Majedie

2020

Majedie Investments PLC
Annual Report
30 September 2020

Contents

Cautionary statement regarding forward-looking statements

This Annual Report has been prepared for the members of Majedie Investments PLC (the Company) and no one else. The Company, its Directors or agents do not accept or assume responsibility to any other person in connection with this document and any such responsibility or liability is expressly disclaimed.

This Annual Report contains certain forward-looking statements with respect to the principal risks and uncertainties facing the Company. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The forward looking statements reflect the knowledge and information available at the date of preparation of this Annual Report and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

Investment Objective

The Company's investment objective is to maximise total shareholder return whilst increasing dividends by more than the rate of inflation over the long term.

Highlights	2020	2019
Total shareholder return (including dividends):	-27.6%	-3.5%
Net asset value total return (debt at fair value including dividends):	-11.7%	-9.9%
Net asset value total return (debt at par including dividends):	-11.6%	-9.3%
Total dividends (per share):	11.40p	11.40p
Directors' valuation of investment in Majedie Asset Management Limited:	£31.0m	£40.8m

Year's Summary

Capital Structure	Note	2020	2019	%
As at 30 September				
Total assets	1	£152.2m	£175.6m	-13.3
Which are attributable to:				
Financial liabilities (debt at par value)	2	£20.9m	£20.5m	
Equity Shareholders		£131.3m	£155.1m	-15.3
Gearing	4	11.0%	11.5%	
Potential Gearing	4	15.9%	13.2%	
Total returns (capital growth plus dividends)	5			
Net asset value per share (debt at par value)	3	-11.6%	-9.3%	
Net asset value per share (debt at fair value)	3	-11.7%	-9.9%	
Share price		-27.6%	-3.5%	
Capital returns				
Net asset value per share (debt at par value)	3	247.7p	292.3p	-15.3
Net asset value per share (debt at fair value)		239.5p	283.1p	-15.4
Share price		176.5p	256.0p	-31.1
Discount of share price to net asset value per share				
Debt at par value		28.7%	12.4%	
Debt at fair value		26.3%	9.6%	
Revenue and dividends				
Net revenue available to Equity Shareholders		£4.8m	£6.9m	
Net revenue return per share		9.1p	12.9p	-29.5
Total dividends per share		11.40p	11.40p	0.0
Total administrative expenses and management fees		£1.7m	£1.7m	
Ongoing Charges Ratio	6	1.3%	1.3%	

Notes:

Alternative Performance Measures (APM) definitions used in the Annual Report are as follows:

1. **Total Assets:** Total assets are defined as total assets less current liabilities.
2. **Debt at par or fair value:** Par value is the carrying value of the debenture which will equate to the nominal value at maturity. Fair value is the estimated market value the Company would pay (on the relevant reporting date), as a willing buyer, to a debenture holder, as a willing seller, in an arms-length transaction.
3. **Net Asset Value:** The Net Asset Value (NAV) is the value of all of the Company's assets less all liabilities. The NAV is usually expressed as an amount per share.
4. **Gearing and Potential Gearing:** Gearing represents the amount of borrowing that a company has and is calculated using the Association of Investment Companies (AIC) guidance. It is usually expressed as a percentage of equity shareholders' funds and a positive percentage or ratio above one shows the extent of the level of borrowings. Gearing is calculated as borrowings less net current assets to arrive at a net borrowings figure. Potential Gearing excludes cash from the calculation. Details of the calculation for the Company are in note 22 on page 102.
5. **Total Return:** Total returns include any dividends paid as well as capital returns as a result of an increase or decrease in a company's share price or NAV.
6. **Ongoing Charges Ratio (OCR):** Ongoing charges are a measure of the normal ongoing costs of running a company. Further information is shown in the Business Review section of the Strategic Report on page 31.
7. **Adjusted Capital and Reserves:** This is as defined in the debenture Trust Deed. It essentially removes unrealised gains from reserves (see investment policy on page 82).
8. **Adjusted Equity Shareholders' Funds:** Equity Shareholders' Funds restated to include debt at its fair value, rather than par value (see note 22 on page 102).

Year's high/low		2020	2019
Share price	high	265.0p	283.0p
	low	138.5p	236.0p
Net asset value – debt at par	high	313.6p	344.3p
	low	221.0p	292.3p
Discount – debt at par	high	37.8%	23.7%
	low	4.1%	10.8%
Discount – debt at fair value	high	35.4%	21.5%
	low	0.6%	8.3%

Ten Year Record

to 30 September 2020

Year End	Total Assets £000	Equity share-holders' Funds £000	NAV Per Share (Debt at par value) Pence	Share Price Pence	Discount %	Earnings Pence	Total Dividend** Pence	Gearing† %	Potential Gearing† %	Ongoing Charges Ratio# %
2010	150,940	117,159	225.2	191.5	15.00	11.83	13.00	24.11	28.83	1.85
2011	145,683	111,634	214.5	139.5	34.96	4.66	10.50	(1.72)	30.28	1.92
2012	146,057	112,234	215.6	155.8	27.74	4.90	10.50	9.24	30.14	1.83
2013	159,013	125,166	240.5	160.0	33.47	6.80	10.50	21.47	27.04	1.73
2014	167,934	134,061	256.7	229.0	10.79	9.36	7.50	23.39	25.27	1.66
2015	183,708	149,807	281.9	257.3	8.74	9.42	8.00	21.25	22.63	1.88
2016	203,917	169,986	318.1	257.1	19.18	9.25	8.75	18.46	19.96	1.58
2017	216,507	182,544	341.6	281.5	17.59	11.14	9.75	17.09	18.61	1.54
2018	199,151	178,626	334.3	277.5	16.99	12.47	11.00	10.01	11.49	1.33
2019	175,621	155,074	292.3	256.0	12.42	12.92	11.40	11.50	13.25	1.34
2020	152,153	131,333	247.7	176.5	28.74	9.11	11.40	10.97	15.85	1.34

Notes:

† Calculated in accordance with AIC guidance.

As of May 2012, under AIC guidance, Ongoing Charges Ratio replaced previous cost ratios.

** Dividends disclosed represent dividends that relate to the Company's financial year. Under International Financial Reporting Standards (IFRS) dividends are not accrued until paid or approved. Total dividends include special dividends paid, if any.

Strategic Report

Chairman's Statement

In the year ended 30 September 2020 the NAV at par and fair value (net asset value with debt at par and fair value) fell by 11.6% and 11.7% respectively on a total return basis. The share price fell by 27.6% also on a total return basis as the discount widened from 12% to 29%. The FTSE All-Share Index fell by 16.6% and the MSCI World Index rose by 5.3% in sterling terms.

Our lives, and by extension stock markets, have been dominated for most of 2020 by COVID-19, the social, economic and political implications of which will remain with us for years to come. The stock market fell significantly in March as lockdowns were imposed and economic activity ground to a halt. In response to the closure of economies, Governments were quick to intervene with fiscal and monetary support, and through the spring and summer markets made a partial recovery. This was led by the technology sector, which was a major beneficiary of lockdown as economic activity moved online. The wide discount at the close of the year reflected general disinterest in UK assets in the second half of the year.

It is heartening with the announcement of successful trials for COVID-19 vaccines in November and the imminent conclusion of the Brexit negotiations that UK equities have performed well which has been reflected in both the Company's NAV and the discount which has narrowed to 17%.

Results and Dividends

The Company had a capital loss for the twelve months to 30 September 2020 of £22.4m which includes a reduction in value for the Company's holding in MAM from £40.8m to £31.0m. As previously discussed, the Directors have amended the basis upon which they value the Company's stake in MAM having received advice from an external advisor. Further details are in the Chief Executive's report on page 19.

Total income received from investments was £6.0m compared to £8.0m in the twelve months to 30 September 2019. The dividend received from MAM was £4.0m compared to £4.6m and the income from MAM Funds was £1.9m compared to £3.4m. In particular, this reflects companies cutting or suspending dividends during the pandemic. Total administration costs and management fees were unchanged at £1.7m and finance costs were unchanged at £1.5m.

The ongoing charges ratio (OCR) is 1.3%, unchanged from 2019. Costs remain a key focus for the Board.

The net revenue return after tax decreased from £6.9m in the year to 30 September 2019 to £4.8m in the year to 30 September 2020. The interim dividend was maintained at 4.4p and the Board is recommending a final dividend of 7.0p which is the same as last year. The Board is very aware of the importance of dividends to shareholders, especially when other sources of investment income are scarce. In order to make up the shortfall the Board is able to utilise the Company's significant revenue reserves of £25.4m. The short fall of £1.2m will utilise 5% of total revenue reserves. Of course, the Board would not wish for the dividend to exceed revenue on a regular basis, but it views the past year as exceptional and so an appropriate time to use revenue reserves.

The final dividend will be payable on 26 January 2021 to shareholders on the register at 15 January.

Performance

The Company's asset allocation gives exposure to funds that are managed by Majedie Asset Management (MAM), a highly regarded boutique fund manager across all geographies as well as a stake of 17.2% in MAM itself. There are no other external shareholders of MAM.

MAM's AUM fell from £10.8bn to £8.1bn during the year to September 2020 due to market movements and a net outflow of funds from its UK equity strategies. While the outflow reflects an ongoing trend of de-risking by pension fund trustees, it is encouraging that MAM continues to attract new clients notably the £900m Edinburgh Investment Trust which has performed well under MAM's management from March 2020. The Company's initial investment in MAM, made during 2003, has been very successful both in terms of dividends received and capital growth. The Board is confident that MAM, given its excellent long-term track record and strong 2020 investment performance, will return to growing its assets under management.

I am pleased to report that the main Funds in which the Company is invested have performed well in relative terms, particularly the UK Equity Segregated Portfolio, Global Equity Fund and the International Equity Fund which represent 70% of the Company's assets that are invested in MAM funds. The flexible investment process that MAM has adopted since inception, with exceptionally detailed fundamental analysis at its core, is best placed to perform in periods of uncertainty. The massive shock to the global economy and the ensuing disruption to the corporate landscape has allowed well managed businesses to gain significant competitive advantages that will persist for several years to come. In the short term some companies have been badly affected by lockdown, but should extend their strategic advantage as the economy normalises into 2021 and beyond. The extreme volatility in March allowed the managers to take advantage of very attractive prices to gain exposure to a number of high quality businesses.

The relatively poor performance of the UK equity market has been a hindrance to the overall performance of the Company. Since the Brexit vote in June 2016, the UK equity market has been shunned by international investors who feared uncertainty. A second reason for the poor performance of UK equities is the low weighting of technology stocks in the Index. The UK market currently trades at its cheapest level in forty years relative to the global indices and offers a diverse opportunity set of companies with globally competitive businesses. It has been very noticeable in the recent rally, following the announcement of successful vaccine trials, that the UK equity market has been one of the best performing markets globally.

Shareholders should be aware that the Company has moved from the Global Growth sector to the Global Income sector in the AIC classifications to put it amongst a more appropriate peer group given its investment objective.

The Company bought back 41,596 shares for a total value of £92,570 at an average discount of 18.0% to NAV at fair value. The Company continues to monitor the discount and will take action when it is appropriate.

In terms of operations I am pleased that the Company has functioned well throughout the pandemic and would like to take this opportunity to thank the team involved for their exceptional efforts during these difficult times.

Outlook

The Board views the key differentiators of the Company, a significant holding in MAM and a broad exposure to MAM Funds, as positive for shareholders over the medium term though recognises that in recent years overall performance has been disappointing. The improved performance in the second half of the year is encouraging. It is noteworthy that all long-only funds in which the Company is invested have outperformed their respective index benchmarks since 30 September 2020 and the global equity long/short Tortoise Fund is up over 20% in absolute terms.

Board

Paul Gadd, who had been a non-executive director since 2010, retired from the Board in July 2020. I personally, and on behalf of the Board, would like to thank Paul for his sound and helpful advice.

The Board initiated a search for two non-executives, as it is my intention to step down at the AGM in 2022. I am pleased that Richard Killingbeck and Christopher Getley joined the Board as non-executive Directors in July 2020.

Richard has thirty five years experience in the financial services sector, initially as a fund manager and latterly within the wealth management industry as Managing Director of Harris Allday, a division of EFG Private Bank. He retired as non-executive Chairman of Bankers Trust PLC in 2019.

Christopher has extensive knowledge of the investment industry as a Partner and fund manager at Cazenove. Subsequently he was CEO of Westhouse Securities an institutional stock broker. He is currently Executive Chairman of AgPlus Diagnostics Limited and non-executive Chairman of Masawara PLC, a Southern African focussed investment company.

Strategic Report

Chairman's Statement

Arrangements for the AGM

On account of the Coronavirus pandemic and associated Government guidance, including the rules on physical distancing and limitations on public gatherings in place at the time of publication of this document, and in accordance with the Corporate Governance and Insolvency Act 2020, physical attendance at the Annual General Meeting will not be possible. Arrangements will be made by the Company to ensure that the minimum number of shareholders required to form a quorum will attend the Annual General Meeting in order that the meeting may proceed.

As shareholders will not be able to attend the Annual General Meeting, in order to provide shareholders with the opportunity to engage with the Board and the Manager prior to the close of proxy voting for the AGM, the Company will hold a live one-way audio webcast on Wednesday 13 January 2021, at 2pm, one week before the AGM itself. Shareholders will be able to submit questions electronically to the Board or the Manager during the live event. To register for this webinar, visit the Keplar Trust Intelligence website and view their research on the Company.
(https://www.trustintelligence.co.uk/articles/majedie-sep-2020)

As shareholders will not be able to attend the Annual General Meeting, shareholders are strongly encouraged to submit a proxy vote in advance of the meeting. Shareholders are also strongly advised to appoint the "Chair of the meeting" as their proxy, rather than a named person, as such person will not be permitted entry to the meeting.

A form of proxy for use at the AGM is enclosed with this document. To be valid, the form of proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible, and in any event, to reach the Company's registrars, Computershare, no later than 48 hours before the time of the Annual General Meeting, or any adjournment of that meeting.

This situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of general meetings during the affected period. Any changes to the arrangements for the AGM (including any change to the location or in relation to permitted attendance at the AGM) will be communicated to shareholders before the meeting through our website https://www.majedieinvestments.com/ and, where appropriate, by RNS announcement.

The Annual General Meeting will be held at the offices of the Company at, 1, King's Arms Yard, London EC2R 7AF on Wednesday, 20 January 2021 at 12 noon.

I hope you will be able to attend the webinar on 13 January 2021 and apologise that the AGM will be closed to shareholders this year.

R David C Henderson
Chairman
9 December 2020

Strategic Report

Chief Executive's Report

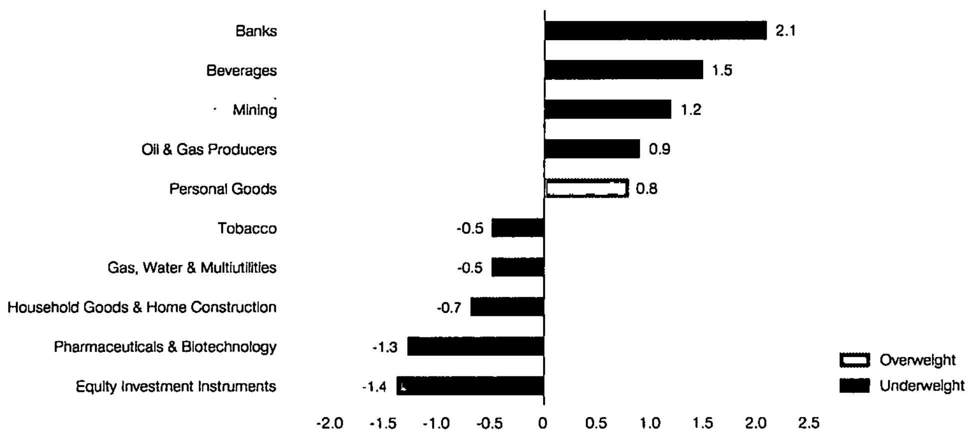
The Company's assets are allocated at the discretion of the Board between a number of investment strategies managed by MAM and the Company retains an equity holding in MAM of 17.2%. The Company has no overall benchmark; rather each fund has its own benchmark. The monthly factsheets of the relevant MAM funds are available on the Company's website as are the monthly factsheets of the Company which show the allocation between the funds and the top twenty holdings on a look through basis. The Company's total assets at 30 September 2020 were £152.2m as defined on page 2.

In the report that follows, the MAM funds are referred to using abridged names.

MAM Funds and Investment Performance

The UK Equity Fund is the flagship product of MAM having launched in March 2003. The UK Equity Fund aims to produce a total return in excess of the FTSE All-Share Index over the long term through investment in a diversified portfolio of predominantly UK Equities. It has the flexibility to invest up to 20% of assets in shares listed outside the UK and incorporates a dedicated investment in smaller companies. Since inception to 30 September 2020, the UK Equity Fund has returned 9.6% per annum net of fees with a relative outperformance against its benchmark, of 2.4% per annum. The Company's assets are invested in a segregated portfolio that is managed pari passu to the UK Equity Fund. The sum invested in the UK Equity Segregated Portfolio at 30 September 2020 was £42.4m which represents 27.9% of the Company's total assets. In the year to 30 September 2020 the UK Equity Segregated Portfolio returned -13.6% net of fees which is an outperformance of 3.0% against its benchmark.

The most significant positive and negative sector contributors to the relative performance of the UK Equity Segregated Portfolio for the year to 30 September 2020 in %



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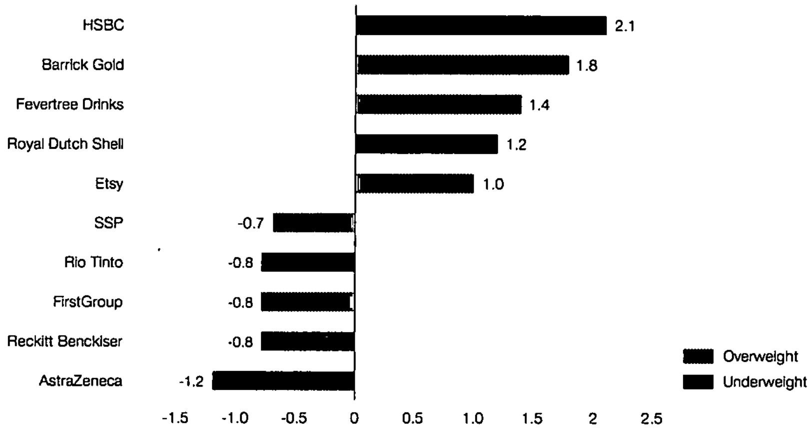
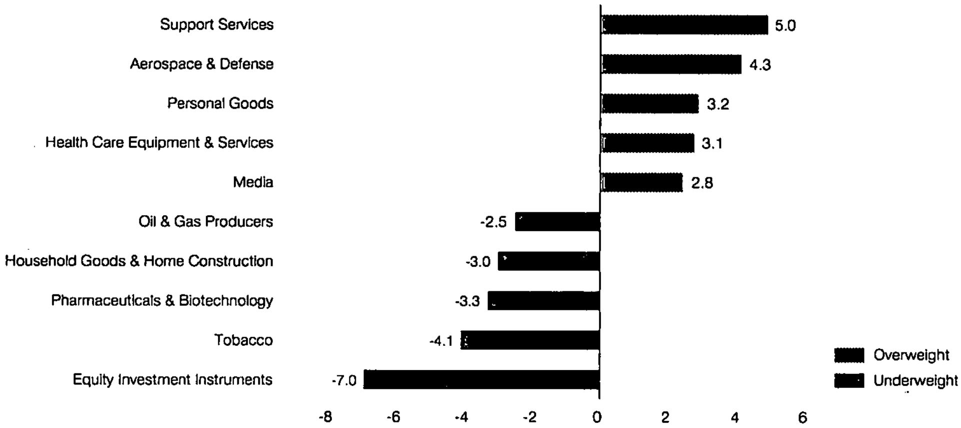
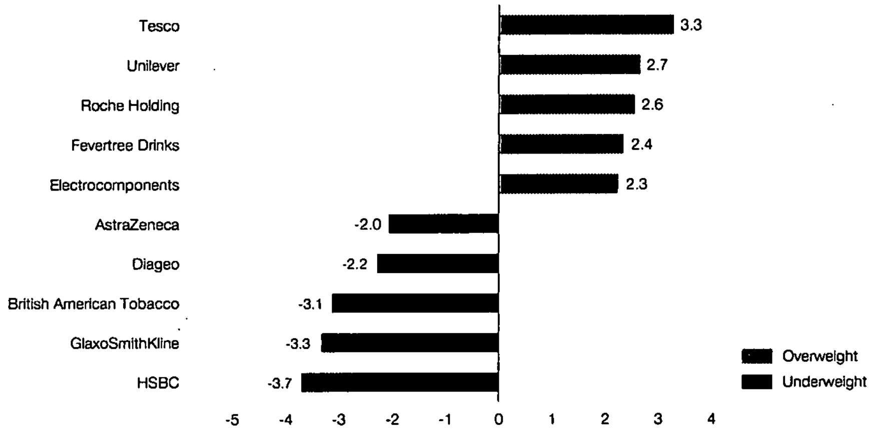
The most significant positive and negative stock contributors to the relative performance of the UK Equity Segregated Portfolio for the year to 30 September 2020 in %



The table below shows the principal overweight and underweight sector positions of the UK Equity Segregated Portfolio at 30 September 2020 relative to the FTSE All-Share Index in %

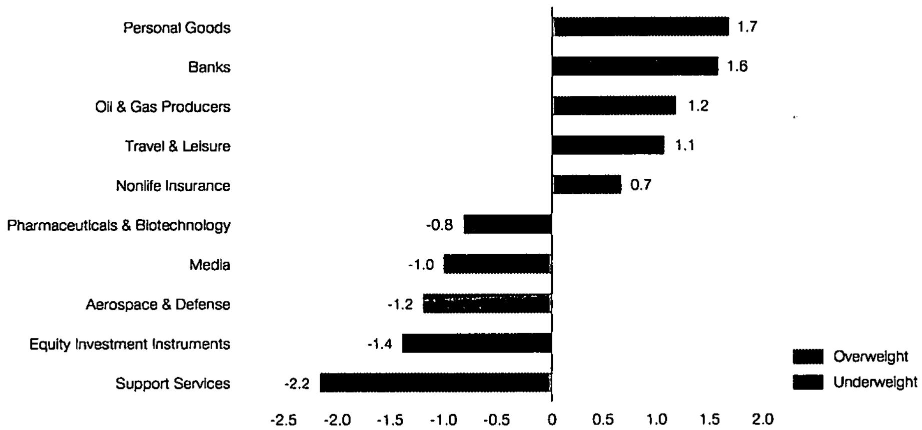


The table below shows the principal overweight and underweight stock positions of the UK Equity Segregated Portfolio at 30 September 2020 relative to the FTSE All-Share Index in %



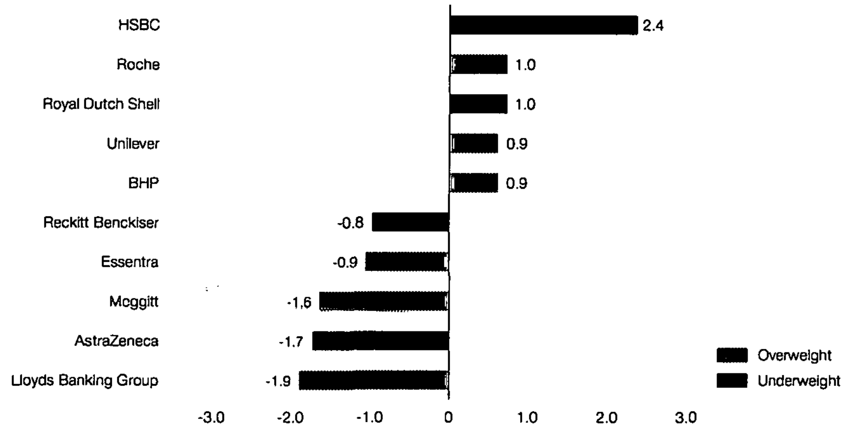
The UK Income Fund launched in December 2011. Its objective is to produce an income in excess of the yield on the FTSE All-Share Index and a total return in excess of the return on the FTSE All-Share Total Return Index over any period of five years. It has the flexibility to invest up to 20% of assets in shares listed outside the UK. Since inception to 30 September 2020, the UK Income Fund has returned 7.6% per annum net of fees which is an outperformance of 1.8% per annum against its benchmark. At 30 September 2020 the Company had an allocation to the UK Income Fund of £9.4m, which represents 6.2% of the Company's total assets. In the year to 30 September 2020 the UK Income Fund returned -19.3% net of fees which represents an underperformance against its benchmark of 2.7%.

The most significant positive and negative sector contributors to the relative performance of the UK Income Fund for the year to 30 September 2020 in %

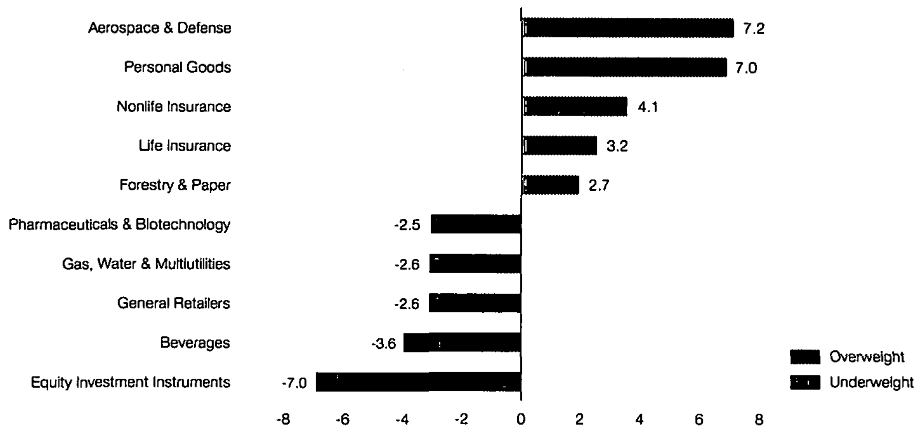


Chief Executive's Report

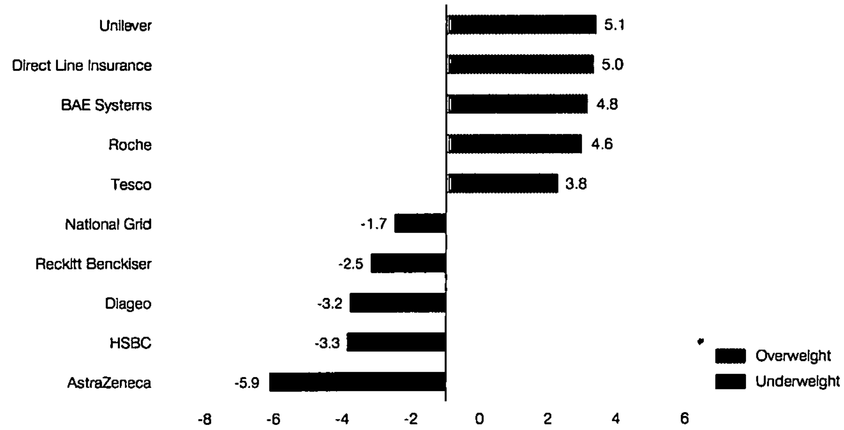
The most significant positive and negative stock contributors to the releative performance of the UK Income Fund for the year to 30 September 2020 in %



The table below shows the principal overweight and underweight sector positions of the UK Income Fund at 30 September 2020 relative to the FTSE All-Share Index in %

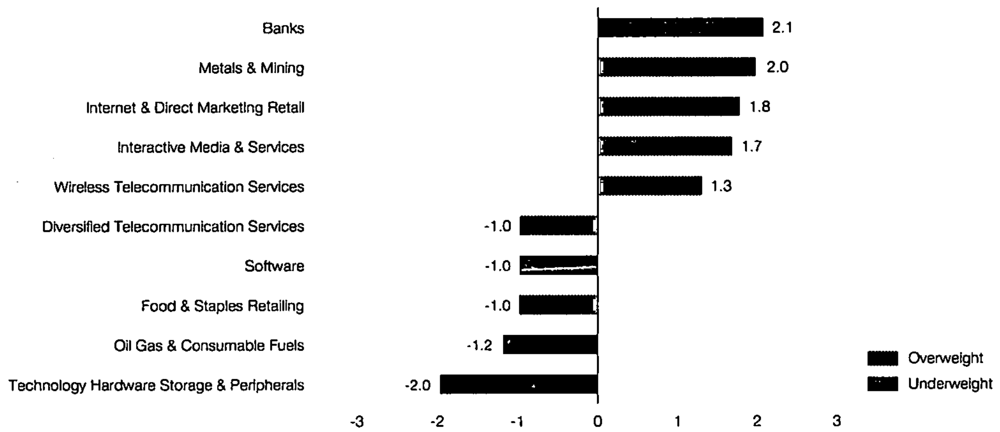


The table below shows the principal overweight and underweight stock positions of the UK Income Fund at 30 September 2020 relative to the FTSE All-Share Index in %



The Global Equity Fund and Global Focus Fund were launched in June 2014. The Company's investment in the Global Focus Fund was redeemed in December 2019 and immediately reinvested in the International Equity Fund at launch. The objective of the Global Equity Fund is to produce a total return in excess of the MSCI All Country World Index over the long term through investment in a diversified portfolio of global equities. Since inception to 30 September 2020, the Global Equity Fund has returned 12.9% per annum net of fees for the sterling share class, which represents an outperformance of 1.5% per annum against its benchmark. At 30 September 2020 the Company had an allocation to the Global Equity Fund of £27.4m which represents 18.0% of total assets and in the year to 30 September 2020 the Global Equity Fund returned 11.2% net of fees which represents an outperformance of 5.9%.

The most significant positive and negative sector contributors to the relative performance of the Global Equity Fund for the year to 30 September 2020 in %



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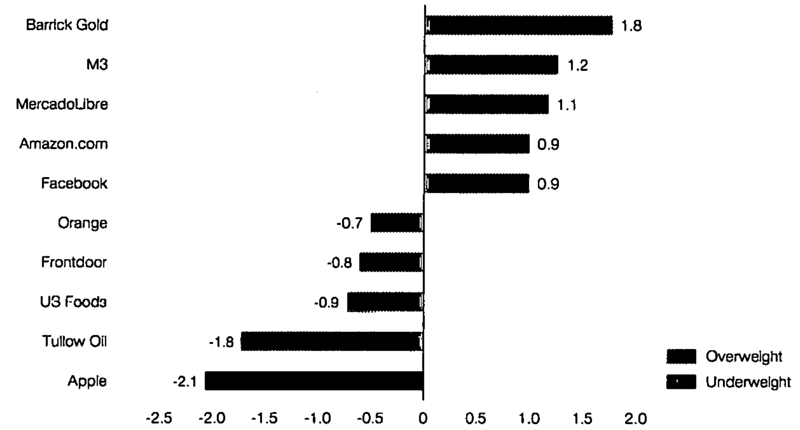
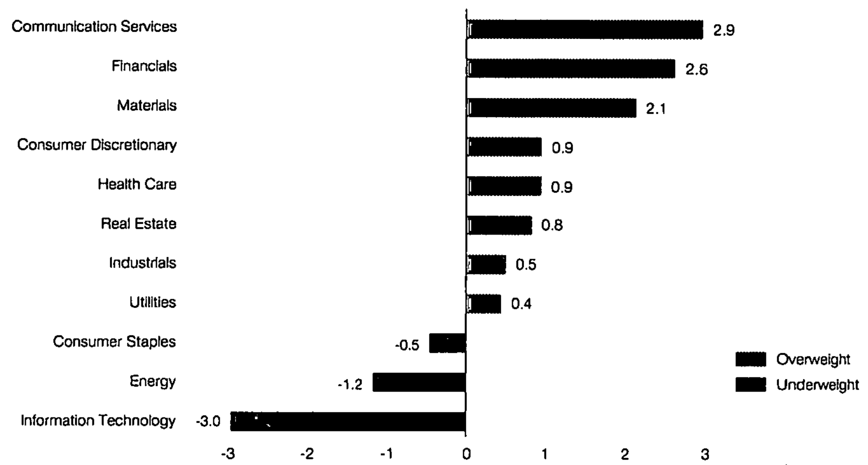
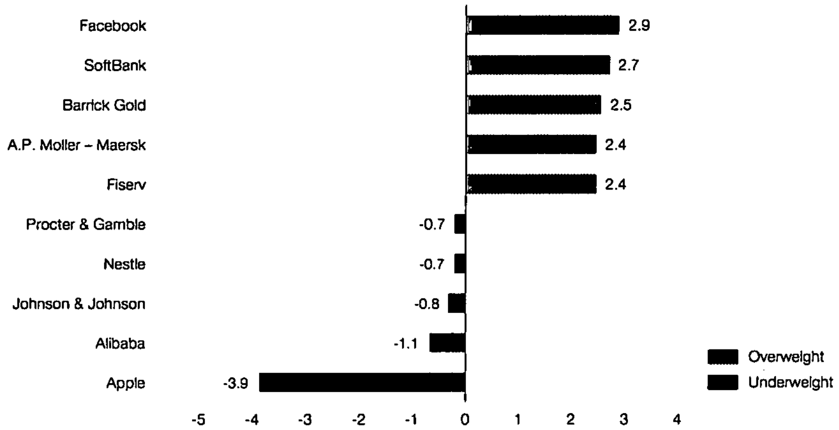
The most significant positive and negative stock contributors to the relative performance of the Global Equity Fund for the year to 30 September 2020 in %



The table below shows the principal overweight and underweight sector positions of the Global Equity Fund at 30 September 2020 relative to the MSCI All Country World Index in %

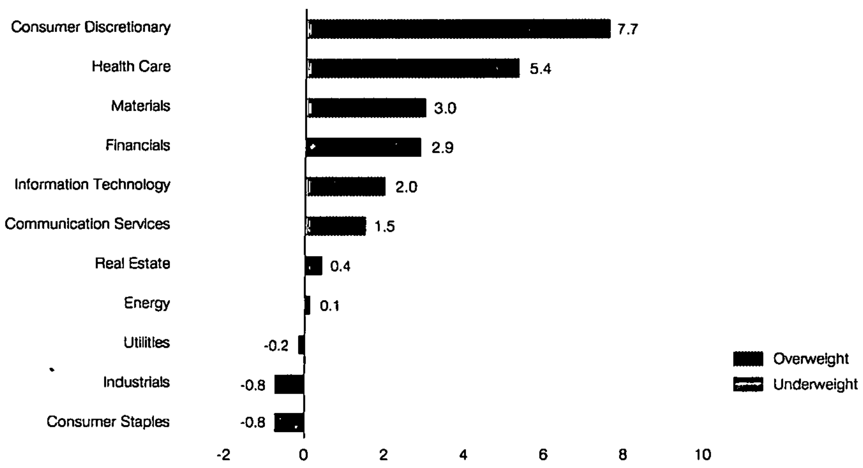


The table below shows the principal overweight and underweight stock positions of the Global Equity Fund at 30 September 2020 relative to the MSCI All Country World Index in %



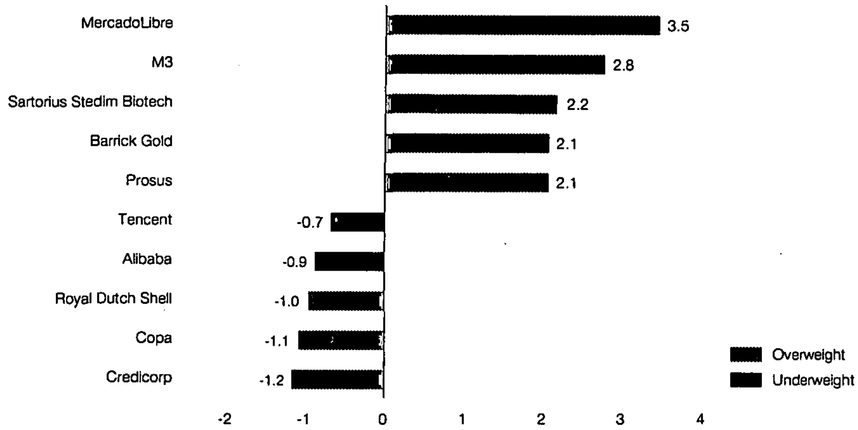
The International Equity Fund was launched in December 2019. Its objective is to produce a total return in excess of the MSCI All Country World Index ex US over any period of five years. It is a high conviction portfolio which captures developed and emerging market opportunities and can invest up to a maximum of 10% in US equities. Since inception to 30 September 2020, the International Equity Fund has returned 18.9% net of fees for the sterling share class, which represents an outperformance of 21.2% against its benchmark. At 30 September 2020 the Company had an allocation to the International Equity Fund of £11.5m which represents 7.5% of total assets.

The most significant positive and negative sector contributors to the relative performance of the International Equity Fund for the year to 30 September 2020 in %

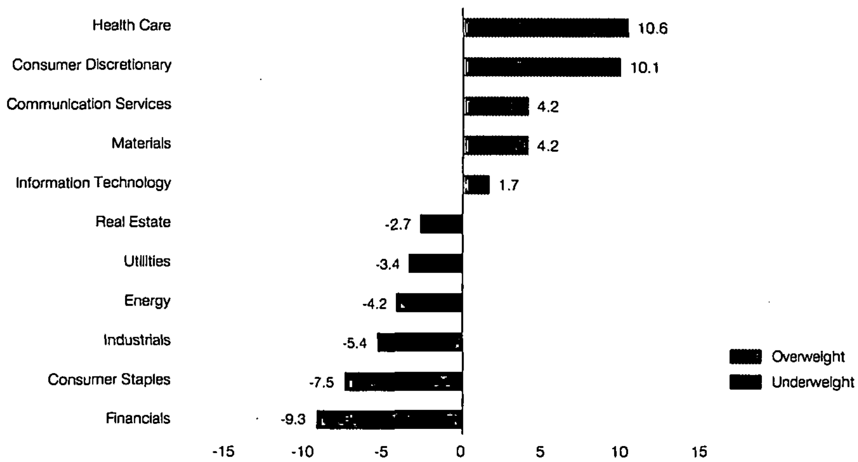


Chief Executive's Report

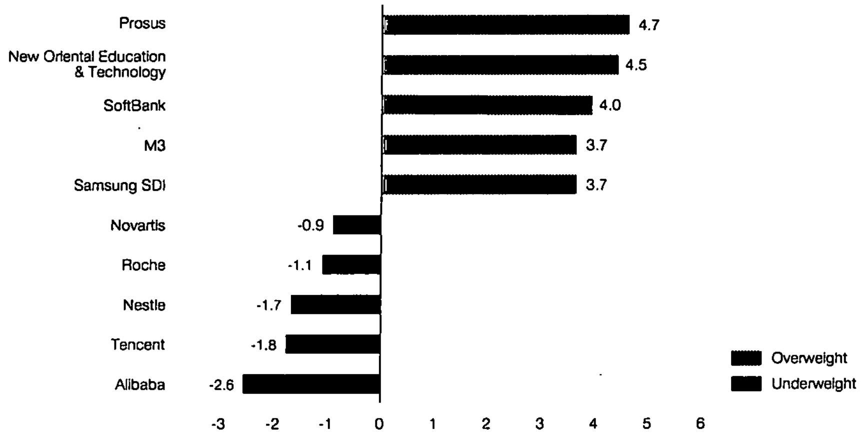
The most significant positive and negative stock contributors to the relative performance of the International Equity Fund for the year to 30 September 2020 in %



The table below shows the principal overweight and underweight sector positions of the International Equity Fund at 30 September 2020 relative to the MSCI All Country World Index ex US in %

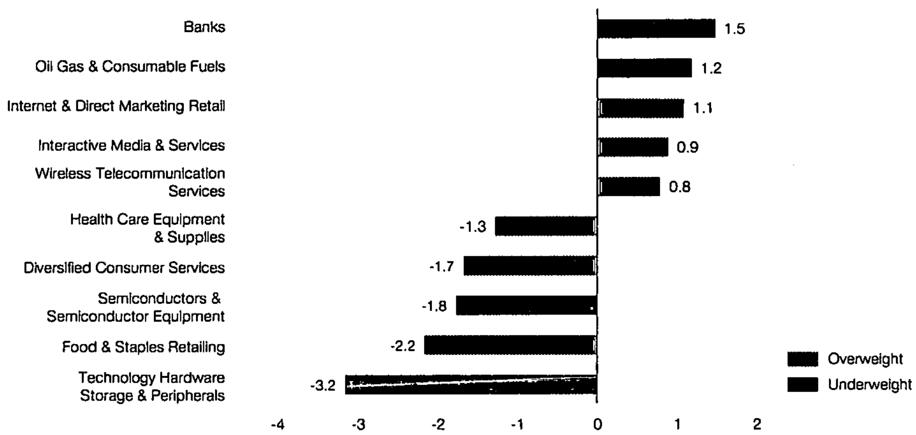


The table below shows the principal overweight and underweight stock positions of the International Equity Fund at 30 September 2020 relative to the MSCI All Country World Index ex US in %

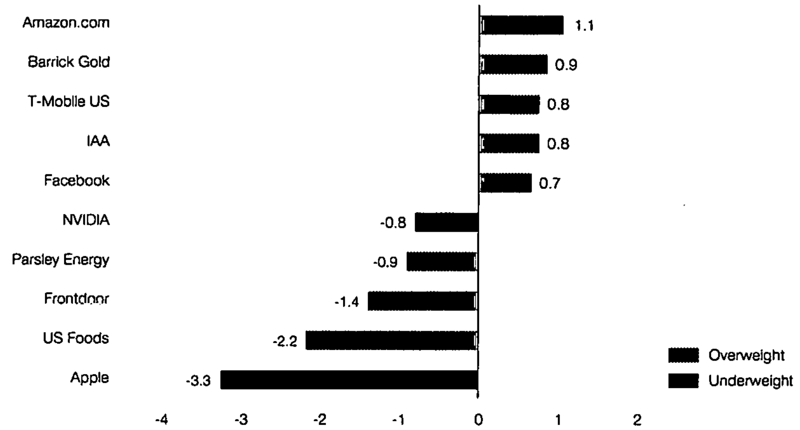


The US Equity Fund was launched in June 2014. Its objective is to produce capital growth over the long term through investment in a diversified portfolio of at least 80% of the assets in US equities. Since inception to 30 September 2020, the US Equity Fund has returned 14.4% per annum net of fees for the Sterling share class which is an underperformance of 1.1% against its benchmark the S&P 500 Index. At 30 September 2020 the Company had an allocation of £8.5m in the US Equity Fund, which represents 5.6% of total assets. In the year to 30 September 2020 the US Equity Fund returned 4.9% net of fees, which represents an underperformance of 4.2%.

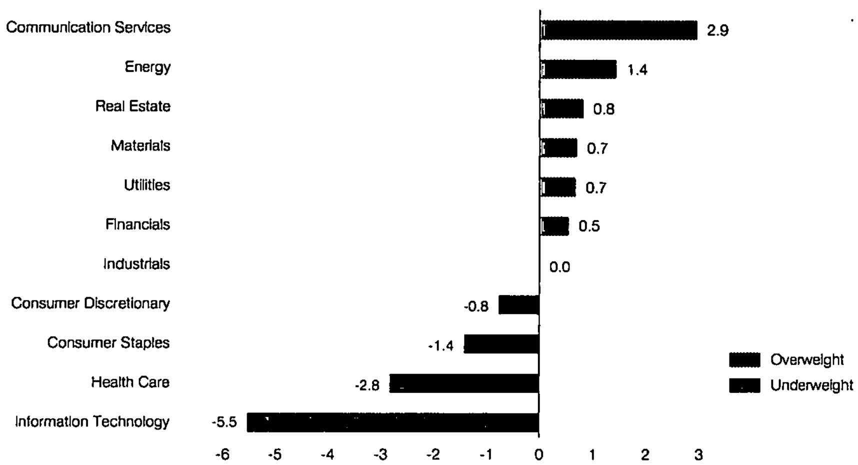
The most significant positive and negative sector contributors to the relative performance of the US Equity Fund for the year to 30 September 2020 in %



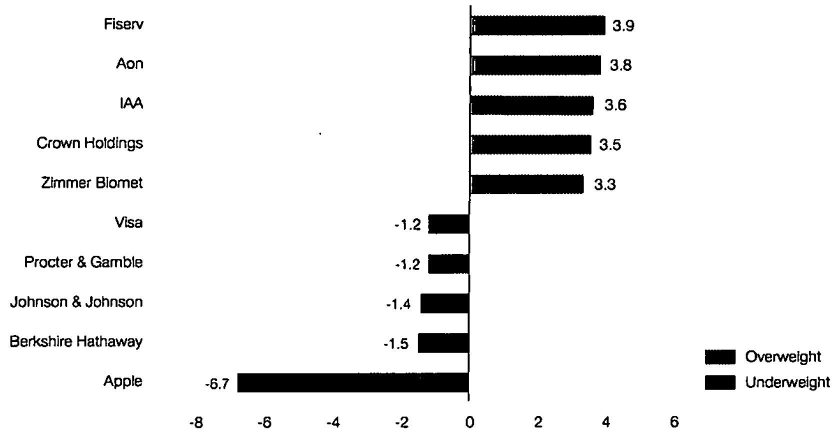
The most significant positive and negative sector contributors to the relative performance of the US Equity Fund for the year to 30 September 2020 in %



The table below shows the principal overweight and underweight sector positions of the US Equity Fund at 30 September 2020 relative to the S&P 500 Index in %

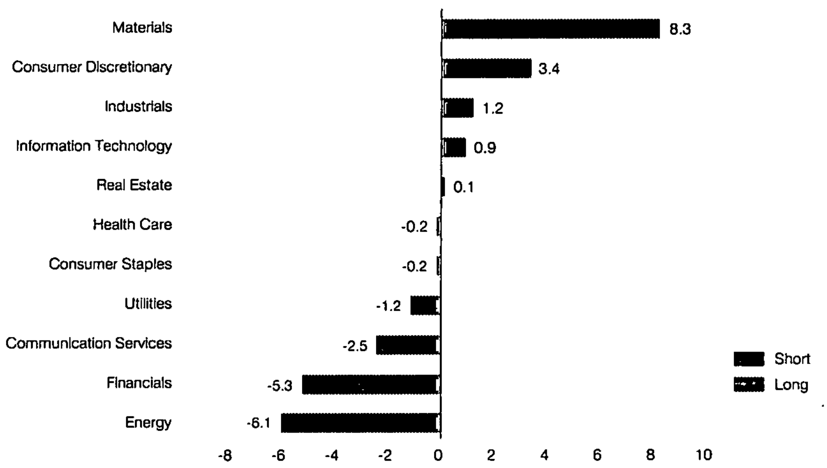


The table below shows the principal overweight and underweight stock positions of the US Equity Fund at 30 September 2020 relative to the S&P 500 Index in %



The Tortoise Fund is a global equity absolute return product which was launched in August 2007. Its objective is to achieve positive absolute returns in all market conditions, through investment primarily in long and synthetic short positions in global equities over rolling three year periods, with less volatility than a conventional long only equity fund. Since inception to 30 September 2020, the Tortoise Fund has returned 4.7% per annum net of fees. At 30 September 2020, the Company had an allocation of £16.1m in the Tortoise Fund, which represents 10.6% of total assets. In the year to 30 September 2020 the Fund returned -3.4%.

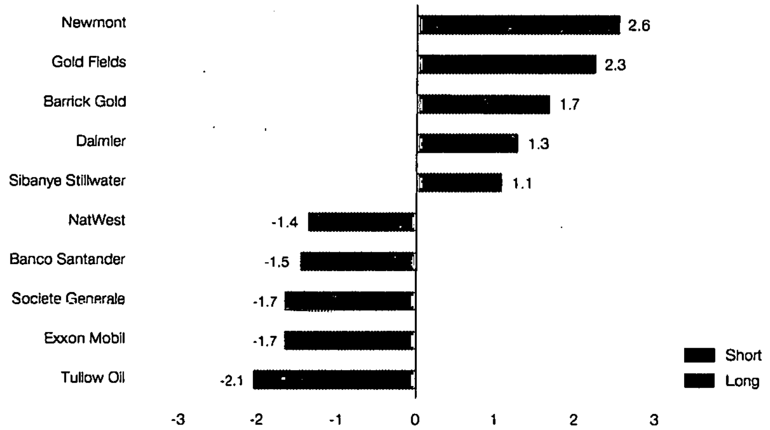
The most significant positive and negative sector contributors to the performance of the Tortoise Fund for the year to 30 September 2020 in %



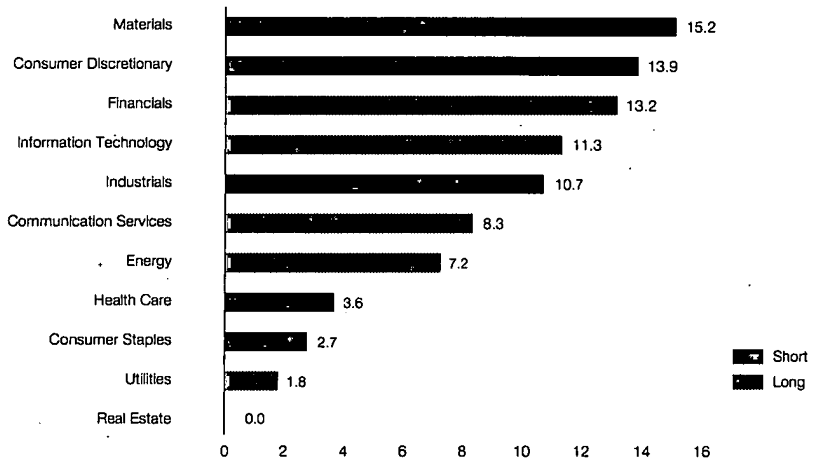
Strategic Report

Chief Executive's Report

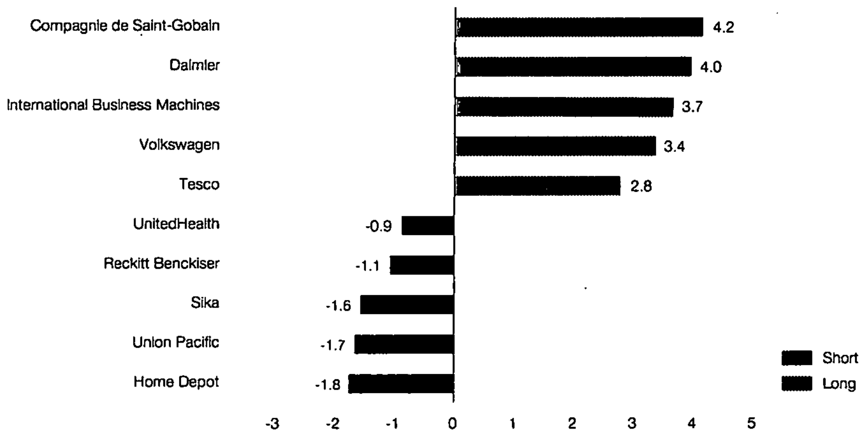
The most significant positive and negative sector contributors to the performance of the Tortoise Fund for the year to 30 September 2020 in %



The table below shows the principal long and short sector positions of the Tortoise Fund at 30 September 2020 in %



The table below shows the principal long and short stock positions of the Tortoise Fund at 30 September 2020 in %



Majedie Asset Management

In May the Company, having taken external advice, decided to adopt a new valuation methodology which is a more appropriate basis for valuing MAM. The revised basis for valuation annualises the most recent quarterly earnings of MAM, applies the median of a peer group price earnings multiple with an unlisted liquidity discount of 20% (although the Directors may adjust the discount depending on market conditions). Performance fee multiples are further discounted by 50%. Surplus net assets are then added, having deducted 200% of Regulatory Capital.

The valuation is updated quarterly and the Board believes the methodology enhances the disclosure and transparency of the Company's investment in MAM.

In the year to 30 September 2020 MAM's AUM declined from £10.8bn to £8.1bn, reflecting lower stock markets and a net outflow of funds. It was announced in December 2019 that MAM would be appointed to manage the Edinburgh Investment Trust. Following a period of fee waiver, MAM commenced charging fees from June 2020.

The revised valuation methodology values the Company's stake at £31.0m which is reduction of 14.5%, on a total return basis, in the year to 30 September 2020.

The methodology is as follows

Earnings after tax (3 months to 30 September 2020, annualised)	£14.6m
Peer group multiple	13.7
Liquidity discount	20%
Peer Group PE multiple after liquidity discount	11.0
Performance fee earnings after tax (last 6 months, annualised)	£1.3m
50% of peer group PE multiple	6.9
50% of peer group PE multiple after liquidity discount	5.5
Surplus net assets having deducted 200% of Regulatory Capital	£43.7m
Valuation of MAM	£180.7m
Valuation of the Company's 17.2% holding in MAM	£31.0m

Strategic Report

Chief Executive's Report

Asset Allocation

In the year to 30 September 2020 the major change in allocation between MAM funds was to redeem the Global Focus Fund in December 2019 and invest the proceeds into the International Equity Fund at launch. In terms of geographic exposure the decision increased exposure to Emerging Markets, in particular. The excellent performance of the International Equity Fund in both absolute and relative terms has been beneficial to the Company.

In order to reduce gearing in March the overall exposure was reduced. Subsequently £2m was reinvested in the International Equity Fund. The overall look through the geographic and sector allocations are shown on page 22.

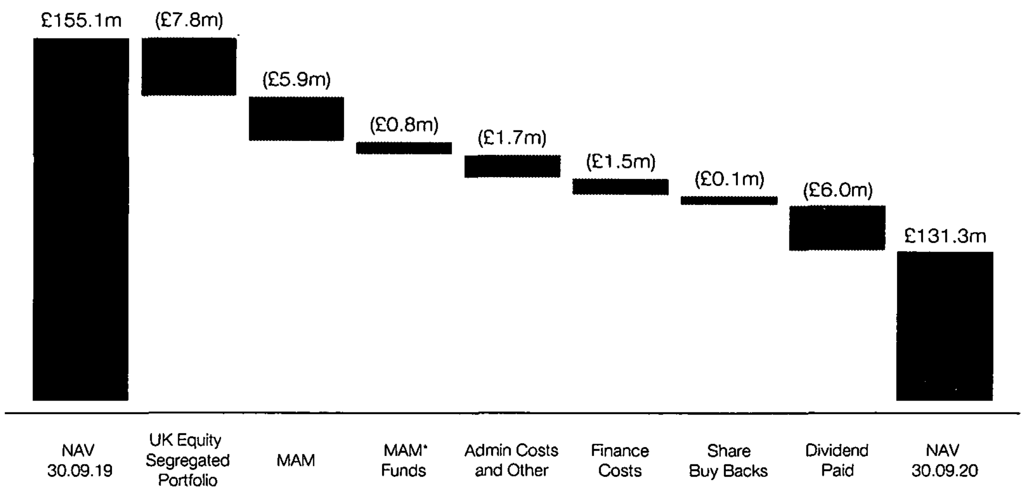
Outlook

The pandemic dominates the outlook for stock markets and its effects on the global economy. The successful development of several vaccines, within eight months of the first cases, is an amazing scientific achievement and provides a much clearer view for companies and governments. Whilst it was likely that global economies would recover into 2021 due to the fiscal and monetary stimulus by governments around the world, the vaccine is a game changer and markets, being forward looking, have reacted accordingly.

The uncertainty has provided a wide range of opportunities for fund managers, such as MAM, that are fundamental investors. This has been reflected in good relative and absolute performance in the second half of the year and which has continued into the new financial year. It is noteworthy that the UK equity market after four years of lacklustre performance is one of the better performers and market leadership in terms of sectors has broadened away from technology. The MAM funds in which the Company is invested offer many investment themes that will benefit in the current economic background.

Development of Net Asset Value

The chart below outlines the change in the Company's Net Asset Value (debt at par) over the year ended 30 September 2020. In aggregate, the NAV has decreased by £23.8m, comprised of net investment losses at the MAM Funds, including UK Equity Segregated Portfolio, of £8.6m, a net write down of MAM fair value by £5.9m, expenses and interest of £3.2m, share buybacks of £0.1m and dividends paid to shareholders of £6.0m.



* MAM Funds comprise the UK Income Fund, Global Equity Fund, International Equity Fund, US Equity Fund and Tortoise Fund.

Allocation of Total Assets as at 30 September 2020

	Value £000	% of Total Assets
UK Equity Segregated Portfolio	42,426	27.9
UK Income Fund	9,394	6.2
Global Equity Fund	27,403	18.0
International Equity Fund	11,484	7.5
US Equity Fund	8,490	5.6
Tortoise Fund	16,066	10.6
MAM	31,005	20.4
Net cash/realisation portfolio*	5,885	3.8
Total Assets	152,153	100.0

* Net cash and the Realisation portfolio does not include cash held in the UK Equity Segregated Portfolio or MAM funds.

MAM Fund Performance

	12 months to 30 September 2020			Since MI invested (% annualised)		
	% Fund return	% Benchmark return	% Relative performance	% Fund return	% Benchmark return	% Relative performance
UK Equity Segregated Portfolio	-13.6	-16.6	3.0	0.7	1.5	-0.8
UK Income Fund	-19.3	-16.6	-2.7	1.0	1.8	-0.8
Global Equity Fund	11.2	5.3	5.9	12.9	11.4	1.5
Global Focus Fund	-3.4	0.6	-4.0	11.7	12.3	-0.6
International Equity Fund	18.9	-2.3	21.2	18.9	-2.3	21.2
US Equity Fund	4.9	9.1	-4.2	14.4	15.5	-1.1
Tortoise Fund	-3.4			-2.4		

Notes:

All Fund returns are quoted in Sterling, net of fees.

The initial investment in UK Equity Segregated Portfolio was made on 22 January 2014.

The initial investment in the UK Income Fund was made on 29 January 2014.

The initial investments in the Global Equity Fund and Global Focus Fund and US Equity Fund were made on 30 June 2014 and 26 June 2014 respectively, at the inception of each fund. The Company is invested in the Sterling share classes.

The initial investment in the Tortoise Fund was made on 29 January 2014.

The Global Focus Fund was redeemed on 12 December 2019 and the proceeds invested in the International Equity Fund.

J William M Barlow
CEO
9 December 2020

Strategic Report

Fund Analysis

at 30 September 2020

Fund Analysis

In order to aid shareholder understanding of the Company's investment portfolio both the sector and geographic analyses have been completed on a look through basis into the MAM funds themselves. This includes the Tortoise Fund, which invests through CFDs, on a net exposure basis. As the Tortoise Fund is an absolute return fund, the percentages do not sum to 100%.

The geographic and sector fund analysis excludes the Company's investment in MAM.

Geographic and Sector Analysis at 30 September 2020

	Europe ex UK %	UK %	Emerging Markets %	Asia Pacific %	North America %	Cash %	Total %
Basic Materials	0.3	3.6	1.1		3.6		8.6
Consumer Goods	1.0	6.4	0.1	0.9	1.6		10.0
Consumer Services	0.9	8.6	2.9		6.4		18.8
Financials	1.0	7.4	0.7	0.5	2.1		11.7
Health Care	4.9	2.9		0.7	4.6		13.1
Industrials	2.4	9.7	0.8	0.4	3.0		16.3
Oil & Gas	0.5	1.9			0.6		3.0
Technology	0.7	0.4	3.2		6.6		10.9
Telecommunications	2.0	0.7		1.1	0.4		4.2
Utilities		0.5					0.5
Cash						1.8	1.8
Fixed Income						0.2	0.2
	13.7	42.1	8.8	3.6	28.9	2.0	

Notes:

The assets analysed above are the net exposure of the UK Equity Segregated Portfolio, UK Income Fund, Global Equity Fund, International Equity Fund, US Equity Fund and the Tortoise Fund. The Tortoise Fund, as an absolute return fund, invests through CFDs and the net exposure of the fund is shown in the table. The aggregate of the funds represents a total of 75.8% of the Company's total assets.

Exposures are classified by the stock exchange on which the underlying is listed and by the relevant FTSE sector classification.

Strategic Report

Thirty Largest Portfolio Holdings

at 30 September 2020

Company	Fair Value £000	% of Total Assets
Majedie Asset Management Limited	31,005	20.4
Unilever PLC	3,024	2.0
Tesco PLC	2,821	1.9
Barrick Gold Corporation	2,666	1.8
Amazon.com, Inc.	1,804	1.2
BAE Systems plc	1,799	1.2
A.P. Moller – Maersk A/S Class B	1,669	1.1
Facebook, Inc.	1,576	1.0
AstraZeneca Plc	1,568	1.0
Roche Holding AG	1,564	1.0
Boston Scientific Corporation	1,502	1.0
3i Group plc	1,501	1.0
Electrocomponents plc	1,339	0.9
SoftBank Group Corp.	1,302	0.9
Anglo American plc	1,271	0.8
Royal Dutch Shell Plc	1,258	0.8
Mondi plc	1,247	0.8
Microsoft Corporation	1,229	0.8
RELX PLC	1,208	0.8
NXP Semiconductors NV	1,146	0.8
Royal KPN NV	1,145	0.8
Fevertree Drinks Plc	1,131	0.7
Taiwan Semiconductor Manufacturing Co., Ltd.	1,096	0.7
Alphabet Inc.	1,095	0.7
Legal & General Group Plc	1,083	0.7
New Oriental Education & Technology Group, Inc.	1,061	0.7
Fiserv, Inc.	1,042	0.7
Direct Line Insurance Group Plc	992	0.7
Lloyds Banking Group plc	962	0.6
QinetiQ Group plc	915	0.6
Total	73,021	48.1

Notes:

The assets analysed above show the Company's largest thirty holdings on a look through basis across all Funds.

Strategic Report

Responsible Capitalism

This section on responsible capitalism has been produced by Majedie Asset Management and has been included in this year's Annual Report with their permission.

What is Responsible Capitalism?
Responsible Capitalism is our obligation as fund managers to invest in and therefore allocate capital to companies that demonstrate sound, longer-term investment opportunities for our clients. These companies also manage their businesses in a way that benefits the environment and broader society.

Companies are all unique
We see companies as being like people. Like individuals, companies come in many different shapes and sizes. They all have different cultures, different strengths, and different personality traits. But, also like people, companies all make decisions, identify issues, prioritise their time and ultimately reap the rewards and the consequences of their actions.

Each company in which we invest faces its own set of issues. These issues include risks and opportunities that define them as companies and need to be managed creatively and dynamically. Naturally, some companies are better at managing issues than others.

Our job as an investment manager is to understand all the strengths and weaknesses that a company demonstrates and to assess the issues that each company faces nearer and longer term. This helps us determine how each is placed to act, no matter what comes its way.

What do we look for?
We aim to invest in companies that show promise across the scope of their business. It's not just about their balance sheet and cash management. It's also about how a group identifies and prioritises its unique set of issues – things that are so material to its business that they could impact the group's stability going forward. It's about how a company minimizes its principle risks and maximizes its key opportunities. These issues can come on a daily basis, or in cycles – or even in waves. The best companies not only have the strength and expertise to make sound (and sometimes controversial) decisions, but they also – importantly – link their management of issues to strategy, reward and to their culture.

So where does ESG fit in?
Environmental, Social and Governance (ESG) is all about risk and opportunity. It's about knowing how a company can manage these issues as an indication of how it will perform monetarily, socially, environmentally and from a governance perspective, going forward.

Looking forwards, not backwards
ESG should be about looking forwards, not backwards. We take this approach by looking at how a company is equipped to deal with its own unique set of issues. This is how we assess the forward trajectory of a company and get a better feeling for how it will perform in the future. We can assess more accurately the upcoming needs of each company as well as the potential skills each company will develop. Critically, we also gain an understanding of the individuality of each company, which enables us to prioritise our engagement topics with each group and have a positive on-going relationship with each of our holdings.

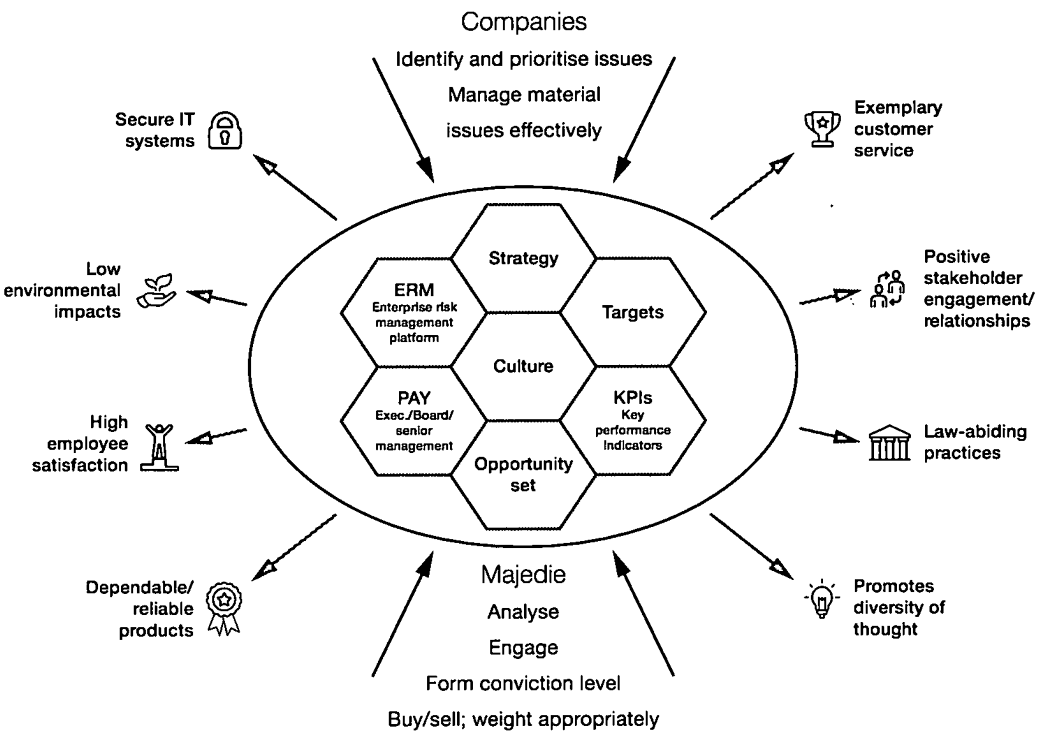
Too often, ESG is diminished to a check list or a box ticking process. It becomes a formulaic list of what a company must do to be "ESG compliant". Sometimes, it even looks at specific data points or topline ESG scores as a proxy for performance as a whole. Whatever the case, historical data is about the past. While it can be used as a monitoring tool, it is not the whole story. We feel a box-ticking or cherry-picking approach is short-term and can even be misleading in terms of true materiality. We are already seeing early signs that the industry may choose the lowest-common-denominator approach to ESG, as a box-ticking mechanism.

We are an active owner of our companies
For us, being an active owner doesn't mean sending a mail-merge letter to corporations about pay or automatically asking companies all the same questions about climate change during engagement. We talk with companies about the issues that matter most to each investment – the areas that will have the greatest, long-term impact on the company's ability to perform in the long run. For us, performance isn't just about share price – it's also about the impact that each company leaves on people and planet. As investors on behalf of our clients, we want our investments – all of them – to be better tomorrow than they are today, in as many aspects as possible.

Materiality assessment
At Majedie, ESG integration is about understanding the individuality of a company: its strengths, its weaknesses and what makes it tick. Some of these strengths will be "ESG" related and some won't. But a risk is a risk and an opportunity is an opportunity no matter what additional labels might say.

Running through the life cycle of our investment decisions is a core thread – our evaluation of a group's key issues and how well each company is equipped to manage these. We examine financial and ESG issues together, on the same matrix, weighed against each other. This is quite different from most approaches, where "financial" and "ESG" are separate slices of the pie and are given, arbitrarily, equal weighting. We feel that random attribution of importance can lead to poor investment decisions. By looking holistically at a company, we can identify and prioritise the most material issues for each investment. This prioritisation drives our engagement with a group and enables us to have the most up to date, accurate understanding of the companies in which we invest for our clients.

Our model below reflects our analysis of a company's ability to manage its key issues. Groups that manage these issues should demonstrate better performance over the longer term, as well as across the ESG spectrum.



Strategic Report

Responsible Capitalism

The focus of our engagements

We speak with our companies on their own set of key, material issues, as determined by our analysis of and engagement with each company. Of course, we record and reassess our thinking and conviction levels following our research updates and conversations with each holding. As a direct result, our conviction levels in each company will change over time. This is reflected in how much we hold of a company (the weighting of a stock in a fund), as well as our buy and sell decisions.

Escalating engagement

When we speak with companies about issues that are central to the well-being of their business, we expect them to listen and consider our remarks and feedback. There are occasions when a company doesn't take on board our concerns or our requests. In these instances, we follow up with them, bringing to their attention the heightened importance of the issue at hand. Our approach is to:

- Remain up to date with what is happening in our investee companies, so that our communication with our holdings is ongoing, rather than a "catch-up" session once a year
- Keep our communications relevant and timely. We raise concerns or question an action a company takes when it happens
- Provide a company with precise feedback as well as specific, attainable requests, so that we are as clear as possible on what we believe needs to happen for the longer-term benefit of the investment.

We allocate capital to companies that are sound investments

It is our job – our responsibility – to invest in companies that are sound investments, both in terms of their balance sheet and from the perspective that they are creative and effective in managing their businesses. These are companies that can weather a storm when internal and external events impact their business. Companies that can identify and prioritise effectively their risks and opportunities (both financial and ESG related) stand the best chance, we feel, of performing well over the longer term for the benefit of our clients and also to the advantage of the greater community.

Our smaller size is our strength

Because we are a smaller, active manager, we can undertake materiality assessment on our holdings and potential holdings. We are also more nimble than larger asset management firms and can quickly act on events that need more immediate or careful attention.

Our investment team is fully onboard with ESG

Each member of our 21-person-strong Investment team is supportive of ESG integration. Every member currently undertakes assessment of ESG-related issues. It is important that this continues and evolves as ESG issues become increasingly important to our clients.

We are providing in-house, proprietary tools for our Investment team that help each member to identify and prioritise those issues that are paramount to the success of each investment. Our materiality assessment on each of our holdings drives our engagement with our companies. Going forward, we aim to systematise better the links between our analysis, engagements, voting and conviction levels so that, at every step of the process, clients can see clearly how our ESG integration has impacted our investment decisions as well as how much of each company we hold.

We look forward to reporting on our progress on strengthening and expanding our ESG platform next year. Our Responsible Capitalism Report for 2019 covers our stewardship activities during the calendar year 2019. This report highlights both the breadth and depth of our active ownership in this period and includes information on:

- Our engagement with companies on their key, material issues
- Our topical engagement with companies, including those on tailings dams and pay
- Our proxy voting-related engagements
- Our proxy voting record.

Anglo American

- Case study

  Anglo American plc ("Anglo"), a multinational mining company, is the world's largest producer of platinum group metals, and a major miner of diamonds, copper, nickel, iron ore and coal. Majedie invests in Anglo as it has better growth prospects than many of its peers, supported by its mine, Quellaveco, in Peru. The group is also making improvements through cutting costs, undertaking some portfolio reconstruction, and divesting from some of its problematic mines. It is also investing in technical refiguration to improve the cost profile of its remaining mines.

  During the year, Majedie engaged Anglo on those issues that are most material to its business, such as the group's cost improvement execution and its thermal coal ownership. In August, Majedie met with Anglo to understand more about the group's technical advances and upgrades which have reduced its water usage and environmental impacts. Majedie also discussed Anglo's divestment from thermal coal. Essentially, the group is looking at various possibilities for how to reduce or eliminate thermal coal from its portfolio – including selling the asset entirely, or possibly undertaking an in specie distribution in which Anglo would give shareholders ownership in a new entity containing the thermal coal assets. Majedie also discussed the group's ability to generate its own power by installing solar panels near its mines so that its power supply is more constant than what the group currently receives from Eskom, the state energy provider.

  Majedie's conviction in Anglo remained unchanged in 1H 20.

Associated British Foods

- Case study

  Associated British Foods (ABF) is a multinational retail and food processing company and owner of Primark. It also is the world's second-largest producer of sugar and yeast. There is hidden value in ABF's grocery business and Primark is a growth asset which has continued to perform well, despite the group's lack of an e-commerce platform.

  We spoke with ABF in May and September 2020 to discuss Primark's performance during lockdown and the pandemic. The group, which does not have an online offering, is competing against other brands that provide both click and collect and home delivery services – this competition may be structurally more pronounced following Covid.

  In terms of fast fashion and the group's supply chains, we engaged ABF in September on its oversight and audit processes. ABF believes it has one of the best supply chains in the retail sector. Sixty percent of the group's cotton comes from sustainable sources – a high percentage in this sector – and it aims to attain 100% over time. The group undertakes regular audits of its suppliers and tracks performance over time. We requested that ABF increase its transparency on supply chains as well as the percentage of sustainable cotton it uses.

Strategic Report

Business Review

Introduction and Strategy

Majedie Investments PLC, (the Company), is a listed investment company and an Alternative Investment Fund (AIF), which invests in companies around the world. The investment objective is to maximise total shareholder return whilst increasing dividends by more than the rate of inflation over the long term. In seeking to achieve this objective, the Board has determined an investment policy and related guidelines or limits. The investment objective and policy (as detailed on pages 28 and 29) were both last approved by shareholders at a General Meeting of the Company on 27 February 2014. The Board do not envisage any change in the Company's activity in the future.

The Company is subject to the Alternative Investment Fund Managers Directive (AIFMD). The AIFMD regulates the Alternative Investment Fund Managers (AIFMs) of AIFs. The Company is a self-managed AIF (i.e. it is an AIFM and an AIF), which requires it to be authorised and regulated by the Financial Conduct Authority (FCA).

The Company's broker is J.P. Morgan Cazenove, and the Company is a member of the AIC.

The purpose of the Strategic Report is to inform the shareholders of the Company by:

- analysing development and performance using appropriate Key Performance Indicators (KPIs);
- providing a fair and balanced review of the Company's business;
- outlining the principal risks and uncertainties affecting the Company;
- describing how the Company manages these risks;
- setting out the Company's environmental, social and ethical policy;
- outlining the main trends and factors likely to affect the future development, performance and position of the Company's business;
- explaining the future business plans of the Company; and
- explaining how the Board have performed their duty to promote the success of the Company in accordance with Section 172 of the Companies Act 2006.

Business Model

The self-managed business model deployed by the Company means that it undertakes all administrative operations but also delegates certain arrangements to other service providers including fund management to Majedie Asset Management Limited (MAM). These delegations are in accordance with the AIFMD (details of the material delegations can be found on pages 40 and 41 of the Annual Report), but the Board, as AIFM, and in accordance with the Company's investment objective and policy, directs and monitors the overall performance, operations and direction of the Company.

The Company's Employee, Social, Environmental, Ethical and Human Rights policy is contained in the Directors' Report on page 39.

Investment Objective

The Company's investment objective is to maximise total shareholder return whilst increasing dividends by more than the rate of inflation over the long term.

Investment Policy

- General

  The Company invests principally in securities of publicly quoted companies worldwide and in funds managed by its investment manager, though it may invest in unquoted securities up to levels set periodically by the Board, including its investment in MAM. Investments in unquoted securities, other than those managed by its investment manager or made prior to the date of adoption of this investment policy (measured by reference to the Company's cost of investment), will not exceed 10% of the Company's gross assets.

- Risk Diversification
  Whilst the Company will at all times invest and manage its assets in a manner that is consistent with spreading investment risk, there will be no rigid industry, sector, region or country restrictions. The overall approach is based on an analysis of global economies sector trends with a focus on companies and sectors judged likely to deliver strong growth over the long term. The number of investments held, together with the geographic and sector diversity of the portfolio, enable the Company to spread its risks with regard to liquidity, market volatility, currency movements and revenue streams.

  The Company will not invest in any holding that would, at the time of investment, represent more than 15% of the value of its gross assets save that the Company may invest up to 25% of its gross assets in any single fund managed by its Investment Manager where the Board believes that the investment policy of such funds is consistent with the Company's objective of spreading investment risk.

  The Company may utilise derivative instruments including index-linked notes, contracts for difference, covered options and other equity-related derivative instruments for efficient portfolio management and investment purposes.

  Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described above.

Investment restrictions

For the avoidance of doubt, as a listed investment company, if and for so long as required by the Listing Rules in relation to closed-ended investment companies, the Company will also continue to comply with the following investment and other restrictions:

- the Company will, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
- the Company will not conduct any trading activity which is significant in the context of the Company (or, if applicable, its Group as a whole); and
- not more than 10% in aggregate of the value of the gross assets of the Company at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List (except to the extent that those funds have published investment policies to invest no more than 15% of their gross assets in other investment companies which are listed on the Official List). However, no more than 15% of the gross assets of the Company at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List.

- Asset Allocation
  The assets of the Company will be allocated principally between investments in publicly quoted companies worldwide and in investments intended to provide an absolute return (in each case either directly or through other funds or collective investment schemes managed by the Company's investment manager) and the Company's investment in MAM itself.

- Benchmark
  The Company does not have one overall benchmark, rather each distinct group of assets is viewed independently. Any investments made into funds managed by the Company's investment manager will be measured against the benchmark or benchmarks, if any, whose constituent investments appear to the Company to correspond most closely to those investments. It is important to note that in all cases investment decisions and portfolio construction are made on an independent basis. The Board however sets various specific portfolio limits for stocks and sectors in order to restrict risk levels from time to time, which remain subject to the investment restrictions set out in this section.

- Gearing
  The Company uses gearing currently via a long-term debenture. The Board has the ability to borrow up to 100% of adjusted capital and reserves. The Board also reviews the level of gearing (borrowings less cash) on an ongoing basis and sets a range at its discretion, as appropriate. The Company's current debenture borrowings are limited by covenant to 66 2/3%, and any additional indebtedness is not to exceed 20%, of adjusted capital and reserves.

Strategic Report

Business Review

Regulatory and Competitive Environment

The Company is an investment company with a premium listing on the London Stock Exchange. It is subject to United Kingdom and European legislation and regulations including UK company law, AIFMD, IFRS, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules, taxation law and the Company's own Articles of Association. The Directors are charged with ensuring that the Company complies with its objectives as well as these regulations.

Under section 833 of the Companies Act 2006 the Company is defined as an investment company.

The Company's requirements under the AIFMD are in respect of risk management, conflicts of interest, leverage, liquidity management, delegation, the requirement to appoint a depositary (the Company has appointed The Bank of New York Mellon (International) Limited), regulatory capital, valuations, disclosure of information to investors or potential investors, remuneration and marketing.

The financial statements report on profits, the changes in equity, the balance sheet position and the cash flows in the current and prior financial period. This is in compliance with current IFRS as adopted by the EU, supplemented by the Statement of Recommended Practice for Investment Trust Companies and Venture Capital Trusts (SORP) issued in October 2019. The principal accounting policies of the Company are set out in note 1 to the accounts on pages 75 to 82.

Total Return Philosophy and Dividend Policy

The Board believes that investment returns will be maximised if a total return policy is followed. The policy aim is to increase dividends by more than inflation over the long term. Further details are under the Dividend Growth section on page 31. The Company has a comparatively high level of revenue reserves for the investment trust sector and at £25.4m, revenue reserves represent over 4 times the current annual dividend distribution. The strength of these reserves will assist in underpinning the Company's progressive dividend policy in years when the income from investments is insufficient to completely cover the annual distribution.

Performance Management

The Board uses the following KPIs to help assess progress against the Company's objectives. Further comments on these KPIs are contained in the Chairman's Statement and Chief Executive's Report sections of the Strategic Report respectively.

- NAV and Total Shareholder Return:
  The Board believes that the NAV return is fundamental to delivering value over the long-term and is a key determinant of shareholder return. The Board further believes that, in accordance with the Company's objective, the total return basis (which includes dividends paid out to shareholders) is the best measure of how to assess long-term shareholder return. The Board, at each meeting, receives reports detailing the Company's NAV and shareholder total return performance, asset allocation and related analyses. Details of the NAV and share price total return performance for the year are shown in the Year's Summary on page 2.

- Investment performance:
  The Board believes that, after asset allocation, the performance of each of the investment groups, being the MAM Funds (including the UK Equity Segregated Portfolio – UKES) and MAM, is the key driver of NAV return and hence shareholder return. The Board receives, at each meeting, detailed reports showing the performance of the investment groups which also includes relevant attribution analysis. The Chief Executive's Report provides further detail on each investment group's performance for the year.

- Share price premium/discount:
  As a closed-ended listed investment company, the share price of the Company can and does differ from that of the NAV. This can give rise to either a premium or discount and as such is another component of Total Shareholder Return. During the year the discount has increased, ending the year at a higher value to that at the start of the year (with the NAV with debt at par), resulting in the Company's share price loss being more than the loss in the Company's NAV (with debt at par).

  The Board continually monitors the Company's premium or discount, and does have the ability to buy back shares if thought appropriate, although it must be noted that this ability is limited by the majority shareholding held by members of the Barlow family. Additionally, the Board has approval (and is seeking to renew such approval for another year) to issue new shares, at a premium to the relevant NAV (with debt at fair value), in order to meet any natural market demand for shares. Details of movements in the Company's share price discount over the year are shown in the Year's Summary on page 2.

- Expenses:
  The Board is aware of the impact of costs on returns and is conscious of seeking to minimise these (taking into account the Company's self-managed status). The current industry-wide measure for investment trusts is the OCR, which seeks to quantify the ongoing costs of running the Company. This measures the annual ongoing running costs of an investment trust, excluding performance fees, one-off expenses, marketing costs and investment dealing costs, as a percentage of average equity shareholders' funds. Any investments made into pooled funds are included using the Company's share of estimated ongoing fund running costs. The Chairman's Statement on page 4 provides further details on the expenses incurred during the year. Details of the OCR for the year are shown in the Year's Summary on page 2.

- Dividend Growth:
  Dividends paid to shareholders are an important component of Total Shareholder Return and this has been included in the Company's investment objective. The Board is aware of the importance of this objective to the Company's shareholders but wishes to be prudent. As such, a sustainable and progressive long-term dividend policy which pays dividends out of current year income is the goal, but recognising that using reserves may be required in certain unforeseen circumstances.

  The Board receives detailed management accounts and forecasts which show the actual and forecast financial outturns for the Company. For the 6 years to 30 September 2020, following the rebasing of the dividend in 2014, average dividend growth has been 7.3% per annum, which is well ahead of inflation.

Emerging and Principal Risks
The emerging and principal risks and the Company's policies for managing these risks and the policy and practices are summarised below and in note 22 to the accounts.

i. Investment Risk:
   The Company has a range of equity investments, including a substantial investment in an unlisted asset management business, UK and global equities (both on a direct basis, via the UKES, and via collective investment vehicles (the MAM Funds)), and an investment in an absolute return fund, the Tortoise Fund. The major risk for the Company remains investment risk, primarily market risk; however, it is recognised that the investment in MAM continues to represent concentration risk for the Company. Furthermore, continuing political concerns, notably Brexit in the UK, but also in the US, Europe and China, and of course this year the COVID-19 pandemic as an emerging risk, provide heightened uncertainty to the investment risk faced by the Company.

   The number of investments held, together with the geographic and sector diversity of the portfolio, enables the Company to spread its risks with regard to liquidity, market volatility, currency movements and revenue streams.

   Under the terms of the Investment Agreement, the Fund Manager manages the majority of the Company's investment assets. The portfolios of the UKES and the MAM Funds are actively managed by MAM against benchmarks and each have specific limits for individual stocks and market sectors that are monitored in real time. It should be noted that the UKES and the MAM Funds' returns will differ from the benchmark returns. The Tortoise Fund is an absolute return fund whose returns are not correlated to equity markets.

   The investment risks are moderated by strict control of position sizing, low use of leverage and investing in liquid stocks. Also, the level of risk at a net asset value level increases with gearing. In certain circumstances cash balances may be raised to reduce the effective level of gearing. This would result in a lower level of risk in absolute terms.

Other risks faced by the Company include the following:

ii. Strategy Risk:
An inappropriate investment strategy could result in poor returns for shareholders and the introduction or widening of the discount of the share price to the NAV per share. It is important to note that the investments in the UKES and the MAM Funds do provide the Company with exposure to a range of strategies.

The Board regularly reviews strategy in relation to a range of issues including investment objective and policy, the allocation of assets between investment groups, the level and effect of gearing and sector, currency or geographic exposure.

iii. Business Risk:
Inappropriate management or controls in the Company or at MAM could result in financial loss, reputational risk and regulatory censure. The Board has representation on the MAM governing board to monitor business financial performance and operations and receives detailed reports from Company management on financial and non-financial performance.

iv. Compliance Risk:
Failure to comply with regulations could result in the Company losing its listing, losing its FCA authorisation as a self-managed AIF or being subjected to corporation tax on its capital gains.

The Board receives and reviews regular reports from its service providers and Company management on the controls in place to prevent non-compliance of the Company with rules and regulations. The Board also receives regular investment portfolio reports and income forecasts as part of its monitoring of compliance with section 1158 of the Corporation Tax Act 2010.

v. Operational Risk:
Inadequate financial controls, failure by an outsourced supplier to perform to the required standard, or dependency on a small number of individuals could result in misappropriation of assets, loss of income and mis-reporting of NAVs. The Board and Audit Committee regularly review statements on internal controls and procedures, receive detailed reports and presentations from the Company's depositary and the Company is subject to an annual external audit. The COVID-19 pandemic was an emerging risk which provided new uncertainty in operational terms, however both the Company and its service providers implemented business continuity plans and service levels have been maintained. Lastly, due to the nature of the Company's operations, the Board considers that Brexit is not likely to have a material impact on the operational risks facing the Company.

The Corporate Governance Statement and the Report of the Audit Committee in the Company's Annual Report and Accounts provide further information in respect of internal control systems and risk management procedures.

How the Board meets its obligations under section 172 of the Companies Act

Under Section 172(1) of the Companies Act 2006, directors of a company must act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so they should have regard to, inter alia, the likely long-term consequences of their decisions, the interests of the company's employees, fostering relationships with suppliers, customers and others, the impact of operations on the community and environment, maintaining a reputation for high standards and lastly to act fairly as between shareholders of the company.

The Company is a self-managed investment company and its key stakeholders comprise its one and only class of shareholders (it does not have customers), its employees, and also its third-party service providers (including its Company Secretary, Fund Manager, Custodian, Depositary, Stockbroker, Registrar, Auditor and Solicitor – see Shareholder Information on page 119). Additionally, the Company interacts with the wider community and the environment primarily through its holdings in investee companies worldwide.

In accordance with its duty to promote the success of the Company, the Board utilises the investment objective (see page 28), various comprehensive procedures and policies, including the Company's investment policy (see page 28), and committees with defined roles and responsibilities against which executive management and third-party providers are monitored, challenged and assessed. The Board regularly reviews the objective, procedures and policies and Committee responsibilities to ensure they remain effective.

In performing its duty, the Board receives regular and detailed reporting from both executive management and third-party service providers. As an investment company, investment performance is fundamentally important and, as such, a significant portion of the Board's time is spent in this area. The Company has been established for a very long time, with a cornerstone shareholder base, and as a closed ended listed investment company is a long-term investor in global equity markets and the Board is mindful of this in undertaking its duties.

The Board recognises the importance of having experienced, trained and motivated staff as an integral part of the successful running of the Company. As such it has ensured that appropriate HR policies and procedures are in place, with staff being appropriately remunerated. As a small Company, the Board, which includes an Executive Director, has a close relationship and regular engagement with staff, monitors morale and the Company has a low staff turnover.

The Company in conducting its operations utilises its third-party service providers as listed previously. The Board believes that maintaining effective continuing relationships is important to its duty under s172(1). In particular the relationship with the Fund Manager is of critical value to the Company and its long-term success. The relationship is strong and includes the Chief Executive sitting on their board as a non-executive director. The Board receives regular detailed reports and presentations from the Fund Manager from an investment perspective and marketing updates from Kepler Partners. The Company's other service providers provide regular reports and advice with the Board ensuring two-way communications are in place. All major service providers have relevant KPI's which are used to measure performance. The Board monitors operations to ensure that in undertaking its operations the Company operates to the standard befitting an FCA regulated LSE listed investment company.

The Company is a small investment company with a very limited physical presence in the City of London. The Board is conscious of its community and its direct environmental impact and seeks to be aware of these when making decisions. The Company invests, indirectly, in many investee companies worldwide. The Fund Manager has a long-standing focus on ESG which is embedded in its investment decision making process (see the Responsible Capitalism section page 24 to 27), and includes a dedicated ESG manager and it engages regularly with the investee companies in this area. The Fund Manager makes available to the Board an extensive amount of information on its activities in this area.

Strategic Report

Business Review

The Board recognises the need for good communications with its shareholders and is committed to listening to their views. Further details on how the Board interacts with its shareholders are described on page 47. In addition, the Board consults with them, where appropriate, concerning major decisions before they are taken.

During the year the following material decisions have been made:

- The Board undertook a regular strategy meeting to review the Company's investment strategy, performance and operational structure. The Board, being keenly aware of shareholder feedback and cognisant of their views, concluded that whilst performance had been disappointing, the reasons for this and the rationale behind the Company's positioning, whilst taking a longer-term view, meant that no substantive change was considered appropriate. However, the asset allocation of the Company is kept under review at each Board meeting;

- The Board completed a review of the composition of the Board and its committees. This was to ensure that there was an appropriate, and in line with shareholder views, combination of skills, experience and knowledge in order to meet the requirements under the AIC Code. Mr Gadd, who was due to retire having been a director for over nine years, retired during the year, and two new directors, Mr Getley and Mr Killingbeck were appointed. The Board also agreed that the Chairman, Mr Henderson would retire following the 2022 AGM;

- As the implications of COVID-19 became apparent, the Board decided to lower the Company's gearing and raised cash to reduce volatility. The Board also ensured, through discussions with providers and employees, that the Company's operational performance remained robust and employees were not exposed to risks associated with the virus. Also, the Board received various reports from its service providers, including the Fund Manager. The Board requested a revised revenue forecast to take account of the changing outlook for dividend receipts from investee companies. The Board also decided to maintain the current year dividend utilising reserves to do so;

- The Board appointed a third-party specialist to review the methodology and timing of the valuation process concerning its largest investment, being the investment in MAM, with the aim of being able to communicate this to shareholders and investors in a more transparent and timely manner. As a result, MAM is revalued on a quarterly basis utilising a method which includes, inter alia, MAM's recent earnings and peer group price/earnings. The Board believes this methodology to be more appropriate than the one used previously which was backward looking and based on historic earnings;

- The Board continued to review approaches to managing the Company's discount level and bought back shares during the year, however the Company is subject to constraints in this area which limit what can be done and which have been communicated to shareholders. The Board remains determined to raise investor awareness and interest in the Company and pays close attention to marketing efforts where it engages third parties to assist its efforts.

On behalf of the Board

R David C Henderson
Chairman
9 December 2020

Board of Directors

This page forms part of the Directors' Report

R David C Henderson* FCA
Mr Henderson, a Chartered Accountant, is currently Chairman of Alder Investment Management and Ecclesiastical Insurance Office plc and is also a Non Executive Director of MM&K Limited and The Farmington Trust Limited. Previously he was Senior Advisor to Kleinwort Hambros, Non Executive Director of Edentree Investments Management, and Chairman of Kleinwort Benson Private Bank from 2004 to 2008 having held various senior roles in the Kleinwort Benson Group since 1995. Prior to that he spent 11 years at Russell Reynolds Associates, which followed 10 years at Morgan Grenfell & Co and 6 years at what is now RSM. He was appointed as a Director of Majedie on 22 September 2011 and is Chairman of the Board, Nomination Committee and Management Engagement Committee, and a member of the Audit and Remuneration Committees.

J William M Barlow
Mr Barlow was appointed Chief Executive Officer of Majedie from 1 April 2014, before which he was a member and Chief Operating Officer at Javelin Capital LLP. Prior to Javelin Capital LLP, he was at Newedge Group (part of the Societe Generale Group). He joined Skandia Asset Management Limited as an equity portfolio manager in 1991. He was Managing Director of DnB Asset Management (UK) Limited in 2002. Mr Barlow was appointed a Non Executive Director of the Company in July 1999 and was made an executive director in June 2011. He is a Non Executive Director of Majedie Asset Management Limited. He is also Chairman of Racing Welfare and a Non Executive Director of Strategic Equity Capital PLC.

Jane M Lewis*
Ms Lewis was appointed as a Director of Majedie on 1 January 2019. She was, until 2013, a director of corporate finance and broking at Winterflood Investment Trusts. She is Chairman of Invesco Perpetual UK Smaller Companies Investment Trust PLC and Non Executive Director of BMO Capital and Income Investment Trust PLC, The Scottish Investment Trust PLC and BlackRock World Mining Trust PLC. Ms Lewis is Chairman of the Remuneration Committee and a member of the Management Engagement, Nomination and Audit Committees.

A Mark J Little*
Mr Little, a Chartered Accountant, was appointed as a Non Executive Director of Majedie on 23 May 2019. He was previously a Managing Director of Barclays Wealth (Scotland and Northern Ireland). He is currently a Non Executive Director of Securities Trust of Scotland PLC and BlackRock Smaller Companies Trust PLC. Mr Little was previously an Investment Director at Seven Investment Management and a Non Executive Director of Sanditon Investment Trust PLC. Mr Little is Chairman of the Audit Committee and a member of the Remuneration, Management Engagement and Nomination Committees.

Christopher D Getley*
Mr Getley was appointed as a Non Executive Director of Majedie on 1 July 2020. He has extensive knowledge of the investment industry as a Partner and Fund Manager at Cazenove and as a Director at Deutsche Asset Management. Subsequently, he was CEO of Westhouse Securities, a corporate and institutional stock broker. He is currently Executive Chairman of AgPlus Diagnostics Limited and Non-Executive Chairman of Masawara PLC, a Southern Africa focussed investment company. Mr Getley is a member of the Remuneration, Audit, Management Engagement and Nomination Committees.

Richard W Killingbeck*
Mr Killingbeck was appointed as a Non Executive Director of Majedie on 1 July 2020. He has over 35 years' experience in the financial services sector, initially as a fund manager and latterly in a number of senior management roles within the wealth management sector. He was previously Chief Executive officer of WH Ireland PLC and is currently Managing Director of Harris Allday, a division of EFG Private Bank. He retired as the Non-Executive Chairman of Bankers Investment Trust PLC in 2019 and is currently a trustee of the London Stock Exchange Benevolent Fund. Mr Killingbeck is a member of the Remuneration, Audit, Management Engagement and Nomination Committees.

* Independent Non Executive.

Directors' Report

The Directors submit their report and the accounts for the year ended 30 September 2020.

Introduction

The Directors' Report includes the Corporate Governance Statement, the Report of the Audit Committee and the Directors' Remuneration Report. A review of the Company's business is contained in the Strategic Report (which includes the Chairman's Statement) and should be read in conjunction with the Directors' Report.

Principal Activity and Status

The Company is a public limited company and an investment company under section 833 of the Companies Act 2006. It operates as an investment trust and is not a close company. The Company has been a member of the AIC since 20 January 2014.

The Company has historic written confirmation from HM Revenue & Customs that it meets the eligibility conditions and is an approved investment trust for taxation purposes under section 1158 of the Corporation Tax Act 2010, with effect from 1 October 2012, subject to it continuing to meet the eligibility conditions and on-going requirements. In the opinion of the Directors, the Company continues to direct its affairs so as to enable it to continue to qualify as an approved investment trust.

Results and Dividend

The net revenue return before taxation arising from operations amounted to £4,843,000 (2019: net revenue return of £6,911,000).

The Directors recommend a final ordinary dividend of 7.0p per ordinary share, payable on 26 January 2021 to shareholders on the register at the close of business on 15 January 2021. Together with the interim dividend of 4.4p per share paid on 19 June 2020, this makes a total distribution of 11.4p per share in respect of the financial year (2019: 11.4p per share).

Risk Management and Objectives

The Company, as an investment company, is subject to various risks in pursuing its objective. The nature of these risks and the controls and policies in place that are used to minimise these risks are further detailed in the Strategic Report and in note 22 of the Accounts.

Directors

The general powers of the Directors are contained within the relevant UK legislation and the Company's Articles. The Directors are entitled to exercise all powers of the Company, subject to any limitations imposed by the Articles or applicable legislation.

The Directors in office at the date of this report are listed on page 35 of the Company's Annual Report and Accounts.

Messrs CD Getley and RW Killingbeck were appointed to the Board and its committees on 1 July 2020. The Board believes that both Christopher and Richard bring valuable experience and skills to the Company and welcomes them both to the Board.

Mr PD Gadd retired from the Board on 31 July 2020 and was replaced as Chairman of the Remuneration Committee by Ms JM Lewis, who is considered by the Board to have the requisite experience and understanding of the Company. Mr RDC Henderson replaced Mr PD Gadd as Chairman of the Management Engagement Committee.

Directors' retirement by rotation and appointment is subject to the minimum requirements of the Company's Articles of Association and the AIC Code of Corporate Governance (AIC Code).

The Company's Articles of Association require that at every AGM any Director who has not retired from office at the preceding two AGMs and who was not appointed by the Company in a general meeting, at either such meeting, shall retire from office and be eligible for re-election or election respectively, by the Company.

However, in accordance with the AIC Code, all Directors are to be re-elected annually. As such Messrs. RDC Henderson, AMJ Little and Ms JM Lewis will retire at the forthcoming AGM and, being eligible, will offer themselves for re-election. Messrs CD Getley and RW Killingbeck will retire at the forthcoming AGM and, being eligible, will offer themselves for election.

In accordance with Listing Rule 15.2.13A, Mr JWM Barlow, being a Non Executive Director of Majedie Asset Management Limited, the Fund Manager, must submit himself for annual re-election.

The Board believes that the performance of the Directors continues to be effective, that they demonstrate commitment to their roles and that they have a range of business, financial and asset management skills and experience relevant to the direction and control of the Company.

The Board, having considered the Directors' performance within the annual Board performance evaluation, hereby recommend that shareholders vote in favour of the proposed elections and re-elections, as appropriate.

Qualifying Third Party Indemnity Provisions

There are no qualifying third-party indemnity provisions or qualifying pension scheme indemnity provisions which would require disclosure under section 236 of the Companies Act 2006.

Directors' Interests

Beneficial interests in ordinary shares as at:

	30 September 2020	1 October 2019
Mr RDC Henderson	24,700	24,700
Mr JWM Barlow	409,224	409,224
Mr AMJ Little	9,879	Nil
Ms JM Lewis	5,803	5,803
Mr CD Getley*	33,830	33,830
Mr RW Killingbeck**	20,000	Nil

* Mr Getley was appointed to the Board on 1 July 2020, but has been a shareholder for many years.

** Mr Killingbeck was appointed to the Board on 1 July 2020, but purchased his shares earlier in the year, prior to his appointment to the Board.

Non-beneficial interests in ordinary shares as trustees for various settlements as at:

	30 September 2020	1 October 2019
Mr JWM Barlow	3,111,110	3,111,110

Substantial Shareholdings

At 30 September 2020, the Company has been notified of the following substantial holdings in shares carrying voting rights:

Mr HS Barlow		15,017,619	28.10%
Aviva plc		6,882,922	12.98%
Mr JWM Barlow	Non-Beneficial	3,111,110	5.82%
Miss AE Barlow		2,029,148	3.80%
Mr MHD Barlow		1,776,241	3.32%
Oakwood Nominees Limited		1,631,602	3.05%

The substantial voting rights disclosed above include the total holdings of shares within certain trusts where there are other beneficiaries.

The Company has been notified of the following change in substantial holdings from 1 October 2020 up to the date of this report.

Aviva plc advised that their shareholding has reduced to 5,282,748 shares or 9.97%.

Articles of Association

Resolution 17, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association in order to update the Company's current Articles of Association. The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation and developments in market practice since the Existing Articles were adopted, and principally include:

i. provisions enabling the Company to hold virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings);

ii. amendments in response to the requirements of the Alternative Investment Fund Managers Directive (2011/61/EU);

iii. changes in response to the introduction of international tax regimes (notably to take into account the broader obligations under the Common Reporting Standard) requiring the exchange of information; and

iv. updating the methods of settling cash dividends.

A summary of the principal amendments being introduced in the New Articles is set out in the appendix to the AGM Notice (on pages 114 and 115 of this document). Other amendments, which are of a minor, technical or clarifying nature, have not been summarised in the appendix.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for hybrid or virtual-only meetings to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The full terms of the proposed amendments to the Company's articles of association would have been made available for inspection as required under LR 13.8.10R (2) but for the Government restrictions implemented in response to the Coronavirus outbreak. As an alternative, a copy of the New Articles, together with a copy showing all of the proposed changes to the Existing Articles, will be available for inspection on the Company's website, https://www.majedieinvestments.com/ from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current Coronavirus related restrictions are lifted before the AGM, a hard copy of these documents will be available for inspection at the offices of Majedie Investments PLC, 1 King's Arms Yard, EC2R 7AF until the close of the AGM.

AGM

Due to COVID-19, arrangements for the AGM are different this year. Full details on the AGM are contained in the Chairman's Statement on page 6.

The Board considers that Resolutions 1 to 17 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings.

Issue and Buyback of Shares

The Board remains of the view that an increase of the Company's stock in issue provides benefits to shareholders including a dilution of the Company's gearing and cost of its debentures, a reduction in the Company's administrative expenses on a per share basis and increased liquidity in the Company's shares. As such the Board sought and received approval, at the AGM on 22 January 2020, to allot new shares for cash, and without first offering them to existing shareholders in proportion to their holdings, up to a maximum of 5,298,985 shares (being approximately 9.99% of the Company's existing share capital at that time). These two existing authorities will expire at the 2021 AGM.

During the year, as the Company's shares remained at a discount, no shares have been allotted (2019: Nil).

The Board continues to be prepared to issue new shares in order to meet natural market demand, subject to the restriction that any new shares will be issued at a premium, and as such shareholder approval is sought at the AGM to renew the authority to issue new shares, without first offering them to existing shareholders in proportion to their holdings, up to a maximum of 5,296,087 shares (being approximately 9.99% of the Company's existing share capital). The renewed authority will expire at the 2022 AGM.

The Directors undertake not to allot any such new shares unless they are allotted at a price representing a premium to the Company's then prevailing NAV per share, with debt at fair value.

In response to a significant deterioration in the Company's share price discount in 2020 following the COVID-19 pandemic, and in the best interests of shareholders, the Company has maintained its intention to buyback for cancellation its ordinary shares, noting however the restrictions that exist for the Company in respect of share buybacks. Since 1 October 2019 and up to the date of this report the Company bought back for cancellation 41,596 ordinary shares with a nominal value of £4,159.60, and at a total cost of £93,000. At the AGM in 2020 the Directors were given power to buy back 7,951,130 ordinary shares (being 14.99% of the Company's existing share capital). This authority will also expire at the 2021 AGM.

In order to provide maximum flexibility, the Directors consider it appropriate that the Company be authorised to make such purchases and accordingly shareholder approval is sought at the AGM to renew the authority of the Company to exercise the power contained in its Articles of Association to make buybacks of its own shares. The maximum number of shares which may be purchased shall be 7,946,781 ordinary shares (being approximately 14.99% of the Company's issued share capital). Any shares so purchased will be cancelled or held in treasury. The restrictions on such purchases (including minimum and maximum prices) are outlined in the Notice of Meeting. The authority will be used where the Directors consider it to be in the best interests of the shareholders and will expire at the 2022 AGM.

Capital Structure

As part of its corporate governance the Board keeps under review the capital structure of the Company.

At 30 September 2020, the Company had a nominal issued share capital of £5,301,389, comprising 53,013,887 ordinary shares of 10p each, carrying one vote each. All of the shares of the Company are listed on the London Stock Exchange, which is a regulated market. The Company holds no shares in Treasury.

The Company deploys gearing through long-term debt being a £20.7m 7.25% debenture stock 2025, of which £25m was issued in 2000 with £4.3m being re-purchased in 2004.

The limits on the ability to borrow are described in the investment policy on page 29. The Board is responsible for managing the overall gearing of the Company. Details of gearing levels are contained in the Year's Summary on page 2, and in note 22 to the Accounts.

There are: no restrictions on voting rights; no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might change or fall away on a change of control or trigger any compensatory payments for Directors, following a takeover bid.

Notice period for general meetings

The Board believes that it is in the best interests of shareholders of the Company to have the ability to call meetings on 14 clear days' notice should a matter require urgency. The Board will therefore, as last year, propose a resolution at the AGM to approve the reduction in the minimum notice period from 21 clear days to 14 clear days for all general meetings other than annual general meetings. The Directors do not intend to use the authority unless immediate action is required.

Future Developments

The Chairman's Statement on page 5 and the Chief Executive's Report on page 20 provide details concerning relevant future developments of the Company in the forthcoming year.

Employee, Social, Environmental, Ethical and Human Rights policy

The Company, as an investment company, has limited direct impact upon the environment. In carrying out its activities and relationships with its employees, suppliers and the community, the Company aims to conduct itself responsibly, ethically and fairly.

The Company falls outside the scope of the Modern Slavery Act 2015 as it does not meet the turnover requirements under that act. The Company outsources significant parts of its operations to reputable professional companies, including fund management to MAM. MAM complies with all the relevant laws and regulations and also takes account of social, environmental, ethical and human rights factors, where appropriate.

Carbon Reporting

In accordance with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, and the Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018, the Company is required to report on its carbon dioxide emissions and quantity of energy consumed. In accordance with the regulations, the Company has determined that its organisational boundary, to which entities the regulations apply, is consistent with its accounts.

The Company operates in the financial services sector, and in common with many organisations employs outsourcing such that most of its activities are performed by other outside organisations which do not give rise to any reportable matters by the Company.

However, the Company, as a self-managed investment company, does undertake activities at its sub-leased premises. In accordance with the provision of the centrally provided building services (including heating, light, cooling etc) to all lessees in the building by the landlord, and by the superior lessee, it is considered that the Company does not have emissions responsibility in respect of these services, which rather rest with the landlord or superior lessee. The Company does however have responsibility for various other emissions in the usage of electricity by its office equipment in the course of undertaking its duties but it is not able to determine their amounts as compared to those provided by the landlord or superior lessee.

Additionally, the Company has many investments in companies around the world, either directly or through the MAM Funds; however the Company does not have the ability to control the activities of these investee companies and as such has no responsibility for their emissions. Therefore, the Board believes that the Company has no reportable matters for the year ended 30 September 2020 (2019: nil).

Donations

The Company made no political or charitable donations during the year (2019: nil) to organisations either within or outside of the EU.

Gender Diversity

The Board is aware of the recommendations made in the Hampton-Alexander and Parker Review in respect of gender and ethnic diversity in the boardroom. The Company does not have a formal policy on diversity, but details on how diversity is taken into account when making new appointments to the Board is included in the section on the Nomination Committee on page 46. At the year end, 83.3% of the directors of the Board were male and 16.6% were female. The composition of the Company's employees is 66.6% male and 33.3% female.

Material Contracts

- Majedie Asset Management Limited
  The Board has appointed MAM as its fund manager, the terms of which are defined under an Investment Agreement dated 13 January 2014. The agreement divides the Company's investment assets into a combination of a segregated portfolio and the MAM in-house funds, with the Board having the ability, subject to certain capacity constraints in respect of the MAM funds, for the determination of the asset allocation of its investment assets, both initially and on an on-going basis.

  The Investment Agreement provides that the segregated portfolio is to be managed on the same basis as the MAM UK Equity Fund, with other investments being made into the various MAM Funds, as decided by the Board as part of their asset allocation requirements. Further details on the allocation of the investments managed by MAM are included in the Chief Executive's Report on pages 7 to 19.

  The fees payable under the Investment Agreement are detailed below:

Portfolio/Fund*	Management Fee^	Performance Fee^
UKES	0.60% p.a.	Nil
Tortoise Fund	1.00% p.a.	20%†
UK Income Fund	0.65% p.a.	Nil
Global Equity Fund	0–0.65% p.a.**	Nil
International Equity Fund	0.25% p.a.	Nil
US Equity Fund	0.75% p.a.	Nil

  * The fees are calculated under the terms of the Investment Agreement or the relevant fund prospectus, and apply from 1 October 2019.

  ^ The fees charged to the UKES are charged directly to the Company's Statement of Comprehensive Income. All other fund fees are charged within the relevant fund.

  † The performance fee entitlement only occurs once the hurdle has been exceeded (being the Sterling Overnight Index Average or "SONIA") and is calculated on a high water mark basis.

  ** The management fee range reflects the investments made into different share classes.

  The Investment Agreement entitles either party to terminate the arrangement with six months' notice.

- The Bank of New York Mellon (International) Limited
  The Board appointed BNY Mellon Trust & Depositary (UK) Limited to provide depositary services as required by the AIFMD and certain other associated services under the terms of a depositary agreement dated 19 June 2014. This agreement was novated to The Bank of New York Mellon (International) Limited (BNYMIL) with effect from 1 March 2018. The services provided by BNYMIL as Depositary for the Company include:

  - general oversight responsibilities over the issue and cancellation of the Company's share capital, the carrying out of net asset value calculations, the application of income, and the ex-post review of investment transactions;

  - monitoring of the Company's cash flows and ensuring that all cash is booked in appropriate accounts in the name of the Company or BNYMIL acting on behalf of the Company; and

- safekeeping of the assets held within the Company's investment portfolio, including those classed as financial instruments for the purpose of the AIFMD, and ensuring the Company's financial instruments are held in segregated accounts so that they can be clearly identified as belonging to the Company and maintaining records sufficient for verification of the Company's ownership rights in relation to assets other than financial instruments.

BNYMIL or any BNY Mellon affiliates may have an interest, relationship or arrangement that is in conflict with or otherwise material in relation to services it provides to the Investment Manager and the Company. Should a conflict of interest arise, BNYMIL shall manage conflicts of interest fairly and transparently. As a regulated business, the Depositary is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients. The Depositary is required to and does maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients. The terms of the depositary agreement provide that, where certain assets of the Company are invested in a country whose laws require certain financial instruments to be held in custody by a local entity and no such entity is able to satisfy the requirements under the AIFMD in relation to use of delegates by depositaries, BNYMIL may still delegate its functions to such a local entity and be fully discharged of all liability for loss of financial instruments of the Company by such local entity.

The Depositary receives an annual fee for its services based on a sliding scale on the total gross portfolio assets of the Company, payable monthly in arrears. The depositary agreement in place with BNYMIL continues unless and until terminated: without cause upon the Company and BNYMIL giving not less than 90 days' notice and upon BNYMIL giving notice expiring not less than 18 months after the date of the agreement, in each case such notice to be effective only if a new Depositary has been appointed.

- Link Market Services Limited (Link)
  Company Secretarial services are provided by Link, under the Company Secretarial Services Agreement dated 25 April 2016. The agreement mandates that Link Company Matters Limited will act as Link's nominated corporate secretary. The agreement also provides for fees to be paid quarterly, to be based on a fixed annual amount and be subject to annual RPI increases with either party to give notice to terminate the agreement with 12 months' notice.

Listing Rule Disclosure

The Company confirms that there are no items which require disclosure under Listing Rule 9.8.4R in respect of the year ended 30 September 2020.

AIFMD

The AIFMD requires certain financial and non-financial disclosures in respect of Annual Reports.

These disclosures are met by the Company in its Annual Report. In addition, certain specific disclosures are required which are:

- Remuneration
  Total remuneration details for the Directors (who are considered to be code staff under the Directive) are shown in the Report on Directors' Remuneration. Remuneration details for staff are included in note 7 to the accounts. There was variable remuneration due during the year.

- Leverage
  The AIFMD requires the Company to disclose its actual leverage (calculated under the Gross & Commitment methods) and also to set a limit in respect of leverage it can use. The Company has set a limit of 1.5 times (1 being no leverage) and as at 30 September 2020 had leverage of 1.11 times under the Gross method and 1.16 times under the Commitment method. Note 22 to the accounts provides further details.

- Investor Pre-investment information
  The AIFMD requires that potential investors are provided with certain information. The Company provides this information on its website at www.majedieinvestments.com. This has been updated in the year reflecting various small changes, all of which are described in this Annual Report.

Directors' Report

Disclosure of Information to Auditors

As far as each of the Directors are aware:

- there is no relevant audit information of which the Company's Auditors are unaware; and
- they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditors

Ernst & Young LLP were re-appointed as Auditors on 22 January 2020. Ernst & Young LLP have indicated their willingness to continue in office and a resolution will be proposed at the AGM to re-appoint them as Auditors.

Viability

The Board has assessed the prospects of the Company over the five year period to September 2025. The Board believes that five years is appropriate given the long-term nature of the Company's objective and the risks arising from investing in equity markets.

In undertaking their assessment of the viability of the Company, the Board has first considered the Company's prospects utilising the following factors:

- the Company's business model and investment strategy;
- how the Company is positioned against each of the Company's emerging and principal risks and uncertainties;
- the nature and liquidity of the Company's investments;
- global equity market conditions with particular reference to the COVID-19 pandemic;
- the level of its long-term liabilities.

The assessment process provided the following matters which are considered relevant, being:

- the Board carried out a robust assessment of the principal and emerging risks and uncertainties (see pages 31 and 32) that are facing the Company over the review period. The current investment climate is uncertain. In particular, the longer-term impacts of the COVID-19 pandemic are unknown. Brexit and other political impacts are also factors. However, the Company, as a closed ended investment company with a long-term focus and objective is well positioned to ride out any short-term volatility. Investment risk and volatility are high but are well below stress testing levels (the Chief Executive's Report on page 20 provides more details on the investment outlook). Lastly, the Company did not make use of any of the governmental pandemic economic assistance packages that had been made available;
- the £20.8m of borrowings, (being leverage of 1.11 times (Gross method) and 1.16 times (Commitment method)), are considered acceptable and are well below the 1.5 times limit. The Board keeps gearing levels under review and can increase cash levels as required. As such £10m of cash was raised in March 2020 given the uncertainty of COVID-19;
- the investment portfolio, excluding the MAM investment, remains highly liquid (which comprise 75.8% of total assets at 30 September 2020). The Board receives many detailed reports on positioning and approach from MAM and geographic and sector positioning is kept under constant review (the Chief Executive's Report on page 7 provides further details on the investment portfolio);
- the investment in MAM (being £31.0m comprising 20.4% of total assets as at 30 September 2020) is illiquid. MAM have suffered large outflows over recent years but remain highly profitable. The Board have representation on the MAM board, receives detailed financial and non-financial performance information and that as a UK and global equity boutique manager, MAM is well positioned to perform well in a future continued low interest rate environment.
- the Company's systems and operational performance, and that of its service providers, has been resilient under the challenges posed by COVID-19 with service levels having been maintained.

As part of the assessment the Board is very conscious of the impact of COVID-19, both short and long-term, on the Company as noted above and how this uncertainty might affect the Company's future prospects. However, the Board considers that the Company's investment strategy is appropriate and looking forward from the period under review, a global equity investment with a substantial income yield should be considered attractive. As such, the Board have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period to September 2025.

Going Concern

In assessing the Company's ability to continue as a going concern, the Board considered the nature of its investment portfolio, its investment objective and policy (see page 28 and 29), its risk management systems, its financial income and expenditure projections, and its financial and operational structure.

As part of this assessment the Board took into consideration the uncertainties generated by the COVID-19 pandemic on the Company's ability to generate income, sell its assets as or if required to meet liabilities, and ability to operate under the restrictions imposed by the pandemic. The Board stress tested a downside scenario showing income from investments falling by, on average, 30% and investment values by 45% which would still leave the Company with adequate financial resources to be in a going concern position.

It should also be noted that the Company has had no need to make use of any of the governmental pandemic economic support packages made available.

As such the Board is of the view that the Company will be able to meet its obligations over the next twelve months, from the date of the approval of the financial statements, and therefore continues to adopt the going concern basis in preparing the financial statements.

By Order of the Board

Link Company Matters Limited
Company Secretary
9 December 2020

Corporate Governance Statement

The Corporate Governance Statement forms part of the Directors' Report.

This section of the Annual Report describes how the Company, as a member of the AIC, has applied the principles of the UK Corporate Governance Code as published by the Financial Reporting Council (FRC) in July 2018, as required by the FCA. A copy of the UK Corporate Governance Code can be found at www.frc.org.uk. The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (AIC Code), as published in February 2019. The AIC Code, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company, being self-managed. A copy of the AIC Code can be found at www.theaic.co.uk.

The Board considers that reporting against the principles and recommendations of the AIC Code (which incorporates the UK Corporate Governance Code), will provide shareholders with full details of the Company's corporate governance compliance. The Company has complied with the recommendations of the AIC Code throughout the year ended 30 September 2020 except as set out below:

Provision 6.2.14: Senior Independent Director – The Directors have determined that the size of the Company's Board does not warrant the appointment of a senior independent director.

The description of the main features of the Company's internal control and risk management system in relation to the FRC's guidance can be found on page 52 in the Report of the Audit Committee.

The Company

The Company has a long history of self management, and is a self-managed AIF under the AIFMD. In complying with the more detailed aspects of best corporate governance practice, the Board takes into account that the Company is a listed investment company and the Barlow family, as a whole, owns approximately 54% of the shares in issue.

Although the family shareholding in total is significant, there are a number of individual family members and trusts represented by many separate shareholdings.

The principal objective of the Board continues to be to maximise total shareholder return for all shareholders.

Board of Directors

The Board is responsible for the overall stewardship of the Company, including its purpose, strategy, operations and governance. In undertaking this responsibility, and also taking into account its self-managed status and as a AIFM, the Board has set an investment objective and policy, both approved by shareholders, established governance arrangements, risk management and operating systems, policies and procedures, including those relating to its employees. In setting and seeking alignment across these components the Board have considered the Company's culture, including its long history and background and seeks to embed expected values, such as fairness, integrity and professionalism across the Company. The Chairman is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role, and that all Directors receive accurate, timely and clear information. In line with the requirements of the AIC Code, the responsibilities of the Chairman have been agreed by the Board and are available to view on the Company's website. The Board's composition satisfies the requirements of the AIC Code comprised of an independent Chairman, four other independent Non-Executive Directors and Mr JWM Barlow is the CEO.

Biographical details of the Directors are shown on page 35.

All Non-Executive Directors are considered to be independent as defined by the AIC Code as, in the opinion of the Board, each is independent in character and judgment and there are no relationships or circumstances relating to the Company that are likely to affect their judgment. Mr RDC Henderson has now been a director for nine years and plans for his succession are being put in place, with the intention of Mr Henderson retiring at the Company's AGM in 2022. The Board considers that, notwithstanding that he has been on the Board for nine years, he carries out his duties in an independent manner. The Chairman's other commitments are in his biography on page 35.

The Board meets at least five times in each calendar year and its principal focus is the strategic development of the Company, investment policy and the control of the business. Key matters relating to these areas, including the monitoring of financial performance, any changes to the asset allocation, cash or gearing limits, and the buying back of shares or the repayment of long term borrowings are reserved for the Board and set out in a formal statement.

During the year ended 30 September 2020, the Company held 6 Board meetings, 3 Audit Committee meetings, 1 Management Engagement Committee meeting, 2 Nomination Committee meetings and 1 Remuneration Committee meeting. Attendance at these Board and Committee meetings is detailed below.

	Number of meetings				
Directors	Board	Audit	Management Engagement	Remuneration	Nomination
RDC Henderson	6	3	1	1	2
JWM Barlow	6	n/a	n/a	n/a	n/a
PD Gadd*	6	3	1	1	2
JM Lewis	6	3	1	1	2
AMJ Little	5	3	1	1	1
CD Getley**	1	0	0	0	0
RW Killingbeck**	1	0	0	0	0

*resigned on 31 July 2020

**appointed on 1 July 2020.

During the year, the Directors undertook a formal and rigorous performance evaluation and also considered the output from the previous year's evaluation. The process was led by the Chairman and was designed to assess the strengths, areas of improvement and independence of the board together with the performance of its committees, the Chairman and individual Directors. The 2019 evaluation highlighted succession planning as the key area for focus and since then, as disclosed elsewhere in this report, two additional Non-Executive Directors have been appointed to the Board in July 2020.

The Board completed evaluation questionnaires which covered a range of areas including strategy, processes and effectiveness, size and composition, and corporate governance and were also intended to analyse the focus of meetings and assess whether they are appropriate, or if any additional information may be required to facilitate future Board discussions. The evaluation of the Chairman was carried out by the other Directors of the Company. The results of the Board evaluation process were reviewed and discussed by the Board and several areas of improvement were identified for the Company to focus on in the coming year, including considering ways to enhance reporting from the Fund Manager in Board meetings and succession planning.

The Board, having discussed the results, and noting the changes being made, concluded that the Board and its Committees continue to function effectively and that the Chairman's and Directors' other commitments are such that all Directors are capable of devoting sufficient time to the Company.

The Board has agreed and established a procedure for Directors in furtherance of their duties to take independent professional advice if necessary, at the Company's expense.

The Board recognises the need for new Directors to receive an appropriate induction. Existing Directors receive regular updates on regulatory and governance matters, and development and training needs were discussed as part of the Board evaluation process.

- The Audit Committee comprises:
  Mr AMJ Little (Chairman), and all of the Non-Executive Directors. Mr JWM Barlow and representatives of the Auditors are invited to attend meetings of the Committee.

  The Board has agreed the terms of reference for the Audit Committee, which meets at least three times a year.

  Further details on the work of the Audit Committee are detailed in the Report of the Audit Committee on pages 49 to 52.

- The Nomination Committee comprises: Mr RDC Henderson (Chairman) and all of the Non-Executive Directors. Mr JWM Barlow attends meetings at the request of the Committee, from time to time. The approach of the Committee is to consider appointments to the Board of Directors in the context of the requirements of the business, its need to have a balanced and effective Board and succession planning. As part of this, gender and ethnic diversity are carefully considered by the Committee and are taken into account when evaluating the skills, knowledge and experience desirable to fill each vacancy and all appointments to the Board are made on merit. The Committee has not set any measurable objectives in respect of diversity.

  The Company's Articles of Association require a Director appointed during the year to retire and seek election by shareholders at the next AGM and all Directors must seek re-election at least every three years. However, as noted previously, in accordance with the AIC Code all Directors will be re-elected annually. The Articles of Association can be amended by shareholders at a General Meeting.

  The rules relating to the appointment and removal of directors are set out in the Companies Act 2006 and the Company's Articles of Association.

  Non-Executive Directors are appointed for a term of three years, subject to earlier termination, including provision for early termination by either party on one month's notice. The terms and conditions for all Non-Executive Director appointments are set out in letters of appointment (they do not have service contracts), which are available for inspection at the Company's registered office and will be available 15 minutes before the start of and during the Company's AGM. The letters of appointment set out the time commitment expected of Non-Executive Directors who, on appointment, undertake that they will have sufficient time to meet their requirements.

  The Board's policy on tenure for the Non-Executive Directors is that it is expected that individual director's should be able to serve for up to nine years before retiring. However, this limit is flexible in order to facilitate effective succession planning.

  Details of the CEO's employment contract can be found in the Report on Directors' Remuneration on page 54.

  The Nomination Committee met two times during year. First, it met on 17 October 2019 to consider the re-election of Directors at the Company's AGM. Secondly, on 1 July 2020 to recommend the appointment of Messrs CD Getley and RW Killingbeck to the Board and its committees.

  For the appointment of Messrs CD Getley and RW Killingbeck, the Nomination Committee identified potential candidates through a rigorous selection process against an agreed set of criteria (including other significant commitments), using an external consultant, Mr Tim Stephenson. Mr Tim Stephenson has no connection with the Company.

  Based on the outcome of the Board performance evaluation process and on the basis that they continued to make valuable contributions, exercise judgement and express opinions in an independent manner, the Committee has decided to recommend the re-election and election of all Directors as appropriate.

  The Committee considers that the current Directors provide the necessary breadth of skills, experience, length of service and knowledge of the business to effectively manage the Company.

- The Remuneration Committee comprises: Ms JM Lewis (Chairman) and all of the Non-Executive Directors. Mr JWM Barlow is invited to attend and participate as appropriate. Further details on the work of the Remuneration Committee are included in the Report on Directors' Remuneration on pages 53 to 58.

- The Management Engagement Committee (MEC) comprises:
  Mr RDC Henderson (Chairman) and all of the Non-Executive Directors. Mr JWM Barlow attends meetings at the request of the Committee, from time to time. Mr RDC Henderson replaced Mr PD Gadd as Chairman of the MEC following his retirement from the Board in July 2020. The Board has agreed terms of reference for the Committee, which meets at least once a year to consider the performance of the Fund Manager, the terms of the Fund Manager's engagement and to consider the continued appointment of the Fund Manager. The MEC met once on 21 October 2020 and recommended that MAM be retained as Fund Manager. In determining their recommendation, the MEC concluded that MAM have an excellent long-term track record and offer a broad range of products to meet the Company's investment policy.

  Following the recommendation from the MEC, the Board has concluded that it is in the best interests of shareholders that MAM should continue to be the Fund Manager of the Company under its existing terms.

  In addition to the Investment Management role, the Board has delegated to external third parties the Depositary, including custodial services, company secretarial services, share administration and registration services.

  The MEC annually reviews their performance and their contracts.

The terms of reference of the Company's Committees are available on request from the Company Secretary or from the Company's website.

Conflicts of Interest

The Directors have declared any conflicts or potential conflict of interest to the Board which has the authority to approve such situations. The Company Secretary maintains the Register of Directors' Conflicts of Interests which is reviewed quarterly by the Board and when changes are notified. The Directors advise the Company Secretary and Board as soon as they become aware of any conflicts of interest. Directors who have conflicts of interest do not take part in discussions which relate to any of their conflicts.

It is the responsibility of each individual Director to avoid an unauthorised conflict situation arising. Directors must request authorisation from the Board as soon as they becomes aware of the possibility of a situational conflict arising.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether or not the situational conflict should be authorised. The factors to be considered will include whether the situational conflict could prevent the Director from properly performing his duties, whether it has, or could have, any impact on the Company and whether it could be regarded as likely to affect the judgement and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to participate in the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

The Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company.

Relations with Shareholders

The CEO undertakes regular visits and presentations to shareholders and potential investors around the UK, discussing, inter alia, performance and strategy. Kepler Partners are engaged to provide support in this area and they provide detailed analysis reports to the Board.

Additionally, members of the Board hold meetings with the Company's principal shareholders and prospective investors to develop an understanding of the views of shareholders and to discuss the Company's strategy and financial and investment performance.

Any issues raised by shareholders are reported to the full Board. Shareholders are encouraged to attend the AGM and to participate in proceedings. Shareholders wishing to contact the Directors to raise specific issues can do so directly at the AGM or by writing to the Company Secretary.

Corporate Governance Statement

In the Annual Report each year the Directors seek to provide shareholders with information in sufficient detail to allow them to obtain a reasonable understanding of recent developments affecting the business and the prospects for the Company in the year ahead. The various sections of the Strategic Report provide further information.

The Company has two investor savings schemes which provide shareholders with cost effective and convenient ways of investing. Communication of up-to-date information is provided through the Company's website at www.majedieinvestments.com.

Voting policy

The exercise of voting rights attached to the Company's investment portfolio has been delegated to MAM in the absence of explicit instructions from the Board. MAM subscribes to the NAPF Voting Issues Service (ISS) which forms part of their voting process. MAM provide a quarterly report detailing the voting activity on the Company's investment portfolio which includes details of the votes made as well as the reasons explaining the rationale for the voting decision.

MAM is required to include on their website a disclosure about the nature of their commitment to the FRC's Stewardship Code and details may be found at www.majedie.com.

The Company's Shareholder Engagement Policy, as required under the Shareholder Rights Directive II, utilises the MAM policy and is available on the Company's website.

Internal Control Review

The Board acknowledges that it is responsible for the risk management and internal control relating to the Company and for reviewing the effectiveness of those systems. An ongoing process is in existence to identify, evaluate, manage and monitor risks faced by the Company. The AIFMD also requires that the Board, acting as AIFM, implements effective risk management policies and procedures and the appointment of a Depositary provides an additional check over the Company's operations. Key procedures are also in place to provide effective financial control over the Company's operations.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

A review of internal control and risk management systems is undertaken by the Board or the Audit Committee in the context of the Company's overall investment objective.

The review covers business strategy, investment management, operational, compliance and financial risks facing the Company. In arriving at its judgement of the nature of the risks facing the Company, the Board or the Audit Committee has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable to bear within the overall business objective;
- the likelihood of such risks becoming a reality; and
- the Investment Manager's ability to reduce the incidence and impact of risk on performance and the relevant controls.

Further details relating to risk management, risk assessments and internal controls are contained in the Report of the Audit Committee on page 52.

In accordance with the AIC and the UK Corporate Governance Code, the Board has carried out a review of the effectiveness of the system of internal controls as it has operated over the year and up to the date of approval of the report and accounts.

By Order of the Board

Link Company Matters Limited
Company Secretary
9 December 2020

Report of the Audit Committee

The Report of the Audit Committee forms part of the Corporate Governance Statement.

The composition of the Board and Audit Committee changed during the year. Mr PD Gadd retired from the Board and Messrs CD Getley and RW Killingbeck were appointed to the Board, all in July 2020. Further details of these changes are detailed in the Chairman's Statement on page 5. In accordance with the 2019 AIC Code, the Audit Committee includes the Company Chairman as a member. This is considered appropriate given Mr RDC Henderson's background with the Company and his financial experience. Additionally it is considered that the Audit Committee Chairman, Mr AMJ Little, who is a Chartered Accountant, has appropriate recent financial experience to continue in the role. The Board recognises the requirement for the Audit Committee as a whole to have competence relevant to the sector in which the Company operates. The Directors have a combination of financial, investment and business experience, specifically with respect to the investment trust sector.

The Committee usually meets three times a year in which it reviews the Half-Yearly Financial Report and Annual Report, and agrees the auditor's terms of engagement.

The Company Secretary, Link Company Matters Limited (trading as Company Matters), acts as Secretary to the Committee and its terms of reference are available on request or may be obtained from the Company's website.

Responsibilities

The Committee's responsibilities include:

- monitoring the integrity of the financial statements of the Company (including that they are considered, as a whole, to be fair, balanced and understandable);
- reviewing the Company's internal financial controls and risk management systems;
- making recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment of the external auditor, monitoring the external auditor's effectiveness and independence and monitoring a policy on the engagement of the external auditor to supply non-audit services.

In respect of the year under review the Committee met three times, in November 2019 and May and July 2020. Since the year end it has also met in December 2020. The purpose of the meetings was to review the Company's Half-Yearly Financial Report and Annual Report respectively, to review the internal control environments of outsourced service providers and to oversee the relationship with the Auditor (which includes recommendations on fees, approval of their terms of engagement and assessing their independence and effectiveness).

Significant issues related to the Financial Statements

In respect of the year ended 30 September 2020, and following a robust assessment of the risks facing the Company, the Committee considered the following issues to be significant to the financial statements:

Valuation of Investments

The Company is a global equity investment company which invests in many companies around the world, the majority of which are quoted and traded on a recognised stock exchange. These investments are made directly via the UKES or in Funds managed by MAM.

However, some of the Company's investments are held in companies that are not quoted or traded on a recognised stock exchange and for which price discovery requires careful analysis and judgement. The only such investment that is significant to the determination of the Company's net asset value is the investment in MAM (see note 13 on page 92).

Investments in quoted companies are valued using prices from a third-party pricing source. These prices are reviewed against other third-party sources and additionally those that exceed a pre-determined movement threshold, or do not change, are subject to further verification. Investments made in the various MAM funds are priced using prices published by the relevant fund administrator (MAM use the Bank of New York Mellon).

The COVID-19 pandemic resulted in heightened volatility in world equity markets. The Committee received reports (including from the Depositary with enhanced oversight) and noted that fair value pricing was not used, valuations and service levels continued as normal with the Company and its service providers invoking their business continuity plans.

For unquoted investments, the CEO provides detailed valuation papers and analyses and recommends a fair value for the relevant investment to the Committee, using the Company's policy as set out in note 1 to the Accounts on pages 75 to 82. The unquoted

Report of the Audit Committee

investment papers are reviewed by the Committee, who challenge assumptions, methodologies and inputs used. They are also subject to review by the Auditor.

The fair value of MAM over the last ten years has been valued using a backward-looking methodology based on historic earnings. As AUM increased the valuation was deemed to be conservative. However, due to the evolving outlook for the asset management industry, a fall in AUM at MAM and its strategic decision to lower costs for investors by both reducing annual management charges and absorbing all UK OEIC administration costs, a discount has been applied to the formula in recent years.

The Committee, and the Board, having taken external advice, decided to adopt a new valuation methodology which it believes is a more appropriate basis for valuing the investment in MAM going forward.

The revised basis for valuation annualises the most recent quarterly earnings of MAM, applies a median of a peer group price earnings multiple with an unlisted liquidity discount of 20% (although the Committee may adjust the discount depending on market conditions). Performance fee earnings multiples are further discounted by 50%. Surplus net assets are then added, having deducted 200% of regulatory capital.

The valuation is updated each quarter and is announced to the market. Overall, the Committee believes this will enhance transparency and disclosure to investors. The valuation as at 30 September 2020 is shown in the Chief Executive's Report on page 19 and shows the fair value of the stake in MAM at £31.0m. This represents a reduction from 30 September 2019 of 24.1%. A 5% increase/decrease in MAM's earnings would result in an increase/decrease of 3.6% in the carrying value of MAM.

Ownership of Investments

The Company's investments are held in safe custody by BNYMIL as Depositary. BNYMIL acts as global custodian and may delegate safekeeping of the assets of the Company to one or more global sub-custodians (such delegation may include the powers of sub-delegation).

BNYMIL has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and The Bank of New York Mellon. The Committee receives regular reports on BNYMIL's internal controls.

Income Recognition

Essentially the Company's income is dividend receipts from its investment holdings, including MAM. As such inaccurate recognition of income, or incomplete controls in this area, could result in the Company misstating such receipts.

The Committee receives regular detailed management accounts during the year and also reviews and approves the Company's forecast for the year. COVID-19 resulted in a number of companies cancelling declared dividends all of which were accounted for correctly.

Additionally, Mr JWM Barlow, CEO of the Company, Is a Non-Executive Director of MAM which provides a significant level of assurance over MAM dividend receipts.

The Chairman of the Committee will be available at the AGM to answer any questions relating to the Annual Report.

External Audit

The Company's external auditor is Ernst & Young LLP, who were initially appointed on 18 January 2008. In accordance with the EU Audit Directive and Regulation, the Company, in 2017, completed a competitive tender process.

As a result, Ernst & Young LLP were re-appointed as auditor. Legislation allows for a further period of up to ten years at which time a mandatory rotation is required.

Additionally, Auditing Practices Board requirements require that the engagement partner serve for up to 5 years. Mr A Coups has been engagement partner since 2019.

As such, the notice of the 2020 Annual General Meeting on page 106 includes a resolution, to be approved by shareholders, that Ernst & Young LLP be re-appointed as Auditor with Mr A Coups as the engagement partner.

The Company engages Ernst & Young LLP to undertake the annual year end audit. It is not considered necessary to have a review of the Half Yearly Financial Report. Ernst & Young LLP attended the annual accounts Audit Committee meeting in November, and an audit planning meeting in July.

In determining the effectiveness of the external audit, the Committee takes account of the following factors:

Factor	Assessment
The Audit Partner	Extent to which the partner demonstrates a strong understanding of the business and industry and the challenges that the Company faces. Additionally, is committed to audit quality, whose opinion is valued and sought after.
The Audit Team	Extent to which the audit team understand the business and industry, are properly resourced and experienced.
The Audit approach	The Audit approach is discussed with management and targets the significant issues early (and any new requirements as a result of new regulations etc), is communicated properly, is appropriate for the Company's business and industry and includes an appropriate level of materiality.
The role of management	Information provided by management is timely and correct with proper work papers. Accounting systems and internal controls work properly to enable proper information and an audit trail to be provided.
The communications and formal reporting by the Auditor	Management and the Committee kept appropriately informed as the audit progresses – a no surprises basis is adopted. The formal report is appropriate and contains all the relevant material matters.
The support, insights and added value provided to the Committee	Guidance given to the Committee for best practice with provision of updates and/or briefings or training between Committee meetings.
The independence and objectivity of the Auditor	Complies with the FRC ethical standards and has the required degree of objectivity.

In assessing the effectiveness of the audit, the Committee receives management assessments and reports from the Auditor and additionally does, from time to time, receive assessments on the Auditor from the FRC.

As a result of its review, the Committee is satisfied that, in respect of the year ended 30 September 2020, the external audit process is effective and it recommends the appointment of Ernst & Young LLP as Auditors at the forthcoming AGM.

Fees related to external audit services are disclosed in note 5 to the Accounts.

Policy for non-audit services

The Company has a policy in place in respect of non-audit services which meets the requirements of the Revised Ethical Standard 2019, as issued by the Financial Reporting Council. The policy prohibits the external auditor from providing certain services, e.g. tax, and places a cap on the value of these fees, as compared to the external auditor's statutory audit fees. It also allows for the external auditor to provide non-audit services provided they fall within the list of permitted non-audit services e.g. convenant reporting, as detailed in the Revised Ethical Standard 2019. As was the case last year, during the year the only non-audit service provided by the Auditor was a review of the Company's debenture covenant reporting, to the trustee for the debenture holders, which is separately disclosed as Other Audit Related Services in the Accounts (see note 5 to the Accounts). Any areas of concern are raised with the Board of the Company.

In determining auditor independence, the Committee assesses all relationships with the auditor and receives from the auditor information on its independence policy along with safeguards and procedures it has developed to counter perceived threats to its objectivity. The auditor also provides confirmation that it is independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit is not impaired. Following its review, the Committee is satisfied that they are independent having fulfilled their obligations to both the Company and its shareholders.

Report of the Audit Committee

Risk Management and Internal Control

The Company operates risk management and internal control systems appropriate for entities operating in the financial services sector and as appropriate to the size and the scope of its activities. In reviewing these systems, the Committee, and/or the Board, receive regular reports, which include those from the Company's Depositary. The Committee also receives control reports from its key third party outsourced service providers on the effectiveness of their own internal control systems and procedures. Any particular issues identified are documented and followed up by the Committee or the Board in subsequent meetings.

The Company does not have an internal audit function. The Committee has considered this matter and is of the opinion that there is no need at the present time for the Company to have an internal audit function since there are considered to be adequate checks and balances in operation. In particular, the Company operates with fund management services being undertaken by MAM, company secretarial functions by Link Company Matters Limited and depositary services by BNYMIL (with custody being delegated to The Bank of New York Mellon SA/NV and The Bank of New York).

For the year ended 30 September 2020 the Company's risk management and internal controls were subject to review by the Committee, which included internal controls in place to support the Company's fund administration activities. The COVID-19 pandemic provided heightened uncertainty across many risks faced by the Company, primarily market and operational risk. The Committee undertook additional reviews concerning the impact of COVID-19 and was satisfied that the Company's risk management and internal controls functioned as planned. The Committee also evaluated the business continuity plan and its effectiveness during the pandemic and noted that it worked as intended and operations and service levels were maintained. The Committee also reviewed the major service provider responses again noting that operations and service levels were maintained.

The Committee noted that the Company's depositary also had deployed enhanced oversight due to the pandemic on some key topics including, business continuity, fair value pricing and income recognition, all of which had been addressed successfully by the Company's systems.

Additionally, Mr JWM Barlow, CEO of the Company, is a Non-Executive Director of MAM and is Chairman of their Audit & Risk Committee. In this capacity he receives detailed reports on MAM's internal control environment, including their responses to the pandemic.

Lastly, the Committee noted the audit approach undertaken by the auditor in the course of the year end audit. These, together with the Committee's own review, meant that the Committee considers that the Company's risk management and internal controls have been, and are, adequate and effective.

Risk Assessment

The Audit Committee considered the requirements of the AIC Code which require a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal and emerging risks facing the Company and how they are being managed are detailed on pages 31 and 32 in the Business Review section of the Strategic Report. The Committee robustly reviews these risks and mitigating controls in its meetings in May and December (and additionally the Board, at each meeting, receives reports on operational matters and reviews a Key Risks Summary which outlines the key and emerging risks, and changes thereto).

Compliance, Whistleblowing and Fraud

The Company uses outsourced service providers for certain arrangements as part of its operations. The Committee and the Board receive reports regarding the internal control environment and compliance function of the Fund Manager and other major service providers, including procedures for whistleblowing and for detecting fraud and bribery.

The Committee also seeks assurances from service providers that appropriate whistleblowing procedures are in place which enable their staff to raise concerns about possible improprieties in a confidential manner.

The Company has in place a compliance manual, tailored to its size and the nature of its business, which has procedures and policies in place to provide for whistleblowing and fraud detection.

On behalf of the Board

A Mark J Little
Chairman of the Audit Committee
9 December 2020

Report on Directors' Remuneration

Annual Statement

There were a number of changes to the composition of the Board and Committee during the year. Mr PD Gadd retired from the Board and as Chairman of the Remuneration Committee in July 2020, being replaced as Chairman of the Remuneration Committee by Ms JM Lewis, who was considered to have the requisite experience and understanding of the Company. Messrs CD Getley and RW Killingbeck were appointed to the Board in July 2020. Further details on these changes are detailed in the Chairman's Statement on page 5.

The Committee meets annually for the purpose of considering levels of remuneration paid to the Board and any change in the Director's Remuneration Policy.

The Company Secretary, Link Company Matters Limited (trading as Company Matters), acts as Secretary to the Committee and its terms of reference are available on request or may be obtained from the Company's website.

At its meeting in October 2020, the Remuneration Committee decided that, in implementing the Company's remuneration policy:

- there should be no change to the remuneration of the Non-Executive Directors in respect of the financial year ended 30 September 2020;
- Mr Barlow's basic salary will increase by 1% as from 1 October 2020. There is no change to his other benefits nor to his bonus scheme.

In reaching their decisions the Remuneration Committee considered the remuneration rates of comparable investment entities. In Mr JWM Barlow's case, the Remuneration Committee used MM & K Limited to review his remuneration and report thereon.

Additionally, Mr JWM Barlow, under the approved bonus scheme, is entitled to a bonus of £25,000 in any financial year in which the Company's issued share capital is increased by at least 5%, rising to £50,000 on a straight-line basis if it increases by 10%. No bonus will be paid in the absence of any such increase, and no other bonus arrangements have been proposed.

During the financial year ended 30 September 2020 no shares were issued. Mr Barlow did not therefore qualify for a performance bonus under this bonus scheme.

No discretion was exercised during the year in relation to directors' remuneration. Save as set out above there are no changes to the way in which the Board intends to implement the Company's remuneration policy.

In accordance with the regulations, a revised Director's Remuneration Policy is required to be tabled and approved by Shareholders at the 2021 Annual General Meeting. The revised policy is detailed on pages 54 and 55, but is the same in all material respects as the previous policy that was approved at the 2018 Annual General Meeting.

During the year, the Remuneration Committee received material advice from the Company Secretary on changes to law, regulations and practice as part of their normal services to the Company.

J M Lewis
Chairman of the Remuneration Committee
9 December 2020

Report on Directors' Remuneration

Directors' Remuneration Policy

The existing Directors' Remuneration Policy was approved at the Company's Annual General Meeting in 2018. Accordingly, in accordance with the requirements of Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended, (the Regulations), it is proposed to table an ordinary resolution to approve a new Directors' Remuneration Policy, as set out in this Section, at the Company's 2021 Annual General Meeting (see page 106). It is proposed that this new policy will be adopted at that meeting with effect from 1 October 2020 and will replace the existing policy. The revised policy being presented and requiring approval has no material changes from the prior policy on the remuneration of the Directors. The revised policy will remain in force until the Annual General Meeting of the Company in 2024, at which time a further resolution will be proposed.

Non-Executive Directors

The components of the remuneration package for Non-Executive Directors', which are comprised in the Directors' Remuneration Policy of the Company, are as set out below:

Remuneration Type	Description and approach by the Company to determination	Maximum Potential Value
Fixed		
Fees	Annual fees set at a competitive level for the industry and appropriate for role and based on individual skills, time commitment and experience.	Aggregate Directors' fees cannot currently exceed £250,000 per annum
Additional fees for Senior Independent Director and Chairs of Committees	Additional fees may be paid to any director designated as the Senior Independent Director and to any director who chairs any committee of the Board depending on the time commitment and responsibility involved. Such fees will be set at a competitive level for the industry and appropriate for the role and based on individual skills, time commitment and experience.	Aggregate Directors' fees cannot currently exceed £250,000 per annum
Expenses	Non-Executive Directors can claim for out-of-pocket expenses in the furtherance of their duties.	Ad-hoc basis
Payment for loss of office	No payments will be made to Non-Executive Directors for loss of office.	

Each component of the remuneration package set out above supports the short and long-term strategic objectives of the Company by ensuring that the Non-Executive Directors' remuneration is set at a competitive level which reflects the responsibilities of, and the time devoted by, the Non-Executive Directors. The current individual level of fees, across each component above, are as detailed in the Annual Report section on page 56.

Non-Executive Directors have a letter of appointment with the Company. The terms include an initial 3 year duration period, a one month notice period by either party and no deferral or claw back provisions.

Appointments can be extended beyond the initial term, at the Board's discretion, and in accordance with the Company's Articles of Association and the policy on tenure.

CEO

The components of the remuneration package for the CEO, which are comprised in the Directors' Remuneration Policy of the Company, are as set out below:

Remuneration Type	Description and approach by the Company to determination	Maximum Potential Value
Fixed		
Salary	Set at a competitive level for the industry and appropriate for role and based on individual skills, time commitment and experience.	£192,830 per annum unless otherwise resolved by the Remuneration Committee
Healthcare	Medical and death or disability insurance.	As per healthcare provider quote
Variable		
Annual Bonus	Payable in the event that the Company's issued share capital increases by at least 5% in any financial year (treating for this purpose sales of shares from treasury as if they were not previously part of the Company's issued share capital).	Not to exceed 50% of base salary

Mr JWM Barlow is a member of the Company's pension scheme but does not receive any pension benefits. His contract of employment provides for six months' notice of termination by either party and various post-employment obligations and restrictions considered to be appropriate for a role of this type within the financial services sector. There are no provisions which would give rise to or impact upon remuneration payments of payments for loss of office.

Additionally, he is subject to his letter of appointment as a Director of the Company, the terms of which are the same as for the Non-Executive Directors' (save that he is not eligible to receive any fees). Subject to approval of this remuneration policy, the Company intends to award him a bonus of £25,000 in any financial year in which the Company's issued share capital is increased by at least 5%, rising to £50,000 on a straight-line basis if it increases by 10%.

Each component of the remuneration package set out above supports the short and long-term strategic objectives of the Company as follows:

- The remuneration ensures that the CEO's base salary is set at a competitive level;
- The annual bonus is payable only if there is a material increase in the issued share capital of the Company. The Directors believe that the growth of the Company, to spread its fixed costs over a larger asset base, is one of their key aims, and the annual bonus directly aligns the interests of the CEO with this aim.

Save as set out above, there are no specific additional performance measures or targets applicable to any of the components of the CEO's remuneration.

Save for the payment of directors' fees, there is no difference between the Company's policy on the remuneration of Directors from the remuneration of employees.

Lastly, no director is involved in setting their own remuneration and the Company's conflict of interest policy and procedures (see page 47) apply to Committee members when undertaking their duties.

Approach to recruitment remuneration

The principle adopted by the Committee in respect of recruitment of directors is that the fees for a non-executive director should reflect the responsibilities and time commitment required. This is also referenced to other similar organisations and appointments. The Committee seeks to encourage the enhancement of the Company's performance and to ensure that remuneration packages offered are competitive and designed to attract, retain and motivate directors of the right calibre. Any new non-executive director would be paid on the same basis as the existing non-executive directors.

As noted on page 54, the aggregate level of directors' fees must not exceed a set limit, as set out in the Company's articles of association, which is currently £250,000 per annum.

In respect of the CEO, the Committee seeks to incentivise and align the relevant individual's interests with that of the Company. In doing so the Committee looks to set fixed remuneration, at a level appropriate given the responsibilities and in line with the market for financial services businesses in the City of London. The variable remuneration is structured in order to provide a reward for individual performance in line with the Company's objectives. Any new executive director's remuneration package would contain a fixed salary, together with an entitlement to participate in the bonus scheme, on the same basis as is set out in the approved Directors' Remuneration Policy. The maximum level of variable remuneration which may be granted would be equal to the maximum bonus as per the approved Director Remuneration Policy.

Policy on payment for loss of office

The Company's policy is that notice periods for the CEO of the Company should be of six months' duration. It is also the Company's policy that no payment should be made for loss of office, save for any remuneration in respect of any notice period, and that should be paid during any notice period, and shall be subject to reduction in the event of the director gaining alternative employment.

Any bonuses to which any directors of the Company may be entitled or entitled to participate in will be subject to their being an employee at the time payment falls due, and no payment will be made in the event of prior loss of office.

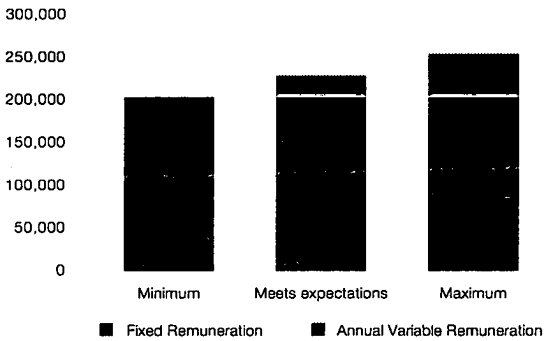
Consideration of employment conditions elsewhere in the Company

The pay and performance conditions of any CEO of the Company are designed to be consistent with those of the employees of the Company. The same remuneration policies apply to the other senior employee of the Company. The remuneration of the other senior employee of the Company is a material factor in setting the remuneration of the CEO.

Shareholder views on remuneration

The Company has not received any views in respect of Directors' remuneration expressed to it by shareholders.

Illustration of application of CEO remuneration policy



Notes:

1. Fixed remuneration includes salary and benefits.
2. Annual variable remuneration is a Company bonus calculated at £25,000 under meets expectations column or £50,000 under the maximum column, in accordance with the only existing and proposed bonus arrangements.

Report on Directors' Remuneration

AUDITED SECTION

Annual Report

The remuneration of the Directors for the year ended 30 September 2020 was as follows:

	Salary & Fees		Taxable Benefits		Bonus		Total Remuneration	
	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000
Non Executive Directors								
Mr RDC Henderson	55	59					55	59
Mr PD Gadd	29	35					29	35
Ms JM Lewis	32	24					32	24
Mr AMJ Little	35	13					35	13
Mr CD Getley	8						8	
Mr RW Killingbeck	8						8	
Mr AJ Adcock		17						17
Fees sub-total	167	148					167	148
Executive Director Mr JWM Barlow	191	187	10	9			201	196
Total	358	335	10	9			368	344

Total remuneration for the year, and prior year, is classed as fixed remuneration (there were no bonuses due in the current or prior year). Mr JWM Barlow's taxable benefits relate to healthcare costs (he receives no pension contributions). Directors' fees were set at £55,000 per annum for the Chairman and £31,500 basic, per annum, for each of the other Non-Executive Directors. In addition, there is a £3,500 per annum supplement for the Chairman of each of the Audit and Remuneration Committees.

There have been no payments to past Directors during the financial year ended 30 September 2020, whether for loss of office or otherwise.

Scheme interests awarded during financial year

The Company does not operate any share incentive schemes.

Directors' Interests

The Company does not have any requirement or guidelines for any Director to own shares in the Company.

The interests of the Directors' of the Company, including their connected persons, in securities of the Company as at 30 September 2020 and as at 9 December 2020 are as follows:

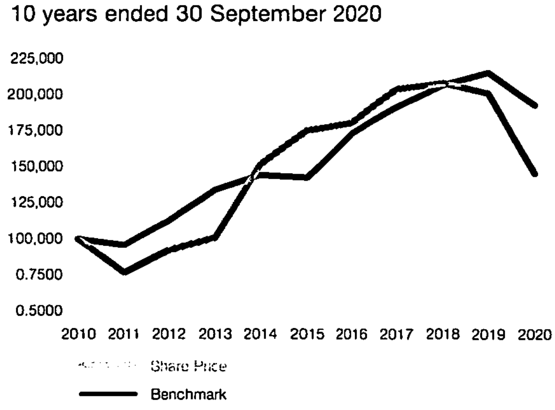
Directors' Interests	Type of holding	No of fully paid ordinary 0.1p shares 30 September 2020	9 December 2020
Mr RDC Henderson	Beneficial	24,700	24,700
Ms JM Lewis	Beneficial	5,803	5,803
Mr AMJ Little	Beneficial	9,879	9,879
Mr CD Getley	Beneficial	33,830	33,830
Mr RW Killingbeck	Beneficial	20,000	20,000
Mr JWM Barlow	Beneficial	409,224	409,224
	Non-beneficial	3,111,110	3,111,110

NON AUDITED SECTION

Performance

Set out below is a graph showing the total shareholder return attributable to the ordinary shares in the Company in respect of the ten financial years ended 30 September 2020, and to a hypothetical portfolio constructed according to a benchmark equity index, calculated as 70% FTSE All-Share Index and 30% FTSE World ex UK Index (Sterling) to September 2016 and the MSCI All Country World Index (Sterling) thereafter. This composite is the comparator for the purpose of this graph as it includes a global equity weighting appropriate to a global equity trust and was (using the pre-September 2016 indices), the Company's benchmark at the start of the ten-year period.

Total Shareholder Return v Benchmark for the 10 years ended 30 September 2020



Remuneration of the Director undertaking the role of Chief Executive Officer

The table below sets out the remuneration of the Director of the Company who fulfils a role most closely corresponding to that of chief executive officer (CEO) over the preceding ten financial years:

Year ended	Director undertaking role of CEO	Total remuneration	Current year variable remuneration awarded vrs maximum potential value	Prior year or future year awards vested vrs maximum potential value
30 Sep 2020	Mr JWM Barlow	£201,122	0%	0%
30 Sep 2019	Mr JWM Barlow	£196,178	0%	0%
30 Sep 2018	Mr JWM Barlow	£190,511	0%	0%
30 Sep 2017	Mr JWM Barlow	£185,618	0%	0%
30 Sep 2016	Mr JWM Barlow	£180,559	0%	0%
30 Sep 2015	Mr JWM Barlow	£215,649	44%*	0%
30 Sep 2014	Mr JWM Barlow	£153,358	0%	0%
30 Sep 2013	Mr JWM Barlow	£143,531	0%	0%
30 Sep 2012	Mr JWM Barlow	£166,640	0%	0%
30 Sep 2011	Mr GP Aherne	£185,040	0%	0%

* Reflects the £40,000 bonus as against the maximum bonus potential of £90,000.

Annual percentage change in remuneration of Directors and employees

The table below sets out the changes in the disclosed elements of the remuneration of each Director as compared to employees of the Company:

Period & Type	Notes	Mr RDC Henderson	Mr PD Gadd	Ms JM Lewis	Mr AMJ Little	Mr CD Getley	Mr RW Killingbeck	Mr JWM Barlow	Staff
Salary & Fees									
30 September 2020	1-6	-6.7%	+0.0%	+11.1%	+0.0%	N/a	N/a	+2.0%	+2.0%
Taxable Benefits									
30 September 2020	7							+13.3%	+8.3%
Bonus									
30 September 2020	8							+0.0%	-100.0%

Notes:

1. The table shows the annual percentage change in each Director's remuneration as compared to employees (on a Full Time Equivalent basis). In accordance with the regulations this compares the current financial year with the year ended 30 September 2019, being the only financial year since 10 June 2019. The Non-Executive Directors are not eligible for benefits or variable remuneration.
2. The change in Mr RDC Henderson's fees reflects the reduction in his fees as detailed in last year's report.
3. The change in Ms JM Lewis's fees reflects her appointment as Chairman of the Remuneration Committee, which attracts a fee supplement.
4. Mr CD Getley and Mr RW Killingbeck were only appointed this year, on standard terms as per the remuneration policy, so there is no comparator.
5. The change in Mr JWM Barlow's salary reflects the salary increase as detailed in last year's report.
6. Average staff salaries have increased, reflecting cost of living increases for 2020. Given the small number of staff the impact in monetary terms is small.
7. The percentage increase in taxable benefits shown reflects the increased costs by the relevant providers. Again, the actual increase in monetary terms is small.
8. The percentage decrease reflects no bonus due to a member of staff this year.

External appointments

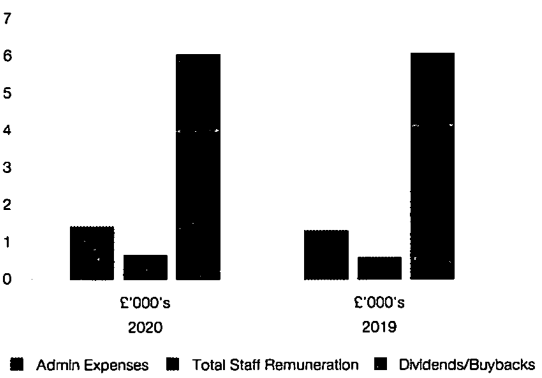
The Board supports any Executive Director taking up appointments outside the Company to broaden their knowledge and experience, from which they may retain any fee. External appointments are subject to agreement and reported to the Board. Any external appointment must not conflict with the Director's duties and commitments to the Company.

During the year, Mr JWM Barlow was a non-executive director of Strategic Equity Capital PLC for which he received fees on the basis of £25,250 for the year to 30 June 2020.

Relative importance of spend on pay

The table below sets out, in respect of the financial year ended 30 September 2020 and the preceding financial year:

a) the actual administration expenses expenditure of the Company;
b) the remuneration paid to or receivable by all employees of the Company;
c) the distributions made to shareholders by way of dividend or share buyback.



Report on Directors' Remuneration

Statement of implementation of Remuneration Policy in respect of the financial year ending 30 September 2021

Non Executive Directors
The Remuneration Committee has reviewed Directors' fees during the financial year, and does not expect to recommend any further change in the absence of unforeseen circumstances.

CEO
The Remuneration Committee intends to review the salary of the CEO in light of prevailing market conditions. It intends to operate Mr JWM Barlow's bonus scheme in accordance with its terms as set out in the Remuneration Policy.

Consideration by the Directors of remuneration
During the financial year, the members of the Remuneration Committee were Mr PD Gadd (chair to July 2020), Mr RDC Henderson, Ms JM Lewis (chair from July 2020), Mr AMJ Little, Mr CD Getley and Mr RW Killingbeck. MM & K Limited (MM&K), were appointed by the Committee to undertake a review of Mr JMW Barlow's remuneration and the rates of comparable investment entities and report thereon. MM&K provided no other services to the Company and accordingly, the Committee was satisfied that the advice provided was objective and independent. MM&K's fee in respect of this advice was £3,500, plus VAT.

Statement of voting at General Meeting
At the annual general meeting of the Company held on 22 January 2020, a resolution was proposed by the Company to approve the Report on Directors' Remuneration for the year ended 30 September 2019. For this resolution 99.8% of the votes cast were in favour with 0.2% against and 0.0% of the votes being withheld.

At the annual general meeting of the Company held on 17 January 2018, a resolution was proposed by the Company to approve the new Directors' Remuneration Policy. For this resolution 99.9% of the votes cast were in favour with 0.1% against and 0.0% of the votes being withheld.

Basis of preparation
This report has been prepared in accordance with the requirements of Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended, as required by the Companies Act 2006. The report also meets the relevant requirements of the Listing Rules of the Financial Conduct Authority and describes how the Board has applied the principles relating to the Directors' remuneration.

The Report on Directors' Remuneration on pages 53 to 58 was approved by the Board on 9 December 2020.

On behalf of the Board

JM Lewis
Chairman of the Remuneration Committee
9 December 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Company financial statements in accordance with applicable United Kingdom law. Under that Law, the Directors have elected to prepare the financial statements in accordance with IFRS, as adopted by the European Union (IFRS). Under Company Law the Directors must not approve the Company financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Company for that period. In preparing the Company financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- state that the Annual Report, taken as a whole, is fair, balanced and understandable and provides sufficient information to allow shareholders to assess the Company's performance.

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

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

The Directors of the Company, whose names are shown on page 35 of this Report, each confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the Annual Report includes 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 it faces; and
- they consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

David Henderson

R David C Henderson
Chairman
9 December 2020

Report of the Depositary

Report of the Depositary to the shareholders of Majedie Investments PLC

Depositary's responsibilities
The Depositary is responsible for the safekeeping of all custodial assets of the Company, for verifying and maintaining a record of all other assets of the Company and for the collection of income that arises from those assets.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Alternative Investment Fund Managers Directive (AIFMD), the FUND Sourcebook and the Company's Instrument of Incorporation, in relation to the calculation of the net asset value per share and the application of income of the Company. The Depositary also has a duty to monitor the Company's compliance with investment restrictions and leverage limits set in its offering documents.

Report of the Depositary to the shareholders of Majedie Investments PLC for the year ended 30 September 2020
Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM has been managed in accordance with AIFMD, the FUND sourcebook, the Instrument of Incorporation of the Company in relation to the calculation of the net asset value per share, the application of income of the Company; and with investment restrictions and leverage limits set in its offering documents.

For and on behalf of
The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL

Report of the Independent Auditor

Independent Auditor's Report to the Members of Majedie Investments PLC

Opinion

We have audited the financial statements of Majedie Investments PLC (the 'Company') for the year ended 30 September 2020 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 September 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report of the Independent Auditor

Independent Auditor's Report to the Members of Majedie Investments PLC

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual Report set out on page 31 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 42 in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on page 76 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on pages 42 and 43 in the Annual Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	• Incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income. • Incorrect valuation or ownership of the investment in Majedie Asset Management Limited ('MAM'). • Incorrect valuation or ownership of investments other than MAM. • Impact of COVID-19.
Materiality	• Overall materiality of £1.31m (2019: £1.55m) which represents 1% (2019: 1%) of the Company's net asset value.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income Refer to the Report of the Audit Committee (page 50; Accounting policies (page 77; and Note 3 of the Financial Statements (page 83). The total revenue for the year to 30 September 2020 was £6.0m (2019: £8.0m). The total amount of special dividends received by the Company during the year was £0.04m (2019: £0.13m), with all special dividends classified as revenue. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the Directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.	• Walked through the revenue recognition and classification of special dividend processes to obtain an understanding of the design and implementation of the controls; • We assessed the appropriateness of the Company's classification of special dividends as revenue or capital with reference to publicly available information; • For a sample of dividends, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share as agreed to an independent data vendor. We agreed a sample to bank statements and, where applicable, we also agreed the exchange rates to an external source; • To test the completeness of ordinary and special dividends, we agreed all dividends received on investments held from an independent data vendor to the income recorded by the Company; and • For all dividends accrued at the year end, we agreed the dividend entitlement to an independent data vendor and agreed the amount receivable to post year-end bank statements.	The results of our procedures identified no material misstatement in relation to incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Statement of Comprehensive Income. Based on the work performed we had no matters to report to the Audit Committee.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation or ownership of the investment in Majedie Asset Management Limited ('MAM') Refer to the Report of the Audit Committee (page 49; Accounting policies (pages 80 to 82); and Note 13 of the Financial Statements (pages 88 to 92). The valuation of investment in MAM was £31.0m as at the year-end (2019: £40.8m). The investment in MAM is an unquoted investment and, accordingly, its valuation requires estimation and judgement giving rise to a greater risk that the valuation of the investment is materially misstated. The incorrect valuation of MAM could have a significant impact on the return generated for shareholders.	• We performed our walkthrough procedures to gain an understanding of management's processes and controls surrounding investment valuation of the investment in MAM (including selection of valuation methodology, sources of inputs and review) to assess the design and implementation of controls; • We involved our valuation specialists in the valuation model testing and held discussions with management to understand the assumptions used in valuation and reviewed the external advice taken during the year. We concluded on the appropriateness of the valuation model; • We confirmed that the valuation methodology was consistent with the International Private Equity and Venture Capital Valuation Guidelines (the "IPEV Guidelines"); • We obtained the multiples used in the calculation and compared them to a range of comparatives obtained independently from external sources of information and tested that the multiples used were reasonable; and • We agreed the inputs and assumptions used in the valuation of MAM to supporting evidence (including the audited financial statements of MAM) and concluded that they were consistent with the valuation methodology.	The results of our procedures identified no material misstatement in relation to incorrect valuation or ownership of the investment in MAM and that the valuation of MAM was within a reasonable range. Based on the work performed we had no matters to report to the Audit Committee.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation or ownership of investments other than MAM **(2020: £114.47m, including £0.04m of investments of unquoted investments other than MAM, 2019: £132.1m, and £0.1m respectively)** Refer to the Report of the Audit Committee (page 49); Accounting policies (pages 80 to 82); and Note 13 of the Financial Statements (pages 88 to 92). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date.	• We performed our walkthrough procedures to gain an understanding of management's processes and controls surrounding the valuation and ownership of investments; • For equity investments and investments in MAM funds compared the market prices and exchange rates applied to a relevant independent pricing vendor and recalculated the investment valuations as at the year-end; • We inspected the stale pricing reports to identify prices that have not changed and verified whether the listed price is a valid fair value; and • We compared the Company's investment holdings at 30 September 2020 to independent confirmations received directly from the Company's Custodian and Depositary, testing any reconciling items to supporting documentation.	The results of our procedures identified no material misstatement in relation to incorrect valuation or ownership of the investments other than MAM. Based on the work performed we had no matters to report to the Audit Committee.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impact of COVID-19 Refer to the Strategic Report, pages 31 and 32, the Report of the Audit Committee, page 52 and the accounting policy set out on page 76). The COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets. As of the date of our audit report, the longer-term impact remains uncertain. This uncertainty had an impact on our risk assessment and, as a result, on our audit of the financial statements. The COVID-19 pandemic and resultant uncertainties had the most significant impact on our audit of the financial statements in the following areas: Going concern There is increased uncertainty in certain of the assumptions underlying the Directors' assessment of future prospects, which includes the ability of the Company to fund ongoing costs. Financial statements disclosures There is a risk that the impact of COVID-19 is not adequately described in the financial statements.	We performed the following procedures: Going Concern • We inspected the Directors' assessment of going concern, which includes consideration of the impact of COVID-19 on revenue and cash forecasting. We have agreed the inputs and assumptions used in the assessment to historically observed results of the Company. Financial statements disclosures • We reviewed the adequacy of the going concern disclosures by evaluating whether they were consistent with the Directors' assessment. We reviewed the disclosures for compliance with the reporting requirements.	As a result of our procedures, we have determined that the Directors' conclusion that there is no material uncertainty relating to going concern is appropriate. We have reviewed the disclosures relating to going concern and the impact of COVID-19 and determined that they are appropriate.

We re-assessed the risks determined in the prior year and, due to the uncertainty in global markets caused by the COVID-19 pandemic, we revised our risk assessment to include the Key Audit Matter 'Impact of COVID-19'. Our other Key Audit Matters are unchanged from the prior year.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £1.31m (2019: £1.55m), which is 1% of net asset value of the Company (2019: 1%). We have derived our materiality calculation based on a proportion of net assets as we consider it to be the most important financial metric on which shareholders judge the performance of the Company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2019: 75%) of our planning materiality, namely £0.98m (2019: £1.16m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company, we have also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.24m (2019: £0.35m) being 5% (2019: 5%) of the revenue return before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.07m (2019: £0.08m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 59, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable** set out on page 59 – the statement given by the Directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- **Audit Committee reporting** set out on pages 49 to 52 – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

- **Directors' statement of compliance with the UK Corporate Governance Code** set out on page 44 – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

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

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 59, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are IFRSs as adopted by the European Union, the Companies Act 2006, AIC SORP, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to management override in relation to the valuation of the investment in MAM and the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income (which are key audit matters); further discussion of our approach is set out in the section on key audit matters above.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- We were appointed as auditors by the Audit Committee on 18 January 2008 to audit the financial statements for the year ended 30 September 2008 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is 13 years, covering the years ended 2008 to 2020.

- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

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

Ashley Coups (Senior statutory auditor)
For and on behalf of Ernst & Young LLP,
Statutory Auditor
London
9 December 2020

Notes:

1. The maintenance and integrity of the Majedie Investments PLC web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Comprehensive Income

for the year ended 30 September 2020

	Notes	2020 Revenue return £000	2020 Capital return £000	2020 Total £000	2019 Revenue return £000	2019 Capital return £000	2019 Total £000
Investments							
Losses on investments at fair value through profit or loss	13		(20,385)	(20,385)		(21,342)	(21,342)
Net Investment Result			(20,385)	(20,385)		(21,342)	(21,342)
Income							
Income from investments	3	5,958		5,958	7,995		7,995
Other income	3	76		76	54	4	58
Total income		6,034		6,034	8,049	4	8,053
Expenses							
Management fees	4	(68)	(203)	(271)	(94)	(279)	(373)
Administration expenses	5	(742)	(704)	(1,446)	(663)	(655)	(1,318)
Return/(Loss) before finance costs and taxation		5,224	(21,292)	(16,068)	7,292	(22,272)	(14,980)
Finance costs	8	(381)	(1,143)	(1,524)	(381)	(1,142)	(1,523)
Net return/(Loss) before taxation		4,843	(22,435)	(17,592)	6,911	(23,414)	(16,503)
Taxation	9	(10)		(10)	(22)		(22)
Net return/(Loss) after taxation for the year		4,833	(22,435)	(17,602)	6,889	(23,414)	(16,525)
Return/(Loss) per Ordinary Share		pence	pence	pence	pence	pence	pence
Basic	11	9.1	(42.3)	(33.2)	12.9	(43.9)	(31.0)

The total column of this statement is the Statement of Comprehensive Income of the Company prepared in accordance with IFRS as adopted by the European Union. The supplementary revenue return and capital return columns are prepared under guidance published by the AIC.

There is no other comprehensive income for the year and hence the Net return/(loss) after taxation for the year is also total comprehensive income.

All amounts relate to continuing operations.

Statement of Changes in Equity

for the year ended 30 September 2020

	Notes	Share capital £000	Share premium £000	Capital redemption reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
Year ended 30 September 2020							
As at 1 October 2019		5,305	3,054	95	120,046	26,574	155,074
Share buybacks for cancellation	17	(4)		4	(93)		(93)
Net (Loss)/return for the year					(22,435)	4,833	(17,602)
Dividends declared and paid in year	10					(6,046)	(6,046)
As at 30 September 2020		5,301	3,054	99	97,518	25,361	131,333
Year ended 30 September 2019							
As at 1 October 2018		5,344	3,054	56	144,395	25,777	178,626
Share buybacks for cancellation	17	(39)		39	(935)		(935)
Net (Loss)/return for the year					(23,414)	6,889	(16,525)
Dividends declared and paid in year	10					(6,092)	(6,092)
As at 30 September 2019		5,305	3,054	95	120,046	26,574	155,074

Balance Sheet

as at 30 September 2020

	Notes	2020 £000	2019 £000
Non-current assets			
Property and equipment	12	309	21
Investments at fair value through profit or loss	13	145,471	172,914
		145,780	172,935
Current assets			
Trade and other receivables	14	269	389
Cash and cash equivalents	15	7,525	3,398
		7,794	3,787
Total assets		153,574	176,722
Current liabilities			
Trade and other payables	16	(1,421)	(1,101)
Total assets less current liabilities		152,153	175,621
Non-current liabilities			
Debenture and lease liability	16/19	(20,820)	(20,547)
Total liabilities		(22,241)	(21,648)
Net assets		131,333	155,074
Represented by:			
Ordinary share capital	17	5,301	5,305
Share premium account		3,054	3,054
Capital redemption reserve		99	95
Capital reserve		97,518	120,046
Revenue reserve		25,361	26,574
Equity Shareholders' Funds		131,333	155,074
Net asset value per share	18	pence	pence
Basic		247.7	292.3

Approved by the Board of Majedie Investments PLC (Company no. 109305) and authorised for issue on 9 December 2020.

R David C Henderson
Chairman

Cash Flow Statement

for the year ended 30 September 2020

	Notes	2020 £000	2019 £000
Net cash flow from operating activities			
Net Loss before taxation*		(17,592)	(16,503)
Adjustments for:			
Losses on investments	13	20,385	21,342
Accumulation dividends		(253)	(435)
Depreciation		17	20
Foreign exchange (gains)/losses		(2)	4
Purchases of investments		(41,824)	(10,574)
Sales of investments		49,500	13,069
		10,231	6,923
Finance costs		1,524	1,523
Operating cashflows before movements in working capital		11,755	8,446
(Decrease)/Increase in trade and other payables		(21)	30
Decrease in trade and other receivables		42	12
Net cash inflow from operating activities before tax		11,776	8,488
Tax recovered on overseas dividend income		11	
Tax on overseas dividend income		(17)	(41)
Net cash inflow from operating activities		11,770	8,447
Investing activities			
Purchase of tangible assets		(1)	(4)
Initial direct costs incurred for the right-of-use asset		(2)	
Net cash outflow from investing activities		(3)	(4)
Financing activities			
Interest paid on debentures		(1,501)	(1,501)
Dividends paid	10	(6,046)	(6,092)
Share buybacks for cancellation	17	(93)	(935)
Net cash outflow from financing activities		(7,640)	(8,528)
Increase/(Decrease) in cash and cash equivalents for the year		4,127	(85)
Cash and cash equivalents at start of year		3,398	3,483
Cash and cash equivalents at end of year		7,525	3,398

* Includes dividends received in the year of £5,748,000 (2019: £7,525,000) and interest received of £Nil (2019: £2,000).

Notes to the Accounts

General Information

Majedie Investments PLC is a company incorporated and domiciled in England under the Companies Act 2006. The Company is registered as a public limited company and is an investment company as defined by Section 833 of the Companies Act 2006. The address of the registered office is given on page 119. The nature of the Company's operations and its principal activities are set out in the Business Review section of the Strategic Report on pages 28 to 32.

1 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain significant estimates and assumptions.

In the course of preparing the financial statements, no critical judgements have been made in the process of applying the Company's accounting policies, apart from those involving estimates, which are shown separately below, that have had a significant effect on the amounts recognised in the financial statements.

The following are the areas where critical estimates and assumptions have been used:

- Unquoted Investments
  Unquoted investments are valued at management's best estimate of fair value in accordance with IFRS having regard to International Private Equity and Venture Capital Valuation guidelines as recommended by the British Venture Capital Association. The principles which the Company applies are set out on pages 80 to 82. The inputs into the valuation methodologies adopted include historical data such as earnings or cash flow as well as more subjective data such as earnings forecasts, discount rates and earnings multiples. As a result of this, the determination of fair value requires management judgement. At the year end, unquoted investments (including the investment in MAM but excluding the MAM funds) represent 20.4% (2019: 26.4%) of Equity Shareholders' Funds.

Notes to the Accounts

1 Significant Accounting Policies

The principal accounting policies adopted are set out as follows:

The accounts on pages 71 to 74 comprise the audited results of the Company for the year ended 30 September 2020, and are presented in pounds Sterling rounded to the nearest thousand, as this is the functional currency in which the Company transactions are undertaken.

Going Concern

The Directors considered the impact of the COVID-19 pandemic and consider that this will have a limited financial impact on the Company's resources and continuing existence. As part of the assessment of going concern the Directors took into account the uncertain economic outlook associated with the pandemic, the level of cash and cash equivalents and readily realisable securities which could meet short-term commitments, the ability of the Company to meet its liabilities and on-going expenses from investments (which included performing stress testing – see page 43), revenue forecasts for the forthcoming year, the ability of the Company and its service providers to continue to meet service levels. Lastly, it should also be noted that the Company has had no need to make use of any of the governmental pandemic economic support packages made available. After completing the assessment the Directors have a reasonable expectation that the Company will be able to meet its obligations for at least 12 months from the date of approval of the financial statements and therefore the financial statements have been prepared on a going concern basis.

Presentation of Statement of Comprehensive Income

In order to reflect the activities of an investment company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue or capital nature has been presented alongside the Statement of Comprehensive Income. Additionally, the net revenue is the measure that the Directors believe to be appropriate in assessing the Company's compliance with certain requirements as set out in section 1158 of the Corporation Tax Act 2010.

Basis of Accounting

The accounts of the Company have been prepared in accordance with IFRS. They comprise standards and interpretations approved by the International Accounting Standards Board and International Financial Reporting Committee, interpretations approved by the International Accounting Standards Committee that remain in effect, to the extent that they have been adopted by the European Union.

Where presentational guidance set out in the SORP regarding the financial statements of investment companies and venture capital companies issued by the AIC in October 2019 is not inconsistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

Standards Issued But Not Yet Effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations have not been applied in these financial statements since there were in issue but not yet effective and/or adopted:

International Accounting Standards and Interpretations (IAS/IFRS/IFRICs)	Effective Date
Amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2020
Amendments to IAS 1 and IAS 8	1 January 2020
Amendments to the conceptual framework for financial reporting	1 January 2020

1 Significant Accounting Policies continued

New Standards, Interpretations and Amendments adopted by the Company
The Company applied in the financial year ended 30 September 2020, for the first time, a standard which was effective for annual periods beginning on or after 1 January 2019. The nature and impact of this new standard is as described below:

IFRS 16 Leases
IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application being 1 October 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option.

Impact of adoption of IFRS 16
The impact on the Company was solely as lessee in respect of its property lease. The Company's only lease on the date of adoption was the lease on its premises in the City of London which expired in September 2020. By applying the modified retrospective method on the date of adoption comparative figures are not restated. Additionally, by utilising the recognition exemption, on the date of adoption, as the lease had less than 12 months to expiry, no recognition restatement was required.

The replacement lease, which is for a 5 year term from September 2020, is however required to be accounted for under IFRS 16 and note 20 on page 94 provides further details.

Foreign Currencies
Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Foreign currency transaction gains and losses on financial instruments classified as FVPL are included in profit or loss in the Statement of Comprehensive Income as part of the "Losses on investments at fair value through profit or loss".

Income
Dividend income is recognised on the date when the Company's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are separately disclosed in the Statement of Comprehensive Income. Where the Company has elected to receive scrip dividends in the form of additional shares rather than cash, the amount of the cash dividend foregone is recognised as income. Special dividends are recognised as capital or revenue in accordance with the underlying nature of the transaction.

Interest income is recognised on a accrual basis.

1 Significant Accounting Policies continued

Expenses

All expenses or fees are recognised on an accruals basis. This includes any pension payments made to the Company's defined contribution personal pension plan. In accordance with the SORP concerning the classification of expense items between capital and revenue, all items are presented as revenue except for as follows:

- Expenses incurred which are incidental to the acquisition or disposal of an investment are treated as capital costs and separately identified and disclosed (see note 13);
- Expenses are split and presented separately partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated, and accordingly the investment management fees and certain administrative expenses have been allocated 75% to capital, in order to reflect the Board's expected long-term view of the nature of the investment returns to the Company;
- The investment management performance fee, which is based on capital out-performance is charged wholly to capital.

Finance Costs

(a) Debentures

Interest expense is recognised for all interest bearing financial instruments using the effective interest rate method.

In accordance with the SORP, finance costs in respect of financing investments or financing activities aimed at maintaining or enhancing the value of investments are allocated 75% to capital. Any premiums paid on the early repurchase of debenture stock are charged wholly to capital.

(b) Lease liabilities

Interest expense on lease liabilities is recognised in accordance with IFRS 16 (see note 20 on page 94).

In accordance with the SORP, finance costs in respect of financing investments or financing activities aimed at maintaining or enhancing the value of investments are allocated 75% to capital. As such property lease liability finance costs are charged 100% to revenue.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit reported in the Statement of Comprehensive Income 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 Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

In accordance with the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the Statement of Comprehensive Income 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 Statement of Comprehensive Income, 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 method. Deferred tax liabilities are recognised for all temporary taxable 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.

No provision is made for tax on capital gains as the Company operates as an approved investment trust for tax purposes.

1 Significant Accounting Policies continued

Property and Equipment

Property and equipment are stated at initial cost less accumulated depreciation and any recognised impairment loss. Leasehold right-of-use assets are accounted for in accordance with IFRS 16 leases policy on page 79. Depreciation for other tangible assets is calculated using the straight line method and at rates of 25% to 33% per annum.

Leases (policy effective from 1 October 2019 – IFRS 16)

The Company has applied IFRS 16 from 1 October 2019 and the policies applied under that standard are:

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost and the cost includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments can include fixed payments, less any lease incentives receivable, variable lease payments linked to an index or rate and payments or penalties for terminating a lease – only if reasonably certain to exercise the termination option.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

As and if applicable the Company would apply the short-term lease recognition exemption to any short term leases (being leases that have a lease term of 12 months or less without a purchase option) and the low-value recognition exemption to leases that are considered of low value (being below £5,000). Lease payments on any such leases would be recognised as an expense on a straight-line basis over the lease term.

Leases (policy effective before 1 October 2019 – IAS 17)

Leases are classified as finance leases whenever the term of the lease substantially transfers all of the risks and records of ownership to the lessee. All other leases are classified as operating leases.

Payments due under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease.

1 Significant Accounting Policies continued

Financial Instruments
The Company applies IFRS 9 Financial Instruments and the policies applied under the standard are as follows:

(a) Classification
In accordance with IFRS 9, the Company classifies its financial assets and liabilities at initial recognition into the categories of financial assets and liabilities as shown below:

Financial Assets
The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss, on the basis of both:

- the Company's business model, as an investment company, for managing the financial assets;
- the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost
A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short term non-financing receivables including accrued income and trade and other receivables.

Financial assets measured at fair value through profit or loss (FVPL)
A financial asset is measured at FVPL if:

a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; or

b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

c) at initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Company includes in this category its equity investments.

Financial liabilities

Financial liabilities measured at amortised cost
This category includes all financial liabilities. The Company includes in this category its debenture, lease liability and other short term payables.

(b) Recognition
The Company recognises a financial asset or liability when it becomes a party to the contractual provisions of the instrument. In respect of purchases or sales of financial instruments that require delivery of assets within a time frame generally established by regulation or convention in a market place are recognised on a trade date basis.

1 Significant Accounting Policies continued

(c) Initial Measurement
Financial assets and liabilities at FVPL are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised in profit or loss in "Losses on investments at fair value through profit and loss" in the Statement of Comprehensive Income. Financial liabilities held at amortised cost are initially recognised at cost, being the fair value of the consideration received less issue costs where applicable.

(d) Subsequent measurement
After initial measurement the Company measures financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in "Losses on investments at fair value through profit and loss" in the Statement of Comprehensive Income. Any dividends or interest earned on these instruments are recorded separately under "Income" in the Statement of Comprehensive Income".

Financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating and recognising the interest income or expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or liability to the gross carrying amount of financial asset or to the amortised cost of the financial liability.

(e) Derecognition
A financial asset (or where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired. Or the Company has transferred its rights to receive cash flows from the asset, and the Company has transferred substantially all of the risks and rewards of the asset or has transferred control of the asset.

A financial liability is derecognised by the Company when the obligation under the liability is discharged, cancelled or expired.

(f) Impairment
The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost. Therefore the Company has chosen to apply an approach similar to the simplified approach for expected credit losses under IFRS 9 to all its trade receivables. The Company does not track changes in credit risk, but instead recognises a loss allowance, if any, based on the lifetime expected credit losses at each balance sheet date.

(g) Fair value measurement
The Company measures its investments in financial instruments, such as equity instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date. The fair value for financial instruments traded in active markets at the balance sheet date is based on their quoted price (bid price for long positions), without any deduction for transaction costs. The fair value for financial instruments that are either unit trusts or open ended investment companies are based on their closing price, the bid price or the single price as appropriate, as released by the relevant fund administrator.

1 Significant Accounting Policies continued

Fair values for unquoted investments, or investments for which the market is inactive, are established by using various valuation techniques in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines. These may include recent arm's length market transactions, the current fair value of another instrument which has substantially the same earnings multiples, discounted cash flow analysis and option pricing models. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised.

The Company identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the beginning of each reporting period.

Changes in the fair value of investments and gains on the sale of investments are recognised as they arise in the Statement of Comprehensive Income.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Share Capital
Upon the issuance of Ordinary 10p shares, the consideration received is included in equity. Transaction costs incurred by the Company in issuing its own equity instruments are accounted for as a deduction from equity. Any excess consideration over the nominal value of any Ordinary 10p shares issued, before transaction costs, is credited to the Share Premium Account.

Own equity instruments that are repurchased for cancellation are deducted from Equity Shareholders' Funds and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs. In accordance with the Company's Articles, the total cost of any such transactions will be deducted from the Capital Reserve.

Capital Reserve
The Capital Reserve includes gains and losses on the sale of financial instruments, and investment holding gains or losses, as reported in the Statement of Comprehensive Income (and note 13). Additionally any finance costs and expenses charged to capital in accordance with the Company's policy, and as detailed above, the cost of any shares repurchased for cancellation, are debited against the Capital Reserve.

Revenue Reserve
The net revenue for the year is included in the Revenue Reserve along with dividends to shareholders, when approved.

Dividends payable to Shareholders
Dividends are at the discretion of the Company. A dividend to the Company's shareholders is accounted for as a deduction from the Revenue Reserve. An interim dividend is recognised as a liability in the period in which it is irrevocably declared by the Board of Directors. A final dividend is recognised as a liability in the period in which it is approved by the Company's shareholders in an Annual General Meeting.

2 Business Segments

For management purposes the Company is organised into one principal activity, being investing activities, as detailed below:

Investing activities

The Company's investment objective is to maximise total shareholder return whilst increasing dividends by more than the rate of inflation over the long term. The Company operates as an investment company and its portfolio contains investments in companies listed in a number of countries. Geographical information about the portfolio is provided on page 22 and exposure to different currencies is disclosed in note 22 on pages 96 and 97.

3 Income

	2020 £000		2019 £000	
Income from investments				
Dividend income*	5,631		7,409	
Accumulation dividend income	253		435	
Overseas dividend income	74		151	
		5,958		7,995
Other income				
Interest income			2	
Sundry income	76		56	
		76		58
Total income		6,034		8,053
Income from investments				
Listed UK	1,167		2,070	
Listed overseas	74		151	
Unlisted – MAM funds	690		1,172	
Unlisted	4,027		4,602	
		5,958		7,995

* Includes MAM Ordinary income of £4,027,000 (2019: £4,602,000) and Property Income Distribution (PID) dividend income of £13,000 (2019: £24,000).

4 Management Fees

	2020			2019		
	Revenue return £000	Capital return £000	Total £000	Revenue return £000	Capital return £000	Total £000
Fund management	68	203	271	94	279	373
	68	203	271	94	279	373

The fund management fees are payable to MAM in accordance with the Investment Agreement and the material terms are disclosed in the Directors' Report on page 40. The fund management fees charged and shown are only in respect of the investment in the UKES. Fund management fees in respect of the investments made in the other MAM funds are charged directly in the relevant fund and included in the relevant fund's published net asset value price and hence form part of that investment's valuation in the Company's accounts. These costs are however included in the Company's OCR calculation on page 2, on a best estimates basis. At 30 September 2020, an amount of £65,000 was outstanding for payment of fund management fees due to MAM on the UKES (2019: £93,000).

5 Administrative Expenses

	2020 £000		2019 £000	
Staff costs – note 7	464		455	
Other staff costs and directors' fees	243		210	
Advisers' costs	305		258	
Information costs	117		113	
Establishment costs	41		42	
Operating lease rentals – premises	59		60	
Depreciation on tangible assets*	17		20	
Auditor's remuneration (see below)	41		31	
Other expenses	159		129	
		1,446		1,318

* Includes £1,000 in respect of depreciation of Right-of-Use assets under IFRS 16.

A charge of £704,000 (2019: £655,000) to capital and an equivalent credit to revenue has been made to recognise the accounting policy of 75% of direct investment administration expenses to capital.

Total fees charged by the Auditor for the year, all of which were charged to revenue, comprised:

	2020 £000		2019 £000	
Audit services – statutory audit	40		30	
Other audit related services	1		1	
		41		31

Other audit related services in both years relate to a review of the Company's debenture covenant.

6 Directors' Emoluments

	2020 £000		2019 £000	
Fees	167		148	
Salary	191		187	
Other benefits	10		9	
		368		344

The Report on Directors' Remuneration on pages 53 to 58 explains the Company's policy on remuneration for Directors for the year. It also provides further details of Directors' remuneration.

7 Staff Costs including CEO

	2020 £000	2019 £000
Salaries and other payments	383	376
Social security costs	50	49
Pension contributions	31	30
	464	455

	2020 Number	2019 Number
Average number of employees:		
Management and office staff	3	3

8 Finance Costs

	2020			2019		
	Revenue return £000	Capital return £000	Total £000	Revenue return £000	Capital return £000	Total £000
Interest on 7.25% 2025 debenture stock	375	1,126	1,501	375	1,126	1,501
Amortisation of issue expenses on the debenture stocks	6	17	23	6	16	22
Lease liability interest expense*						
	381	1,143	1,524	381	1,142	1,523

* Lease liability interest expense for the year, in accordance with IFRS 16, was £155.

Further details of the debenture stock in issue are provided in note 16 and note 19, and the lease liability in note 20.

9 Taxation

	2020 £000	2019 £000
Tax on overseas dividends	10	22

Reconciliation of tax charge:
The current taxation rate for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19.0% (2019: 19.0%). The differences are explained below:

	2020 £000	2020 £000	2019 £000	2019 £000
Net Loss before taxation		(17,592)		(16,503)
Taxation at UK Corporation Tax rate of 19.0% (2019: 19.0%)	(3,342)		(3,136)	
Effects of:				
– UK dividends which are not taxable	(1,129)		(1,498)	
– foreign dividends which are not taxable	(15)		(32)	
– losses on investments which are not taxable	3,873		4,056	
– expenses which are not deductible for tax purposes	87		9	
– excess expenses for the current year	526		601	
– overseas taxation which is not recoverable	10		22	
Actual current tax charge		10		22

After claiming relief against accrued income taxable on receipt, the Company has total unrelieved excess expenses of £93,627,000 (2019: £89,452,000). It is not yet certain that the Company will generate sufficient taxable income in the future to utilise these expenses are therefore no deferred tax asset has been recognised.

The allocation of expenses to capital does not result in any tax effect. Due to the Company's status as an approved investment trust, and the intention to continue meeting the required conditions in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of its investments.

10 Dividends

The following table summarises the amounts recognised as distributions to equity shareholders in the period:

	2020 £000		2019 £000	
2018 Final dividend of 7.0p paid on 23 January 2019			3,741	
2019 Interim dividend of 4.4p paid on 14 June 2019			2,351	
2019 Final dividend of 7.0p paid on 28 January 2020	3,713			
2020 Interim dividend of 4.4p paid on 19 June 2020	2,333			
		6,046		6,092

	2020 £000		2019 £000	
Proposed final dividend for the year ended 30 September 2020 of 7.0p (2019: final dividend of 7.0p) per ordinary share	3,711		3,713	
		3,711		3,713

The proposed final dividend has not been included as a liability in these accounts in accordance with IAS 10: Events after the Balance Sheet date.

Set out below is the total dividend to be paid in respect of the financial year. This is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered:

	2020 £000		2019 £000	
Interim dividend for the year ended 30 September 2020 of 4.4p (2019: 4.4p) per ordinary share.	2,333		2,351	
Final dividend for the year ended 30 September 2020 of 7.0p (2019: 7.0p) per ordinary share.	3,711		3,713	
		6,044		6,064

Distributable reserves of the Company comprise the Capital and Revenue Reserves.

Dividends for the year (and 2019) have been solely made from the Revenue Reserve.

11 Return per Ordinary Share

Basic return per ordinary share is based on 53,027,870 ordinary shares, being the weighted average number of shares in issue (2019: Basic return based on 53,332,302 ordinary shares). Basic returns per ordinary share are based on the net return after taxation attributable to equity shareholders.

	2020 £000		2019 £000	
Basic revenue returns are based on net revenue after taxation of:	4,833		6,889	
Basic capital returns are based on net capital loss of:	(22,205)		(23,414)	
Basic total returns are based on a (loss)/return of:		(17,372)		(16,525)

12 Property and Equipment

	Right-of-Use asset £000	Leasehold Improvements £000	Office Equipment £000	Total £000
Cost:				
At 1 October 2019		28	250	278
Additions	304		1	305
Disposals				
At 30 September 2020	304	28	251	583
Depreciation:				
At 1 October 2019		21	236	257
Charge for year	1	7	9	17
Disposals				
At 30 September 2020	1	28	245	274
Net book value:				
At 30 September 2020	303		6	309
At 30 September 2019		7	14	21

The Right-of Use Asset is in respect of a leasehold interest in office premises as lessee. The cost of the Right-of-use Asset comprises £287,000 of the initial lease liability and £17,000 of initial direct costs incurred and lease payments due at the start of the lease. Further details concerning this lease are contained in note 20 and page 94.

13 Investments at Fair Value Through Profit or Loss

	2020				2019			
	Listed £000	Unlisted (MAM Funds) £000	Unlisted £000	Total £000	Listed £000	Unlisted (MAM Funds) £000	Unlisted £000	Total £000
Opening book cost	48,714	68,092	2,331	119,137	48,299	70,198	2,331	120,828
Opening investment holding (losses)/gains	(325)	15,547	38,555	53,777	2,988	16,260	56,439	75,687
Opening fair value	48,389	83,639	40,886	172,914	51,287	86,458	58,770	196,515
Opening fair value								
Purchases at cost	27,869	14,496		42,365	10,548	435		10,983
Sales proceeds received	(28,601)	(20,822)		(49,423)	(10,263)	(2,905)	(74)	(13,242)
Gains/(losses) on investments	(9,010)	(1,531)	(9,844)	(20,385)	(3,183)	(349)	(17,810)	(21,342)
Closing fair value	38,647	75,782	31,042	145,471	48,389	83,639	40,886	172,914
Closing book cost	42,756	64,004	2,331	109,091	48,714	68,092	2,331	119,137
Closing investment holding (losses)/gains	(4,109)	11,778	28,711	36,380	(325)	15,547	38,555	53,777
Closing fair value	38,647	75,782	31,042	145,471	48,389	83,639	40,886	172,914

13 Investments at Fair Value Through Profit or Loss continued

The Company received £49,423,000 (2019: £13,242,000) from investments sold in the year. The book cost of these investments when they were purchased was £52,411,000 (2019: £12,674,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Unlisted investments include an amount of £37,000 in a company (2019: £45,000 in 2 companies) and £31,005,000 (2019: £40,841,000) for the Company's investment in MAM as detailed on page 92. Further details concerning the investments in the MAM Funds are shown on page 91.

During the year the Company incurred transaction costs amounting to £145,000 (2019: £55,000), of which £125,000 (2019: £51,000) related to the purchase of investments and £20,000 (2019: £4,000) related to the sales of investments. These amounts are included in "Losses on investments at fair value through profit or loss", as disclosed in the Statement of Comprehensive Income.

The composition of the investment return is analysed below:

	2020 £000	2020 £000	2019 £000	2019 £000
Net (losses)/gains on sales of equity investments	(2,988)		568	
Decrease in holding gains on equity investments	(17,397)		(21,910)	
Losses on investments		(20,385)		(21,342)

Fair value hierarchy disclosures

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following three levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

  An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1, if they reflect actual and regularly occurring market transactions on an arm's length basis.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

  Level 2 inputs include the following:

  - quoted prices for similar (i.e. not identical) assets in active markets.
  - inputs other than quoted prices that are observable for the asset (e.g. interest rates and yield curves observable at commonly quoted intervals).
  - inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (market corroborated inputs).

- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

13 Investments at Fair Value Through Profit or Loss continued

The level in the fair value hierarchy within which an asset or liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement of the asset. For this purpose, the significance of an input is assessed against the fair value measurement of an asset or liability in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be investments actively traded in organised financial markets, fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date, without adjustment for transaction costs necessary to realise the asset.

The table below sets out fair value measurements of financial assets in accordance with the IFRS fair value hierarchy system:

	2020				2019			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets held at fair value through profit or loss – equities and managed funds:								
Listed equity securities	38,647			38,647	48,389			48,389
Unlisted equity securities (MAM Funds)		75,782		75,782		83,639		83,639
Unlisted equity securities			31,042	31,042			40,886	40,886
	38,647	75,782	31,042	145,471	48,389	83,639	40,886	172,914

Investments whose values are based on quoted market prices in active markets, and therefore are classified within Level 1, include active listed equities. The Company does not normally adjust the quoted price for these instruments (although it may invoke its fair value pricing policy in times of market disruption – this was not the case for 30 September 2020 or 2019).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect liquidity and/or non-transferability, which are generally based on available market information. During the year there were no transfers (2019: Nil) between Level 1 and Level 2.

Investments classified within Level 3 have significant unobservable inputs. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value. In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using recognised valuation methodologies, in accordance with IPEV Valuation Guidelines. New investments are initially held at cost, for a limited period, then at the price of the most recent investment in the investee. This is in accordance with IPEV Guidelines as the cost of recent investments will generally provide a good indication of fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

13 Investments at Fair Value Through Profit or Loss continued

The following table presents the movement in Level 3 instruments for the year:

	2020		2019	
	Total £000	Equity investments £000	Total £000	Equity investments £000
Opening balance	40,886	40,886	58,770	58,770
Sales during the year			(74)	(74)
Total losses for the year included in the Statement of Comprehensive Income	(9,844)	(9,844)	(17,810)	(17,810)
	31,042	31,042	40,886	40,886

Investments in Investment Funds

The Company has a number of investments in investment funds managed by MAM. Details of those investments are:

	30 September 2020		30 September 2019	
	Investment Value £000	Proportion Held %	Investment Value £000	Proportion Held %
Tortoise Fund	16,066	4.6	24,014	3.1
Income Fund	9,394	6.6	14,305	2.7
Global Equity Fund	27,403	68.1	24,020	46.2
Global Focus Fund			8,272	4.3
International Equity Fund	11,484	64.5		
US Equity Fund	8,490	4.4	9,922	5.1
UK Smaller Companies Fund*	2,945	1.5	3,106	1.0
	75,782		83,639	

* The UK Smaller Companies Fund forms part of the UKES.

The fees charged on these investments are disclosed in the material contracts section of the Directors' Report on page 40.

In addition, the total value of all investments managed by MAM at 30 September 2020 was £115.3 million (2019: £134.6 million). Further details on the investments in the MAM funds are contained in the Chief Executive's Report on pages 7 to 21.

Substantial Share Interests

The Company's investments in the Global Equity Fund, with a cost of £16.5 million, and the International Equity Fund, with a cost of £10.0 million, are each a substantial interest in those funds at 30 September 2020 (2019: Global Equity Fund of £14.2 million). These holdings are not treated as a subsidiary or associate, rather each is accounted for as an investment held at fair value through profit or loss, in accordance with IAS 28 and IFRS 9.

13 Investments at Fair Value Through Profit or Loss continued

Majedie Asset Management (MAM)

MAM is a UK based asset management firm providing investment management and advisory services across a range of UK and global equity strategies. The carrying value of the investment in MAM is included in the Balance Sheet as part of investments held at fair value through profit or loss.

	2020 £000	2020 £000	2019 £000	2019 £000
Cost of investment	540		540	
Holding gains	30,465		40,301	
Fair value of investment at 30 September		31,005		40,841

Under the new valuation approach the carrying value is usually assessed and approved quarterly by the Board following the relevant recommendation by the Audit Committee. The revised basis for valuation annualises the most recent quarterly earnings of MAM, applies a median of a peer group price earnings multiple with an unlisted liquidity discount of 20% (although this can be adjusted depending on market conditions). Performance fee earnings multiples are further discounted by 50%. Surplus net assets are then added, having deducted 200% of regulatory capital. Further details concerning the new methodology, including a sensitivity analysis, are contained in the Report of the Audit Committee on page 50 and the Chief Executive's Report on page 19.

In accordance with the revised shareholders' agreement, the Company may sell a certain number of shares to the MAM Employee Benefit Trust at the relevant prescribed price (as calculated in accordance with the revised shareholders' agreement). The Company sold no shares during the year (2019: nil).

As at 30 September, the Company holds 57,523 ordinary 0.1p shares representing a 17.2% shareholding in MAM (2019: 57,523 ordinary 0.1p shares representing a 17.2% shareholding).

14 Trade and Other Receivables

	2020 £000	2020 £000	2019 £000	2019 £000
Sales for future settlement	122		199	
Prepayments	46		45	
Dividends receivable	30		73	
Taxation recoverable	71		72	
		269		389

The Directors consider that the carrying amounts of trade and other receivables approximates to their fair value.

15 Cash and Cash Equivalents

	2020 £000	2020 £000	2019 £000	2019 £000
Deposits at banks	6,756		2,635	
Other cash balances*	769		763	
		7,525		3,398

* Other cash balances represent unclaimed dividends by shareholders. Such cash is held in a separate account by the Company's registrar and is not used by the Company for day-to-day operations.

16 Trade and Other Payables

Amounts falling due within one year:

	2020 £000		2019 £000	
Purchases for future settlement	370		82	
Accrued expenses	245		256	
Other creditors	769		763	
Current portion of lease liability	37			
		1,421		1,101

The Directors consider that the carrying amounts of trade and other payables approximates to their fair value.

Amounts falling due after more than one year:

	2020 £000		2019 £000	
£20.7m (2019: £20.7m) 7.25% 2025 debenture stock	20,570		20,547	
Lease liability	250			
		20,820		20,547

The debenture stock is secured by a floating charge over the Company's assets. Expenses associated with the issue of the debenture stock was deducted from the gross proceeds at issue and is being amortised over the life of the debenture. Further details on interest and the amortisation of the issue expenses are provided in note 8 on page 85.

Further details on the lease liability are contained in note 20 on page 94.

17 Ordinary Share Capital

	Number	2020 £000	Number	2019 £000
As at 1 October	53,055,483	5,305	53,439,000	5,344
Ordinary 10p shares bought back for cancellation	(41,596)	(4)	(383,517)	(39)
As at 30 September	53,013,887	5,301	53,055,483	5,305

All shares are allotted fully paid up, and are of one class only. During the year 41,596 Ordinary 10p shares were bought back for cancellation at a total cost of £93,000. In accordance with the Company's articles this was debited against the Capital Reserve. There are no Ordinary 10p shares in Treasury.

Ordinary shares carry one vote each on a poll. The Companies Act 2006 abolished the requirement for the Company to have authorised share capital. The Company adopted new Articles of Association on 20 January 2010 which, inter alia, reflected the new legislation. Accordingly the Company has no authorised share capital. The directors will still be limited as to the number of shares they can allot at any one time as the Companies Act 2006 requires that directors seek authority from the shareholders for the allotment of new shares.

18 Net Asset Value

The net asset value per share has been calculated based on Equity Shareholders' Funds of £131,333,000 (2019: £155,074,000), and on 53,013,887 (2019: 53,055,483) ordinary shares, being the number of shares in issue at the year end.

19 Reconciliation of changes in liabilities arising from financing activities

	At 30 September 2019 £000	Cash Flows £000	New Lease £000	Non-cash charges: Other £000	Non-cash charges: Effective interest rate accrual £000	At 30 September 2020 £000
£20.7m 7.25% 2025 debenture stock	20,547				23	20,570
Lease liability			287	(37)		250
Interest payable on debenture stock		(1,501)			1,501	
Total liabilities from financing activities	20,547	(1,501)	287	(37)	1,524	20,820

The Other column includes the effect of the reclassification of the current portion of the lease liability and the accrual of deemed interest on the lease liability. Further details on the lease liability are contained in note 20 below.

	At 30 September 2018 £000	Cash Flows £000	Non-cash charges: Effective interest rate accrual £000	At 30 September 2019 £000
£20.7m 7.25% 2025 debenture stock	20,525		22	20,547
Interest payable		(1,501)	1,501	
Total liabilities from financing activities	20,525	(1,501)	1,523	20,547

20 Leases

The Company as a lessee

The only lease held by the Company is in respect of its premises by way of a sub-lease arrangement with a superior lessee, which commenced in September 2020 for a term of five years.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020 £000
At 1 October 2019	
Additions	287
Accretion of interest*	
At 30 September 2020	287
Disclosed as:	
Current	37
Non-current	250

* Interest accretion for the year was £155.

20 Leases continued

The following are the amounts recognised in profit or loss under its IFRS 16 lease:

	2020 £000
Depreciation expense of right of use assets	1
Interest expense on lease liabilities*	
Total amount recognised in profit or loss	1

* Interest expense on lease liabilities was £155.

The Company has had no expenses relating to short-term leases, variable lease payments or leases of low-value assets.

The Company has had no cash outflows for its IFRS 16 lease in the year ended 30 September 2020. Future cash outflows of a fixed amount under the IFRS 16 lease are as follows:

Expiry Date	2020 £000	2019 £000
Within one year	35	60
Between one and two years	70	
Between two and three years	70	
Between three and four years	70	
Between four and five years	70	
	315	60

21 Financial Commitments

At 30 September 2020, the Company had no financial commitments which had not been accrued for (2019: none).

22 Financial Instruments and Risk Profile

As an investment company, the Company invests in securities for the long term in order to achieve its investment objective as stated on page 1. Accordingly the Company is a long term investor and it is the Board's policy that no trading in investments or other financial instruments be undertaken. COVID-19 has introduced new uncertainty and its impact on the Company is mainly in terms of market risk and operational risk (see Business Review on pages 31 and 32).

Management of Market Risk

Management of market risk is fundamental to the Company's investment objective and the investment portfolio is regularly monitored to ensure an appropriate balance of risk and reward.

Exposure to any one entity is monitored by the Board and MAM (the Fund Manager). The Board has complied with the investment policy requirement not to invest more than 15% of the total value of the Company's gross assets, save that the Company can invest up to 25% of its gross assets in any single fund managed by MAM where the Board believes that the investment policy of such funds is consistent with the Company's objective of spreading investment risk.

MAM as Fund Manager, can utilise derivative instruments for efficient portfolio management and investment purposes as it sees fit. There have been no derivatives used in the UKES in the period (2019: None). Certain MAM funds do use derivatives to meet their investment objectives.

The Company's financial instruments comprise its investment portfolio (see note 13), cash balances, debtors and creditors that arise directly from its operations such as sales and purchases for future settlement, accrued income, lease liability under IFRS 16 and the debenture loan used to partially finance its operations.

22 Financial Instruments and Risk Profile continued

In the pursuit of its investment objective, the Company is exposed to various risks which could cause short term variation in its net assets and which could result in both or either a reduction in its net assets or a reduction in the revenue profits available for distribution by way of dividend. The main risk exposures for the Company from its financial instruments are market risk (including currency risk, interest rate risk and other price risk), liquidity risk, concentration risk and credit risk. COVID-19 has introduced new uncertainty into global equity markets however as a closed ended investment company with a long-term objective short term volatility is expected and is within stress testing limits. MAM have reviewed their fund portfolios and positioning in light of the pandemic and made adjustments as and if required.

The Board does set the overall investment strategy and allocation. It has in place various controls and limits and receives various reports in order to monitor the Company's exposure to these risks. The risk management policies identified in this note have not changed materially from the previous accounting period.

Market Risk

The principal risk in the management of the investment portfolio is market risk – i.e. the risk that values and future cashflows will fluctuate due to changes in market prices. Market risk is comprised of:

- foreign currency risk;
- interest rate risk; and
- other price risk i.e. movements in the value of investment portfolio holdings caused by factors other than interest rates or currency movements.

These risks are taken into account when setting investment policy or allocation and when making investment decisions.

Foreign Currency Risk

Exposure to foreign currency risk arises primarily and directly through investments in securities listed on overseas equity markets. A proportion of the net assets of the Company are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be materially affected by currency movements. The Company's exposure to foreign currencies through its investments in overseas securities as at 30 September 2020 was £5,394,000 (2019: £6,020,000).

The Company's investments in the MAM funds are in sterling denominated share classes. These share classes themselves are not hedged within the relevant MAM fund. The Company also has sterling denominated investments which may pay dividends in foreign currencies. Additionally the investment portfolio is subject to indirect foreign currency risk impacts by having investments in investee companies that whilst listed in the UK have global operations and as such are subject to currency impacts on their assets and revenues. It is not possible to accurately quantify these exposures and impacts.

MAM, as Fund Manager, monitors the Company's exposure to foreign currencies and the Board receives regular reports on exposures. The Company does not hedge any foreign currency exposures back to Sterling.

22 Financial Instruments and Risk Profile **continued**

The currency risk of the non-sterling monetary financial assets and liabilities at the reporting date was:

Currency exposure	2020 Overseas Investments £000	2020 Total Currency Exposure £000	2019 Overseas Investments £000	2019 Total Currency Exposure £000
US Dollar	2,783	2,783	2,727	2,727
Swiss Franc	1,314	1,314	623	623
Euro	997	997	2,523	2,523
Yen	1	1	57	57
Other non-Sterling	299	299	90	90
	5,394	5,394	6,020	6,020

Sensitivity Analysis
If Sterling had strengthened by 5% relative to all currencies on the reporting date, with all other variables held constant, the income and net assets would have decreased by the amounts shown in the table below. The analysis was preformed on the same basis for 2019. The revenue impact is an estimated annualised figure based on the relevant foreign currency denominated balances at the reporting date.

Income statement	2020 £000		2019 £000	
Capital return	(270)		(301)	
Net assets		(270)		(301)

A 5% weakening of Sterling against the same currencies would have resulted in an equal and opposite effect on the above amounts, on the basis that all other variables remain constant.

Interest Rate Risk
The Company's direct interest rate risk exposure affects the interest received on cash balances and the fair value of its debenture. Indirect exposure to interest rate risk arises through the effect of interest rate changes on the valuation of the investment portfolio. All of the financial assets held by the Company are equity shares, which pay dividends, not interest. The Company may, from time to time, hold small investments which pay interest.

The Board sets limits for cash balances and receive regular reports on the cash balances of the Company. The Company's fixed rate debenture introduces gearing to the Company which is monitored within limits and is also reported to the Board regularly. Cash balances can also be used to manage the level of gearing to within the range as set by the Board. The Board sets the overall investment strategy and allocation and also have various limits on the investment portfolio which aim to spread the portfolio investments to reduce the impact of interest rate risk on investee company valuations. Regular reports are received by the Board in respect of the Company's investment portfolio and the relevant limits.

22 Financial Instruments and Risk Profile continued

The interest rate risk profile of the financial assets and liabilities at the reporting date was:

	2020 £000	2020 £000	2019 £000	2019 £000
Floating rate financial assets:				
UK Sterling	7,525		3,398	
Financial assets not carrying interest	145,740		173,303	
		153,265		176,701
Fixed rate financial liabilities:				
UK Sterling	(20,857)		(20,547)	
Financial liabilities not carrying interest	(1,384)		(1,101)	
		(22,241)		(21,648)

Floating rate financial assets usually comprise cash on deposit with banks which is repayable on demand and receives a rate of interest based, in part, on the UK base rates in force over the period. The Company does not normally hold non-Sterling cash as all foreign currency receivables or payables are converted back into Sterling at the settlement date of the relevant transaction. The fixed rate financial liabilities comprise the lease liability under IFRS 16 (see note 20) which totals £287,000 and accrues interest under an effective interest rate method at a rate of 2.25% and the Company's debenture, totalling £20.7 million in total on a nominal basis. It pays a rate of interest of 7.25% per annum and will mature in March 2025. (2019: One debenture totalling £20.7 million nominal with an interest rate of 7.25% per annum. Maturity is in March 2025).

Sensitivity Analysis

Based on closing cash balances held on deposit with banks, a notional 0.5% decrease in the UK base interest rates would have no effect on net assets and the net revenue return before tax of the Company, due to the extremely low rates at the moment.

A 0.5% increase in interest rates would result in a larger impact, as is shown in the table below.

Income statement	2020 £000	2020 £000	2019 £000	2019 £000
Revenue return	34		13	
Net assets		34		13

Other Price Risk

Exposure to market price risk is significant and comprises mainly movements in the market prices and hence value of the Company's listed equity security investments and its investments in the unlisted MAM Funds, (although the funds themselves are unlisted they are primarily invested in listed equity securities), which are both disclosed in note 13 on pages 88 to 92. The Company also has unlisted investments which are indirectly impacted by movements in listed equity prices and related variables. The Board sets the overall investment strategy and allocation which aims to achieve a spread of investments across sectors and regions in order to reduce risk. The Board receives reports on the investment portfolio, performance and volatility on a regular basis in order to ensure that the investment portfolio is in accordance with the investment policy.

22 Financial Instruments and Risk Profile continued

MAM's policy as Fund Manager is to manage risk through a combination of monitoring the exposure to individual securities, industry and geographic sectors, whilst maintaining a constant awareness in real time of the portfolio exposures in accordance with the investment strategy. Any derivative positions are marked to market and exposure to counterparties is also monitored on a daily basis by MAM. At the year end the Company itself did not hold any derivatives (2019: None).

As mentioned earlier, MAM may, and do, use derivative instruments including index-linked notes, contracts for difference, covered options and other equity-related derivative instruments for efficient portfolio management and investment purposes. As also noted previously this may occur in the MAM funds and there have been no derivatives used in the UKES. The Board has regular presentations from MAM on their investment strategy and approach.

The following table details the exposure to market price risk on the listed and unlisted equity investments:

	2020 £000	2020 £000	2019 £000	2019 £000
Non-current investments held at fair value through profit or loss				
Listed equity investments	38,647		48,389	
Unlisted equity investments (MAM Funds)	75,782		83,639	
Unlisted equity investments	31,042		40,886	
		145,471		172,914

Sensitivity Analysis

If share prices on listed equity security investments and the unlisted equity investments (MAM Funds) had decreased by 10% at the reporting date with all other variables remaining constant, the net return before tax and the net assets would have decreased by the amounts shown below. Details of the sensitivity analysis in respect of the investment in MAM is shown in note 13 on page 92.

Income statement	2020 £000	2020 £000	2019 £000	2019 £000
Capital return	11,443		13,203	
Net assets		11,443		13,203

A 10% increase in listed equity security share prices would have resulted in a proportionately equal and opposite effect on the above amounts on the basis that all other variables remain constant.

Credit Risk

Credit risk is the risk of other parties failing to discharge an obligation causing the Company financial loss. The Company's exposure to credit risk is managed by the following:

- The Company's investments are held on its behalf by the Company's Depositary, who delegates safekeeping to the Custodian, the Bank of New York Mellon SA/NV, London branch, which if it became bankrupt or insolvent could cause the Company's rights with respect to securities held to be delayed. However under the AIFMD, the Depositary provides certain indemnities in respect of the Company's investments. The Company receives regular internal control reports from the Custodian which are reported to and reviewed by the Audit Committee.

- Investment transactions are undertaken by MAM with a number of approved brokers in the ordinary course of business on a contractual delivery versus payment basis. MAM has procedures in place whereby all new brokers are subject to credit checks and approval by them prior to any business being undertaken. MAM utilises the services of a large range of approved brokers thereby mitigating credit risk by diversification.

22 Financial Instruments and Risk Profile continued

- Company cash is held at banks that are considered to be reputable and of high quality. Cash balances above a certain threshold are spread across a range of banks to reduce concentration risk.

Credit Risk Exposure

The table below sets out the financial assets exposed to credit risk as at the reporting date:

	2020 £000		2019 £000	
Cash on deposit and at banks	7,525		3,398	
Sales for future settlement	122		199	
Interest, dividends and other receivables	147		190	
		7,794		3,787
Minimum exposure during the year	3,153		2,889	
Maximum exposure during the year	19,943		7,485	

All amounts included in the analysis above are based on their carrying values.

None of the financial assets were past due at the current or prior reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations as they fall due.

Liquidity risk is monitored, although it is recognised that the majority of the Company's assets are invested in quoted equities and other quoted securities that are readily realisable (MAM fund investments are highly liquid). The Board has various limits in respect to how much of the Company's assets can be invested in any one company. The unlisted investments in the portfolio are subject to liquidity risk, but such investments (excluding MAM) are in realisation mode and represent a very small part of the portfolio. Nonetheless limits remain for any such investments and liquidity risk would always be considered when making investment decisions in such securities. The Company is subject to concentration risk due to its investment in MAM, at 20.4% (2019: 23.3%) of the Company's total assets. This investment is closely monitored by the Board who receive regular financial and operational reports, and it is believed that the current concentration risk here is mitigated somewhat by the diversification undertaken within the MAM business itself.

The Company maintains an appropriate level of non-investment related cash balances in order to finance its operations. The Company regularly monitors such cash balances to ensure all known or forecasted liabilities can be met. The Board receives regular reports on the level of the Company's cash balances. The Company does not have any overdraft or other undrawn borrowing facilities to provide liquidity.

22 Financial Instruments and Risk Profile continued

A maturity analysis of financial liabilities showing remaining contractual maturities is detailed below;

Undiscounted cash flows	2020 Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 3 years £000	Due 3 years and beyond £000	Total £000
7.25% 2025 debenture stock				20,700	20,700
Interest on debenture stock	1,501	1,501	1,501	2,251	6,754
Payments due in respect of the lease liability	35	70	70	140	315
Trade payables and other liabilities*	1,384				1,384
	2,920	1,571	1,571	23,091	29,153

* Excludes the current portion of the lease liability.

Undiscounted cash flows	2019 Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 3 years £000	Due 3 years and beyond £000	Total £000
7.25% 2025 debenture stock				20,700	20,700
Interest on debenture stock	1,501	1,501	1,501	3,752	8,255
Trade payables and other liabilities	1,101				1,101
	2,602	1,501	1,501	24,452	30,056

Categories of financial assets and liabilities

The following table analyses the carrying amounts of the financial assets and liabilities by categories as defined in IFRS 9:

Financial assets	2020 £000		2019 £000	
Financial assets at fair value through profit or loss				
Equity securities	145,471		172,914	
		145,471		172,914
Other financial assets*		7,794		3,787
		153,265		176,701
Financial liabilities				
Financial liabilities measured at amortised cost**	22,241		21,648	
		22,241		21,648

* Other financial assets include cash and cash equivalents, sales for future settlement, dividend and interest receivable and other receivables.

** Financial liabilities measured at amortised cost include; debenture stock in issue, lease liability, purchases for future settlement, investment management fees, other payables and accrued expenses.

22 Financial Instruments and Risk Profile continued

The investment portfolio has been valued in accordance with the accounting policy in note 1 to the accounts, i.e. at fair value. The lease liability carrying value is considered to be its fair value. The debenture stock is classified as level 3 under the fair value hierarchy. The fair value of the debenture stock is calculated using a standard bond pricing method, using a redemption yield of a similar UK Gilt stock with a appropriate margin being applied.

	Book Value 2020 £000		Book Value 2019 £000		Fair Value 2020 £000		Fair Value 2019 £000	
£20.7m (2019: £20.7m) 7.25% 2025 debenture stock	20,570		20,547		24,939		25,415	
		20,570		20,547		24,939		25,415

Capital Management Policies and Procedures

The Company's capital management objectives are:

- to ensure that it is able to continue as a going concern; and
- to maximise the revenue and capital returns to its shareholders through a mix of equity capital and debt. The Board set a range for the Company's net debt (comprised as debentures less cash) at any one time which is maintained by management of the Company's cash balances.

	2020 £000		2019 £000	
Net Debt				
Adjusted cash and cash equivalents*	(6,373)		(2,686)	
Debentures	20,570		20,547	
Lease liability	280			
Sub total		14,477		17,861
Equity				
Equity share capital	5,301		5,305	
Retained earnings and other reserves	126,032		149,769	
Shareholders' funds		131,333		155,074
Gearing				
Net debt as a percentage of shareholders' funds		11.0%		11.5%

* Adjusted cash and cash equivalents comprise cash plus current assets less current liabilities.

Maximum potential gearing represents the highest gearing percentage on the assumption that the Company had no net current assets. As at 30 September 2020 this was 15.9% (2019: 13.2%).

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. The review includes:

- the level of gearing, taking into account MAM's views on capital markets;
- the level of the Company's free float of shares as the Barlow family owns approximately 54% of the share capital of the Company; and
- the extent to which revenue in excess of that required to be distributed should be retained.

22 Financial Instruments and Risk Profile **continued**

These objectives, policies and processes for managing capital are unchanged from the prior period.

The Company is also subject to various externally imposed capital requirements which are that:

- the debenture are not to exceed, in aggregate, 66 2/3% of the adjusted share capital and reserves in accordance with the relevant Trust Deed;
- the Company has to comply with statutory requirements relating to dividend distributions; and
- the AIFMD imposes a requirement for all AIFs to have in place a limit on the amount of leverage that they may hold. It is then the responsibility of the relevant AIFM to ensure that this limit is not exceeded, which in this case is the Company (as a self-managed AIF).

Leverage is similar to gearing (as calculated in accordance with AIC guidelines previously), but the AIFMD mandates a certain calculation methodology which must be applied. Leverage as calculated under this methodology for the Company is:

Gross Method	2020 £000	2019 £000
Investments held at fair value through profit or loss	**145,471**	172,914
Total investments at exposure value as defined under the AIFMD	**145,471**	172,914
Equity Shareholders' Funds	**131,333**	155,074
Leverage (times)	**1.11**	1.12

Commitment Method	2020 £000	2019 £000
Investments held at fair value through profit or loss	**145,471**	172,914
Cash and cash equivalents	**7,525**	3,398
Total investments at exposure value as defined under the AIFMD	**152,996**	176,312
Equity Shareholders' Funds	**131,333**	155,074
Leverage (times)	**1.16**	1.14

The leverage figures calculated above represent leverage as calculated under the gross and commitment methods as defined under the AIFMD (a figure of 1 represents no leverage or gearing). The two methods differ in their treatment of amounts outstanding under derivative contracts with the same counterparty, which are not applicable to the Company, and of the treatment of cash balances. In both methods the Company has included the debenture by including the value of investments purchased by those borrowings, rather than their balance sheet value. The Company's leverage limit under the AIFMD is 1.5 times, which equates to a borrowing level of 50% (the Company has not exceeded this limit at any time during the year or the prior year).

These requirements are unchanged from the prior year and the Company has complied with them.

23 Related Party Transactions

Majedie Asset Management (MAM)

MAM is the Fund Manager to the Company, under the terms of an Investment Agreement which provides for MAM to manage the Company's investment assets on both a segregated portfolio basis and also by investments into various MAM funds. Details of the Investment Agreement are contained in the material contracts section of the Directors' report on page 40. As Fund Manager, MAM is entitled to receive fund management fees. In respect of the UKES these are charged directly to the Company and are shown as an expense in its accounts. Any fees due in respect of investments made into any MAM funds are charged in the fund's accounts and are therefore included as part of the investment value of the relevant holdings. Details concerning the Company's investments managed by MAM are shown in the Chief Executive's Report on page 7 to 21.

MAM is also entitled to receive performance fees on the Company's investment in the Tortoise Fund. There are no performance fees due currently.

In addition to the above, the Company retains an investment in MAM itself. Mr JWM Barlow is a non-executive director of MAM, but receives no remuneration for this role. MAM is accounted for as an investment in the Company's accounts and is valued at fair value through profit or loss. Details concerning the Company's investment in MAM are included in the Chief Executive's Report on page 19 and on note 13 on page 92.

The table below discloses the transactions and balances for the related party:

Transactions during the period:	2020 £000	2019 £000
Dividend income received from MAM	4,027	4,602
Management fee income due to MAM (UKES only)	271	373
Balances outstanding at the end of the period:		
Between the Company and MAM (UKES fund management fees)	65	93
Value of the Company's investment in MAM	31,005	40,841

Remuneration

The remuneration of the Directors, who are the key management personnel of the Company, are set out below in aggregate for each of the categories specified in IAS 24: Related Party disclosures. There are no amounts outstanding at 30 September 2020 for Directors fees or salary (2019: Nil). Further information about the remuneration of individual Directors is provided in the audited section of the Report on Directors' Remuneration on page 56.

	2020 £000	2019 £000
Short term employee benefits	368	344
	368	344

Notice of Meeting

This Notice of Meeting is an important document. If shareholders are in any doubt as to what action to take, they should consult an appropriate independent advisor.

COVID-19 PANDEMIC

On account of the Coronavirus pandemic and associated Government guidance, including the rules on physical distancing and limitations on public gatherings in place at the time of publication of this document, and in accordance with the Corporate Governance and Insolvency Act 2020, physical attendance at the Annual General Meeting will not be possible. Arrangements will be made by the Company to ensure that the minimum number of shareholders required to form a quorum will attend the Annual General Meeting in order that the meeting may proceed.

As shareholders will not be able to attend the Annual General Meeting, in order to provide shareholders with the opportunity to engage with the Board and the Manager prior to the close of proxy voting for the AGM, the Company will hold a live one-way audio webcast on Wednesday 13 January 2021, at 2pm, one week before the AGM itself. Shareholders will be able to submit questions electronically to the Board or the Manager during the live event. To register for this webinar, visit the Keplar Trust Intelligence website and view their research on the Company. (https://www.trustintelligence.co.uk/articles/majedie-sep-2020).

As shareholders will not be able to attend the Annual General Meeting, shareholders are strongly encouraged to submit a proxy vote in advance of the meeting. Shareholders are also strongly advised to appoint the "Chair of the meeting" as their proxy, rather than a named person, as such person will not be permitted entry to the meeting.

A form of proxy for use at the AGM is enclosed with this document. To be valid, the form of proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible, and in any event, to reach the Company's registrars, Computershare, no later than 48 hours before the time of the Annual General Meeting, or any adjournment of that meeting.

This situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of general meetings during the affected period. Any changes to the arrangements for the AGM (including any change to the location or in relation to permitted attendance at the AGM) will be communicated to shareholders before the meeting through our website https://www.majedieinvestments.com/ and, where appropriate, by RNS announcement.

Notice is hereby given that the one hundred and tenth Annual General Meeting of Majedie Investments PLC will be held at the offices of the Company at, 1 King's Arms Yard, EC2R 7AF on Wednesday, 20 January 2021 at 12 noon for the purpose of transacting the following:

To consider and, if thought fit, pass the following Resolutions of which Resolutions 1 to 13 will be proposed as Ordinary Resolutions and Resolutions 14 to 17 shall be proposed as Special Resolutions. All business to be transacted at the AGM is Ordinary Business for the purpose of the Listing Rules.

Notice of Meeting

Ordinary Resolutions

1. To receive the Directors' Report and Accounts for the year ended 30 September 2020.
2. To approve the Directors' Remuneration Report for the year ended 30 September 2020, which can be found on pages 53 to 58.
3. To approve the Directors' Remuneration Policy which can be found on pages 54 and 55.
4. To declare a final dividend of 7.0p per share in respect of the year ended 30 September 2020.
5. To elect CD Getley as a Director.
6. To elect RW Killingbeck as a Director.
7. To re-elect JM Lewis as a Director.
8. To re-elect AMJ Little as a Director.
9. To re-elect JWM Barlow as a Director.
10. To re-elect RDC Henderson as a Director.
11. To re-appoint Ernst & Young LLP as auditors.
12. To authorise the Directors to fix the auditor's remuneration.
13. THAT for the purposes of section 551 of the Companies Act 2006 the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any securities into, Ordinary Shares up to a maximum number of 5,296,087 Ordinary Shares, provided that:

    a) the authority granted shall (unless previously revoked or renewed) expire at the conclusion of the next annual general meeting of the Company in 2022, or if earlier, on the expiry of 15 months from the passing of this Resolution; and

    b) the authority shall allow and enable the Directors to make an offer or agreement before the expiry of that authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if that authority had not expired.

Special Resolutions

14. THAT, subject to the passing of resolution 13 above, the Directors be empowered in accordance with sections 570 and 573 of the Companies Act 2006 (the Act) to allot equity securities (within the meaning of section 560 of the Act) of the Company for cash pursuant to the authority conferred by resolution 13 as if section 561 of the Act did not apply to any such allotment, provided that:

    a) the power granted shall be limited to the allotment of equity securities wholly for cash up to a maximum number of 5,296,087 Ordinary Shares;

    b) the authority granted shall (unless previously revoked) expire at the conclusion of the next Annual General Meeting of the Company in 2022 or, if earlier, 15 months after the passing of this resolution; and

    c) the said power shall allow and enable the Directors to make an offer or agreement before the expiry of that power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if that power had not expired.

15. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the Act) to make market purchases (within the meaning of section 693 of the Act) of Ordinary Shares of 10p each in the capital of the Company (Ordinary Shares), provided that:

   a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 7,946,781, or if less, 14.99% of the number of shares in circulation immediately following the passing of this Resolution;

   b) the minimum price which may be paid for each Ordinary Share is 10p;

   c) the maximum price payable by the Company for each Ordinary Share is the higher of:

      (i) 105% of the average of the middle market quotations of the Ordinary Shares in the Company for the five business days prior to the date of the market purchase; and

      (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venues where the market purchases by the Company pursuant to the authority conferred by this Resolution 15 will be carried out;

   d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2022 or, if earlier, on the expiry of 18 months from the passing of this Resolution, unless such authority is renewed prior to such time; and

   e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

16. THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on 14 clear days' notice.

17. THAT the Articles of Association produced to the meeting and signed by the chairman of the meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

By order of the Board
Link Company Matters Limited
Company Secretary
9 December 2020

Registered Office
1 King's Arms Yard
London
EC2R 7AF

Registered in England Number: 109305

Notice of Meeting

Explanation of Notice of Annual General Meeting

Resolution 1 – To receive the Directors' Report and Accounts

The Directors are required to present the financial statements, Directors' report and Auditor's report to the meeting. These are contained in the Company's Annual Report and Financial Statements 2020. A resolution to receive the financial statements, together with the Directors' report and the Auditor's report on those accounts for the financial period ended 30 September 2020 is included as an ordinary resolution.

Resolution 2 – Directors' Remuneration Report

Reflecting the remuneration reporting regime which came into effect on 1 October 2013, shareholders have an annual advisory vote on the report on Directors' remuneration. Accordingly, shareholders are being asked to vote on the receipt and approval of the Directors' Remuneration Report as set out on pages 53 to 58 of the 2020 Annual Report.

Resolution 3 – Directors' Remuneration Policy

A resolution is required to be put to shareholders every three years to approve the Directors' Remuneration Policy. As the policy was last approved at the 2018 AGM, it is due to be approved by shareholders at the upcoming AGM in 2021. The proposed Directors' Remuneration Policy can be found on pages 54 and 55 of the 2020 Annual Report. This is a binding policy and, after it takes effect, the Directors will not be entitled to remuneration unless that payment is consistent with the approved policy or has been approved by a resolution of the shareholders of the Company. If Resolution 3 is approved, the policy will take effect from 1 October 2020. Shareholders will be given a binding vote on the Directors' Remuneration Policy at least every three years, or whenever changes are made to the Policy.

Resolution 4 – Final Dividend

The Board proposes a final dividend of 7.0 pence per share in respect of the year ended 30 September 2020. If approved, the recommended final dividend will be paid on 26 January 2021 to all ordinary shareholders who are on the register of members on 15 January 2021. The shares will be marked ex-dividend on 14 January 2021.

Resolutions 5-10 – Re-election of Directors

The Company's Articles of Association require that at every Annual General Meeting any Director who has not retired from office at the preceding two Annual General Meetings shall stand for re-election by the Company. In spite of this, and in line with good corporate governance, the Directors have chosen to put themselves up for annual re-election.

Mr Getley and Mr Killingbeck will retire at the forthcoming Annual General Meeting and being eligible, will offer themselves for election.

Ms Lewis and Messrs. Little and Henderson will retire at the forthcoming Annual General Meeting, and, being eligible, will offer themselves for re-election.

Mr Barlow, having served for over nine years and being a Non-Executive Director of Majedie Asset Management, the Investment Manager, must submit himself for annual re-election.

Full biographies of all the Directors are set out in the Company's 2020 Annual Report and are also available for viewing on the Company's website http://www.majedieinvestments.com/overview.

Mr R David Henderson

Mr Henderson brings to the Board a wealth of experience having spent his career working in the financial services sector. He also brings valuable leadership experience from his time chairing Boards in his other appointments. Mr Henderson has effectively led the process of succession planning and refreshing the Board as Chairman of the Nomination Committee, overseeing the appointment of four Non-Executive Directors. Following a thorough Board evaluation, the Board agrees that Mr Henderson continues to be an effective member of the Board and recommends him for re-election.

Mr J William M Barlow

Mr Barlow has extensive experience within, and knowledge of, the investment management sector. This enables him to rigorously assess and challenge the Investment Manager on strategy and performance. Mr Barlow's tenure with Majedie Investments PLC gives him invaluable insight into the Company which allows him to give unparalleled support on continuity following the recent appointment to the Board and his experience places him in a strong position to advise on matters such as asset allocation. Following a thorough Board evaluation, the Board agrees that Mr Barlow continues to be an effective member of the Board and recommends him for re-election.

Ms Jane M Lewis
Ms Lewis is an investment trust specialist with extensive experience within the sector. Her position as Chairman of Invesco Perpetual UK Smaller Companies Investment Trust PLC along with her other investment trust directorships allow her to provide invaluable insights and to rigorously assess and challenge the performance of the Investment Manager. Following a thorough Board evaluation, the Board agrees that Ms Lewis continues to be an effective member of the Board and recommends her for re-election.

Mr A Mark J Little
Mr Little brings to the Board valuable financial and risk management knowledge as a result of his experience as a chartered accountant. In addition, Mr Little brings current knowledge and experience of the investment trust sector through his positions on the boards of other investment trusts. This knowledge allows him, as Chair of the Audit Committee, to effectively assess the Company's risk management framework and financial position. Following a thorough Board evaluation, the Board agrees that Mr Little continues to be an effective member of the Board and recommends him for re-election.

Mr Christopher D Getley
Mr Getley has over 25 years' experience at senior level in financial services. He has comprehensive knowledge of developing, communicating and implementing new strategy from his current role at Agplus Diagnostics Limited. Mr Getley was appointed to the Board on 1 July 2020 and is therefore seeking election from shareholders for the first time.

Mr Richard W Killingbeck
Mr Killingbeck brings to the Board over 35 years' experience in the financial services sector. He is currently Managing Director at Harris Allday, managing circa £3bn AUM, bringing to the Board valuable knowledge in asset allocation and management. This allows Mr Killingbeck to be able to effectively assess and challenge the Investment Manager on performance and strategy. In addition, in his role as director and latterly Chairman of the Bankers Investment Trust, he brings broad investment trust experience to the Board. Mr Killingbeck was appointed to the Board on 1 July 2020 and is therefore seeking election from shareholders for the first time.

Resolutions 11 and 12 – Re-appointment and Remuneration of Auditor
At each meeting at which the Company's financial statements are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. The Board, on the recommendation of the Audit Committee, recommends the re-appointment of Ernst & Young LLP and gives authority to the Audit Committee to determine the auditor's remuneration.

Resolution 13 – Authority to allot ordinary shares
Resolution 13 authorises the Board to allot ordinary shares generally and unconditionally in accordance with Section 551 of the Companies Act 2006 up to a maximum number of 5,296,087 Ordinary Shares, representing approximately 9.99% of the issued ordinary share capital at the date of the Notice. The Company does not hold any shares in treasury.

No ordinary shares will be issued at a price less than the prevailing net asset value per Ordinary Share at the time of issue. This authority shall expire at the Annual General Meeting to be held in 2022.

Resolution 14 – Authority to dis-apply pre-emption rights
Resolution 14 is a special resolution which is being proposed to authorise the Directors to disapply the pre-emption rights of existing shareholders in relation to issues of ordinary shares under Resolution 13 (being a maximum number of 5,296,087 Ordinary Shares, representing approximately 9.99% of the issued ordinary share capital at the date of the Notice). This authority shall expire at the Annual General Meeting to be held in 2022.

Resolution 15 – Purchase of Own Shares
Resolution 15 is a special resolution that will grant the Company authority to make market purchases of up to 7,946,781 Ordinary Shares, representing 14.99% of the ordinary shares in issue as at the date of the Notice. Any shares bought back will either be cancelled or placed into treasury at the determination of the Directors.

Notice of Meeting

The maximum price which may be paid for each Ordinary Share must not be more than the higher of (i) 105% of the average of the mid-market values of the Ordinary Shares for the five business days before the purchase is made or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. The minimum price which may be paid for each ordinary share is £0.10.

The Directors would not exercise the authority granted under this resolution unless they consider it to be in the best interests of shareholders. Purchases would be made in accordance with the provisions of the Companies Act 2006 and the Listing Rules. This authority shall expire at the Annual General Meeting to be held in 2022 when a resolution to renew the authority will be proposed.

Resolution 16 – Notice Period for General Meetings

Resolution 16 is a special resolution that will give the Directors the ability to convene general meetings, other than annual general meetings, on a minimum of 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. This authority would provide the Company with flexibility where action needs to be taken quickly but will only be used where the Directors consider it in the best interests of shareholders to do so and the matter is required to be dealt with expediently. The approval will be effective until the Company's Annual General Meeting to be held in 2022, at which it is intended that renewal will be sought.

Resolution 17 – New Articles of Association

Resolution 17, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the '**New Articles**') in order to update the Company's current Articles of Association (the '**Existing Articles**'). The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation and developments in market practice since the Existing Articles were adopted, and principally include:

i. provisions enabling the Company to hold virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings);

ii. amendments in response to the requirements of the Alternative Investment Fund Managers Directive (2011/61/EU);

iii. changes in response to the introduction of international tax regimes (notably to take into account the broader obligations under the Common Reporting Standard) requiring the exchange of information; and

iv. updating the methods of settling cash dividends.

A summary of the principal amendments being introduced in the New Articles is set out in the appendix to the AGM Notice (on pages 114 and 115 of this document). Other amendments, which are of a minor, technical or clarifying nature, have not been summarised in the appendix.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for hybrid or virtual-only meetings to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The full terms of the proposed amendments to the Company's articles of association would have been made available for inspection as required under LR 13.8.10R (2) but for the Government restrictions implemented in response to the Coronavirus outbreak. As an alternative, a copy of the New Articles, together with a copy showing all of the proposed changes to the Existing Articles, will be available for inspection on the Company's website, www.majedieinvestments.com from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current Coronavirus related restrictions are lifted before the AGM, a hard copy of these documents will be available for inspection at the Company's registered office 1 King's Arms Yard, London, EC2R 7AF until the close of the AGM.

Recommendation

Full details of the above resolutions are contained in the Notice. The Directors consider that all the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

Note 1
To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast) members must be entered on the Company's register of members at close of business on 18 January 2021 (or, in the event of any adjournment, close of business on the date which is two days (excluding weekends and bank holidays) before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

However, in light of the restrictions on travel and indoor public gatherings imposed by the UK Government, the Meeting will be run as a closed meeting and shareholders will not be able to attend in person. Shareholders are therefore encouraged to submit a proxy vote in advance of the Meeting in accordance with the instructions set out below.

Note 2
A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. To be effective, a copy of the enclosed personalised form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, not later than 48 hours before (excluding weekends and bank holidays) the time of the meeting or any adjustment thereof. The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands. On a vote by poll every member present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder. The termination of the authority of a person to act as proxy must be notified to the Company in writing.

To appoint more than one proxy, shareholders will need to complete a separate proxy form in relation to each appointment (you may photocopy the proxy form), stating clearly on each proxy form how many shares the proxy is appointed in relation to. A failure to specify the number of shares each proxy appointment relates to or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope.

Shareholders may cast a vote electronically rather than completing a hard copy proxy form. To do so, go to Computershare's URL: www.investorcentre.co.uk/eproxy where the following details, which can be found on your proxy card or in an email received from Computershare, will be required:

- *the meeting control number;*
- *your shareholder reference number; and*
- *your unique pin code.*

For the electronic proxy to be valid it must be received by Computershare no later than 12.00 noon on Monday 18 January 2021.

However, as noted above, the Meeting will be run as a closed meeting and shareholders will not be able to attend in person. Shareholders are therefore encouraged to appoint the chair of the Meeting as their proxy rather than a named person, or multiple named persons, who will not be allowed to attend the Meeting.

Note 3
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 register of members in respect of the joint holding (the first-named being the most senior).

Note 4
Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Note 2 above does not apply to a Nominated Person. The rights described in that Note can only be exercised by registered members of the Company.

Note 5
Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at close of business on 18 January 2021 shall be entitled to attend and vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at the that time. Changes to entries on the relevant register of members after close of business on 18 January 2021 (the specified time) shall be disregarded in determining the rights of any person to attend or vote at the meeting. If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If, however, the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.

Note 6
CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual, which is available to download from the Euroclear website (www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

Note 7
As at the date of this Notice, the Company's issued share capital and total voting rights amounted to 53,013,887 Ordinary Shares carrying one vote each.

Note 8
In accordance with Section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:

a) to do so would:
   (i) interfere unduly with the preparation for the meeting; or
   (ii) involve the disclosure of confidential information;

b) the answer has already been given on a website in the form of an answer to a question; or

c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

However, as noted above, the Meeting will be run as a closed meeting and neither shareholders nor named proxies will be able to attend in person.

In order to provide shareholders with the opportunity to engage with the Board and the Manager prior to the close of proxy voting for the AGM, the Company will hold a live one-way audio webcast on Wednesday, 13 January 2021, at 2pm, one week before the AGM itself. Shareholders will be able to submit questions in writing to the Board or the Manager during the live event.

Note 9
Any corporation which is a member can appoint one or more corporate representative(s) who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers in relation to the same shares.

Note 10
Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditors' Report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

Note 11
A copy of this notice and any subsequent notices in respect of section 388A and any information required under section 311A of the Companies Act 2006 will be available on the Company's website www.majedieinvestments.com.

Note 12
The terms and conditions of appointment of Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (except Saturdays, Sundays and public holidays) until the date of the Meeting and at the place of the Meeting for a period of fifteen minutes prior to and during the Meeting. A copy of the proposed new articles of association of the Company, together with a copy showing all of the proposed changes to the existing articles of association, will be available for inspection on the Company's website, www.majedieinvestments.com, from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current Coronavirus related restrictions are lifted before the AGM, a hard copy of these documents will also be available for inspection at the Company's registered office 1 King's Arms Yard, London, EC2R 7AF until the close of the AGM.

Note 13
You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than these expressly stated.

Note 14
If a shareholder receiving this notice has sold or transferred all shares in the Company, this notice and any other relevant documents (e.g. form of proxy) should be passed to the person through whom the sale or transfer was effected, for transmission to the purchaser.

Note 15
Personal data provided by shareholders at or in relation to the Meeting will be processed in line with the Company's privacy policy.

Appendix

Summary of the principal amendments to the Company's articles of association

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 17 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments to the Existing Articles. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, www.majedieinvestments.com, from the date of the AGM Notice until the close of the AGM.

Hybrid/virtual-only shareholder meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. This should make it easier for the Company's shareholders to attend shareholder meetings if the Board elects to conduct meetings using electronic means. Amendments have been made throughout the New Articles to facilitate the holding of hybrid or virtual-only shareholder meetings.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for a hybrid or virtual-only meeting to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The Alternative Investment Fund Managers Directive (2011/61/EU) ('AIFMD') and the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (the "AIFM Regulations")

The Board is proposing to take this opportunity to make amendments to the Existing Articles in response to the AIFMD and all applicable rules and regulations implementing that Directive. The proposed new provisions are as follows:

(i) The Existing Articles will be amended to provide that the net asset value per share of the Company shall be calculated at least annually and be disclosed to shareholders from time to time in such manner as may be determined by the Board. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

(ii) The AIFM Regulations require that prior to any new or existing investor making an investment in the Company, certain prescribed information is to be made available to them. Therefore, the New Articles will include language with the effect that such information shall be made available to prospective and existing shareholders in such manner as may be determined by the Board from time to time (including, in certain cases, on the Company's website or by electronic notice).

(iii) The New Articles stipulate that the valuation of the Company's assets will be performed in accordance with prevailing accounting standards, in line with guidance from the Financial Conduct Authority. This reflects best practice and has no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

(iv) The Existing Articles will be amended to provide that the Company's annual report and accounts may be prepared either in accordance with generally accepted accounting principles of the United Kingdom or such other international accounting standards as may be permitted under English law. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

International tax regimes requiring the exchange of information

The Board is proposing to include provisions in the New Articles to provide the Company with the ability to require shareholders to co-operate in respect of the exchange of information in order to comply with the Company's international tax reporting obligations.

The Hiring Incentives to Restore Employment Act 2010 of the United States of America (commonly known as the Foreign Account Tax Compliance Act) and all associated regulations and official guidance ('**FATCA**') imposes a system of information reporting on certain entities including foreign financial institutions such as the Company following the enactment of the UK International Tax Compliance (United States of America) Regulations 2013 on 1st September 2013 (as replaced by the International Tax Compliance Regulations 2015 (the '**Regulations**')).

The Existing Articles are being amended to provide the Company with the ability to require shareholders to co-operate with it in ensuring that the Company is able to comply with its obligations under the Regulations in order to avoid being deemed to be a 'Nonparticipating Financial Institution' for the purposes of FATCA and consequently having to pay withholding tax to the US Internal Revenue Service. The Existing Articles will also be amended to ensure that (i) the Company will not be liable for any monies that become subject to a deduction or withholding relating to FATCA, as such liability would be to the detriment of shareholders as a whole and (ii) the Company has the ability to require shareholders to co-operate and provide further information in respect of the broader obligations under the OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information (the "**Common Reporting Standard**").

Minor amendments

The Board is also taking the opportunity to make some additional minor or technical amendments to the Existing Articles, including:

i. simplifying the procedure in relation to the untraced shareholders procedure by removing the requirement for the Company to publish newspaper advertisements and clarifying that the consideration (if any) received by the Company upon the sale of any share pursuant to the untraced shareholder provisions will belong to the Company;

ii. simplifying the procedure in relation to the postponement of general meetings by removing the requirement for the Company to publish newspaper advertisements;

iii. providing the Directors with the ability to require additional security or safety measures to be put in place at general meetings of the Company;

iv. updating the methods of settling cash dividends by allowing the Company to pay dividends exclusively through bank transfers or other electronic payment methods instead of by way of cheques with the further ability to retain cash payments where bank details are not provided by a shareholder;

v. in response to developments in mental health legislation and to reflect the position in the model articles for public companies as set out in the Companies (Model Articles) Regulations 2008/3229, updating the provision relating to termination of a director's appointment on mental health grounds;

vi. providing the Company with more flexibility in dealing with uncashed dividends; and

vii. stipulating the procedure to be followed by the Company in relation to the serving of notices where delivery attempts have failed.

These changes reflect modern best practice and are intended to relieve certain administrative burdens on the Company.

Majedie Savings Plans

Before investing in the Company's shares, potential investors must read the Key Information Document and the Investor Disclosure Document. They are available on the Company's website at www.majedieinvestments.com, under the investing section.

Equiniti Shareview Dealing Investment Account

The Shareview Dealing Investment Account is a flexible and cost effective way to save or invest in the shares of Majedie Investments PLC.

Lump sum investments are dealt with on a daily basis and the monthly regular savings facility is an affordable and effective way of building a substantial shareholding over a longer term. The minimum monthly investment is £50.

There is no annual management fee (the Company subsidises the Investment Account running costs). Your lump sum or monthly payments will be used to buy as many shares as possible after deducting Government Stamp Duty, currently at the rate of 0.5%. On the sale of shares, a fixed charge of £15 is levied (£12.50 if dealt online).

Dividends may either be paid in cash or reinvested back into the Investment Account. Existing Majedie company shareholdings may be transferred into the Investment Account. You may close your Investment Account by selling all your shares at any time.

To summarise:

Dealing method	Deal value	Charge
All purchases*	Any size	Nil
Real time – online sales	Any size	£12.50
Real time – telephone sales	Any size	£15.00

* All dealing types, including Regular Investment and Dividend Reinvestment purchases

For further details please contact Equiniti Financial Services Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Telephone: 0345 300 0430. Email: enquiries@equinitishareviewdealing.com.

Please note that the previous Majedie Share Plan has now closed. For further information please visit the Company's website http://www.majedieinvestments.com/.

Majedie Corporate ISA

The Majedie Corporate ISA (Individual Savings Account) provides a tax effective way to invest or save in the shares of Majedie Investments PLC. There are no initial charges and no annual management fees. Halifax Share Dealing Limited is the Majedie Corporate ISA Manager.

ISA's provide the following benefits:

- no extra income tax payable on income generated within the ISA;
- no need to include the details of your ISA in reports to the HM Revenue & Customs;
- no Capital Gains Tax liability on any profits arising from within the ISA;
- no minimum period of investment

The Majedie Corporate ISA provides the additional benefit of extremely low cost. There are no initial charges and no annual management charges. Furthermore there is no brokerage charge on purchases as part of the weekly bulk dealing for the scheme. However there is Government Stamp Duty on purchases, currently at 0.5%, and there is also an additional charge should you wish to make use of the Real Time Dealing Service*.

Shares may be purchased either by way of a lump sum payment or through regular monthly payments. The minimum lump sum investment is £500, while the minimum direct debit subscription is £20. The maximum permitted investment is £20,000 for the 2020/21 tax year. Investments can be split between a cash ISA and a stocks and shares ISA. Income may be paid direct to your bank or building society on a half-yearly basis or reinvested.

To summarise:

Investment	Lump sum	from £50
	Monthly savings	from £20
ISA Charges	Initial	Nil
	Annual	Nil
Dealing Charges*	Online	£12.50
	Telephone	From £25.00

The Majedie Corporate ISA is provided in conjunction with Halifax Share Dealing Limited (HSDL) who act as an HM Revenue & Customs Approved ISA Manager. To apply please contact Halifax Share Dealing on 03457 22 55 25, quoting Stock Code: MXMJ. Telephone calls may be recorded for security purposes and may be monitored under the Bank's quality control procedures.

The value of investments and income from them can go down as well as up and you may not get back the amount you originally invested. Any tax concessions are not guaranteed and may be changed at any time. The value of any tax concessions will depend on your individual circumstances.

Halifax Share Dealing Limited. Registered in England and Wales no. 3195646. Registered Office: Trinity Road, Halifax, West Yorkshire, HX1 2RG. Authorised and regulated by the Financial Conduct Authority under registration number 183332. A Member of the London Stock Exchange and an HM Revenue & Customs Approved ISA Manager.

* Please call 03457 22 55 25 for further information

Majedie Savings Plans

Majedie ISA (formerly a PEP)

You are no longer able to put new money into a PEP. However, your existing PEP investments remain sheltered from tax in an ISA.

Please note that ISA limits apply and taxation levels and bases are subject to change. Past performance of investments is not a guide to future performance as their value can go down as well as up.

Further details may be obtained from the Company's ISA Manager, The Share Centre, PO Box 2000, Aylesbury, Buckinghamshire HP21 8ZB (website: www.share.com).

Shareholder Information

Registered Office
1 King's Arms Yard
London EC2R 7AF
Telephone: 020 7382 8170
E-mail: majedie@majedieinvestments.com
Registered Number: 109305 England

Company Secretary
Link Company Matters Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Fund Manager
Majedie Asset Management Limited
10 Old Bailey
London EC4M 7NG
Telephone: 020 7618 3900
Email: info@majedie.com

Depositary
The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

The Depositary acts as global custodian and may delegate safekeeping to one or more global sub-custodians. The Depositary has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and The Bank of New York Mellon.

AIFM
Majedie Investments PLC

Solicitor
Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

Website
www.majedieinvestments.com

Registrars
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1159

Shareholders should notify all changes of name and address in writing to the Registrars. Shareholders may check details of their holdings, historical dividends, graphs and other data by accessing www.investorcentre.co.uk.

Shareholders wishing to receive communications from the Registrars by email (including notification of the publication of the annual and interim reports) should register on-line at www.investorcentre.co.uk/ecomms. Shareholders will need their shareholder number, shown on their share certificate and dividend vouchers, in order to access both of the above services.

Auditors
Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

Stockbrokers
J.P. Morgan Cazenove
25 Bank Street
London E14 5JP

ISIN
Ordinary: GB0005555221
Debenture 7.25% 31/03/2025: GB0006733058

Ticker
Ordinary: MAJE
Debenture 7.25% 31/03/2025: BD22

Sedol
Ordinary: 0555522
Debenture 7.25% 31/03/2025: 0673305

Shareholder Information

Key Dates in 2021

Ex-dividend date	14 January 2021
Record date	15 January 2021
Annual General Meeting	20 January 2021
2019/20 final dividend payable	26 January 2021
Interim results announcement	May 2021
2020/21 interim dividend payable	June 2021
Financial year end	30 September 2021
Final results announcement	December 2021
Annual Report mailed to shareholders	December 2021

Website

www.majedieinvestments.com

Share Price

The share price is quoted daily in The Times, Financial Times, The Daily Telegraph, The Independent and London Evening Standard. Shares may be bought through the Equiniti Shareview Dealing Investment Account or Majedie Corporate ISA (details of which are set out on pages 116 and 117). You may transfer an existing PEP or ISA to the Majedie ISA (page 117). You may also purchase shares through an on-line dealing facility or via your stockbroker or bank.

Net Asset Value

The Company announces its net asset value daily through the London Stock Exchange and on its website. The Financial Times publishes daily estimates of the net asset value and discount.

Capital Gains Tax

For capital gains tax purposes the adjusted market price of the Company's shares at 31 March 1982 was 35.875p per 10p share. Former shareholders of Barlow Holdings PLC are recommended to consult their professional advisers in this regard.

Warning to shareholders

Please be aware that there has been an increase in reports of share scams, where fraudsters cold-call investors offering a range of financial propositions. Majedie Investments PLC has not and would not instruct any third party to make an offer to our shareholders or to act on our behalf in this way. Therefore, Majedie Investments PLC would like to remind its shareholders to remain vigilant at all times. If you are in any doubt, or have any concerns, regarding an offer to purchase shares by a third party, please contact Computershare.

To find out more information on how you can protect yourself, please visit the Financial Conduct Authority (FCA) website:

www.fca.org.uk/scamsmart

Or call the FCA's consumer helpline: 0800 111 6768.

Majedie Investments PLC

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