Financial Instruments (continued)

(c) Maturity Profile

		Weighted average interest rate %	Weighted average period for which rate is fixed years
2016	Sterling	4.92	11.51
2015	Sterling	5.2	9.06

(d) Currency Exposure

	Investments	2016 Net monetary assets	Total	Investments	2015 Net monetary assets	Total
Canadian \$	419,854	–	419,854	410,657	–	410,657
Sterling	106,169,041	3,926,138	110,095,179	102,935,277	1,728,955	104,664,232
Total assets less current liabilities	£106,588,895	£3,926,138	£110,515,033	£103,345,934	£1,728,955	£105,074,889

19. Share Capital

Equity Shares

	2016 £	Group & Company 2015 £
Ordinary Shares of 5p each		
Authorised 42,500,000 (2015: 42,500,000)	£2,125,000	£2,125,000
	No.	£
Allotted, called up and fully paid		
At 1st September 2015	28,948,944	1,447,447
At 31st August 2016	28,948,944	1,447,447

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 2015	21,033,364
At 31st August 2016	21,033,364

21. Capital Premium Reserve

	Group and Company
At 1st September 2015 and 31st August 2016	203,602

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22. Capital Reserves and Retained Earnings	Group	Unrealised reserves	Realised reserves	Revenue reserve
		£	£	£
	Opening balance at 1st September 2015	16,160,768	62,965,441	3,264,267
	Profit on disposals in the year	-	217,217	-
	Unrealised appreciation now realised	(3,667,911)	3,667,911	-
	Movement in unrealised appreciation for the year	5,054,844	-	-
	Profit for the year	-	-	4,452,527
	Dividends in respect of the Company's equity ordinary shares	-	-	(4,284,444)
	Reserves at 31st August 2016	17,547,701	66,850,569	3,432,350
	Company	Unrealised reserves	Realised reserves	Revenue reserve
		£	£	£
	Opening balance at 1st September 2015	25,494,763	56,853,353	42,360
	Profit on disposals in the year	-	217,217	-
	Unrealised appreciation now realised	(3,667,911)	3,667,911	-
	Movement in unrealised appreciation for the year	4,917,294	-	-
	Profit for the year	-	-	4,319,982
	Dividends in respect of the Company's equity ordinary shares	-	-	(4,284,444)
	Reserves at 31st August 2016	26,744,146	60,738,481	77,898

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 2016: £4,319,982 (2015: £4,166,475).

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	
	2016 £	2015 £	2016 £	2015 £
Cash at bank and in hand	£2,781,541	£2,776,356	£869,895	£1,197,064

24. Related Parties

All related party transactions are disclosed in the Directors' Remuneration Report on pages 18 to 22 as per IAS 24 Related Party Disclosures. There were no other related party transactions during the year.

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

General Shareholder Information

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 2016 fourth interim dividend will be posted on 5th December 2016 to shareholders on the register on 8th September 2016. The dividend will be paid on 6th December 2016.

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.

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

Cenkos have been appointed to act as corporate broker to the Company.

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Notice of Annual General Meeting

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 6th December 2016 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 5 (inclusive) as ordinary resolutions.

ORDINARY BUSINESS

ORDINARY RESOLUTIONS

1. To receive and adopt the Directors' Report and financial statements for the year ended 31st August 2016.
2. To re-elect Mr. A. T. Maidment as a Director.
3. To re-elect Ms. J. M. Sculley 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 2016, excluding the Directors' Remuneration Policy (as set out in the Remuneration Policy Table on page 20).

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

Dated 10th November 2016

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

LONDON AND ST. LAWRENCE

INVESTMENT COMPANY PLC

Notice of Annual General Meeting (continued)

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 close of business on 2nd December 2016 (or, in the event that the Meeting is adjourned, close of business 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 10th November 2016 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 2016, (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 10th November 2016 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 Guidance 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 10th November 2016 shall, save where the context otherwise requires, bear the same meanings in these notes to the Notice of Annual General Meeting.

