



THE LINDSELL TRAIN INVESTMENT TRUST PLC

Interim Report for the six months
ended 30 September 2005

Directors

Rhoderick Swire (Chairman)

Donald Adamson

Michael Mackenzie

Investment Manager

Lindsell Train Limited

35 Thurloe Street

London SW7 2LQ

Company Secretary and Registered Office

Phoenix Administration Services Limited

2nd Floor, Springfield Lodge

Colchester Road

Chelmsford Essex CM2 5PW

Registrars

Capita Registrars

The Registry

34 Beckenham Road

Beckenham Kent BR3 4TU

Registered Auditors

RSM Robson Rhodes LLP

186 City Road

London EC1V 2NU

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Contents

	Page
<u>Financial Information</u>	<u>2</u>
<u>Chairman's Statement</u>	<u>4</u>
<u>Investment Manager's Report</u>	<u>6</u>
<u>Statement of Total Return</u>	<u>8</u>
<u>Balance Sheet</u>	<u>10</u>
<u>Cash Flow Statement</u>	<u>11</u>
<u>Statement of Changes in Equity</u>	<u>12</u>
<u>Notes to the Interim Accounts</u>	<u>13</u>
<u>Portfolio Holdings</u>	<u>19</u>
<u>Investment Portfolio</u>	<u>20</u>

THE LINDSELL TRAIN INVESTMENT TRUST PLC

The Lindsell Train Investment Trust plc

The Lindsell Train Investment Trust plc is an investment trust listed on the London Stock Exchange. The Company invests in equities, fixed interest, cash, Lindsell Train Limited and Lindsell Train Funds (up to a limit of 25% of NAV at cost).

Objective of the Company

To maximise long-term total returns subject to the avoidance of loss of absolute value and with a minimum objective to maintain the real purchasing power of sterling capital, as measured by the annual average yield on the 2.5% Consolidated Loan Stock.

The Benchmark

The annual average yield on the 2.5% Consolidated Loan Stock.

Financial highlights

Performance comparisons in the current performance period (1 April 2005 - 30 September 2005)

Middle market share price per ordinary share	+13.6%
Net Asset Value per ordinary share [^]	+7.7%
Benchmark*	+2.3%
MSCI World Index (sterling)	+13.6%
UK RPI Inflation (all items)	+1.4%

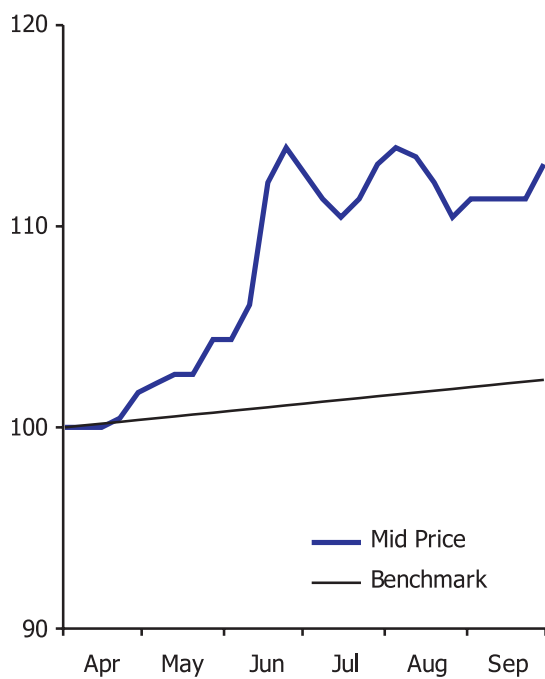
[^] Adjusted to include the £1.55 dividend paid on 14 July 2005 and the restatement of the net asset value as at 31 March 2005 in accordance with Financial Reporting Standards 21 and 26 as disclosed in note 2 to the interim accounts on page 13.

* The index of the annual average yield on the 2.5% Consolidated Loan Stock between the relevant dates.

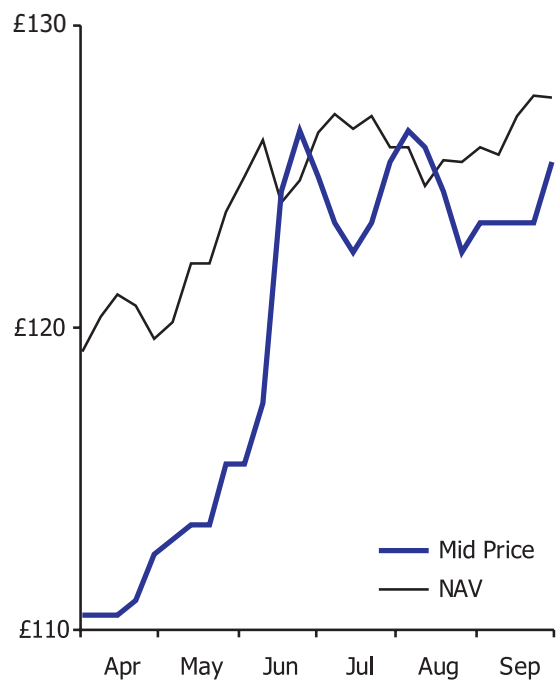
THE LINDSELL TRAIN INVESTMENT TRUST PLC

Financial highlights continued

**The Lindsell Train Investment Trust plc
Price performance relative to the Benchmark
from 1 April 2005 to 30 September 2005**



**The Lindsell Train Investment Trust plc
Price performance relative to NAV
from 1 April 2005 to 30 September 2005**



Unadjusted for the £1.55 dividend paid in July 2005.

Source: Bloomberg & Lindsell Train Limited.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Chairman's Statement

The first six months of the financial year to September 2005 recorded continued progress in achieving the Company's objective of maintaining or preferably growing sterling purchasing power in real terms. The further advance in the Net Asset Value ('NAV') of 7.7%, including the July 2005 dividend of £1.55 per share, resulted in the cumulative total return since the Company's inception exceeding the benchmark (adjusted to account for the payment of performance fees) for the first time since 2001 (NAV plus dividends: 32.7%; benchmark: 23.4%). As remarked before, the benchmark has provided an exceptionally stiff hurdle since the Company was incorporated especially when compared to equity markets that have fallen 21% (as measured by the MSCI World Index in sterling). Looking back over the six months, although reported inflation (RPI index) annualised at 2.8% which is less than the annualised benchmark of 4.6%, we believe that the benchmark is a better proxy for the return required to maintain the Company's capital in real terms as it is a market based measure and instinctively seems closer to the inflation of the basket of goods and services to which we as shareholders are exposed.

Even more pleasing has been the performance of the share price that returned 13.6% and now trades on the narrowest discount to NAV for the last two financial years. Like the NAV, the Company's share price has now exceeded the benchmark (adjusted for the payment of performance fees) since inception (share price plus dividends: 32.7%; benchmark: 23.4%).

Most of the investments held by the Company achieved modest positive returns during the half year. There was a notable contribution from the holdings in long-term fixed interest at a time when many other investors were concerned that yields would rise. Specifically, the holdings in preference shares returned 6%, irredeemable gilts 10% and the US bond advanced 13% with half of the return attributable to the rise in the US dollar versus sterling. The performance of quoted equities was led by Heineken, the only new holding over the period, and Nintendo that returned 8% and 13% respectively. Although the Finsbury Growth Trust continued to perform well rising 13%, the Lindsell Train Funds were disappointing with the Media Fund falling marginally and the Japan Fund by 7%. The Japan Fund continues to struggle in the face of a rising market led by cyclicals and the expectation of domestic deflation and especially with its bias towards short positions. We remain confident that both these strategies have the capacity to deliver improved returns and, furthermore, think they may do so at a time when other investments held by the Company may do less well.

The one unquoted equity, Lindsell Train Ltd., continues to make progress reflected by a rise in funds under management ('FUM') to £240m from £187m at the end of March. Profitability has improved especially as these additional FUM incur few extra administration costs. In June 2005, following a review of market valuations of similar businesses, the Directors refined the FUM iteration of the valuation formula by reducing it to 2% from 2.5% on the proportion of Lindsell Train's FUM not subject to performance fees. Those funds that are able to earn performance fees continue to be valued at 5% of FUM. The earnings based and net worth based valuation iterations (the three iterations are averaged) remain unchanged. Including this change the Directors' value of the business increased by 36% over the half year. We remain hopeful that this trend should be maintained for the remainder of the year as prospects for adding new business continues to look promising following recent good investment performance.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

You will notice that the unaudited accounts have been prepared in accordance with the new UK GAAP requirements. Amongst other changes it has entailed a valuation of all securities on a 'bid' basis (i.e. the price to a seller of the security) rather than 'mid' as before. As a result the Company proposes to value its NAV, released to the London Stock Exchange weekly, on a similar basis from the beginning of January. As a guide this will have the one off effect of reducing our reported NAV by approximately 0.5%.

R M Swire

Chairman

14 November 2005

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Investment Manager's Report

We attempt to earn an absolute return for shareholders, in excess of the benchmark, while minimising, to the fullest extent we can, the loss of capital value. This objective means it is unlikely that the NAV will ever perform similarly to the major equity indices in the short term. For instance, we are content with the total returns earned in calendar 2005 to date from the fixed interest securities in the Company, which range from c6.0% delivered by the gilts, to c15.0%, in sterling from the US Treasury bond, even though the combined contribution is less than that which could have been earned from investing in a UK equity index-tracker. We are content, because those fixed interest returns outstripped our benchmark hurdle, with, we judge, low risk. Meanwhile, over the nearly five years since the establishment of the Company, the NAV performance has in fact significantly exceeded that of mainstream equity markets (the FT All-Share Index is still down by 8.5% since January 2001) and we believe, looking ahead, that our investment strategy has every chance of delivering returns that will satisfy investors in both absolute and relative terms.

For that contention to hold, three conditions, at least, have to be met. First, we must ensure we exit our fixed interest holdings advantageously, before rising UK inflation causes permanent loss of their capital value and erodes the real value of their income. Next, we must ensure that our growing exposure to various equities delivers satisfactory returns. Finally we, as your Investment Manager must succeed in growing the funds under management and profits of Lindsell Train Limited, because then the Company's 25.0% holding in that private company can be expected to deliver a rich and increasing flow of dividends and further capital uplift. Here we add some comments on meeting these conditions to those of the Chairman.

On the first trading day of October 2005 we sold a portion of our US Treasury Bond, amounting to c1.0% of net assets, using the proceeds to add to the equity portfolio. This action is consistent with our policy of the past few years, of using the government bond holdings to finance purchase of specific equity assets, where we have a high degree of confidence that the equity in question can comfortably outperform the bond, from our entry price. The sale should not be interpreted, though, as a change in our strategic view on Anglo-Saxon bonds as an asset class. Of course, we cannot be as bullish about bonds as we were when the positions were established, back in 2001, because their prices have risen and yields fallen. However, we remain convinced that over the next few years there is a strong likelihood of lower inflation expectations in the US and UK and, hence, higher bond prices. For instance, the recent official report on US labour costs revealed annual wage inflation to be running at only 2.3%, which is the lowest rate since records began in 1981, hurting the US consumer. Closer to home, we look at the 2005 share price performance of various major UK corporations exposed to the UK consumer and recognise similar pain – Kingfisher, down 37.0%, Next, down 21.0%, Boots and even Tesco both down 7.5% and reflect that the returns on the fixed interest assets may not be exciting, but they are at least still positive. In other words, the bull market in government bonds may be maturing, but is not necessarily over.

As to your equity portfolio, there were some notable features over the period. The best performer was Nintendo, up 13.0%. The company used the occasion of the Tokyo Game Show in mid-September to reveal the specifications for its new home console, codenamed "Revolution". For once the hype may be justified, because the device appears really to change the "gaming experience" (by providing a controller which is touch and motion sensitive, rather than button-driven). All we are sure of is that Nintendo, still with c40.0% of its market value accounted for by its net cash, is exceptionally undervalued if this new product catches the imagination of gamers and delivers revenue growth.

Revenue growth was the one feature missing from A.G. Barr's otherwise respectable set of interim results, released late in the period. Of course, increasing sales are an important component of any equity valuation

THE LINDSELL TRAIN INVESTMENT TRUST PLC

and Barr's flat performance for its first six months is a disappointment, that left the shares down 3.0% in September – not a trivial drop for the Company's largest equity holding. In partial mitigation, revenues for key property, IRN-BRU, rose 5.0%. Decent growth from this high profit margin brand allowed Barr to report a 6.0% increase in pre-exceptional profits and lift the interim dividend by 5.4%. Barr's share price has more than doubled since early 2003 and is up 21.0% in calendar 2005 alone, an uplift that explains its importance in the affairs of the Company, but an uplift, too, that has removed the gross undervaluation that pertained back then. Nevertheless, we find the shares still full of strategic interest. The company has c£35.0 million of net cash, against its current stock market value of £180 million and annual sales of £125 million. This enterprise value/sales ratio of 1.2x appears extraordinarily low compared to the rush of transactions in the consumer-branded goods sector during 2005.

After the close of the period we began accumulating our second new equity holding of 2005. The first, Heineken, has, so far, been satisfactory, gaining just under 10.0% since purchase. Any setback in its price will encourage us to add to the current 2.0% holding. The prime factor in Heineken's recent bounce has been the rally in the US Dollar, to which the company is very exposed. That consideration also influenced our, so far, tentative investment in Pearson, which, if anything, is even more exposed to the US Dollar than Heineken. Another factor in our interest in Pearson, although like the currency, a contributory rather than clinching one, is its dividend yield. At 4.0% net, the equity yields some 33.0% more than the FT All-Share and in line with that of a long-dated gilt (net), meaning that the Company sacrifices little or no income when switching into it out of a bond, but gains the prospect of a continuation of the Pearson's dividend growth, up 85.0% over the past 10 years. At the heart the investment decision, though, is our conviction that Pearson's roughly £5.0 billion of market value is too low, compared to the roughly £4.0 billion of annual sales.

Finally, reverting to Lindsell Train Limited, we are pleased by the overall progress of the business – although cannot be satisfied with the performance of the Japan Fund nor the size of the Media Fund. Total funds under management are growing, nonetheless, and we believe existing and prospective clients of the company value the disciplined and consistent way we approach the investment challenge. However, we are under no illusion that it is anything other than investment performance that will drive Lindsell Train's business and its value within your Company. Here, relative returns for the Company itself, our UK equity mandates, the Japan long-only record and even the Media Fund – all are at least credible and in some cases excellent and have attracted recent new investor interest. We hope to translate that interest into new funds under management, then to meet or exceed the expectations of all our clients.

Nick Train

Investment Manager

Lindsell Train Limited

14 November 2005

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Statement of Total Return

	Six months to 30 September 2005		
	Revenue	Capital	Total
	£'000	£'000	£'000
Gains on investments	—	1,533	1,533
Transaction costs on investment purchases	—	(6)	(6)
Exchange differences	—	53	53
Gains on forward currency contracts	—	10	10
Income	466	—	466
Investment management fee	(66)	—	(66)
Other expenses	(72)	(1)	(73)
	<hr/>	<hr/>	<hr/>
Net return before finance costs and taxation	328	1,589	1,917
Interest payable and similar charges	(83)	—	(83)
	<hr/>	<hr/>	<hr/>
Return on ordinary activities before tax	245	1,589	1,834
Tax on ordinary activities	(2)	—	(2)
	<hr/>	<hr/>	<hr/>
Return on ordinary activities after tax for the period	243	1,589	1,832
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Return per Ordinary Share			£9.16
			<hr/> <hr/>

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

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

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Six months to 30 September 2004 Unaudited Restated (see note 8)			Year ended 31 March 2005 Audited Restated (see note 9)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
—	1,685	1,685	—	3,456	3,456
—	(13)	(13)	—	(21)	(21)
—	(5)	(5)	—	(37)	(37)
—	38	38	—	72	72
431	—	431	864	—	864
(48)	—	(48)	(106)	—	(106)
<u>(57)</u>	<u>(1)</u>	<u>(58)</u>	<u>(116)</u>	<u>(1)</u>	<u>(117)</u>
326	1,704	2,030	642	3,469	4,111
<u>(109)</u>	<u>—</u>	<u>(109)</u>	<u>(208)</u>	<u>—</u>	<u>(208)</u>
217	1,704	1,921	434	3,469	3,903
<u>(1)</u>	<u>—</u>	<u>(1)</u>	<u>(3)</u>	<u>—</u>	<u>(3)</u>
<u>216</u>	<u>1,704</u>	<u>1,920</u>	<u>431</u>	<u>3,469</u>	<u>3,900</u>
		<u>£9.60</u>			<u>£19.50</u>

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Balance Sheet

	30 September 2005 Unaudited £'000	30 September 2004 Unaudited Restated (see note 8) £'000	31 March 2005 Audited Restated (see note 9) £'000
Investments held at fair value	<u>27,834</u>	<u>25,683</u>	<u>25,189</u>
Current assets			
Debtors	1,004	863	1,021
Cash at bank and short-term deposits	<u>937</u>	<u>748</u>	<u>796</u>
	1,941	1,611	1,817
Creditors: amounts falling due within one year	<u>(4,440)</u>	<u>(5,461)</u>	<u>(3,193)</u>
Net current liabilities	<u>(2,499)</u>	<u>(3,850)</u>	<u>(1,376)</u>
Total assets less current liabilities	<u>25,335</u>	<u>21,833</u>	<u>23,813</u>
Capital and reserves			
Called up share capital	150	150	150
Special reserve	19,850	19,850	19,850
Capital reserve - realised	1,171	(582)	1,124
Capital reserve - unrealised	3,527	1,926	1,985
Revenue reserve	<u>637</u>	<u>489</u>	<u>704</u>
Equity shareholders' funds	<u>25,335</u>	<u>21,833</u>	<u>23,813</u>
Net asset value per Ordinary Share	<u>£126.67</u>	<u>£109.16</u>	<u>£119.06</u>

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Cash Flow Statement

	Six months to 30 September 2005 Unaudited £'000	Six months to 30 September 2004 Unaudited £'000	Year ended 31 March 2005 Audited £'000
Net cash inflow from operating activities	349	372	640
Returns on investment and servicing of finance	(78)	(106)	(214)
Taxation	(3)	(1)	(1)
Financial investment	(1,118)	68	2,383
	(850)	333	2,808
Equity dividends paid	(310)	(290)	(290)
(Decrease)/increase in cash	(1,160)	43	2,518
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash in the period	(1,160)	43	2,518
Foreign exchange movements	53	(5)	(37)
Opening net debt	(1,593)	(4,074)	(4,074)
Closing net debt	(2,700)	(4,036)	(1,593)
Represented by			
Cash at bank	937	748	796
Overdrafts	(3,637)	(4,784)	(2,389)
	(2,700)	(4,036)	(1,593)

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Statement of Changes in Equity

	Share capital £'000	Special reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
For the six months ended 30 September 2005						
Net assets at 31 March 2005 (as restated see note 9)	150	19,850	1,124	1,985	704	23,813
Net profit from operating activities	-	-	47	1,542	243	1,832
Dividends paid	-	-	-	-	(310)	(310)
Net assets at 30 September 2005	150	19,850	1,171	3,527	637	25,335

	Share capital £'000	Special reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
For the six months ended 30 September 2004						
Net assets at 31 March 2004 (as restated see note 7)	150	19,850	(33)	(327)	563	20,203
Net (loss)/profit from operating activities	-	-	(549)	2,253	216	1,920
Dividends paid	-	-	-	-	(290)	(290)
Net assets at 30 September 2004	150	19,850	(582)	1,926	489	21,833

	Share capital £'000	Special reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
For the year ended 31 March 2005						
Net assets at 31 March 2004 (as restated see note 7)	150	19,850	(33)	(327)	563	20,203
Net profit from operating activities	-	-	1,157	2,312	431	3,900
Dividends paid	-	-	-	-	(290)	(290)
Net assets at 31 March 2005	150	19,850	1,124	1,985	704	23,813

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Notes to the Interim Accounts

1. The financial information for the year ended 31 March 2005 included in this half-year report has been based upon the Company's full accounts, which for the year to 31 March 2005 carry an unqualified audit report and did not include statements under Section 237(2) or (3) of the Companies Act 1985 and which have been filed with the Registrar of Companies.
2. The financial statements for the period to 30 September 2005 have been prepared on a basis consistent with the accounting policies adopted by the Company in its statutory accounts for the year ended 31 March 2005, except as follows:

UK GAAP is converging with International Financial Reporting Standards ('IFRS') and the following Financial Reporting Standards ('FRS') have been introduced.

FRS26: "Financial Instruments: Measurement" requires that quoted investments are valued at fair value (previously mid market). This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. The Company's investments have accordingly been revalued to bid price.

FRS26 also requires that where investments are held at fair value through the profit and loss account the transaction costs on investment purchases should be recognised as a separate item from gains and losses on investments and prior period results have accordingly been restated as disclosed in the Statement of Total Return. This has had no overall effect on net assets.

FRS21: "Events after the Balance Sheet Date" states that dividends declared and approved by the Company after the balance sheet date should not be recognised as a liability of the Company at the balance sheet date. Prior period results have accordingly been restated and this is shown in notes 7 to 9 on pages 15 to 18.

FRS22: "Returns per ordinary share" states that the Company is only permitted to show the total return per Ordinary Share on the Statement of Total Return. The revenue and capital returns per share for the periods 30 September 2005, 30 September 2004 and 31 March 2005 are shown in note 6.

3. The Statement of Total Return for the six months to 30 September 2005, six months to 30 September 2004 and year to 31 March 2005 have been prepared in accordance with the Statement of Recommended Practice issued in January 2003, "Financial Statement of Investment Trust Companies" which have been adopted by the Company.
4. The Statement of Total Return includes the results of the Company and together with the Balance Sheet and Cash Flow Statement at 30 September 2005, are unaudited and do not constitute full statutory accounts within the meaning of Section 240 of the Companies Act 1985.
5. The net asset value per Ordinary Share is based on net assets at 30 September 2005 of £25,335,000 (31 March 2005: £23,813,000 as restated and 30 September 2004: £21,833,000 as restated) divided by 200,000 Ordinary Shares in issue at 30 September 2005 (31 March 2005 and 30 September 2004: 200,000).

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Notes to the Interim Accounts *continued*

6. Returns per Ordinary Share:

The return per Ordinary Share is based on net gain on ordinary activities after taxation of £1,832,000 for the six months to 30 September 2005 (31 March 2005: £3,900,000 and 30 September 2004: £1,920,000) divided by 200,000 (31 March 2005 and 30 September 2004: 200,000) Ordinary Shares being the weighted average number of Ordinary Shares in issue during the period.

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

	Six months to 30 September 2005 Unaudited	Six months to 30 September 2004 Unaudited Restated (see note 8)	Year ended 31 March 2005 Audited Restated (see note 9)
	£'000	£'000	£'000
Net revenue profit	243	216	431
Net capital profit	1,589	1,704	3,469
Net total profit	1,832	1,920	3,900
Weighted average number of Ordinary Shares in issue during the period	200,000	200,000	200,000
	£	£	£
Revenue return per Ordinary Share	1.21	1.08	2.16
Capital return per Ordinary Share	7.95	8.52	17.34
Total return per Ordinary Share	9.16	9.60	19.50

THE LINDSELL TRAIN INVESTMENT TRUST PLC

7. Restatement of opening balances at 31 March 2004

	Notes	Previously reported 31 March 2004 £'000	Adjustments £'000	Restated 31 March 2004 £'000
Fixed assets				
Investments	1	24,182	(101)	24,081
Current assets		914	-	914
Creditors: amounts falling due within one year	2	(5,082)	290	(4,792)
Net assets		<u>20,014</u>	<u>189</u>	<u>20,203</u>
Capital and reserves				
Called up share capital		150	-	150
Special reserve		19,850	-	19,850
Capital reserve - realised		(33)	-	(33)
Capital reserve - unrealised	1	(226)	(101)	(327)
Revenue reserve	2	273	290	563
Equity shareholder's Funds		<u>20,014</u>	<u>189</u>	<u>20,203</u>
Net asset value per Ordinary Share		<u>£100.07</u>	<u>£0.94</u>	<u>£101.01</u>

Notes to the reconciliation

1. Investments are designated as held at fair value in accordance with FRS26 and are carried at bid prices which total their fair value of £24,081,000 (previously they were carried at mid prices). The aggregate differences, being a revaluation downwards of £101,000, also decreased capital reserve - unrealised.

2. No provision has been made for the final dividend on Ordinary Shares for the year ended 31 March 2004 of £290,000. Under FRS21 the final dividend is not recognised until approved by shareholders.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Note to the Interim Accounts continued

8. (a) Restatement of balances as at and for the half year ended 30 September 2004

	Note	Previously reported 30 September 2004 £'000	Adjustments £'000	Restated 30 September 2004 £'000
Fixed assets				
Investments	1	25,811	(128)	25,683
Current assets		1,611	-	1,611
Creditors: amounts falling due within one year		(5,461)	-	(5,461)
Net assets		<u>21,961</u>	<u>(128)</u>	<u>21,833</u>
Capital and reserves				
Called up share capital		150	-	150
Special reserve		19,850	-	19,850
Capital reserve - realised		(582)	-	(582)
Capital reserve - unrealised	1	2,054	(128)	1,926
Revenue reserve		489	-	489
Equity Shareholders Funds		<u>21,961</u>	<u>(128)</u>	<u>21,833</u>
Net asset value per Ordinary Share		<u>£109.80</u>	<u>£(0.64)</u>	<u>£109.16</u>

Note to the reconciliation

1. Investments are designated as held at fair value in accordance with FRS26 and are carried at bid prices which total their fair value of £25,683,000 (previously they were carried at mid prices). The aggregate differences, being a revaluation downwards of £128,000, also decreased capital reserve - unrealised.

8. (b) Reconciliation of the Statement of Total Return (restated) for the six months ended 30 September 2004

	Note	2004 £'000	Earnings Per Share Impact £
Total transfer to reserves per the Statement of Total return (previously reported)		1,947	-
Investments held at fair value changed from mid to bid basis at 31 March 2004	1	101	0.51
Investments held at fair value changed from mid to bid basis at 30 September 2004	1	(128)	(0.64)
Net return per the Statement of Total Return (restated)		<u>1,920</u>	<u>(0.13)</u>

Note to the reconciliation

1. The Portfolio valuations at 31 March 2004 and 30 September 2004 are required to be valued at fair value under FRS26. These are lower than the previous valuations by £101,000 and £128,000 respectively.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

9. (a) Restatement of balances as at and for the year ended 31 March 2005

	Notes	Previously reported 31 March 2005 £'000	Adjustments £'000	Restated 31 March 2005 £'000
Fixed assets				
Investments	1	25,272	(83)	25,189
Current assets		1,817	-	1,817
Creditors: amounts falling due within one year	2	(3,503)	310	(3,193)
Net assets		<u>23,586</u>	<u>227</u>	<u>23,813</u>
Capital and reserves				
Called up share capital		150	-	150
Special reserve		19,850	-	19,850
Capital reserve - realised		1,124	-	1,124
Capital reserve - unrealised	1	2,068	(83)	1,985
Revenue reserve	2	394	310	704
Equity Shareholders Funds		<u>23,586</u>	<u>227</u>	<u>23,813</u>
Net asset value per Ordinary Share		<u>£117.93</u>	<u>£1.13</u>	<u>£119.06</u>

Notes to the reconciliation

1. Investments are designated as held at fair value in accordance with FRS26 and are carried at bid prices which total their fair value of £25,189,000 (previously they were carried at mid prices). The aggregate differences, being a revaluation downwards of £83,000, also decreased capital reserve - unrealised.

2. No provision has been made for the final dividend on Ordinary Shares for the year ended 31 March 2005 of £310,000. Under FRS21 the final dividend is not recognised until approved by shareholders.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Note to the Interim Accounts continued

9. (b) Reconciliation of the Statement of Total Return (restated) for the year ended 31 March 2005

	Notes	2005 £'000	Earnings Per Share Impact £
Total transfer to reserves per the Statement of Total Return (previously reported)		3,572	-
Add back dividends paid and proposed	1	310	-
Investments held at fair value changed from mid to bid basis at 31 March 2004	2	101	0.51
Investments held at fair value changed from mid to bid basis at 31 March 2005	2	(83)	(0.42)
Net return per the Statement of Total Return (restated)		<u><u>3,900</u></u>	<u><u>0.09</u></u>

Notes to the reconciliation

- Ordinary dividends declared and paid during the period are dealt with through the Statement of Changes in Equity.
 - The Portfolio valuations at 31 March 2004 and 31 March 2005 are required to be valued at fair value under FRS26. These are lower than the previous valuations by £101,000 and £83,000 respectively.
- The investment in Lindsell Train Limited (representing 25% of the Manager) is held as part of the investment portfolio. Accordingly, the shares are accounted for and disclosed in the same way as other investments in the portfolio. The valuation of the Company's investment in the Manager, Lindsell Train Limited, is calculated at the end of each quarter on the basis of fair value as determined by the Directors of the Company. The valuation process is formula based and takes into account inter alia, the net assets of Lindsell Train Limited, the value of the funds under its management and the moving average of its monthly earnings which was refined in June 2005 as indicated in the Chairman's Statement.
 - Following the publication of the Investment Entities (Listing Rules and Conduct of Business) Instrument 2003 on 29 October 2003 the Company announced that it is the Company's policy to invest no more than 15% of its gross assets in other UK listed investment companies (including UK listed investment trusts) as defined in Listing Rule 15.
 - It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions for approval as an Investment Trust Company set out in Section 842 of the Income and Corporation Taxes Act 1988.

By order of the Board

Phoenix Administration Services Limited
Secretary
14 November 2005

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Portfolio Holdings at 30 September 2005

(All Ordinary Shares unless otherwise stated)

Holding	Company	Market value £'000	% of total assets
1,813,000	HBOS 9.25% Non-Cumulative Preferred	2,847	11.24
US\$3,850,000	US Treasury 6.25% 15/05/2030	2,702	10.67
269,457	Barr (AG)	2,608	10.29
37,748	Lindsell Train Global Media (Distributor) Inc	2,528	9.98
360,000	Cadbury Schweppes	2,059	8.13
£3,350,000	2.5% Consolidated Loan Stock	1,923	7.59
35,094	Lindsell Train Japan (Distributor) Inc	1,768	6.98
205,000	Diageo	1,670	6.59
127,118	Wolverhampton & Dudley Breweries	1,504	5.94
£2,500,000	UK Treasury 2.5%	1,425	5.62
666	Lindsell Train Limited *	1,235	4.87
420,000	Finsbury Growth & Income Trust	1,090	4.30
16,000	Nintendo	1,037	4.09
173,000	Reed Elsevier	908	3.58
803,126	HBOS 6.475% Non-Cumulative Preferred	853	3.37
227,000	Reuters Group	850	3.35
27,500	Heineken	459	1.81
18,000	Dow Jones & Co	379	1.50
(9)	FTSE 100 Index Future 16 December 2005	(11)	(0.04)
	Total investments	27,834	109.86
	Net current liabilities	(2,499)	(9.86)
	Total assets less current liabilities	25,335	100.00

* Unlisted investment

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Investment Portfolio at 30 September 2005

Breakdown by industry sector

Long-term Fixed Interest

Bonds	23.88%	
Preference Stock*	14.61%	
		38.49%

Equities

Beverages	18.69%	
Lindsell Train Funds	16.96%	
Media	12.52%	
Consumer Products	8.13%	
Breweries	5.94%	
Investment Companies	4.30%	
Investment Management	4.87%	
Index Future	(0.04)%	
		71.37%

Cash

(9.86)%
100.00%

Breakdown by geography

Long-term Fixed Interest

UK*	27.82%	
USA	10.67%	
		38.49%

Equities

UK	47.01%	
Japan	11.07%	
World-wide	9.98%	
Europe	1.81%	
USA	1.50%	
		71.37%

Cash

USA	3.82%	
Europe	(0.47)%	
Japan	(2.99)%	
UK	(10.22)%	
		(9.86)%
		<u>100.00%</u>

Breakdown by currency

£		64.61%
US\$		32.95%
Euro		1.34%
Yen		1.10%
		<u>100.00%</u>

* Includes HBOS 6.475% Non - Cumulative Preferred and HBOS 9.25% Non - Cumulative Preferred although, strictly speaking, these are equity investments.

Company Secretary and registered office
Phoenix Administration Services Limited
2nd Floor, Springfield Lodge
Colchester Road
Chelmsford Essex CM2 5PW
Tel: 01245 398950
Fax: 01245 398951
www.phoenixadmin.co.uk

The Lindsell Train Investment Trust plc
Registered in England 4119429