Majedie

2014

Majedie Investments PLC

Annual Report

30 September 2014

Contents

Cautionary statement regarding forward-looking statements

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	2014
Total shareholder return (including dividends):	49.7%
Net asset value total return (including dividends and debt at par value):	10.8%
Total dividends (per share):	7.5p
Directors' valuation of investment in Majedie Asset Management Limited:	£41.3m

Year's Summary

Group Capital Structure	Note	2014	2013	%
as at 30 September				
Total Assets	1	£167.9m	£159.0m	+5.6
Which are attributable to:				
Debenture holders (Debt at par value)	2	£33.9m	£33.8m	
Equity Shareholders		£134.0m	£125.2m	+7.0
Gearing	4	23.4%	21.5%	
Potential Gearing	4	25.3%	27.0%	
Group total returns (capital growth plus dividends)	5			
Net asset value per share (debt at par value)	3	+10.8%	+16.9%	
Net asset value per share (debt at fair value)	3	+12.4%	+20.2%	
Share price		+49.7%	+9.7%	
Group capital returns				
Net asset value per share (debt at par value)	3	256.7p	240.5p	+6.7
Net asset value per share (debt at fair value)		241.8p	223.4p	+8.2
Share price		229.0p	160.0p	+43.1
Discount of share price to net asset value per share				
Debt at par value		10.8%	33.5%	
Debt at fair value		5.3%	28.4%	
Group revenue and dividends				
Net Revenue available to Equity Shareholders	6	£4.9m	£3.7m	
Net revenue return per share	6	9.4p	6.8p	+38.2
Total dividends per share		7.5p	10.5p	
Total administrative expenses	6	£1.9m	£2.0m	
Ongoing charges:	7			
Group (including costs of running subsidiary entities)	6	1.8%	2.1%	
Company (costs of operating the Company)		1.7%	1.7%	

Notes

Definitions of terms used in the above summary 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 nominal or face value attaching to the debentures which will be paid by the Company to the debenture holders on maturity. Fair value is the estimated market price the Company would pay (on the relevant year end 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 the Company's assets less any liabilities. The NAV is usually expressed as an amount per share.
4. **Gearing and Potential Gearing** Gearing represents the amount of borrowings that a company has and is calculated using 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 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 26 on page 89.
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 net asset value.
6. Includes both continuing and discontinued operations.
7. **Ongoing charges** Ongoing charges are a measure of the normal ongoing costs of running a company. Further information is contained in the Business Review section of the Strategic Report on page 9.

Year's high/low		2014	2013
Share price	high	240.0p	183.0p
	low	160.0p	151.5p
Net asset value – debt at par	high	256.7p	240.5p
	low	228.6p	211.9p
Discount – debt at par	high	33.5%	33.5%
	low	1.4%	21.7%
(Premium)/Discount – debt at fair value	high	28.4%	28.4%
	low	(4.6%)	13.2%

Ten Year Record

to 30 September 2014

Year End	Total† Assets £000	Equity share-holders' Funds £000	NAV Per Share (Debt at par) Pence	Share Price Pence	Discount %	Earnings^ Pence	Dividend Pence	Gearing† %	Potential Gearing† %	Company Ongoing Charges# %
2004	172,144	138,893	266.5	227.5	14.63	5.25	8.75	14.51	24.25	1.36
2005	212,600	178,845	343.0	303.5	11.52	8.94	9.05**	16.18	18.65	1.19
2006*	242,903	209,189	403.2	338.3	16.09	12.45	9.50**	13.94	16.12	1.28
2007*	286,944	253,216	490.7	413.3	15.77	13.60	14.50**	10.65	13.32	1.24
2008	187,209	153,465	296.5	250.0	15.68	12.45	12.75**	16.69	21.99	1.61
2009	157,943	124,181	238.7	189.8	20.51	8.14	10.50**	17.22	27.19	2.06
2010	150,940	117,159	225.2	191.5	15.00	11.83	13.00**	24.11	28.83	2.36
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

Notes:

* Restated to reflect the review of the treatment of the investment in Majedie Asset Management Limited.

** Net dividends represent dividends that relate to the Company's financial year. Under International Financial Reporting Standards (IFRSs) dividends are not accrued until paid or approved.

^ Includes both continuing and discontinued operations.

\# As from May 2012, Ongoing Charges replace previous cost ratios.

† Calculated in accordance with AIC guidance.

Strategic Report

Chairman's Statement

The Company undertook a major change in the past year with the closure of Javelin Capital LLP and the movement of the management of the majority of the Company's assets to Majedie Asset Management (MAM). I am glad to say that the change has gone well, and I am particularly pleased that the reorganisation has led to a significant re-rating of the Company's share price, with the shares regularly trading at a premium to NAV having, historically, traded at a significant discount.

During the year, the NAV and share price returned 10.8% and 49.7% respectively on a total return basis.

Results and Dividends

Under IFRS the Company is required to disclose separately continuing operations from discontinued operations, which relate to Javelin Capital. The capital return from continuing operations for the year was £11.0m compared to £15.7m in 2013. The capital loss from discontinued operations for the year was £2.6m, reflecting principally the £2.1m write off of the Company's investment in Javelin Capital. This write off was taken in January and April 2014 and Javelin Capital has now been fully written down.

The net revenue return from continuing operations increased from £3.9m in 2013 to £5.1m and is due primarily to an increase in the dividend paid by MAM.

Total administrative and management fees, on a continuing basis, have risen from £0.7m in 2013 to £1.6m in 2014 whilst the discontinued expenses relating to Javelin have fallen from £1.3m to £0.7m. The increase in continuing administrative and management fees reflects the investment management fees paid to MAM, which were not incurred in 2013, and the Company paying certain expenses previously borne by Javelin. The future reduction of administrative expenses is a key area of focus for the Board and they will, over time, fall. However the self managed nature of the Company means that ongoing costs will remain higher than those of the average investment trust.

The Board announced in January 2014 that the full year dividend would be rebased to not less than 7.5 pence per share. In line with that announcement, following the payment of an interim dividend of 3.0 pence per share in June 2014, the final dividend will be 4.5 pence per share. The final dividend will be paid on 21 January 2015 to shareholders on the register on 9 January 2015.

Alternative Investment Fund Managers Directive (AIFMD or the Directive)

Under AIFMD, the Company is treated as an Alternative Investment Fund (AIF) and has applied for authorisation by the Financial Conduct Authority (FCA) to act as its own Alternative Investment Fund Manager (AIFM). Pursuant to the AIFMD the Company appointed Bank of New York Mellon Trust and Depositary (UK) Limited (BNYM (UK)) to act as the Company's Depositary and Bank of New York Mellon SA/NV London Branch has been appointed as its Custodian. The appointment of a Depositary will increase costs.

AGM

The AGM will be held on 14 January 2015 at 12.00 noon at the City of London Club, 19 Old Broad Street, London EC2N 1DS. Details are set out in the notice of meeting on page 93. There will be presentations and an opportunity to ask questions. I do hope you will be able to attend.

Summary

The past year has been transformational for the Company and I am pleased with the positive reaction of investors. This is partially due to a general narrowing of investment trust discounts as investors have noted the attractions of investment trusts for broad equity exposure following recent changes to legislation. More specifically, it reflects recognition of the unique nature of the Company's asset allocation. The Company's investments are now managed by a leading boutique manager across a variety of strategies, including an absolute return fund, and the Company retains a significant investment in MAM.

In the past year, the Company has issued a small amount of stock from its EBT at a premium to NAV and also has permission to issue up to 10% of its equity at a premium to the prevailing NAV. It is intended to renew this permission at the AGM. The benefits for shareholders, of an increase in stock in issue, will be a dilution in gearing and the cost of debentures, a reduction in administrative expenses per share and increased liquidity in the Company's shares.

I would like to thank my fellow directors and particularly the staff for their contributions and hard work throughout the restructuring of the Company and I look forward to further progress being made in the current year.

Andrew Adcock

Andrew J Adcock Chairman
4 December 2014

Strategic Report

Business Review

Introduction and Strategy

Majedie Investments PLC (the Company) is an investment trust company and self managed AIF with an investment objective 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 (as described on pages 6 and 7). The investment objective and policy (as detailed on pages 6 and 7) were both approved by shareholders at a General Meeting of the Company on 27 February 2014 (which incorporated various changes following the restructuring of the Group, including the appointment of MAM). Further details concerning the restructuring that occurred during the year are detailed in the Chief Executive's Report on pages 11 to 13.

The year under review also saw the introduction of the AIFMD, which applies to the Company. Following careful analysis the Board has chosen to become its own AIFM under the Directive and has appointed BNYM (UK) to be its depositary. This meant that the Company applied to become authorised and regulated by the FCA for the first time. Further details concerning the Company's regulatory environment are on pages 7 and 8.

In January 2014, the Company joined the Association of Investment Companies (AIC) (the trade body for closed-ended investment companies).

The purpose of the Strategic Report (which is the Strategic Report for the Group) is to inform the shareholders of the Company and help them assess how the directors have performed their duty to promote the success of the Company in accordance with section 172 of the Companies Act 2006 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; and
- explaining the future business plans of the Company.

Business Model

In pursuing its investment objective, the Company's business model includes other entities which together form the Group. Active companies in the Group currently consist of the Company (as a global equity investment trust and FCA regulated self-managed AIF) and Majedie Portfolio Management Limited (which is the FCA regulated Majedie Investments PLC Share Plan Manager). Further details about subsidiary entities can be found in note 14 to the Accounts on page 75.

The business model currently used by the Company delegates certain arrangements to other service providers. These delegations are in accordance with the AIFMD, (the details of the material delegations can be found on pages 20 and 21), but the Board, as an AIFM and in accordance with the Company's investment objective and policy, directs, controls and monitors the overall performance or operations and direction of the Company.

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 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.

- 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 long term debentures. 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.

Regulatory and Competitive Environment

The Company is an investment trust and has a premium listing on the London Stock Exchange. It is subject to United Kingdom and European legislation and regulations including UK company law, International Financial Reporting Standards, Listing, Prospectus and Disclosure 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 the Companies Act 2006, section 833, the Company is defined as an investment company.

As outlined previously the Company has become subject to the AIFMD during the year. The AIFMD regulates investment entities defined as AIFs, as from 22 July 2014.

Business Review

The AIFMD requires that all AIFs are managed by a regulated AIFM in accordance with the requirements of the Directive. These requirements are in respect of risk management, conflicts of interest, leverage, liquidity management, delegation, the requirement to appoint a depositary, regulatory capital, valuations, disclosure of information to investors or potential investors, remuneration and marketing.

In accordance with the AIFMD, the Company has applied to become authorised and regulated by the FCA as its own AIFM (becoming an internally, or self managed AIF).

The financial statements, starting on page 44, 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 International Financial Reporting Standards (IFRS) as adopted by the EU, supplemented by the Statement of Recommended Practice for Investment Trust Companies and Venture Capital Trusts (SORP) issued in January 2009. The principal accounting policies of the Company are set out in note 1 to the accounts on pages 55 to 61. The Auditor's opinion on the financial statements, which is unqualified, appears on pages 41 to 43.

Total Return Philosophy & Dividend Policy

The directors believe that investment returns will be maximised if a total return policy is followed whereby the Investment Manager pursues the best opportunities. The policy aim is to increase dividends by more than inflation over the long term. The Board has decided to rebase the dividend as from this financial year. Further details are under the Dividend Growth Section on page 9. The Company has a comparatively high level of revenue reserves for the investment trust sector. At £21.9m, the revenue reserves represent approximately five 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 the portfolio is insufficient to cover completely the annual distribution, although it is not currently anticipated.

Performance Management

The Board uses the following Key Performance Indicators (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 on pages 4 and 5 and pages 11 to 13 respectively.

- Net Asset Value (NAV) and Total Shareholder Return:
  The Board believes that asset 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 measure 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 on page 13.

- Investment Group performance:
  The Board believes that after asset allocation, the performance of each of the investment groups 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 on pages 11 to 13 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 Company's share price gain outperformed the gain in the Company's NAV resulting in the Company regularly trading at a premium.

The Board continually monitors the Company's premium or discount, and has received approval (and is seeking to renew such approval for another year) to issue new shares, at a premium to the relevant NAV, in order to meet natural market demand. Additionally for maximum flexibility the Board 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. Details of movements in the Company's share price discount or premium over the year is 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 both at the Company and Group level. The industry wide measure for investment trusts is ongoing charges, which seeks to quantify the ongoing costs of running the Company. This measures the annual normal ongoing costs of an investment trust, excluding performance fees, one off expenses 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 Board does also pay close attention to costs in the subsidiary entities. Details of ongoing charges 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 and in recent years has maintained the dividend by using some of the Company's large revenue reserves. The Board had hoped that a successful development of Javelin Capital would allow the Company to maintain and grow its dividend with the benefit of income from Javelin Capital. With the closure of Javelin Capital, the Board has resolved to rebase the annual dividend with a view to moving to a sustainable and progressive dividend policy, paying dividends out of current year income rather than from revenue reserves. The Board receives detailed management accounts and forecasts which show the actual and forecast financial outturns for the Company and the Group. For the year to 30 September 2013, being the period prior to the rebasing of the dividend, dividend growth since 1985 has been 4.7% (5.3% including special dividends) which is ahead of inflation over that period.

Principal Risks

The principal risks and the Company's policies for managing these risks and the policy and practices with regard to financial instruments are summarised below and in note 26 to the accounts on pages 81 to 90.

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 MAM UK Equity Segregated Fund (UKESF)) and via collective investment vehicles (the Funds), and an investment in an absolute return fund, the Tortoise Fund (Tortoise). The major risk for the Company remains investment risk, primarily market risk; however it is recognised that the investment in MAM continues to represent a degree of concentration risk for the Company, (although reducing given the divestment programme announced as part of the restructuring in January 2014).

Strategic Report

Business Review

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 Investment Manager manages the majority of the Company's investment assets. The portfolios of UKESF and the 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 UKESF and the 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 principal 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.

ii. Strategy Risk:
An inappropriate investment strategy could result in poor returns for shareholders and the introduction of or a widening of the discount of the share price to the NAV per share. The Board regularly reviews strategy in relation to a range of issues including investment policy and objective, the allocation of assets between investment groups, the level and effect of gearing and 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 also 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 listings and income forecasts as part of its monitoring of compliance with sections 1158 to 1162 of the Corporation Tax Act 2010; and

v. Operational Risk:
Inadequate financial controls and failure by an outsourced supplier to perform to the required standard could result in misappropriation of assets, loss of income and debtor receipts and mis-reporting of NAVs. The Board and Audit Committee regularly review statements on internal controls and procedures and subject the books and records of the Company to an annual external audit. The Corporate Governance statement on pages 23 to 27 and the Report of the Audit Committee on pages 28 to 30 provide further information in respect of internal control systems and risk management procedures.

On behalf of the Board

Andrew Adcock

Andrew J Adcock Chairman

4 December 2014

Strategic Report

Chief Executive's Report

Introduction

In January 2014 the Company announced the closure of Javelin Capital LLP and that the majority of the Company's assets would be managed by MAM. The changes were detailed in a letter to shareholders dated 5 February 2014 which preceded the General Meeting of the Company to approve the changes. Under the new investment management arrangements the Company's assets, other than the direct stake in MAM and the residual non core portfolio, are allocated at the discretion of the Board between investment strategies managed by MAM. Initially the assets were allocated to a segregated fund tracking MAM's UK Equity Fund, to MAM's UK Income Fund and to MAM'S Tortoise Fund. In June the Company allocated £5m each to the MAM Global Equity, MAM Global Focus and MAM US Equity funds, at their launch, the investments being funded by reducing the assets in the segregated fund.

MAM Funds

The UK Equity Fund is the flagship product of MAM having started in March 2003 and since inception to September 2014 has returned 14.0% per annum net of fees with a relative outperformance against its benchmark FTSE All Share Index of 4.2% per annum. The Company's assets are invested in a segregated fund that is managed in parallel to the MAM UK Equity Fund. The assets are predominately UK equities with overseas equities limited to 20%, and the strategy incorporates a dedicated allocation to UK smaller companies. The sum invested by the Company in the segregated fund at 30 September 2014 was £65.5m, representing 39.1% of the Company's total assets.

The Tortoise Fund is a global equity absolute return fund which started in August 2007 and has returned 10.5% per annum net of fees since that date. The total sum invested in the Tortoise Fund at 30 September 2014 was £27.7m, representing 16.5% of the Company's total assets.

The UK Income Fund is an income fund which started in December 2011 and has returned 22.6% per annum net of fees with a relative outperformance against its benchmark of 9.5% per annum. The assets are predominantly UK equities, with overseas equities limited to 20%. The total sum invested by the Company in the UK Income Fund at 30 September 2014 was £17.5m, representing 10.4% of the Company's total assets.

Following the recruitment of experienced Fund Managers the Global Equity, Global Focus Fund and US Equity Funds were launched by MAM in June 2014 and the Company invested £5m in each. The total sums invested in the Global Equity, Global Focus and US Equity funds by the Company as at 30 September 2014 were £5.1m, £5.0m and £5.4m which represents 3.0%, 3.0% and 3.2% respectively of total assets.

Performance

The Company's assets were managed by Javelin Capital until January 2014 and thereafter the majority have been managed by MAM. Under Javelin Capital the assets were split between the Core Portfolio, which comprised holdings in large cap UK and international companies and was measured against a benchmark of 70% FTSE All Share and 30% ROW ex UK, and investments in the Javelin Emerging Alpha Fund. The return on the Core Portfolio was 6.1%, which was an outperformance of 0.7% against its index. The Javelin Emerging Market Alpha Fund was an Absolute Return Fund which returned -3.0% from 30 September 2013 until its closure in January 2014. The Company received £29.5m which was invested in MAM Funds.

In the period from the Company's investment in January 2014, the MAM UK Equity Segregated Fund returned -1.7% net of fees compared to the benchmark of -0.7%. This return is net of the trading costs incurred in restructuring the portfolio following the appointment of MAM. Details of the principal investments held within the segregated portfolio are set out on page 15. The cumulative geographic and sector split of the UK Segregated Fund, UK Income Fund, Global Equity Fund, Global Equity Focus Fund and US Equity Fund are shown on page 14.

Chief Executive's Report

The Tortoise Fund had a difficult period following the Company's investment in the Fund in January with a return of -4.9% net of fees. In the period from January 2014, the UK Income Fund returned 4.4% net of fees compared to its benchmark of 2.7%. The Global Equity and Global Equity Focus Funds returned 1.7% and -0.1% net of fees compared to their benchmark (MSCI World Sterling) of 3.0% in the three months from their launches to 30 September. The US Equity Fund had a good return in the same period of 7.5% net of fees compared to its benchmark (S&P Sterling) of 6.1%. The return was enhanced by the strength of the US dollar against sterling. The sterling share classes in the Global and US Funds are not hedged.

MAM

MAM had a strong year with assets under management rising from £7.7bn to £10.2bn over the year to 30 September 2014. The increase in assets is across all existing MAM Funds which reflects rising markets, fund performance and fund inflows. The new Global Equity, Global Focus and US Funds have not materially influenced the growth in assets under management due to their recent launch in June 2014.

In March 2014 the Company sold 10% of MAM for £18.0m and now holds 18%; the shares sold were subsequently cancelled. It is intended that further reductions will be made over the next four years, with the Company having agreed to sell up to 2.5% of MAM each year. These shares will be acquired by an employee benefit trust or by MAM for cancellation. The Board has raised the value of its holding in MAM at 30 September 2014 to £41.3m, which represents 24.6% of the Company's total assets.

Realisation portfolio and cash

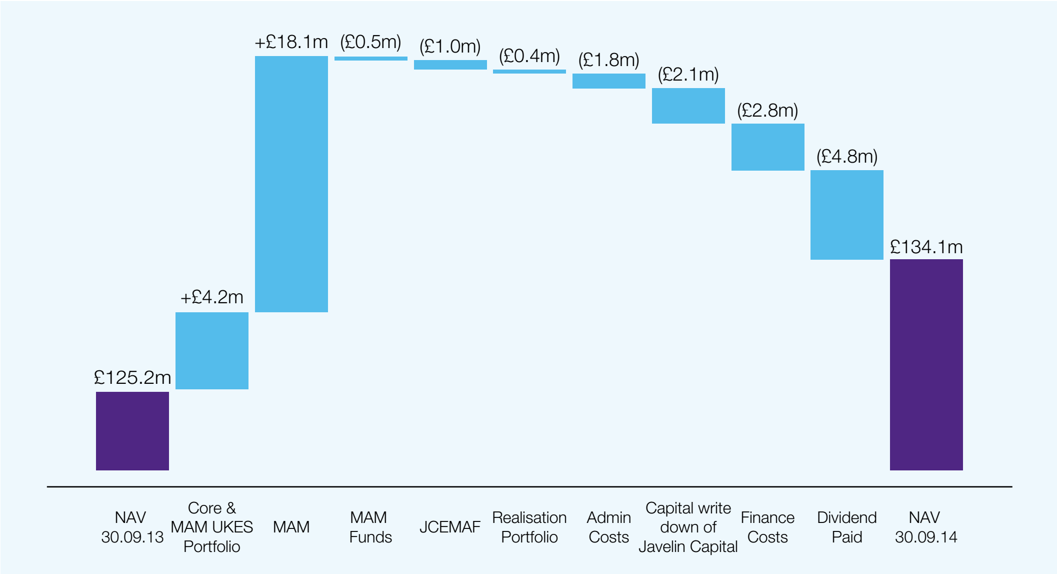
The realisation portfolio and cash are 0.1% and 0.1% of total assets. The cash figure excludes cash held in the MAM Segregated Fund and other MAM Funds in which the Company is invested.

Javelin Capital

Javelin Capital has been written down by £2.1m and is now held at zero. It is in the process of being liquidated.

Development of Net Asset Value

The chart below demonstrates the Group's Net Asset Value (NAV) development during the year to 30 September 2014. In aggregate, the NAV has increased by £8.9m, having incurred net administration (including both continuing and discontinuing operations) and finance costs of £4.6m and having paid out £4.8m in dividends (being comprised of the 6.3p 2013 final dividend and the 3p 2014 interim). In relation to the Group's investments, the UKES portfolio (and Core Portfolio to January 2014) gained £4.2m, including dividend receipts, whilst MAM provided a total contribution of £18.1m (comprised of dividends of £3.6m and total capital gains of £14.5m). Lastly the realisation portfolio declined by £0.4m, the JCEMAF by £1.0m, the MAM funds, as a group, by £0.5m. Additionally, Javelin Capital was written down by £2.1m.



Note: Net admin costs are net of Javelin Capital management fee income as received from external investors and also in respect of the Company's investment in the JCEMAF. They also include the net increase from the sale of the EIT shares.

MAM Fund Performance

	% Fund Return (net of fees)	% Benchmark Return
MAM UK Equity Segregated Fund	-1.5	-0.7
MAM UK Income Fund	4.4	2.8
MAM Global Equity Fund	1.8	3.0
MAM Global Focus Fund	-0.1	3.0
MAM US Equity Fund	7.9	6.1
MAM Tortoise Fund	-4.9	–

Notes:

The MAM UK Equity Segregated Fund commenced on 22 January 2014.

The investment in the MAM UK Income Fund was made on 29 January and 19 March 2014.

The investments in the MAM Global Equity, MAM Global Focus and MAM US Equity were made on 27 June 2014 and funded from the MAM UK Equity Segregated Fund.

The investment in the MAM Tortoise Fund was made on 29 January and 18 March 2014. The fund is an absolute return fund and therefore has no benchmark.

William Barlow CEO
4 December 2014

Fund Analysis

at 30 September 2014

Geographical Analysis

	% of Total
UK	70.0
Europe	10.9
US	13.9
Japan	0.7
Developed Asia	0.2
Emerging Markets	1.1
Cash	3.2
	100.0

Sector Analysis

	% of Total
Basic Materials	3.0
Consumer Goods	2.1
Consumer Services	17.2
Financials	20.0
Health Care	11.0
Industrials	10.7
Oil & Gas	11.4
Technology	5.3
Telecommunications	11.2
Utilities	4.9
Cash	3.2
	100.0

Notes:

Exposures are based on the stock exchange on which the underlying equity is listed and FTSE sector classification.

The assets analysed above are the aggregate exposure of MAM UK Equity Segregated Fund, MAM UK Income Fund, MAM Global Equity Fund, MAM Global Focus Fund and MAM US Equity Fund Investments. The aggregate represent a total of 58.7% of the Company total assets.

Twenty Largest MAM UK Equity Segregated Fund Holdings

at 30 September 2014

Company	Market Value £000	% of UK Segregated Fund
MAM Special Situations Fund	5,722	9.1
Royal Dutch Shell plc	4,299	6.8
GlaxoSmithKline plc	3,946	6.3
BP plc	3,877	6.1
Vodafone Group Plc	3,171	5.0
AstraZeneca PLC	2,879	4.6
BAE Systems PLC	2,637	4.2
Marks & Spencer Group PLC	2,120	3.4
Orange SA	1,971	3.1
Centrica plc	1,942	3.1
BT Group plc	1,905	3.0
HSBC Holdings plc	1,643	2.6
Telecom Italia SpA	1,419	2.3
Tesco PLC	1,272	2.0
Royal KPN NV	1,264	2.0
Royal Bank of Scotland Group plc	1,243	2.0
Carnival plc	1,155	1.8
Standard Life plc	989	1.6
Aviva PLC	964	1.5
National Grid plc	905	1.4
	45,323	71.9

Board of Directors

This page forms part of the Director's Report

Andrew J Adcock* MA Chairman

Mr Adcock was the managing partner of Brompton Asset Management LLP until he retired in July 2011. He is a non-executive director of Majedie Portfolio Management Limited, F&C Global Smaller Companies PLC and Kleinwort Benson Bank Limited. He was appointed as a non-executive director of Foxtons Group plc in September 2013 and is Chairman of their Remuneration Committee. Also in September 2013, he was appointed as a non-executive director of JP Morgan European Investment Trust plc. He is also Chairman of the Samuel Courtauld Trust and a Director of The Courtald Institute of Art, and is acting Chairman of the Institute's Audit Committee.

He was Vice Chairman, Citigroup Corporate Finance until his retirement in 2009. Previously, he was a Partner for three years at Lazards LLC which followed ten years at BZW as the Managing Director of De Zoete & Bevan Limited. He was appointed a director of the Company on 1 April 2008 and is the Chairman of the Board and Nomination Committee and a member of the Remuneration, Management Engagement and Audit Committees.

J William M Barlow BA

Mr Barlow was appointed Chief Executive Officer of the Company 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. He was Managing Director of DnB Asset Management (UK) Limited having been appointed in 2002. He joined Skandia Asset Management Limited as an equity portfolio manager in 1991. Mr Barlow was appointed to the Board in July 1999 and is a director of Majedie Portfolio Management Limited, Javelin Capital Services Limited, and is also a non-executive director of MAM.

Paul D Gadd*

Mr Gadd was appointed as a director of the Company on 1 October 2009. He is a solicitor and has spent 17 years with Ashurst, retiring in 2009 after 10 years as a partner, latterly as head of Ashurst's investment company practice. He is Chairman of the Remuneration and Management Engagement Committees and is a member of the Nomination and Audit Committees.

R David C Henderson* FCA

Mr Henderson, a Chartered Accountant, is currently Special Advisor to Kleinwort Benson, Chairman of Alder Asset Management, Chairman of TClarke plc and is also a Non-Executive Director of Novae Group plc, MM&K Limited and Chairman of the COIF Charity Funds. Previously he was 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 Baker Tilly. He was appointed as a Director of the Company on 22 September 2011, is Chairman of the Audit Committee and a member of the Remuneration, Nomination and Management Engagement Committees.

* Independent non-executive.

Directors' Report

The directors submit their report and the accounts for the year ended 30 September 2014.

Introduction

The Directors' Report includes the Corporate Governance statement, which can be found on pages 23 to 27, the Report of the Audit Committee, which can be found on pages 28 to 30 and the Directors' Remuneration Report on pages 31 to 38. 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 is also a member of the AIC.

The Company has received written confirmation from HM Revenue & Customs that it meets the eligibility conditions and is an approved investment trust for taxation purposes under sections 1158/59 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 consolidated net revenue return before taxation arising from continuing operations amounted to £5,148,000 (2013: £3,995,000), and the net loss before taxation arising from discontinued operations amounted to £232,000 (2013: £339,000). The directors recommend a final ordinary dividend of 4.5p per ordinary share, payable on 21 January 2015 to shareholders on the register at the close of business on 9 January 2015. Together with the interim dividend of 3.0p per share paid on 27 June 2014, this makes a total distribution of 7.5p per share in respect of the financial year (2013: 10.5p per share).

Risk Management and Objectives

The Company as an investment trust, and the Group, are subject to various risks in pursuing their objectives. The nature of these risks and the controls and policies in place across the Group that are used to minimise these risks are further detailed in the Strategic Report on pages 9 and 10 and in note 26 of the Accounts on pages 81 to 90.

Directors

The directors in office at the date of this report are listed on page 16.

Directors' retirement by rotation and appointment is subject to the Company's Articles of Association and the UK Corporate Governance Code.

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-appointment by the Company.

Therefore in accordance with the Company's Articles of Association, Mr AJ Adcock, having been last re-appointed at the Annual General Meeting in 2012, will retire at the forthcoming Annual General Meeting and, being eligible, will offer himself for re-appointment. Additionally Mr RDC Henderson, having last been appointed at the Annual General Meeting in 2012, will retire at the forthcoming Annual General Meeting and, being eligible, will offer himself for re-appointment.

In accordance with Listing Rule 15.2.13A and in accordance with the UK Corporate Governance Code with respect of directors who have served over nine years, Mr JWM Barlow, being a non-executive director of Majedie Asset Management Limited, the Investment Manager, must submit himself for annual re-appointment.

The Board has considered the continued appointment of Mr JWM Barlow who has served for over 14 years. The Board's view is that length of tenure does not compromise independence and that experience and continuity can add strength to a Board. Given the restructuring that was undertaken during the year the Board is conscious of the need to maintain continuity on the Board and believes retaining directors with sufficient experience of both the Company and the markets is of great benefit to the shareholders. The Board believes that the performance of Mr JWM Barlow continues to be effective, that he demonstrates commitment to his role and has 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 retiring directors' performance within the annual Board performance evaluation, hereby recommends that shareholders vote in favour of the proposed re-appointments.

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 2014	1 October 2013
Mr AJ Adcock	**50,000**	20,000
Mr JWM Barlow	**676,083**	676,083*
Mr PD Gadd	**30,000**	10,000
Mr RDC Henderson	**4,700**	Nil

* The Company's Annual Report and Accounts for the year ended 30 September 2013 incorrectly stated Mr JWM Barlow's beneficial holding as being 658,779 ordinary shares. Mr JWM Barlow's beneficial holding has remained unchanged since the disclosure to the market made on 5 October 2010.

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

	30 September 2014	1 October 2013
Mr JWM Barlow	**1,897,165**	1,897,165†

† The Company's Annual Report and Accounts for the year ended 30 September 2013 incorrectly stated Mr JWM Barlow's non-beneficial holding as being 2,160,779.

There have been no changes to any of the above holdings between 30 September 2014 and the date of this report.

Substantial Shareholdings

At 30 November 2014 the Company has been notified of the following substantial holdings in shares carrying voting rights:

Mr HS Barlow	Beneficial	15,017,619	28.59%
	Non-beneficial	613,084	1.17%
Axa Group		7,103,119	13.52%
Mr MHD Barlow	Beneficial	1,776,241	3.38%
	Non-beneficial	1,360,750	2.59%
Sir JK Barlow	Beneficial	1,561,805	2.97%
	Non-beneficial	869,086	1.65%
Mr GB Barlow		877,433	1.67%
Miss AE Barlow		2,034,948	3.87%
Mr JWM Barlow	Beneficial	676,083	1.29%
	Non-beneficial	1,897,165	3.61%

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

There have been no changes to any of the above holdings between 30 November 2014 and the date of this report.

Annual General Meeting

The Annual General Meeting will be held at City of London Club, 19 Old Broad Street, London EC2N 1DS on Wednesday, 14 January 2015 at 12 noon. The notice convening the Annual General Meeting is set out on pages 93 to 98.

The Board considers that Resolutions 1 to 13 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

As part of the restructuring of the Company during the year the Board received approval, at a General Meeting on 27 February 2014, to allot new shares for cash, and without first offering them to existing shareholders in proportion to their holdings, up to a maximum of 5,200,000 shares (being approximately 9.99% of the Company's existing share capital). These two authorities will expire at the 2015 Annual General Meeting. 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 market value. No shares have been allotted from the date of the General Meeting to 30 September 2014, or subsequently to the date of this report.

During the year, 175,000 shares were sold by the Company's Employee Incentive Trust.

The directors are of the view that they are 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 as above, and as such shareholder approval is sought at the Annual General Meeting 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 5,200,000 shares (being approximately 9.99% of the Company's existing share capital).

Since 1 October 2013, and up to the date of this report, the Company has made no buybacks for cancellation of its ordinary shares. At the Annual General Meeting in 2014 the directors were given power to buy back 7,873,947 ordinary shares (being 14.99% of the Company's existing share capital). Since the Annual General Meeting the directors have not bought any shares under this authority. This authority will expire at the 2015 Annual General Meeting.

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 Annual General Meeting 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 is 14.99% of the issued share capital. Any shares so purchased will be cancelled. The restrictions on such purchases, (including minimum and maximum prices), are outlined in the Notice of Meeting on pages 93 to 98. The Authority will be used where the directors consider it to be in the best interests of the shareholders.

Capital Structure

As part of its corporate governance the Board keeps under review the capital structure of the Company. At 30 September 2014, the Company had a nominal issued share capital of £5,252,800, comprising 52,528,000 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 directors consider that new shares should be issued to meet natural market demand, so long as any such shares are issued at a premium to the Company's NAV (as measured with debt at fair value).

Additionally the Board has, each year, renewed the authority of the Company to make market buybacks of its own shares. However, the Board is only likely to use such authority in special circumstances. In general the directors believe that a discount to net assets will be reduced sustainably over the long term by the creation of value through the development of the business.

The Company deploys gearing through two long term debentures: £15m 9.5% debenture stock 2020 and £25m 7.25% debenture stock 2025, which were issued in 1994 and 2000, respectively. In 2004 the Company redeemed £1.5m of the 2020 issue and £4.3m of the 2025 issue as an opportunity arose to redeem at an attractive price.

The limits on the ability to borrow are described in the investment policy on pages 6 and 7. 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 26 to the Accounts on page 90.

There is one employee share scheme operated by the Group. Further details are in note 25 to the accounts on pages 79 and 80.

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 affect its 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 days' clear notice should a matter require urgency. The Board will therefore, as last year, propose a resolution at the Annual General Meeting 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 fewer than 21 clear days' notice unless immediate action is required.

Future Developments

The Chairman's Statement and the Chief Executive's Report on pages 4 and 5 and 11 to 13 provide details as concerning relevant future developments of the Company and the Group in the forthcoming year.

Employees, Social, Environmental, Ethical and Human Rights policy

The Company, as an investment trust, has a 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 has appointed MAM to manage the majority of its investment assets. In doing so it 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, the Company is required to report on its greenhouse gas emissions for those financial years ending on or after 30 September 2013. In accordance with the regulations, the Company has determined that its organisational boundary, to which entities the regulations apply, is consistent with its consolidated accounts.

The Group 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 emissions by the Group.

However the Group, as a self managed investment trust, does undertake activities at its 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, it is considered that the Group does not have emissions responsibility in respect of these services, which rather rest with the landlord. The Group 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.

Additionally, the Company has many investments in companies around the world, 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 directors believe that the Group has no reportable emissions for the year ended 30 September 2014 (2013: nil).

Donations

The Company made no political or charitable donations during the year (2013: nil) to organisations either within or outside of the EU.

Gender Diversity

The Board are aware of the recommendations made in the Lord Davies Review in 2011 in respect to Board diversity. The Company's policy on diversity is included in the section on the Nomination Committee on pages 24 and 25 and this is applied when a new appointment to the Board is required. There has been no change in the Board and at the year end the composition of the Board was that all the directors were male. The composition of the Company's employees is 66.6% male and 33.3% female.

Post Balance Sheet Events

There have been no significant post balance sheet events of the Company or its subsidiaries.

Material Contracts

- Majedie Asset Management Limited
  The Board has appointed MAM, as its investment 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 within MAM's UK Equity Fund, with initial investments into the MAM Tortoise Fund and MAM Income Fund. Additionally it was agreed that the Company would invest, by amending its initial asset allocation, into other named funds scheduled to be launched by MAM within 12 months. Accordingly the Company amended its allocation to the segregated portfolio and invested into the MAM Global Equity Fund, the MAM Global Focus Fund and the MAM US Equity Fund in June 2014.

  The fees payable under the Investment Agreement are detailed below:

Portfolio/Fund*	Management Fee^	Performance Fee^
MAM UK Equity Segregated Fund	0.75% p.a.	Nil
MAM Tortoise Fund	1.50% p.a.	20%†
MAM UK Income Fund	0.75% p.a.	Nil
MAM Global Equity Fund	0.75% p.a.	Nil
MAM Global Focus Fund	0–1.00% p.a.**	Nil
MAM US Equity Fund	0.75% p.a.	Nil†

* The fees are calculated under the terms of the Investment Agreement or the relevant fund prospectus.

† The performance fee entitlement only occurs once the hurdle has been exceeded and is calculated on a high water mark basis.

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

^ The fees charged to the MAM UK Equity Segregated Fund are charged directly to the Company's Statement of Comprehensive Income. All other fund fees are charged within the relevant fund.

The Investment Agreement entitles either party to terminate the arrangement with six months' notice, after an initial period ending on 31 December 2015.

- BNY Mellon Trust & Depositary (UK) Limited
  The Company has appointed BNYM (UK) 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. The services provided by BNYM (UK) 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 BNYM (UK) acting on behalf of the Company; and

  - ensuring that the Bank of New York Mellon SA/NV, London Branch (BNYM) (to whom BNYM (UK) has delegated the safekeeping of all assets held within the Company's investment portfolio, including those classed as financial instruments for the purpose of the AIFMD), in accordance with the terms of a Global Custody Agreement, retains custody of the Company's financial instruments in segregated accounts so that they can be clearly identified as belonging to the Company and maintains records sufficient for verification of the Company's ownership rights in relation to assets other than financial instruments.

No specific conflicts have been identified as arising as a result of the delegation of the provision of custody and safekeeping services by BNYM (UK) to BNYM. 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, BNYM (UK) 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 on a sliding scale of 0.04% up to total gross portfolio assets of £100 million and 0.035% between £100 million and £250 million and 0.03% above £250 million, payable monthly in arrears. The depositary agreement in place with BNYM (UK) and the related custody agreement in place with BNYM continues unless and until terminated: without cause upon the Company and BNYM (UK) giving not less than 90 days' notice and upon BNYM (UK) 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.

- Capita Sinclair Henderson Limited
  The Board has appointed Capita Sinclair Henderson Limited (trading as Capita Asset Services) in November 2000 to act as Company Secretary and undertake fund administration services. The terms of Capita Sinclair Henderson Limited's appointment are defined under a Secretarial and Administration Services Agreement dated 6 February 2012. The agreement entitles either party to terminate the arrangement with twelve months' notice.

Listing Rule Disclosure

The Company is listed on the London Stock Exchange and is subject to the UKLA listing rules. These require various disclosures, which are included in this report, and now also include the requirement, under Listing Rule 9.8.4R, to disclose, where applicable, certain specific items separately. These as they apply to the Company, in respect of the year ended 30 September 2014, are:

- that the Company has not capitalised any interest during the year (all interest has been included in the Group and Company's respective Statement of Comprehensive Income);

- that no director waived or has agreed to waive any entitlements during the year, nor for any future periods;

- that the Company had a contract of significance in respect of Javelin Capital LLP, in which Mr JWM Barlow was a partner and received profit shares. Details of these entitlements are contained in the Report on Directors' Remuneration on pages 31 and 32; and

- that the Company's Employee Incentive Trust has, in accordance with its Trust Deed dated 19 January 1998, agreed to waive its entitlement to dividends in respect of its holdings of Company shares, to the extent that they exceed 0.001p per share. Further details in respect of the Employee Incentive Trust are contained in note 20 on pages 77 and 78.

AIFMD

The Company, as from 22 July 2014, is subject to the AIFMD, which requires certain financial and non-financial disclosures in respect of Annual Reports.

These disclosures are already made 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 on pages 31 to 38. Remuneration details for staff are included in note 7 on page 65. There was no variable remuneration paid during the year.

- Leverage
  Under the AIFMD, the Company is required to disclose its actual leverage (calculated in accordance with the Directive under the Gross & Commitment methods) and it must also 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 2014 had leverage of 1.23 under the Gross method and 1.26 under the Commitment method, note 26 on page 90 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 and there have been no material changes since 22 July 2014 to the date of this 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 15 January 2014. Ernst & Young LLP have indicated their willingness to continue in office and a resolution will be proposed at the Annual General Meeting to re-appoint them as Auditors.

Going Concern

The directors believe, after review and due consideration of future forecast and cashflow projections, that the Company has adequate financial resources to continue in operational existence for the foreseeable future. For this reason and taking account of the large number of readily realisable investments held within its portfolio, the Board continues to adopt the going concern basis in preparing the financial statements.

By Order of the Board

Capita Sinclair Henderson Limited
Company Secretary
4 December 2014

Corporate Governance Statement

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

This section of the Annual Report describes how the Company has applied the principles of the Corporate Governance Code as published by the Financial Reporting Council (FRC) in September 2012, as required by the FCA. A copy of the Code can be found at www.frc.org.uk. During the year the Company became a member of the AIC, which publishes its own Code of Corporate Governance for investment companies. In order to avoid reporting under both Codes, the Company has opted during the year to continue to report under the Corporate Governance Code, but intends to comply with the provisions of the AIC Code in the future.

The Board considers that the Company has complied with the provisions of the Code throughout the year ended 30 September 2014 except as set out below.

Provision A.4.1 – The directors have determined that the size of the Company's Board does not warrant the appointment of a senior independent director.

Provision C.3.6 – The Company does not have an internal audit function due to its accounting, administration, company secretarial and custody arrangements being outsourced to the parties detailed on pages 20 and 21.

The Company

The Company has a history of self management which it retains following the restructuring in January 2014, which included the appointment of MAM, and in July 2014, the introduction of the AIFMD, with the Company becoming a self managed AIF under the Directive. In complying with the more detailed aspects of best corporate governance practice, the Board takes into account that the Company is a listed investment trust and the Barlow family, as a whole owns, about 55% 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 of directors continues to be to maximise total shareholder return for all shareholders.

Board and Directors

The Company's Board of directors is responsible for the overall stewardship of the Company, including corporate strategy, corporate governance, risk management and compliance with regulations (including its responsibilities as AIFM under the AIFMD), overall investment policy, asset allocation and gearing. Its composition satisfies the requirements of the Code and is composed of an independent Chairman, two non-executive directors and Mr JWM Barlow who is the CEO.

Biographical details of the directors are shown on page 16.

Messrs AJ Adcock, PD Gadd and RDC Henderson are considered to be independent as defined by the 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. However, the Board considers that all directors exercise their judgements in an independent manner. The Chairman's other commitments are in his biography on page 16.

The Board meets at least six times in each calendar year and its principal focus is the strategic development of the Group, investment policy and the control of the business. Key matters relating to these areas including the monitoring of financial performance are reserved for the Board and set out in a formal statement.

During the year ended 30 September 2014, the Company held six Board meetings, two Audit Committee meetings, one Management Engagement Committee meeting, one Nomination Committee meeting and three Remuneration Committee meetings. Attendance at these Board and Committee meetings is detailed below.

	Number of meetings				
	Board	Audit	Management Engagement	Remuneration	Nomination
Directors	9	2	1	3	1
AJ Adcock	9	2	1	2	1
JWM Barlow	9	n/a	n/a	n/a	n/a
RDC Henderson	9	2	1	3	1
PD Gadd	9	2	1	3	1

Since the Company's financial year end the Company held two Board meetings, one Audit Committee, one Management engagement, one Nomination Committee and one Remuneration Committee meeting. All Board and Committee members attended their respective meetings, with the exception of AJ Adcock who was unable to attend a Remuneration Committee meeting.

The Board has undertaken a formal and rigorous evaluation of its own performance and of its Committees through the circulation of a comprehensive questionnaire. Having discussed the results it 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, including in respect of regulatory and governance matters and development, and training needs were discussed as part of the Board evaluation process.

Directors' and Officers' Liability Insurance and Indemnities

The Company has arranged Directors' and Officers' Liability Insurance which provides cover for legal expenses under certain circumstances. The Company's Articles of Association take advantage of statutory provisions to indemnify the directors against certain liabilities owed to third parties even where such liability arises from conduct amounting to negligence or breach of duty or of trust. In addition, under the terms of appointment of each director, the Company has agreed, subject to the restrictions and limitations imposed by statute and by the Company's Articles of Association, to indemnify each director against all costs, expenses, losses and liabilities incurred in execution of his office as director or otherwise in relation to such office. Save for such indemnity provisions in the Company's Articles of Association and in the directors' terms of appointment, there are no qualifying third party indemnity provisions in force.

Committees

The Board has established the following Committees:

- The Audit Committee comprises:
  Mr RDC Henderson (Chairman), Mr PD Gadd and Mr AJ Adcock. Mr JWM Barlow and representatives of the Auditors are invited to attend meetings of the Committee. It is considered that Mr RDC Henderson, who is a Chartered Accountant, has recent relevant financial experience. The Board has agreed the terms of reference for the Audit Committee which meets at least twice a year. Further details on the work of the Audit Committee are detailed in the Report of the Audit Committee on pages 28 to 30.

- The Nomination Committee comprises:
  Mr AJ Adcock (Chairman) and all of the non-executive directors. Mr JWM Barlow attends meetings at the request of the Committee, from time to time. The policy 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. Gender and diversity are considered by the Committee and are taken into account when evaluating the skills, knowledge and experience desirable to fill each vacancy but all appointments to the Board are made on merit. The Committee has not set any measurable objectives in respect of this policy.

  The Company's Articles of Association require a director appointed during the year to retire and seek appointment by shareholders at the next Annual General Meeting and all directors must seek re-appointment at least every three years. All directors are appointed for a term of three years after appointment or re-appointment by shareholders at a general meeting. A director's appointment may be terminated by the Company or the director by providing one month's notice. The Articles of Association can be amended by shareholders at a General Meeting.

  Towards the end of each fixed term the Nomination Committee and the Board will consider whether to renew a particular appointment.

Directors' terms and conditions for appointment are set out in letters of appointment, which are available for inspection at the registered office of the Company and will be available 15 minutes before the start of and during the Company's Annual General Meeting. Details of the Chief Executive Officer's employment contract can be found in the Remuneration Report on pages 34 and 35.

The Nomination Committee met on 16 October 2014 to consider the re-appointment of directors at the Company's Annual General Meeting. Based on the outcome of the Board performance evaluation process and on the basis that they continued to make valuable contributions and exercise judgement and express opinions in an independent manner, the Committee has decided to recommend the re-appointment of Messrs AJ Adcock, RDC Henderson and JWM Barlow.

The Committee believes the directors provide the necessary breadth of skills and experience to run the Company.

- The Remuneration Committee comprises: Mr PD Gadd (Chairman), Mr AJ Adcock and Mr RDC Henderson. 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 31 to 38.

- The Management Engagement Committee (MEC) comprises: Mr PD Gadd (Chairman), and all of the non-executive directors. Mr JWM Barlow attends meetings at the request of the Committee, from time to time. The Board has agreed terms of reference for the Committee, which meets at least once a year to consider the performance of the Investment Manager, the terms of the Investment Manager's engagement and to consider the continued appointment of the Investment Manager. The MEC met on 16 October 2014 and recommended that MAM be retained as Investment Manager. In determining their recommendation, the MEC concluded that MAM have an excellent 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 Investment 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 and custodial services, the day to day accounting, company secretarial services, 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 of directors 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. He must request authorisation from the Board as soon as he 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 take 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

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 Annual General Meeting and to participate in proceedings. Shareholders wishing to contact the directors to raise specific issues can do so directly at the Annual General Meeting or by writing to the Company Secretary.

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 on pages 4 to 15 provide further information.

The Company has three investor savings schemes which provide shareholders with cost effective and convenient ways of investing. Communication of up-to-date information is provided through the 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 subscribe to the NAPF Voting Issues Service (ISS) which forms part of their voting process. MAM provides quarterly a 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 are 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.

Internal Control Review

The Directors acknowledge that they are responsible for the systems of internal control relating to the Company and its subsidiaries and for reviewing the effectiveness of those systems. An ongoing process has been in existence for some time to identify, evaluate and manage risks faced by Group companies. This has been refined further following the introduction of the AIFMD, which requires the Board, as AIFM, to implement effective risk management policies and procedures. Key procedures are also in place to provide effective financial control over the Group's operations, and these were amended following the closure of Javelin Capital and the transfer of the majority of the investment assets to be managed by MAM.

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 risk assessment and a review of internal controls are 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 and its subsidiaries. In arriving at its judgement of the nature of the risks facing Group companies, the Board or the Audit Committee has considered the Group'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 and internal controls are contained in the Report of the Audit Committee on page 30.

In accordance with provision C.2.1 of the UK Corporate Governance Code, the Directors have carried out a review of the effectiveness of the system of internal control as it has operated over the year and up to the date of approval of the report and accounts.

By Order of the Board

Capita Sinclair Henderson Limited
Company Secretary
4 December 2014

Report of the Audit Committee

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

During the year ended 30 September 2014 the Audit Committee comprised independent non-executive directors, being Mr RDC Henderson (Chairman), Mr AJ Adcock and Mr PD Gadd. Mr JWM Barlow was also invited to attend meetings. The Committee usually meets twice a year in which it reviews the Half-Yearly Financial Report and the Annual Report.

The Company Secretary, Capita Sinclair Henderson Limited (trading as Capita Asset Services), 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, independence and developing and implementing a policy on the engagement of the external auditor to supply non-audit services.

In respect of the year under review the Committee met twice, in May and November 2014, to review the Group's Half-Yearly Financial Report and Annual Report respectively, to review the internal control environments of outsourced service providers and to also 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 2014 the Committee considered the following issue to be significant to the financial statements:

Valuation of Investments

The Company is a global equity investment trust which invests in many companies around the world, the majority of which are quoted and traded on a recognised stock exchange. 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. Although these are small in number (and also usually by value) they do include the investment in MAM and, as such, they are significant to the determination of the Company and Group's net asset value.

Investments in quoted companies are valued by the Company's external Fund Administrator using prices from third party pricing sources. The Fund Administrator reviews all prices and those that exceed a pre-determined movement threshold are subject to further verification checks using additional pricing sources.

For unquoted investments, the CEO 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 55 to 61. All unquoted investments are subject to review by the Committee and the Auditor.

The fair value of MAM is based on the price at which the Company can sell its shares back to MAM, which is currently considered to be the sole market for the Company's shares. The significant input in assessing the price is the earnings of MAM and a 5% increase/decrease in MAM's earnings would result in an increase/decrease of 4.3% in the carrying value of MAM.

Ownership of Investments

The Company's investments are held in safe custody by BNYM (UK) as depositary. The Committee receives regular reports on BNYM (UK)'s internal controls.

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

External Audit

The Company's external auditor is Ernst & Young LLP, who were appointed on 18 January 2008, replacing Deloitte & Touche LLP following an open tender process (there are no restrictions or impediments to the external audit tendering process). Given its relative size and nature of operations the Company has no formal tendering policy in place.

The Company engages Ernst & Young LLP to undertake a review of the Half-Yearly Financial Report as well as the annual year end audit. On both occasions Ernst & Young LLP attend the relevant Audit Committee meeting.

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 Financial Reporting Council (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 2014 the external audit process is effective and it recommends the appointment of Ernst & Young LLP as Auditors at the forthcoming Annual General Meeting.

Policy for non-audit services

From time to time it may be appropriate and cost effective for the external auditor to provide services but other services should only be provided where alternative providers do not exist or where it is cost effective or in the Group's interest for the external auditor to provide such services. In the year under review, the auditor provided a review of the Half-Yearly Financial Report and a review of the Company's debenture covenant reporting (to the trustee for the debenture holders), both of which are separately disclosed as "Other Assurance Services" in 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.

Risk Management and Internal Control

The Group operates risk management and internal control systems appropriate for entities operating in the financial services sector and additionally as appropriate to its size and the scope of its activities. In reviewing these systems, the Committee, and or the Board, receive regular reports. 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 following meetings.

The Company does not have an internal audit function as required under provision C.3.6 of the UK Corporate Governance Code. 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 Investment Management services being undertaken by MAM, Fund Administration and Company Secretarial functions by Capita Asset Services and Depositary services by BNYM (UK) Limited (with custody being delegated to BNYM).

For the year ended 30 September 2014 the Group's risk management and internal controls were reviewed and enhanced in order to meet the requirements of the AIFMD. Additionally, they were also amended following the transfer of the majority of the investment assets from Javelin Capital to MAM reflecting the fact that the Group no longer provides these specific services. The Committee considers that they have been, and are, adequate and effective.

Compliance, Whistleblowing and Fraud

The Company operates using an outsourced business model, in common with other investment trusts. As such the Committee and the Board receive reports regarding the compliance function of the Investment Manager and Fund Administrator 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.

On behalf of the Board

RDC Henderson
Chairman of the Audit Committee
4 December 2014

Report on Directors' Remuneration

Annual Statement

During the financial year ended 30 September 2014, the Group undertook a significant restructuring which included the closure of Javelin Capital. This resulted in the transfer of some Javelin Capital staff and partners to the Company, including the executive director, Mr JWM Barlow, who became Chief Executive Officer (CEO) on 1 April 2014. The other significant event affecting the Company during the financial year was the introduction of AIFMD, in July 2014. Pursuant to the AIFMD the Company has applied to be a self managed AIF, which has given rise to additional responsibilities for the Board. There were no changes to the composition of the Board during the year.

The Remuneration Committee has decided that there should be no change to the remuneration of the non-executive directors in respect of the financial year ended 30 September 2014, save for an ad-hoc fee supplement of £25,000, which was paid during the year to Mr PD Gadd, in respect of extra duties undertaken by him in relation to the Group restructuring and the appointment of MAM. This was approved by the Remuneration Committee with Mr PD Gadd not participating and Mr AJ Adcock chairing the meeting. At a meeting of the Remuneration Committee held on the 16 October 2014, it was resolved to increase the fees of the directors by 5%, such change to take effect from 1 October 2014. The directors' fees were last increased on 1 April 2008 (with the Chairman receiving a further increase to the current level on 20 January 2010, on his appointment as Chairman). This increase was approved in the context of the revised Group structure, the ongoing performance of the Company, the responsibilities of the directors under the AIFMD, the fees payable to non-executive directors of other investment trusts and the time commitment involved.

There have been a number of changes to the remuneration of the executive director, Mr JWM Barlow, during the financial year, principally as a result of Mr JWM Barlow transferring back to being an employee of the Company, rather than a partner in Javelin Capital. Prior to 1 April 2014, Mr JWM Barlow was a partner of Javelin Capital, and received or was entitled to receive various types of profit share, as detailed below, and additionally his director's fees of £27,000 per annum.

As a partner of Javelin Capital, Mr JWM Barlow was entitled to a Priority Profit Share under the terms of the Javelin Capital Limited Liability Partnership Agreement (LLP Agreement) in respect of each financial year, whether or not Javelin Capital was in fact profitable during that year. In respect of the financial year ended 30 September 2014, Javelin Capital made a loss; the Company was accordingly advised that the Priority Profit Shares of Mr JWM Barlow and the other partners of Javelin Capital would not be subject to tax until Javelin Capital was profitable. Mr JWM Barlow's Priority Profit Share was £99,068 per annum. The Company agreed with Mr Barlow that as and when Javelin Capital became profitable, and partner profit shares become subject to tax, his Priority Profit Share would be increased accordingly, up to a gross amount of £135,000, equal to his previous salary as an employee of Javelin Capital prior to his becoming a partner.

As a partner in Javelin Capital, Mr JWM Barlow was entitled to a share in any profits of Javelin Capital. The percentage profit share of each partner in Javelin Capital was to be determined annually by the managing partner of Javelin Capital (with the profit shares of the managing partner and any partner who was a director of the Company being subject to approval by the Remuneration Committee of the Company). As Javelin Capital was not profitable, no such profit share was made.

Mr JWM Barlow was also entitled to a performance-based bonus in two broad areas: first, if Javelin Capital had become profitable on an on-going basis, he would have been eligible to receive a bonus based on his performance in relation to certain operational and/or business development targets which would have been set by the Board. Secondly, in respect of his marketing responsibilities, he was entitled to a bonus, to be paid by Javelin Capital, of an annual amount equal to 0.1% of any new monies raised and under management by Javelin Capital that were agreed to be attributable to him. Any such bonus would be paid in cash in respect of such monies whilst they continued to be managed by Javelin Capital and would be paid quarterly in arrears. Any entitlement to such bonus would terminate in the event of Mr Barlow ceasing to be an employee or partner of Javelin Capital. During the financial year ended 30 September 2014 he received no performance bonus.

Following the restructuring of the Group and the closure of Javelin Capital, Mr JWM Barlow became CEO of the Company on 1 April 2014, on a salary of £168,750 per annum. His new salary was equal to his previous salary of £135,000 prior to his becoming a partner of Javelin Capital, as noted above, increased by 5% and his director's fees of £27,000 per annum, which is no longer paid separately to him from 1 April 2014. There has been no change to his previous benefits under Javelin Capital.

Subject to the approval of the revised Directors Remuneration Policy set out below at the Annual General Meeting, the Remuneration Committee has resolved to award Mr JWM Barlow a bonus of £40,000 in respect of the year ended 30 September 2014 for his additional work in connection with the restructuring of the Company and the appointment of MAM and to institute a new bonus scheme for Mr JWM Barlow which would be dependent on the Company issuing new shares representing at least 5% of the issued share capital of the Company during a financial year.

The Board is aware of the benefits of increasing the size of the Company in order to spread the Company's fixed costs over a larger asset base. Under the new bonus scheme proposed to be awarded to Mr JWM Barlow, he will be 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 would be paid in the absence of any such increase, and no other bonus arrangements are proposed.

P D Gadd
Chairman of the Remuneration Committee

Directors' Remuneration Policy

Given the restructuring that occurred during the year, including the closure of Javelin Capital, and 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 Annual General Meeting (see page 93 to 98). It is proposed that this new policy will be adopted at that meeting with effect from 1 October 2014 and will replace the previous policy that was approved last year. Changes are in respect of the policy on the remuneration of the CEO, with the removal of all policy elements relating to Javelin Capital, removal of directors' fees entitlement (with an increase in base salary equal to the fees forgone) and a revised bonus entitlement. The new policy will remain in force until the annual general meeting of the Company in 2018, at which time a further resolution will be proposed.

Non-Executive Directors

The components of the remuneration package for non-executive directors, which comprise 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
Additional fees for service on subsidiary undertaking boards	Additional fees will be paid to non-executive directors who are members of the boards of any subsidiary undertakings of the Company and are required to devote additional time in such role. Such fees will reflect the additional time commitments assumed.	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.

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.

CEO

The components of the remuneration package for the CEO, and which comprise in directors' remuneration policy of the Company, are 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.	£168,750 per annum unless otherwise resolved by the Remuneration Committee
Healthcare	Medical and death or disability insurance.	As per Group 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 or by any employee benefit trust as if they were not previously part of the Company's issued share capital). Additionally, in respect of the financial year ended 30 September 2014 only, a bonus of £40,000 for his additional work in connection with the restructuring of the Company and the appointment of MAM.	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.

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 above 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 and Group. In doing so the Committee looks to set fixed remuneration, as shown above, 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 Group objectives. Any new executive director's remuneration package would contain a fixed salary, in line with that set out above, together with an entitlement to participate in the bonus scheme as set out above on the same basis as is set out above. The maximum level of variable remuneration which may be granted would be equal to the maximum bonus set out above.

Policy on payment for loss of office

The Company's policy is that notice periods for loss of office 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

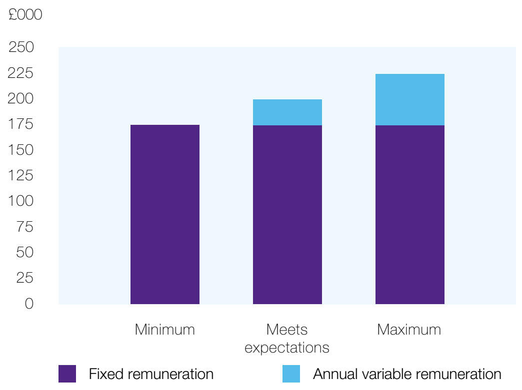
The pay and performance conditions of any CEO of the Company are designed to be consistent with those of the employees of the Company. The same remuneration policies apply to the other senior employee of the Company. The remuneration of the other senior employee of the Group is a material factor in setting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

CEO



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.

Report on Directors' Remuneration

Annual Report on Remuneration

AUDITED SECTION

Annual Report

The remuneration of the directors for the year ended 30 September 2014 was as follows:

	Salary & Fees		Fixed Profit Share		Taxable Benefits		Total Remuneration	
	2014 £000	2013 £000	2014 £000	2013 £000	2014 £000	2013 £000	2014 £000	2013 £000
Non-executive Directors								
AJ Adcock	75	75					75	75
HV Reid		13						13
PD Gadd	56	35					56	35
RDC Henderson	31	35					31	35
Executive director/CEO								
JWM Barlow (fees only)	14	27					14	27
Fees sub-total	176	185					176	185
JWM Barlow (other remuneration)	84	45	50	66	6	5	140	116
Total	260	230	50	66	6	5	316	301

Mr JWM Barlow's taxable benefits relate to healthcare costs (he receives no pension contributions). Directors' fees are set at £75,000 per annum for the Chairman and £27,000 basic, per annum, for each of the other non-executive directors. In addition there is a £3,000 per annum supplement for each of the Chairman of the Audit and Remuneration Committees. A further supplement was paid to those directors on the Javelin Capital Management Board of £500 per Board meeting. An additional fee supplement of £25,000 was paid to Mr PD Gadd to reflect his additional time commitment during the year on Company duties in connection with the Group restructuring and the appointment of MAM.

The CEO does not receive any fees from 1 April 2014. With effect from 1 October 2014, the fees will be increased so that the chairman's fee will increase to £78,750 per annum, the non-executive directors fees will increase to £28,350 per annum, and the additional fees payable to the chairs of the Audit and Remuneration Committees will increase to £3,150 per annum.

There have been no payments to past directors during the financial year ended 30 September 2014, whether for loss of office or otherwise.

Scheme interests awarded during the financial year

No awards were made to directors during the year under the Company's Long Term Incentive Plan.

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 2014, and as at 4 December 2014 are as follows:

Director	Type of holding	No of fully paid ordinary 0.1p shares: 30 September 2014	No of fully paid ordinary 0.1p shares: 4 December 2014
Mr AJ Adcock	Beneficial	50,000	50,000
Mr RDC Henderson	Beneficial	4,700	4,700
Mr PD Gadd	Beneficial	30,000	30,000
Mr JWM Barlow	Beneficial	676,083	676,083
	Non-beneficial	1,897,165	1,897,165

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 six financial years ended 30 September 2014 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). Although the Company abandoned this as an overall benchmark in 2010 it remains as the comparator for the purpose of this graph as it was the benchmark at the start of the period and it includes a weighting to overseas assets suitable in respect of the Company's assets.

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 CEO over the preceding six 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 Sept 2014	Mr JWM Barlow	£153,358	0%	0%
30 Sept 2013	Mr JWM Barlow	£143,531	0%	0%
30 Sept 2012	Mr JWM Barlow	£166,640	0%	0%
30 Sept 2011	Mr GP Aherne	£185,040	0%	0%
30 Sept 2010	Mr GP Aherne	£260,000	100%	0%
30 Sept 2009	Mr GP Aherne	£147,000	0%	0%
30 Sept 2008	Mr RE Clarke	£902,994	95%	86%

The table below sets out the changes in the disclosed elements of the director undertaking the role of CEO as compared to employees of the Group:

Year ended	Fixed remuneration		Benefits		Variable remuneration	
	CEO	Staff	CEO	Staff	CEO	Staff
30 September 2014	+6.8%	+8.4%	+14.3%	+16.8%	0%	0%

Notes:

1. The change in the CEO fixed remuneration reflects the 5% salary increase, as explained in the annual statement on page 31, expressed against his previous lower priority profit share. Average staff fixed remuneration has increased which reflects the change in composition of staff numbers after the restructuring and cost of living increases.
2. The percentage increase in benefits shown includes the increased costs by the relevant providers and the change in the staff composition following the restructuring; however given the small staff numbers involved the actual change in monetary terms is quite small.

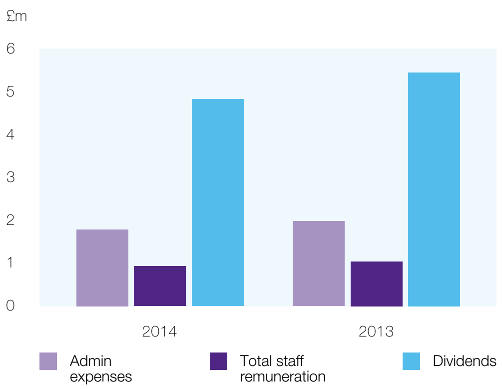
Relative importance of spend on pay

The table below sets out, in respect of the financial year ended 30 September 2014 and the preceding financial year:

a) the actual administration expenses expenditure of the Group;

b) the remuneration paid to or receivable by all members of the Group (including for this purpose partnership distributions to the partners of Javelin Capital);

c) the distributions made to shareholders by way of dividend or share buyback



Note:

The items listed in the table above are as required by the Regulations with the exception of administrative expenses for the Group which has been included as the Directors believe that it will help aid the understanding of the relative importance of the spend on staff pay.

Statement of implementation of Remuneration Policy in respect of the financial year ending 30 September 2015

Non-Executive Directors'

The Remuneration Committee will review directors fees during the financial year, but does not expect to recommend any 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.

Statement of voting at General Meeting

At the annual general meeting of the Company held on 15 January 2014, resolutions were proposed by the Company to approve the Report on Directors' Remuneration for the year ended 30 September 2013 and to approve the Directors' Remuneration Policy. For both resolutions 99.8% of the votes cast were in favour with 0.1% against and 0.1% 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.

Remuneration Committee

Details of the membership of the Remuneration Committee are set out on page 25. No external remuneration consultant was consulted by the Company during the year ended 30 September 2014.

The Report on Directors' Remuneration on pages 31 to 38 was approved by the Board on 4 December 2014.

On behalf of the Board

PD Gadd
Chairman of the Remuneration Committee

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable United Kingdom law and those IFRSs as adopted by the European Union. Under Company Law the Directors must not approve the Group financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Group for that period. In preparing the Group 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 IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state that the Group has complied with IFRSs, 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 Group's performance.

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, a Corporate Governance Statement, A Director's 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 16 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 profit or loss of the Group;
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group, 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

Andrew Adcock

Andrew J Adcock Chairman
4 December 2014

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 2014

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
BNY Mellon Trust & Depositary (UK) Limited
160 Queen Victoria Street
London EC4V 4LA
Manager

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2014 and of the Group's and the parent Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

What we have audited

We have audited the financial statements of Majedie Investments PLC for the year ended 30 September 2014, which comprise the Consolidated and Company Statement of Comprehensive Income, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Cash Flows and the related notes 1 to 27. 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.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 39, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Following our assessment of the risk of material misstatement to the Group annual financial statements, our audit scope consists of the parent company and its subsidiaries which are subject to a full scope audit by the group audit team.

Our assessment of risk of material misstatement

We identified the following risks of material misstatement that had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team:

- Incorrect valuation of the Group's investment in Majedie Asset Management Limited
- Incorrect valuation of other Group investments; and
- Existence and ownership of the Group's investments

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, in evaluating the effect of misstatements on our audit and on the financial statements and in forming our audit opinion. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of misstatement that, individually or in aggregate in light of surrounding circumstances, could reasonably be expected to influence the readers the economic decisions of the users of the financial statements. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

When establishing our overall audit strategy, we determined planning materiality for the Group to be £1.34 million, which is 1% of total equity. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgment was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the group should be 75% of planning materiality, namely £1.01 million. Our objective in adopting this approach was to ensure that total detected and undetected audit differences in all accounts did not exceed our planning materiality level.

Given the importance of the distinction between revenue and capital for the Group and Company, we have applied a separate performance materiality of £0.26m for the income statement, being 5% of the return on ordinary activities before taxation.

We have reported to the Committee all audit differences in excess of £0.7 million, as well as differences below that threshold that, in our view warranted reporting on qualitative grounds.

An overview of the scope of our audit

- We considered the appropriateness of the valuation model used to value Majedie Asset Management Limited. Our assessment included the review of an indicative valuation based on metrics obtained from broadly comparable listed asset managers.

- We agreed year end prices for all listed investments to an independent source; and on a sample basis considered the appropriateness of the valuation methodology applied to the remaining unlisted investments.

- We obtained independent confirmation from the Custodian of the Group's investments and agreed this to the books and records.

Opinion 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; and

- 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;

- the information given in the Corporate Governance Statement set out on pages 23 to 27 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 22, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Sarah Williams (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
London
4 December 2014

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2014

	Notes	2014 Revenue return £000	2014 Capital return £000	2014 Total £000	2013 Revenue return £000	2013 Capital return £000	2013 Total £000
Investments							
Gains on investments at fair value through profit or loss	13		13,933	13,933		18,046	18,046
Net investment result			13,933	13,933		18,046	18,046
Income							
Income from investments	3	6,549		6,549	5,120		5,120
Other income	3	47		47	93		93
Total income		6,596		6,596	5,213		5,213
Expenses							
Management fees	4	(93)	(280)	(373)			
Administrative expenses	5	(653)	(528)	(1,181)	(516)	(197)	(713)
Return before finance cost and taxation		5,850	13,125	18,975	4,697	17,849	22,546
Finance costs	8	(702)	(2,107)	(2,809)	(702)	(2,105)	(2,807)
Net return before taxation		5,148	11,018	16,166	3,995	15,744	19,739
Taxation	9	(45)		(45)	(115)		(115)
Net return after taxation for the year from continuing operations		5,103	11,018	16,121	3,880	15,744	19,624
Discontinued operations							
Net return after taxation for the year from discontinued operations	15	(232)	(2,584)	(2,816)	(339)	(912)	(1,251)
Total comprehensive income for the year		4,871	8,434	13,305	3,541	14,832	18,373
Return per ordinary share:		pence	pence	pence	pence	pence	pence
Basic and diluted for continuing operations	11	9.8	21.2	31.0	7.5	30.3	37.8
Basic and diluted for discontinued operations	11	(0.4)	(5.0)	(5.4)	(0.7)	(1.8)	(2.5)
Basic and diluted total	11	9.4	16.2	25.6	6.8	28.5	35.3

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

The notes on pages 54 to 92 form part of these accounts.

Company Statement of Comprehensive Income

for the year ended 30 September 2014

	Notes	2014 Revenue return £000	2014 Capital return £000	2014 Total £000	2013 Revenue return £000	2013 Capital return £000	2013 Total £000
Investments							
Gains on investments at fair value through profit or loss	13		6,008	6,008		17,679	17,679
Net investment result			6,008	6,008		17,679	17,679
Income							
Income from investments	3	6,549		6,549	5,120		5,120
Other income	3	56		56	112		112
Total income		6,605		6,605	5,232		5,232
Expenses							
Management fees	4	(207)	(404)	(611)	(404)	(415)	(819)
Administrative expenses	5	(691)	(641)	(1,332)	(516)	(197)	(713)
Return before finance costs and taxation		5,707	4,963	10,670	4,312	17,067	21,379
Finance costs	8	(702)	(2,107)	(2,809)	(702)	(2,105)	(2,807)
Net return before taxation		5,005	2,856	7,861	3,610	14,962	18,572
Taxation	9	(45)		(45)	(115)		(115)
Net return after taxation for the year		4,960	2,856	7,816	3,495	14,962	18,457
Return per ordinary share:		pence	pence	pence	pence	pence	pence
Basic and diluted	11	9.5	5.5	15.0	6.7	28.8	35.5

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

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

The notes on pages 54 to 92 form part of these accounts.

Consolidated Statement of Changes in Equity

for the year ended 30 September 2014

	Notes	Share capital £000	Share premium £000	Capital redemption reserve £000	Share options reserve £000
Year ended 30 September 2014					
As at 1 October 2013		5,253	785	56	(123)
Net return for the year from continuing operations					
Net return for the year from discontinued operations	15				
Share options expense	25				19
Sale of own shares by Employee Incentive Trust (EIT)	20				
Dividends declared and paid in year	10				
As at 30 September 2014		5,253	785	56	(104)
Year ended 30 September 2013					
As at 1 October 2012		5,253	785	56	(147)
Net return for the year from continuing operations					
Net return for the year from discontinued operations	15				
Share options expense	25				24
Dividends declared and paid in year	10				
As at 30 September 2013		5,253	785	56	(123)

The notes on pages 54 to 92 form part of these accounts.

Capital reserve £000	Revenue reserve £000	Own shares reserve £000	Total £000
102,654	18,169	(1,628)	125,166
11,018	5,103		16,121
(2,584)	(232)		(2,816)
			19
(178)		589	411
	(4,840)		(4,840)
110,910	18,200	(1,039)	134,061

Capital reserve £000	Revenue reserve £000	Own shares reserve £000	Total £000
87,822	20,093	(1,628)	112,234
15,744	3,880		19,624
(912)	(339)		(1,251)
			24
	(5,465)		(5,465)
102,654	18,169	(1,628)	125,166

Company Statement of Changes in Equity

for the year ended 30 September 2014

	Notes	Share capital £000	Share premium £000	Capital redemption reserve £000
Year ended 30 September 2014				
As at 1 October 2013		5,253	785	56
Net return for the year				
Share options expense	25			
Sale of own shares by Employee Incentive Trust (EIT)	20			
Dividends declared and paid in year	10			
As at 30 September 2014		5,253	785	56
Year ended 30 September 2013				
As at 1 October 2012		5,253	785	56
Net return for the year				
Share options expense	25			
Dividends declared and paid in year	10			
As at 30 September 2013		5,253	785	56

The notes on pages 54 to 92 form part of these accounts.

	Share options reserve £000	Capital reserve £000	Revenue reserve £000	Own shares reserve £000	Total £000
	(123)	104,534	21,778	(1,628)	130,655
		2,856	4,960		7,816
	19				19
		(178)		589	411
			(4,840)		(4,840)
	(104)	107,212	21,898	(1,039)	134,061
	(147)	89,572	23,748	(1,628)	117,639
		14,962	3,495		18,457
	24				24
			(5,465)		(5,465)
	(123)	104,534	21,778	(1,628)	130,655

Consolidated Balance Sheet

as at 30 September 2014

	Notes	2014 £000	2013 £000
Non-current assets			
Property and equipment	12	80	105
Investments held at fair value through profit or loss	13	165,342	151,939
		165,422	152,044
Current assets			
Trade and other receivables	16	338	2,690
Cash and cash equivalents	17	3,512	5,523
		3,850	8,213
Total assets		169,272	160,257
Current liabilities			
Trade and other payables	18	(1,338)	(1,244)
Total assets less current liabilities		167,934	159,013
Non-current liabilities			
Debentures	18	(33,873)	(33,847)
Total liabilities		(35,211)	(35,091)
Net assets		134,061	125,166
Represented by:			
Ordinary share capital	19	5,253	5,253
Share premium		785	785
Capital redemption reserve		56	56
Share options reserve		(104)	(123)
Capital reserve		110,910	102,654
Revenue reserve		18,200	18,169
Own shares reserve	20	(1,039)	(1,628)
Equity Shareholders' Funds		134,061	125,166
Net asset value per share		pence	pence
Basic and fully diluted	21	256.7	240.5

Approved by the Board of Majedie Investments PLC (Company no. 109305) and authorised for issue on 4 December 2014.

Andrew J Adcock
Director

The notes on pages 54 to 92 form part of these accounts.

Company Balance Sheet

as at 30 September 2014

	Notes	2014 £000	2013 £000
Non-current assets			
Property and equipment	12	80	98
Investments held at fair value through profit or loss	13	165,342	151,939
Investments in subsidiaries held at fair value through profit or loss	13	172	8,193
		165,594	160,230
Current assets			
Trade and other receivables	16	432	1,313
Cash and cash equivalents	17	3,246	3,991
		3,678	5,304
Total assets		169,272	165,534
Current liabilities			
Trade and other payables	18	(1,338)	(1,032)
Total assets less current liabilities		167,934	164,502
Non-current liabilities			
Debentures	18	(33,873)	(33,847)
Total liabilities		(35,211)	(34,879)
Net assets		134,061	130,655
Represented by:			
Ordinary share capital	19	5,253	5,253
Share premium		785	785
Capital redemption reserve		56	56
Share options reserve		(104)	(123)
Capital reserve		107,212	104,534
Revenue reserve		21,898	21,778
Own shares reserve	20	(1,039)	(1,628)
Equity Shareholders' Funds		134,061	130,655

Approved by the Board of Majedie Investments PLC (Company no. 109305) and authorised for issue on 4 December 2014.

Andrew J Adcock
Director

The notes on pages 54 to 92 form part of these accounts.

Consolidated Cash Flow Statement

for the year ended 30 September 2014

	Notes	2014 £000	2013 £000
Net cash flow from operating activities			
Consolidated net return before taxation from continuing operations		16,166	19,739
Consolidated net return before taxation from discontinued operations		(2,816)	(1,251)
Adjustments for:			
Gains on investments relating to continuing operations	13	(13,933)	(18,046)
Losses on investments relating to discontinued operations	15	2,084	
Consolidation adjustment for Javelin Capital fee income		118	368
Share based remuneration		19	24
Depreciation		25	142
Purchases of investments		(145,143)	(31,862)
Sales of investments		145,976	19,724
		2,496	(11,162)
Finance costs		2,809	2,807
Operating cashflows before movements in working capital		5,305	(8,355)
Decrease in trade and other payables		(9)	(137)
Increase in trade and other receivables		(54)	(916)
Net cash inflow/(outflow) from operating activities before tax		5,242	(9,408)
Tax recovered		26	28
Tax on unfranked income		(67)	(136)
Net cash inflow/(outflow) from operating activities		5,201	(9,516)
Attributable to:			
Net cash inflow/(outflow) from operating activities attributable to continuing operations		7,907	(8,288)
Net cash outflow from operating activities attributable to discontinued operation		(2,706)	(1,228)
Financing activities			
Interest paid		(2,783)	(2,783)
Dividends paid		(4,840)	(5,465)
Proceeds from sale of own shares by EIT		411	
Net cash outflow from financing activities attributable to continuing operations		(7,212)	(8,248)
Decrease in cash and cash equivalents for year	22	(2,011)	(17,764)
Cash and cash equivalents at start of year		5,523	23,287
Cash and cash equivalents at end of year		3,512	5,523

The notes on pages 54 to 92 form part of these accounts.

Company Cash Flow Statement

for the year ended 30 September 2014

	Notes	2014 £000	2013 £000
Net cash flow from operating activities			
Company net return before taxation		7,861	18,572
Adjustments for:			
Gains on investments	13	(6,008)	(17,679)
Share based remuneration		19	24
Depreciation		18	35
Purchases of investments		(145,143)	(31,862)
Sales of investments		145,983	19,724
		2,730	(11,186)
Finance costs		2,809	2,807
Operating cashflows before movements in working capital		5,539	(8,379)
Increase/(decrease) in trade and other payables		203	(94)
Decrease/(increase) in trade and other receivables		559	(102)
Net cash inflow/(outflow) from operating activities before tax		6,301	(8,575)
Tax recovered		26	28
Tax on unfranked income		(67)	(136)
Net cash inflow/(outflow) from operating activities		6,260	(8,683)
Investing activities			
Proceeds from liquidation of subsidiaries		207	
Net cash inflow from investing activities		207	
Financing activities			
Interest paid		(2,783)	(2,783)
Dividends paid		(4,840)	(5,465)
Proceeds from sale of own shares by EIT		411	
Net cash outflow from financing activities		(7,212)	(8,248)
Decrease in cash and cash equivalents for year	22	(745)	(16,931)
Cash and cash equivalents at start of year		3,991	20,922
Cash and cash equivalents at end of year		3,246	3,991

The notes on pages 54 to 92 form part of these accounts.

Notes to the Accounts

General Information

Majedie Investments PLC is a company incorporated 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 101. The nature of the Group's operations and its principal activities are set out in the Business Review on pages 6 to 10.

Critical Accounting Assumptions and Judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are set out below.

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are, as follows:

- obtains funds from one or more investors for the purpose of providing those investors with investment services;
- commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Board has agreed with the recommendation of the Audit Committee that the Company meets the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

As an investment trust, the Company's stated investment policy (see pages 6 and 7), details its objective of providing investment management services to investors which includes investing in UK and global equities, fixed income securities and certain derivative instruments for the purpose of returns in the form of investment income and capital appreciation.

The Group reports regularly to its shareholders via monthly and quarterly investor information, and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRSs in the Group's Half-Yearly and Annual Reports.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that it has more than one investment; it has ownership interests in the form of equity and similar interests; it has more than one investor and its investors are not related parties.

Unquoted Investments

Unquoted investments are valued at management's best estimate of fair value in accordance with IFRSs having regard to International Private Equity and Venture Capital Valuation Guidelines as recommended by the British Venture Capital Association. The principles which the Group applies are set out on pages 55 to 61. 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 or discount rates. As a result of this, the determination of fair value requires significant management judgement. At the year end, unquoted investments (including MAM) represent 31.1% (2013: 37.4%) of consolidated shareholders' funds.

1 Significant Accounting Policies

The principal accounting policies adopted are set out as follows:

The accounts on pages 44 to 53 comprise the audited results of the Company and its subsidiaries for the year ended 30 September 2014, and are presented in pounds sterling rounded to the nearest thousand, as this is the functional currency in which the Group and Company transactions are undertaken.

Going Concern

The Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future. Accordingly the Financial Statements have been prepared on a going concern basis.

Presentation of Statement of Comprehensive Income

In order to reflect better the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and 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 set out in section 1158 of the Corporation Tax Act 2010.

Basis of Accounting

The accounts of the Group and the Company have been prepared in accordance with IFRSs. 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 they have been adopted by the European Union.

Where presentational guidance set out in the SORP regarding the Financial Statements of Investment Trust Companies and Venture Capital Trusts issued by the AIC in January 2009 is not inconsistent with the requirements of IFRSs, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

Discontinued operations

On 13 January 2014, the Company publicly announced the decision of the Board to close Javelin Capital LLP, including its two wholly owned subsidiaries – Javelin Capital Services Limited and Javelin Capital Fund Management Limited – following the appointment of MAM to become the Investment Manager for the Company. The Company also decided to wind down its wholly owned subsidiary, Majedie Unit Trust. Accordingly these have been classified as discontinued operations of the Group.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Consolidated Statement of Comprehensive Income.

Additional disclosures are provided in note 15. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

1 Significant Accounting Policies continued

Basis of Consolidation

The Company is an investment entity as defined by IFRS 10 and, as such, does not consolidate the entities it controls which do not provide investment related services to the Company. Instead, interests in such entities are classified as fair value through profit or loss, and measured at fair value.

The Consolidated Accounts incorporate the accounts of the Company and entities controlled by the Company which provide investment related services made up to 30 September each year. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or disposal as appropriate. When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. All Group entities have the same year end date.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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 they were in issue but not yet effective and/or adopted:

International Accounting Standards and Interpretations (IAS/IFRS/IFRICs)		Effective date
IFRS 9	Financial Instruments: Classification & Measurement	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IAS 24	Related Party Disclosures*	1 January 2013
IAS 32	Financial Instruments: Presentation*	1 January 2014
IAS 36	Impairment of Assets*	1 January 2014
IAS 39	Financial Instruments: Recognition & Measurement*	1 January 2014
IFRIC 21	Levies	1 January 2014

* Amendments to current standards.

The Directors do not anticipate that the adoption of the above Standards and Interpretations would have no material impact on the financial statements in the period of initial application.

Management anticipates that all of the relevant pronouncements will be adopted in the next accounting period.

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

1 Significant Accounting Policies continued

Changes in accounting policies and disclosures

New and amended standards and interpretations

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures.

Foreign Currencies
The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates, i.e. its functional currency. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Pounds Sterling (Sterling) which is the functional currency of the Company, and the presentational currency of the Group. Transactions in currencies other than Sterling are recorded at the rate of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items and non-monetary assets and liabilities that are fair valued and are denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date.

Segmental Reporting
A segment is a distinguishable component of the Group that is engaged in business activities from which it may earn revenues and incur expenses (including intra-group revenues and expenses), for which discrete financial information is available and whose operating results are regularly reviewed by the entity's chief decision maker who can make decisions on resource allocation and performance assessment. An operating segment could engage in business activities in order to earn potential future revenues.

Income
Dividend income from investments is taken to the revenue account on an ex-dividend basis. UK dividends are included net of tax credits. Overseas dividends are included gross of any withholding tax. Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in the capital column.

The fixed return on a debt security is recognised on a time apportionment basis so as to reflect the effective yield on the debt security. Deposit interest and other interest receivable is included on an accruals basis.

Special dividends are taken to the revenue or capital account depending on their nature.

Expenses
All administrative expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses have been presented as revenue items except as follows:

- Expenses which are incidental to the acquisition or disposal of an investment are treated as capital costs and separately identified and disclosed (see note 13).

1 Significant Accounting Policies continued

- Expenses are split and presented 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 expenses have been allocated 75% to capital, in order to reflect the directors' expected long-term view of the nature of the investment returns of the Company.
- The investment management performance fee, which is based on capital out-performance, is charged wholly to capital.

Pension Costs
Payments made to the Group's defined contribution group personal pension plan are charged as an expense as they fall due on an accruals basis.

Finance Costs
75% of finance costs arising from the debenture stocks are allocated to capital; 25% of the finance costs are charged on the same basis to the revenue account. Premiums payable on early repurchase of debenture stock are charged 100% to capital. In addition, other interest payable is allocated 75% to capital and 25% to the revenue account. Finance costs are debited on an accruals basis using the effective interest method.

Share Based Payments
The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value determined at the date of grant, which is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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 as 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the 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 liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Leasehold improvements are written off in equal annual instalments over the minimum period of the lease whereas depreciation for other tangible assets is provided for at 25% to 33% per annum using the straight-line method.

1 Significant Accounting Policies continued

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

Investments Held at Fair Value Through Profit or Loss

The Group classifies its investments in debt and equity securities, and derivatives, as financial assets or financial liabilities at fair value through profit or loss.

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

All investments are classified as fair value through profit or loss as defined by IAS 39.

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price for listed securities, depending on the convention of the exchange on which the investment is quoted. Investments in unit trusts or open ended investment companies are valued at the closing price, the bid price or the single price as appropriate, released by the relevant investment manager.

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 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 fair value of an investment at the beginning of the year is used when an investment is transferred between hierarchy levels.

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.

Investment in Subsidiaries

In its separate financial statements the Company recognises its investment in subsidiaries at fair value.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Trade Receivables

Trade receivables do not carry any interest and are stated at carrying value which equates to their fair value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash deposited with banks, cash balances at brokers and short-term highly liquid investments with maturities of three months or less from the date of acquisition.

1 Significant Accounting Policies continued

Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial liabilities are either classified as financial liabilities at fair value through profit or loss and are recognised initially at fair value or 'other financial liabilities' (including borrowings and trade and other payables that are classified and subsequently measured at amortised cost). Financial liabilities are subsequently measured at fair value and changes in fair value are recognised in the Statement of Comprehensive Income.

Non current liabilities

The debentures are initially recognised at cost, being the fair value of the consideration received less issue costs where applicable. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future payments over the expected life of the financial liabilities to the net carrying amount on initial recognition.

Trade Payables

Trade payables are not interest bearing and are stated at carrying value which equates to their fair value.

Reserves

Gains and losses on the sale of investments and investment holding gains and losses are accounted for in the Statement of Comprehensive Income and subsequently in the capital reserve.

Share options reserve represents the expense of share based payments. The deemed expense is transferred to the share options reserve.

Share premium account represents the excess over nominal value of consideration received for equity shares, net of expenses of the share issue.

1 Significant Accounting Policies continued

Own Shares
The consideration paid for own shares is treated as a deduction from shareholders' funds, and not recognised as an asset.

Dividends payable to shareholders
Dividends to shareholders are accounted for in the period in which they are paid or approved in general meetings. Dividends payable to shareholders are recognised in the Statement of Changes in Equity.

2 Business segments

For management purposes for the year ended 30 September 2014, the Group was organised into the following two principal activities:

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 trust company and its portfolio contains investments in companies listed in a number of countries. Geographical information about the portfolio is provided on page 14 and exposure to different currencies is disclosed in note 26 on pages 82 and 83.

Investment management services
To complement this investment objective and create income and capital for the Group, Javelin Capital LLP was launched to market a range of funds to third party investors and provide investment management and advisory services.

Javelin Capital LLP has now been discontinued please see note 15 on pages 75 and 76 for further information. Therefore, going forward the Group's activities comprise solely investing activities.

2 Business Segments continued

	Group 2014 Investing activities £000	Group 2014 Investment management and advisory services £000	Group 2014 Eliminations £000	Group 2014 Total £000	Group 2013 Investing activities £000	Group 2013 Investment management and advisory services £000	Group 2013 Eliminations £000	Group 2013 Total £000
External income from investment management services		4		4		31		31
Intra-group income from investment management services		356	(356)			1,187	(1,187)	
Other operating and investment income	6,605	(10)	(9)	6,586	5,232	(6)	(19)	5,207
	6,605	350	(365)	6,590	5,232	1,212	(1,206)	5,238
Share based payments charge	(19)			(19)	(24)			(24)
Other administrative costs	(1,686)	(525)	9	(2,202)	(688)	(1,162)	19	(1,831)
Intra-group investment management services expenses	(238)	(118)	356		(819)	(368)	1,187	
Other operating expenses		(45)		(45)		(134)		(134)
	(1,943)	(688)	365	(2,266)	(1,531)	(1,664)	1,206	(1,989)
Operating profit/(loss)	4,662	(338)		4,324	3,701	(452)		3,249
Finance costs	(2,809)			(2,809)	(2,807)			(2,807)
Gains on fair value through profit and loss	13,801	(1,966)		11,835	17,678	368		18,046
Profit/(loss) before tax	15,654	(2,304)		13,350	18,572	(84)		18,488
Attributable to:								
Continuing operations	15,805		361	16,166	18,572		1,167	19,739
Discontinued operations	(151)	(2,304)	(361)	(2,816)		(84)	(1,167)	(1,251)
Total assets	169,272			169,272	157,026	3,231		160,257
Total liabilities	(35,211)			(35,211)	(34,945)	(146)		(35,091)
Intra-group assets/(liabilities)					8,542	(542)	(8,000)	
Net assets	134,061			134,061	130,623	2,543	(8,000)	125,166

3 Income

	Group 2014 £000		Group 2013 £000		Company 2014 £000		Company 2013 £000	
Income from investments								
Franked investment income†	6,165		4,114		6,165		4,114	
UK unfranked investment income	30		63		30		63	
Overseas dividends	354		943		354		943	
Fixed interest and convertible bonds								
		6,549		5,120		6,549		5,120
Other income								
Deposit interest	13		19		12		19	
Sundry income	34		74		44		93	
		47		93		56		112
Total income		6,596		5,213		6,605		5,232
Total income comprises:								
Dividends	6,549		5,120		6,549		5,120	
Interest	13		19		12		19	
Other income	34		74		44		93	
		6,596		5,213		6,605		5,232
Income from investments								
Listed UK	2,576		1,917		2,576		1,917	
Listed overseas	354		943		354		943	
Unlisted	3,619		2,260		3,619		2,260	
		6,549		5,120		6,549		5,120

† Includes MAM ordinary dividend income of £3,619,000 (2013: £2,260,000).

4 Management Fees

	Group 2014			Group 2013		
	Revenue return £000	Capital return £000	Total £000	Revenue return £000	Capital return £000	Total £000
Investment management	93	280	373			
	93	280	373			

	Company 2014			Company 2013		
	Revenue return £000	Capital return £000	Total £000	Revenue return £000	Capital return £000	Total £000
Investment management	134	404	538	139	415	554
Administration	73		73	265		265
	207	404	611	404	415	819

The Group's accounts now include an investment management fee expense following the appointment of an external investment manager (MAM). Investment management fees of £165,000 (2013: £554,000) were paid to Javelin Capital LLP under the terms of the agreement which has now been terminated. Under this agreement an administration fee was also due. The Company's investment management fee is higher than the Group due to Javelin Capital LLP management fee being consolidated out of the Group.

A summary of the terms of the Investment Agreement for the Company with MAM is given in the Directors' Report on pages 20 and 21. At 30 September 2014, an amount of £132,000 was outstanding for payment of investment management fees when due to MAM (2013: £nil). At 30 September 2014, an amount of nil was outstanding for Javelin Capital LLP investment management fees (2013: £47,000) and outstanding administration fees of £nil (2013: £22,000).

There were no performance fees during the year (2013: nil).

5 Administrative Expenses

	Group 2014 £000		Group 2013 £000		Company 2014 £000		Company 2013 £000	
Staff costs – note 7	225		24		225		24	
Other staff costs and directors' fees	220		206		220		206	
Advisers' costs	327		261		327		261	
Information costs	54		33		54		33	
Establishment costs	61				61			
Operating lease rentals – premises	65				65			
Depreciation on tangible assets	18		35		18		35	
Auditor's remuneration (see below)	53		57		53		57	
Other expenses	158		97		309		97	
		1,181		713		1,332		713

A charge of £808,000 (2013: £197,000) to capital and an equivalent credit to revenue has been made in the Group and a charge of £1,045,000 (2013: £612,000) in the Company has been made to recognise the accounting policy of 75% of direct investment management expenses to capital.

5 Administrative Expenses continued

Administration expense disclosures are in respect of continuing operations only. Further details on discontinued operations are in note 15 on page 75.

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

	Group 2014 £000		Group 2013 £000		Company 2014 £000		Company 2013 £000	
Audit services								
– statutory audit	44		50		44		50	
Other assurance services	9		7		9		7	
		53		57		53		57

Additional statutory audit fees of £6,500 are included within the administrative expenses of the discontinued operations in note 15.

6 Directors' Emoluments

	Company 2014 £000		Company 2013 £000	
Fees	176		185	
Salary	84		45	
Other benefits	6		5	
Partnership profit shares	50		66	
		316		301

The Report on Directors' Remuneration on pages 31 to 38 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

	Group 2014 £000		Group 2013 £000		Company 2014 £000		Company 2013 £000	
Salaries and other payments	171				171			
Social security costs	21				21			
Pension contributions	14				14			
Share based remuneration – note 25	19		24		19		24	
		225		24		225		24

	Group 2014 Number	Group 2013 Number
Average number of employees:		
Management and office staff	2	5

8 Finance Costs

	Group and Company 2014			Group and Company 2013		
	Revenue return £000	Capital return £000	Total £000	Revenue return £000	Capital return £000	Total £000
Interest on 9.5% debenture stock 2020	321	961	1,282	321	962	1,283
Interest on 7.25% debenture stock 2025	375	1,126	1,501	375	1,125	1,500
Amortisation of expenses associated with debenture issue	6	20	26	6	18	24
	702	2,107	2,809	702	2,105	2,807

Further details of the debenture stocks in issue are provided in note 18.

9 Taxation

Analysis of tax charge

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Tax on overseas dividends	45	115	45	115

Reconciliation of tax charge:

The current taxation rate for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 22% (2013: 23.5%). The differences are explained below:

	Group 2014 £000		Group 2013 £000		Company 2014 £000		Company 2013 £000	
Net return before taxation for the year from continuing operations	16,166		19,739		7,861		18,572	
Net return before taxation for the year from discontinued operations	(2,816)		(1,251)					
Net return before taxation		13,350		18,488		7,861		18,572
Taxation at UK Corporation Tax rate of 22% (2013: 23.5%)	2,937		4,345		1,729		4,364	
Effects of:								
– UK dividends which are not taxable	(1,365)		(985)		(1,365)		(985)	
– foreign dividends which are not taxable	(76)		(213)		(76)		(213)	
– gains on investments which are not taxable	(2,607)		(4,241)		(1,321)		(4,155)	
– expenses not deductible for tax purposes	52		22		54		22	
– excess expenses for current year	1,059		1,072		979		967	
– overseas taxation which is not recoverable	45		115		45		115	
Actual total tax charge		45		115		45		115

9 Taxation continued

Group

After claiming relief against accrued income taxable on receipt, the Group has unrelieved excess expenses of £76,940,000 (2013: £72,126,000). It is not yet certain that the Group will generate sufficient taxable income in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

Company

After claiming relief against accrued income taxable on receipt, the Company has unrelieved excess expenses of £69,688,000 (2013: £64,796,000). It is not yet certain that the Company will generate sufficient taxable income in the future to utilise these expenses and 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 investment trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

10 Dividends

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

	Group and Company 2014 £000		Group and Company 2013 £000	
2012 Final dividend of 6.30p paid on 23 January 2013			3,279	
2013 Interim dividend of 4.20p paid on 26 June 2013			2,186	
2013 Final dividend of 6.30p paid on 22 January 2014	3,279			
2014 Interim dividend of 3.00p paid on 27 June 2014	1,561			
		4,840		5,465

	2014 £000		2013 £000	
Proposed final dividend for the year ended 30 September 2014 of 4.50p (2013: final dividend of 6.30p) per ordinary share	2,350		3,279	
		2,350		3,279

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.

10 Dividends continued

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.

	2014 £000		2013 £000	
Interim dividend for the year ended 30 September 2014 of 3.00p (2013: 4.20p) per ordinary share	1,561		2,186	
Proposed final dividend for the year ended 30 September 2014 of 4.50p (2013: 6.30p) per ordinary share	2,350		3,279	
		3,911		5,465

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

Dividends for the period (and for 2013) have been solely made from the Revenue Reserve.

11 Return per Ordinary Share

Basic return per ordinary share from continuing and discontinued operations is based on 52,055,573 (2013: 52,044,613) ordinary shares, being the weighted average number of shares in issue having adjusted for the shares held by the EIT referred to in note 20. Basic returns per ordinary share from continuing and discontinued operations are based on the net return after taxation attributable to equity shareholders. There are 224,414 potentially dilutive shares arising from the share options referred to in note 25. These do not give rise to a material dilution to the return per ordinary share and therefore no diluted return per ordinary share has been calculated.

	Group 2014 £000		Group 2013 £000	
Basic and diluted revenue returns from continuing operations are based on net revenue after taxation of:	5,103		3,880	
Basic and diluted revenue returns from discontinued operations are based on net revenue after taxation of:	(232)		(339)	
Basic and diluted capital returns from continuing operations are based on net capital return of:	11,018		15,744	
Basic and diluted capital returns from discontinued operations are based on net capital return of:	(2,584)		(912)	
Basic and diluted total returns are based on return of:		13,305		18,373

	Company 2014 £000		Company 2013 £000	
Basic and diluted revenue returns are based on net revenue after taxation of:	4,960		3,495	
Basic and diluted capital returns are based on net capital return of:	2,856		14,962	
Basic and diluted total returns are based on return of:		7,816		18,457

12 Property and Equipment

	Group Leasehold Improvements £000	Group Office Equipment £000	Total £000
Cost:			
At 1 October 2013	171	583	754
Additions			
Disposals		(3)	(3)
At 30 September 2014	171	580	751
Depreciation:			
At 1 October 2013	75	574	649
Charge for year*	16	9	25
Disposals		(3)	(3)
At 30 September 2014	91	580	671
Net book value:			
At 30 September 2014	80		80
At 30 September 2013	96	9	105

* The charge for the year includes both continuing and discontinued operations.

	Company Leasehold Improvements £000	Company Office Equipment £000	Total £000
Cost:			
At 1 October 2013	171	168	339
Additions			
Disposals			
At 30 September 2014	171	168	339
Depreciation:			
At 1 October 2013	75	166	241
Charge for year*	16	2	18
Disposals			
At 30 September 2014	91	168	259
Net book value:			
At 30 September 2014	80		80
At 30 September 2013	96	2	98

* Charge for the year includes both continuing & discontinued operations.

13 Investments at Fair Value Through Profit or Loss

	Group 2014			Group 2013		
	Listed £000	Unlisted* £000	Total £000	Listed £000	Unlisted £000	Total £000
Opening cost at beginning of year	94,334	4,575	98,909	75,563	10,331	85,894
Gains at beginning of year	10,741	42,289	53,030	4,863	31,604	36,467
Opening fair value at beginning of year	105,075	46,864	151,939	80,426	41,935	122,361
Purchases at cost	145,246		145,246	31,987		31,987
Sales – proceeds	(126,419)	(19,239)	(145,658)	(14,189)	(5,898)	(20,087)
Gains on sales	11,562	18,747	30,309	994	121	1,115
(Decrease)/increase in investment holding gains	(11,777)	(4,717)	(16,494)	5,878	10,685	16,563
Transfer on de-listing of shares				(21)	21	
Closing fair value at end of year	123,687	41,655	165,342	105,075	46,864	151,939
Closing cost at end of year	124,723	4,083	128,806	94,334	4,575	98,909
Gains at end of year	(1,036)	37,572	36,536	10,741	42,289	53,030
Closing fair value at end of year	123,687	41,655	165,342	105,075	46,864	151,939

* The decrease in investment holding gains for unlisted investments in 2014 is comprised of a £17,788,000 reversal of unrealised gains to realised gains and a £13,071,000 change in unrealised gains for the year.

	Company 2014			
	Listed £000	Unlisted* £000	Related and subsidiary companies £000	Total £000
Opening cost at beginning of year	94,333	4,534	9,010	107,877
Gains/(losses) at beginning of year	10,742	42,330	(817)	52,255
Opening fair value at beginning of year	105,075	46,864	8,193	160,132
Purchases at cost	145,246			145,246
Sales – proceeds	(126,426)	(19,239)	(207)	(145,872)
Gains/(losses) on sales**	11,570	18,764	(7,793)	22,541
Decrease in investment holding gains	(11,778)	(4,734)	(21)	(16,533)
Closing fair value at end of year	123,687	41,655	172	165,514
Closing cost at end of year	124,723	4,059	1,010	129,792
(Losses)/gains at end of year	(1,036)	37,596	(838)	35,722
Closing fair value at end of year	123,687	41,655	172	165,514

* The decrease in investment holding gains for unlisted investments in 2014 is comprised of a £17,805,000 reversal of unrealised gains to realised gains and a £13,071,000 change in unrealised gains for the year.

** The loss of £7,793,000 represents the write off of the investment in Javelin Capital LLP, net of recoverable capital.

13 Investments at Fair Value Through Profit or Loss continued

	Company 2013			
	Listed £000	Unlisted £000	Related and subsidiary companies £000	Total £000
Opening cost at beginning of year	75,562	10,283	9,010	94,855
Gains/(losses) at beginning of year	4,864	31,652	(818)	35,698
Opening fair value at beginning of year	80,426	41,935	8,192	130,553
Purchases at cost	31,987			31,987
Sales – proceeds	(14,189)	(5,898)		(20,087)
Gains on sales	994	128		1,122
Increase in investment holding gains	5,878	10,678	1	16,557
Transfer on de-listing of shares	(21)	21		
Closing fair value at end of year	105,075	46,864	8,193	160,132
Closing cost at end of year	94,333	4,534	9,010	107,877
Gains/(losses) at end of year	10,742	42,330	(817)	52,255
Closing fair value at end of year	105,075	46,864	8,193	160,132

All operating subsidiaries are held at fair value.

Unlisted investments include an amount of £355,000 in 4 various companies (2013: £864,000 in 5 companies) and £41,300,000 (2013: £46,000,000) for the Company's investment in MAM as detailed on pages 74 and 75.

During the year the Company incurred transaction costs amounting to £396,000 (2013: £105,000) of which £56,000 (2013: £78,000) related to the purchases of investments and £340,000 (2013: £27,000) related to the sales of investments. These amounts are included in gains on investments at fair value through profit or loss, as disclosed in the Consolidated and Company Statement of Comprehensive Income.

The composition of the investment return is analysed below:

	Group 2014 £000		Group 2013 £000		Company 2014 £000		Company 2013 £000	
Net gains on sales of equity investments	30,309		1,115		22,541		1,122	
Decrease/increase in holding gains on equity investments	(16,494)		16,563		(16,533)		16,557	
Consolidation adjustment on Javelin Capital fee income	118		368					
Net return on investments		13,933		18,046		6,008		17,679

13 Investments at Fair Value Through Profit or Loss continued

Fair value hierarchy disclosures

The Group 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 (ie not identical) assets in active markets.
  - inputs other than quoted prices that are observable for the asset (for example, 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).

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 Group. The Group 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.

13 Investments at Fair Value Through Profit or Loss continued

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

	Group 2014				Group 2013			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets designated at fair value through profit or loss								
Equities and managed funds								
Listed equity securities	123,687			123,687	104,893			104,893
Unlisted equity securities			41,655	41,655			46,864	46,864
Listed exchange traded funds					182			182
	123,687		41,655	165,342	105,075		46,864	151,939

	Company 2014				Company 2013			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets designated at fair value through profit or loss								
Equities and managed funds								
Listed equity securities	123,687			123,687	104,893			104,893
Unlisted equity securities			41,827	41,827			55,057	55,057
Listed exchange traded funds					182			182
	123,687		41,827	165,514	105,075		55,057	160,132

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities. The Group does not adjust the quoted price for these instruments.

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 illiquidity and/or non-transferability, which are generally based on available market information. During the year there were transfers of £nil (2013: £193,000) from Level 2 to Level 1 for Listed exchange traded funds.

Investments classified within Level 3 have significant unobservable inputs. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Group 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 International Private Equity and Venture Capital ("IPEVC") Valuation Guidelines. New investments are initially carried at cost, for a limited period, being the price of the most recent investment in the investee. This is in accordance with IPEVC Guidelines as the cost of recent investments will generally provide a good indication of fair value. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

13 Investments at Fair Value Through Profit or Loss continued

The following table presents the movement in Level 3 instruments for the year ended 30 September 2014:

	Group 2014 Total £000	Group 2014 Equity investments £000	Group 2013 Total £000	Group 2013 Equity investments £000
Opening balance	46,864	46,864	41,935	41,935
Transfers from Level 1			21	21
Sales – proceeds	(19,239)	(19,239)	(5,898)	(5,898)
Total gains for the year included in the Statement of Comprehensive Income	14,030	14,030	10,806	10,806
	41,655	41,655	46,864	46,864

	Company 2014 Total £000	Company 2014 Equity investments £000	Company 2013 Total £000	Company 2013 Equity investments £000
Opening balance	55,057	55,057	50,127	50,127
Transfers from Level 1			21	21
Sales – proceeds	(19,446)	(19,446)	(5,898)	(5,898)
Total gains for the year included in the Statement of Comprehensive Income	6,216	6,216	10,807	10,807
	41,827	41,827	55,057	55,057

Substantial Share Interests

Javelin Capital Emerging Alpha Fund (JCEMAF)

The Company invested £33.2m of seed capital into the JCEMAF resulting in a substantial majority interest in the Fund. The JCEMAF was closed in January 2014 and the Company received £29.5m which has since been invested in MAM Funds as described in the Strategic Report on pages 11 to 13. The investment in JCEMAF is shown in the Company and Group accounts as an investment held at fair value through profit or loss rather than being consolidated which is in accordance with the Investment Entities amendment to IFRS 10, which the Group early adopted last year.

Majedie Asset Management (MAM)

MAM is a UK based asset management firm providing investment management and advisory services primarily relating to UK equities.

The carrying value of the investment in MAM is included in the Consolidated Balance Sheet as part of investments at fair value through profit or loss:

	2014 £000		2013 £000	
Deemed cost of investment	627		1,038	
Holding gains	40,673		44,962	
Fair value at 30 September		41,300		46,000

13 Investments at Fair Value Through Profit or Loss continued

The carrying value is assessed twice a year by the Directors and is approved in the Audit Committee. The fair value of MAM is based on the price at which the Company can sell its shares back to MAM, which is currently considered to be the sole market for the Company's shares. The significant input in assessing the price is the earnings of MAM and a 5% increase/decrease in MAM's earnings would result in an increase/decrease of 4.3% in the carrying value of MAM.

In accordance with the revised shareholders' agreement, the Company will sell a certain number of shares to the MAM Employee Benefit Trust (EBT) and at the relevant prescribed price (as calculated in accordance with the revised shareholders' agreement).

During the year the Company sold 43,747 (2013: 1,975) for a total consideration of £19,177,000 (2013: £5,899,000) resulting in a realised gain of £18,766,000 (2013: £5,739,000).

After these transactions the Company holds 66,828 (2013: 110,575) ordinary 0.1p shares which represents a 18.0% (2013: 26.7%) shareholding in MAM.

14 Investment in Subsidiaries

Subsidiary undertakings at 30 September 2014

			Company		
Company and business	Country of Registration Incorporation and Operation	Number and class of shares held by Group	Group Holding	Capital & Reserves at 30.09.14 thousand	Profit after tax for the year ended 30.09.14 thousand
Majedie Portfolio Management Limited – Majedie share plan manager, authorised and regulated by the FCA	UK	1,000,000 Ordinary shares	100%	£162	
Majedie Unit Trust – Unauthorised unit trust	UK	10,000	100%	(£3,521)	(£63)

As at 30 September 2014 the Company, in addition to Majedie Portfolio Management Limited and Majedie Unit Trust as above, had residual holdings in the following subsidiary undertakings; Javelin Capital LLP, Javelin Capital Services Limited and Javelin Capital Fund Management Limited. These subsidiary undertakings are in the process of being liquidated. There are no further write offs in respect of these holdings and any costs of liquidation will be met by the Company. Details of the transactions can be found in note 27 Related Party Transactions.

15 Discontinued operations

On 13 January 2014, the Board announced that it would close Javelin Capital LLP, including its two wholly owned subsidiaries – Javelin Capital Services Limited and Javelin Capital Fund Management Limited – following the appointment of MAM to become the Investment Manager for the Company. The Company also decided to wind down its wholly owned subsidiary, Majedie Unit Trust.

Accordingly these have been classified as a disposal group with a fair value of its combined net assets of £10,000. During the year ended 30 September 2014, a net loss after tax of £2,816,000 (2013: £883,000) was recorded in respect of these subsidiaries as disclosed within the Consolidated Statement of Comprehensive Income.

The financial statements as at 30 September 2013 have been re-presented to reflect the disposal group. This has had an impact on all the primary statements, with the exception of the Balance Sheet, and a number of the Notes to the Accounts. The investment management and advisory services segment detailed in note 2 on page 62 has ceased to exist, consequently, the investing activity segment is the only active segment at the year end.

15 Discontinued operations continued

	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Discontinued operations						
Income						
Other income	4		4	34		34
Total income	4		4	34		34
Expenses						
Administration expenses	(236)	(500)	(736)	(373)	(912)	(1,285)
Write off on disposal		(2,084)	(2,084)			
Net return before taxation for the year from discontinued operations	232	(2,584)	(2,816)	(339)	(912)	(1,251)
Taxation						
Net return after taxation for the year from discontinued operations	(232)	(2,584)	(2,816)	(339)	(912)	(1,251)

16 Trade and Other Receivables

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Sales for future settlement	45	363	45	363
Prepayments	127	2,044	127	30
Dividends receivable	127	240	127	240
Accrued income				
Taxation recoverable	39	43	39	43
Amounts due from subsidiary undertakings			94	637
	338	2,690	432	1,313

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

17 Cash and Cash Equivalents

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Deposits at banks	2,684	4,641	2,684	3,466
Collateral cash held with brokers		91		
Cash attributable to discontinued operations	9			
Other balances	819	791	562	525
	3,512	5,523	3,246	3,991

18 Trade and Other Payables

Amounts falling due within one year:

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Purchases for future settlement	228	125	228	125
Accrued expenses	314	313	314	178
Other creditors	796	806	796	729
	1,338	1,244	1,338	1,032

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

Amounts falling due after more than one year:

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
£13.5m (2013: £13.5m) 9.5% debenture stock 2020	13,421	13,410	13,421	13,410
£20.7m (2013: £20.7m) 7.25% debenture stock 2025	20,452	20,437	20,452	20,437
	33,873	33,847	33,873	33,847

Both debenture stocks are secured by a floating charge over the Company's assets. Expenses associated with the issue of debenture stocks were deducted from the gross proceeds and are being amortised over the life of the debentures. Further details on interest and the amortisation of issue expenses are provided in note 8.

19 Called Up Share Capital

	Company 2014 £000	Company 2013 £000
Allotted and fully paid at 30 September:		
52,528,000 (2013: 52,528,000) ordinary shares of 10p each	5,253	5,253

There are 308,387 (2013: 483,387) ordinary shares of 10p each held by the Employee Incentive Trust. See note 20.

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 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.

20 Own Shares

The total number of options outstanding at the date of this report is 214,628 (2013: 214,628) under the Long Term Incentive Plan ("LTIP") and the total shareholding of the Employee Incentive Trust is 308,387 (2013: 483,387) ordinary shares. The shares will be held by the Trust until the relevant options are exercised, until they lapse or until they are sold back to the market. They are presented on the Balance Sheet as a deduction from shareholders' funds, in accordance with the policy detailed in note 1.

20 Own Shares continued

On 1 September 2014 and 11 September 2014 the Employee Incentive Trust sold 50,000 ordinary shares and 125,000 ordinary shares respectively back to the market, both at 236 pence per share. The own shares reserve has been reduced to reflect the cost of the shares sold and the resultant loss of £178,000 has been taken to capital reserve.

	Number of shares	Group and Company Own Shares Reserve £000
As at 1 October 2013	483,387	(1,628)
Options exercised		
Shares sold	(175,000)	589
As at 30 September 2014	308,387	(1,039)

21 Net Asset Value

The consolidated net asset value per share has been calculated based on equity shareholders' funds of £134,061,000 (2013: £125,166,000) and on 52,219,613 (2013: 52,044,613) ordinary shares, being the shares in issue at the year end having deducted the number of shares held by the Employee Incentive Trust.

22 Analysis of Changes in Net Debt

Group	At 30 September 2013 £000	Cash Flows £000	Non Cash Items £000	At 30 September 2014 £000
Cash at bank and with brokers	5,523	(2,011)		3,512
Debt due after one year	(33,847)		(26)	(33,873)
	(28,324)	(2,011)	(26)	(30,361)

Company	At 30 September 2013 £000	Cash Flows £000	Non Cash Items £000	At 30 September 2014 £000
Cash at bank	3,991	(745)		3,246
Debt due after one year	(33,847)		(26)	(33,873)
	(29,856)	(745)	(26)	(30,627)

23 Operating Lease Commitments

The Group entered into 10 year non-cancellable operating lease (with a rent review and break clause in 5 years) in respect of premises, which included a rent free period. During the year the Group extended the lease for a further period of 2 years which included an additional rent free period. The rent free elements have been apportioned over the term of the lease. The Group has an annual commitment at 30 September 2014 under the lease of £163,000 (2013: £145,000). This operating lease commitment is disclosed in the table below:

Expiry Date	Group 2014 £000		Group 2013 £000	
Within one year	163		159	
Between one and two years	38		163	
Between two and three years			41	
		201		363

24 Financial Commitments

At 30 September 2014 the Group had no financial commitments which had not been accrued for (2013: none).

25 Share-based Payments

The Group currently operates one share-based (equity settled) payment scheme being the 2006 LTIP which in turn has two sections relating to Total Shareholder Return ("TSR") based Awards and Matching Awards.

Long Term Incentive Plan: TSR-based Awards

Awards of restricted shares up to a maximum value of one year's salary have performance conditions based on total shareholder return in relation to two separate performance conditions over a period of five years. The performance conditions contain higher and lower thresholds that determine the extent of the vesting of the award. In accordance with the LTIP rules existing awards increase by any dividends declared by the Company until they are exercised.

25 Share-based Payments continued

Long Term Incentive Plan: Matching Awards

Executive directors and senior executives receive a certain percentage of their overall bonus for the year in deferred shares. The shares granted according to these matching awards only vest once the executive has completed three years' further service. There are no other performance conditions. In accordance with the LTIP rules existing awards increase by any dividends declared by the Company until they are exercised.

	Group 2014			
	TSR-based Awards		Matching Awards	
	No. of Options	Weighted Average Exercise Price (p)	No. of Options	Weighted Average Exercise Price (p)
Outstanding at 1 October 2013	202,759	0.0	11,869	0.0
During the year:				
Awarded				
Forfeited				
Exercised				
Expired				
Increase in awards due to dividends paid	9,232	0.0	554	0.0
Outstanding at 30 September 2014	211,991	0.0	12,423	0.0
Exercisable at 30 September 2014	125,664	0.0	12,423	0.0

	Group 2013			
	TSR-based Awards		Matching Awards	
	No. of Options	Weighted Average Exercise Price (p)	No. of Options	Weighted Average Exercise Price (p)
Outstanding at 1 October 2012	190,453	0.0	11,148	0.0
During the year:				
Awarded				
Forfeited				
Exercised				
Expired				
Increase in awards due to dividends paid	12,306	0.0	721	0.0
Outstanding at 30 September 2013	202,759	0.0	11,869	0.0
Exercisable at 30 September 2013	36,208	0.0	11,869	0.0

The awards outstanding at 30 September 2014 had a weighted average remaining contractual life of 0.08 years and nil in respect of the TSR-based Awards and Matching Awards respectively (2013: 0.6 years and nil years respectively).

Awards and options are usually forfeited if the employee leaves employment before vesting. The TSR-based awards have a final vesting date of 8 December 2014, after which it is anticipated all relevant awards (including Matching Awards) will be exercised and the scheme wound up.

For the year ended 30 September 2014, the Company recognised a total share options expense of £19,000 (2013: £24,000) relating to share-based payment transactions.

26 Financial Instruments and Risk Profile

As an investment trust, the Company invests in securities for the long term in order to achieve its investment objective as stated on page 1. Accordingly it is the Board's policy that no trading in investments or other financial instruments be undertaken. The risk management processes of the Company are aligned with those of the Group as a whole and it is at the Group level that the majority of the risk management procedures are performed. Where relevant and materially different to the Group position, Company specific risk exposures are explained alongside those of the Group. The following risk and sensitivity analysis included in this note are based on the ongoing operations of the Group and Company.

Management of market risk

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

Exposure to any one entity is monitored by the Board and the Investment Manager. The Board have complied with the investment policy requirement not to invest more than 15% of the total value of its 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.

From time to time, the Group may seek to reduce or increase its exposure to stock markets and currencies by taking positions in currency forward contracts, index futures and options relating to one or more stock markets. There are no such positions as at 30 September 2014. These instruments are used for the purpose of hedging some or all of the existing exposure within the Group's investment portfolio to those currencies or particular markets or to enable increased exposure when deemed appropriate and with the specific approval of the Board.

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 awaiting settlement and accrued income, and the debenture loans used to finance its operations. The Company, (as distinct from the Group), is unlikely to use derivatives for hedging purposes and then only in exceptional circumstances with the specific prior approval of the Board. No hedging was used during the year.

In pursuing 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 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 and credit risk.

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

Market Risk

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

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

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

26 Financial Instruments and Risk Profile continued

Foreign Currency Risk

Exposure to foreign currency risk arises through investments in securities listed on overseas stock markets. A proportion of the net assets of the Group and 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 Group and Company's exposure to foreign currencies through its investments in overseas securities as at 30 September 2014 was £10,190,000 and £10,190,000 respectively (2013: £26,424,000 and £26,291,000 respectively).

The Company's investments in the MAM Funds are in sterling denominated share classes. Within the MAM Funds the foreign exchange exposure is not hedged.

In respect of the Company, the Investment Manager monitors the Company's exposure to foreign currencies and the Board receives reports on a regular basis.

The Group is able, although unlikely, to enter into forward currency contracts as a means of limiting or increasing its exposure to particular currencies. Such contracts can be used for the purpose of hedging the existing currency exposure of elements of the Group's portfolio (as a means of reducing risk) or to enable increased exposure when this is deemed appropriate.

The currency risk of the Group and Company's non-sterling monetary financial assets and liabilities at the Balance Sheet date was:

	Group 2014			Group 2013		
Currency exposure	Overseas investments £000	Net monetary assets £000	Total currency exposure £000	Overseas investments £000	Net monetary assets £000	Total currency exposure £000
US Dollar	1,771		1,771	16,068	91	16,159
Euro	8,028		8,028	2,941		2,941
Yen	275		275	2,241		2,241
Other non-sterling	116		116	5,083		5,083
	10,190		10,190	26,333	91	26,424

	Company 2014			Company 2013		
Currency exposure	Overseas investments £000	Net monetary assets £000	Total currency exposure £000	Overseas investments £000	Net monetary assets £000	Total currency exposure £000
US Dollar	1,771		1,771	16,026		16,026
Euro	8,028		8,028	2,941		2,941
Yen	275		275	2,241		2,241
Other non-sterling	116		116	5,083		5,083
	10,190		10,190	26,291		26,291

26 Financial Instruments and Risk Profile continued

Sensitivity analysis

If sterling had strengthened by 5% relative to all currencies on the reporting date, with all the other variables held constant, the income and the net assets attributable to equity holders of the parent would have decreased by the amounts shown below. The analysis is performed on the same basis for 2013. The revenue impact is an estimated figure for 12 months based on the relevant foreign currency denominated balances at the reporting date.

Income Statement	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Revenue return				
Capital return	(510)	(1,321)	(510)	(1,315)
Net assets	(510)	(1,321)	(510)	(1,315)

A 5% weakening of sterling against the above currencies would have resulted in an equal and opposite effect on the above amounts, on the basis that all other variables remain constant. The Company's exposure has been calculated as at the year end and may not be representative of the year as a whole.

Interest Rate Risk

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

Derivative contracts are not used to hedge against the exposure to interest rate risk.

The Board sets limits for cash balances and receives regular reports on the cash balances of the Company. The Company's fixed rate debentures introduce an element of gearing to the Company which is monitored within limits and reported to the Board. Cash balances are used to manage the level of gearing within a range set by the Board. The Board sets an overall investment strategy and also has various limits on the investment portfolio which aim to spread the portfolio investments to reduce the impact of interest rate risk on company valuations. Regular reports are received by the Board in respect of the Company's investment portfolio and the respective limits.

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

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Floating rate financial assets				
UK sterling	3,512	5,432	3,246	11,991
US dollars		91		
Financial assets not carrying interest	165,680	154,734	165,946	153,543
	169,192	160,257	169,192	165,534
Fixed rate financial liabilities				
UK sterling	(33,873)	(33,847)	(33,873)	(33,847)
Financial liabilities not carrying interest	(1,338)	(1,244)	(1,338)	(1,032)
	(35,211)	(35,091)	(35,211)	(34,879)

26 Financial Instruments and Risk Profile continued

Floating rate financial assets usually comprise cash on deposit with banks which is repayable on demand and receive a rate of interest based on the base rates in force over the period. The fixed rate financial liabilities comprise the Group and Company's debentures totalling £34.2m nominal. They pay a weighted average rate of interest of 8.1% per annum and mature in 2020 (£13.5m) and 2025 (£20.7m).

Sensitivity analysis

Based on closing cash balances held on deposits with banks, a 0.5% decrease (2013: 0.5%) in base interest rates would have the following effect on net assets and profit before tax of the Group and Company:

Income Statement	Group 2014 £000		Group 2013 £000		Company 2014 £000		Company 2013 £000	
Revenue return	(13)		(16)		(13)		(14)	
Net assets		(13)		(16)		(13)		(14)

A 0.5% increase (2013: 0.5%) in interest rates would have resulted in a proportionate equal and opposite effect on the above amounts on the basis that all other variables remain constant. The above analysis is based on closing balances only and is not representative of the year as a whole.

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 investments which are disclosed in note 13 on pages 70 to 75. The Company also has unlisted investments which are indirectly impacted by movements in listed equity prices and related variables. The Board sets an overall investment strategy 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.

The Investment Manager's policy 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. Derivative positions are marked to market and exposure to counterparties is also monitored on a daily basis by the Investment Manager; the Board review it on a quarterly basis.

As mentioned earlier, the Investment Manager may use derivative instruments in order to 'hedge' the market risk inherent in the portfolio. The Investment Manager reviews the risk associated with individual investments and where they believe it appropriate may use derivatives to mitigate the risk of adverse market or currency movements. The Investment Manager discusses the hedging strategy with the Board at its quarterly meetings.

The following table details the exposure to market price risk on the quoted and unquoted equity investments:

	Group 2014 £000		Group 2013 £000		Company 2014 £000		Company 2013 £000	
Non-current Asset Investments at Fair Value through Profit and Loss								
Listed equity investments	123,687		105,075		123,687		105,075	
Unlisted	41,655		46,864		41,655		46,864	
Related and Subsidiary Companies					172		8,193	
		165,342		151,939		165,514		160,132

26 Financial Instruments and Risk Profile continued

Sensitivity analysis

If share prices on listed equity investments had decreased by 10% at the reporting date with all other variables remaining constant, the profit before tax and the net assets attributable to the equity holders of the Group would have decreased by the amounts shown below.

Income Statement	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Revenue return	(12,369)	(10,508)	(12,369)	(10,508)
Net assets	(12,369)	(10,508)	(12,369)	(10,508)

A 10% increase (2013: 10%) in share prices would have resulted in a proportionate equal and opposite effect on the above amounts on the basis that all other variables remain constant. The analysis has been calculated on the investments held at the year end and this may not be representative of the year as a whole.

Credit Risk

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

- The Company's listed investments are held on its behalf by Bank of New York Mellon SA/NV, London Branch, the Company's custodian 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 Company's Depositary provides certain indemnities in respect of the Company's investments. The Company receives regular internal control reports from the Custodian which are reviewed by the Investment Manager and reported to the Audit Committee.
- Investment transactions are undertaken by the Investment Manager with a number of approved brokers in the ordinary course of business on a delivery versus payment basis. All new brokers are reviewed by the Investment Manager for credit worthiness and added to an approved brokers list if not considered to be a credit risk.
- Credit risk is mitigated by diversifying the counterparties through whom the Investment Manager conducts investment transactions. The credit standing of all counterparties is reviewed periodically with limits set on amounts due from any one counterparty.
- Cash is held at banks that are considered to be reputable and high quality. Cash balances are spread across a range of banks to reduce concentration risk.
- Where the Company makes an investment in a loan or other security with credit risk, that credit risk is assessed and considered as part of the investment decision making process by the Investment Manager. The Board receives regular reports on the composition of the investment portfolio.
- A credit exposure could arise in respect of derivatives contracts entered into by the Group if the counterparty were unable to fulfill its contractual obligations.

26 Financial Instruments and Risk Profile continued

Credit Risk Exposure

At the reporting date, the financial assets exposed to credit risk amounted to the following:

	Group 2014 £000		Group 2013 £000		Company 2014 £000		Company 2013 £000	
Cash on deposit and at banks	3,512		5,432		3,246		3,991	
Collateral cash held with brokers			91					
Sales for future settlement	45		363		45		363	
Interest, dividends and other receivables	293		2,327		387		950	
		3,850		8,213		3,678		5,304
Minimum exposure during the year	3,850		7,758		3,678		4,953	
Maximum exposure during the year	20,331		10,098		19,814		7,263	

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

None of the financial assets were past due or impaired at the reporting date (2013: none).

Liquidity Risk

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

The Company may periodically invest in derivatives contracts and debt securities that are traded over the counter. The Company is exposed to the daily settlement of margin calls on derivatives.

Liquidity risk is monitored although it is recognised that the majority of the Group's assets are investments in quoted equities and other quoted securities that are readily realisable. The Board has various limits in respect of how much of the Group's resources can be invested in any one company. The unlisted investments in the portfolio are subject to liquidity risk but such investments are subject to limits set by the Board and liquidity risk is taken into account by the directors when arriving at their valuation. The Company does have exposure to concentration risk due to its investment in MAM at 24.9% (2013: 29.2% in relation to MAM) of the Company's investment portfolio. The Company closely monitors this investment and receives regular financial reports and believes that the current concentration risk is in-line with the Company's objective of diversifying its investment portfolio into the investment groups as per its investment policy.

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

26 Financial Instruments and Risk Profile continued

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

Group 2014 Undiscounted cash flows	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
9.5% debenture stock 2020				13,500	13,500
7.25% debenture stock 2025				20,700	20,700
Interest on financial liabilities	2,783	2,783	2,783	14,463	22,812
Trade payables and other liabilities	1,338				1,338
	4,121	2,783	2,783	48,663	58,350

Group 2013 Undiscounted cash flows	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
9.5% debenture stock 2020				13,500	13,500
7.25% debenture stock 2025				20,700	20,700
Interest on financial liabilities	2,783	2,783	2,783	17,246	25,595
Trade payables and other liabilities	1,244				1,244
	4,027	2,783	2,783	51,446	61,039

Company 2014 Undiscounted cash flows	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
9.5% debenture stock 2020				13,500	13,500
7.25% debenture stock 2025				20,700	20,700
Interest on financial liabilities	2,783	2,783	2,783	14,463	22,812
Trade payables and other liabilities	1,338				1,338
	4,121	2,783	2,783	48,663	58,350

Company 2013 Undiscounted cash flows	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
9.5% debenture stock 2020				13,500	13,500
7.25% debenture stock 2025				20,700	20,700
Interest on financial liabilities	2,783	2,783	2,783	17,246	25,595
Trade payables and other liabilities	1,032				1,032
	3,815	2,783	2,783	51,446	60,827

26 Financial Instruments and Risk Profile continued

Categories of financial assets and liabilities

The following table analyses the carrying amounts of the financial assets and liabilities by categories as defined in IAS 39:

Financial assets	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Financial assets at fair value through profit or loss				
Equity securities	165,342	151,939	165,514	160,132
	165,342	151,939	165,514	160,132
Other financial assets[1]	3,850	8,213	3,678	5,304
	169,192	160,152	169,192	165,436

Financial liabilities	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Financial liabilities measured at amortised cost[2]	35,211	35,091	35,211	34,879
	35,211	35,091	35,211	34,879

1 Other financial assets include: cash and cash equivalents, due from brokers, cash collateral on securities borrowed, dividend and interest receivables, other receivables and prepayments.

2 Financial liabilities measured at amortised cost include: debenture stock issued, due to brokers, fees and other payables and accrued expenses.

The investment portfolio has been valued in accordance with the accounting policy in note 1 to the accounts, i.e. at fair value. The debenture stocks are classified as level 3 under the fair value hierarchy The fair value of the debenture stock is calculated using Discounted Cash Flow analysis and by reference to the redemption yields of a similar companies' debt instrument, with an appropriate margin spread added.

Group and Company Financial liabilities	Book Value 2014 £000	Book Value 2013 £000	Fair Value 2014 £000	Fair Value 2013 £000
£13.5m (2012: £13.5m) 9.5% debenture stock 2020	13,421	13,410	16,916	17,768
£20.7m (2012: £20.7m) 7.25% debenture stock 2025	20,452	20,437	24,737	24,995
	33,873	33,847	41,653	42,763

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 equity shareholders through an appropriate mix of equity capital and debt. The Board sets a range for the Company's debt (comprised of debentures less cash) at any one time which is maintained by management of the Company's cash balances.

26 Financial Instruments and Risk Profile continued

Capital at 30 September comprises:

	Group 2014 £000		Group 2013 £000		Company 2014 £000		Company 2013 £000	
Net Debt								
Net current asset	(2,512)		(6,969)		(2,340)		(4,272)	
Debentures	33,873		33,847		33,873		33,847	
Sub total		31,361		26,878		31,533		29,575
Equity								
Equity share capital	5,253		5,253		5,253		5,253	
Retained earnings and other reserves	128,808		119,913		128,808		125,402	
Shareholders' funds		134,061		125,166		134,061		130,655
Gearing (calculated using AIC guidance)								
Net Debt as a percentage of shareholders' funds		23.4%		21.5%		23.5%		22.6%

Maximum potential gearing represents the highest gearing percentage on the assumption that the Group or Company had no net current assets. As at 30 September 2014, in respect of the Group and the Company, this was 25.3% and 25.3% respectively (2013: Group and Company; 27.0% and 25.9% respectively).

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 the Investment Manager's views on the market;
- the level of the Company's free float of shares as the Barlow family owns approximately 55% of the share capital of the Company; and
- the extent to which revenue in excess of that required to be distributed should be retained.

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

The Company is subject to various externally imposed capital requirements:

- the debentures are not to exceed in aggregate 66⅔% of adjusted share capital and reserves in accordance with the respective Trust Deeds; and
- the Company has to comply with statutory requirements relating to dividend distributions.
- 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 (being an internally managed AIF).

26 Financial Instruments and Risk Profile continued

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

Gross method	Group 2014 £000	Company 2014 £000
Investments held at fair value through profit or loss	165,342	165,342
Investments in subsidiaries held at fair value through profit or loss		172
Non sterling dominated cash balances		
Total investments at exposure value as defined under AIFMD	165,342	165,514
Equity Shareholders Funds	134,061	134,061
Leverage	1.23	1.23

Commitment method	Group 2014 £000	Company 2014 £000
Investments held at fair value through profit or loss	165,342	165,342
Investments in subsidiaries held at fair value through profit or loss		172
Cash and cash equivalents	3,512	3,246
Total investments at exposure value as defined under AIFMD	168,854	168,760
Equity Shareholders Funds	134,061	134,061
Leverage	1.26	1.26

The leverage figures above represent leverage as calculated under the gross and commitment methods as defined under the AIFMD (a figure of 1 represents no leverage or borrowings). 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 their treatment of cash balances. In both methods the Company has included debentures 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 which equates to a borrowing level of 50% (the Company has not exceeded this limit as any time during the past year).

These requirements (except for the AIFMD leverage requirement), are unchanged since last year and the Company has complied with them.

27 Related Party Transactions

Javelin Capital LLP

Javelin Capital LLP (Javelin Capital) was the Investment Manager and General Administrator to the Company until 13 January 2014, when Majedie Asset Management Limited (MAM) was appointed as Investment Manager, and is also the parent entity of Javelin Capital Fund Management Limited (JCFM) and Javelin Capital Services Limited (JCS) all of which are consolidated into the group accounts. As part of the appointment of MAM it was also announced that Javelin Capital would cease operations. As such all Javelin Capital entities have ceased trading and are in the process of being liquidated. This included the Company assuming various operating costs and certain staff from Javelin Capital from 1 April 2014.

27 Related Party Transactions continued

Javelin Capital Strategies Plc was an Irish Stock Exchange listed Qualifying Investment Fund (QIF). The QIF was liquidated during the year with a small residual surplus of €10,000 being returned to the Company.

Javelin Capital Emerging Markets Alpha Fund (JCEMAF) was a sub-fund of the Serviced Platform SICAV, a Luxembourg Undertakings for Collective Investment Scheme (UCITS), as established by Goldman Sachs International. Javelin Capital did act as investment manager to JCEMAF and was entitled to receive management and performance fees. As a consequence of the announcement made on 13 January 2014 the JCEMA was closed with all investor monies being redeemed. The Company received, in total, £29.5m for its holding in the JCEMAF.

In addition to any fees received from JCEMAF, Javelin Capital was also entitled to receive management, performance and administration fees from the Company itself in accordance with the relevant agreements up until 13 January 2014. These agreements did take account of any fees charged at the JCEMAF level so that no double charging occurred.

JCS provided administrative services to the group and in performing these services it incurred expenses. Additionally, for administrative, reasons the Company did pay certain expenses on behalf of the Group. In both cases recharges and/or management fees were used such that each group entity bears its appropriate relevant portion of the group expenses incurred. The Company allowed Javelin Capital group entities use of various assets to perform their respective functions for which it received a lease fee, however this could be waived by the Company at its discretion.

During the year, Mr JWM Barlow ceased to be a partner of Javelin Capital in conjunction with the closure of Javelin Capital. Further details are contained in the Directors Remuneration Report on pages 31 to 38.

The Company pays certain costs on behalf of Majedie Portfolio Management Limited (MPM) for operating the Majedie Investments PLC Share Plan and additionally is charged a management fee by MPM. Any such costs paid by the Company are recharged to MPM, net of any management fees due.

Majedie Asset Management (MAM)

As noted above MAM became investment manager to the Company from 13 January 2014 under the terms of an investment agreement. The agreement provides for MAM to manage the Company's investment assets on both a segregated account basis and also by investments into various MAM collective investment vehicles or funds. Details of the investment agreement are contained in the material contracts section of the directors' report on page 20. As investment manager MAM is entitled to receive investment management fees. In respect of segregated account investments 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 to the fund and are therefore included as part of the investment value of the relevant holdings. Details of the Company's investments in the MAM funds are shown in the Chief Executive's Report on pages 11 to 13.

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 both the Company and Group accounts and is valued at fair value through profit or loss. During the year the Company received dividends from MAM of £3,619,000 (2013: £2,260,000) and proceeds of £19,177,000 (2013: £5,899,000), as a result of the sale of shares to the MAM Employee Benefit Trust and to MAM for cancellation, of which none was outstanding at year end (2013: nil outstanding).

27 Related Party Transactions continued

The table below discloses the transactions and balances between those entities:

Transactions during the period:	2014 £000	2013 £000
JCEMAF advisory fee revenue due to Javelin Capital (from the Company)	122	368
Company management fee revenue due to Javelin Capital	165	554
Company administration fee revenue due to Javelin Capital	73	265
Company lease charge to JCS	9	19
JCS management fee income from Javelin Capital	571	1,292
MPM costs recharged by the Company	35	35
Management fee income due to MAM (segregated account only)	373	
Balances outstanding at the end of the period:		
Between JCS and the Company		542
Between JCS and Javelin Capital		377
Between the Company and MPM	95	95
Between JCFM and Javelin Capital		9
Between the Company and MAM (investment management fees)	132	

Transactions between group companies during the year were made on terms equivalent to those that occur in arm's length transactions.

Remuneration

The remuneration of the directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS24: Related Party Disclosures. There are no amounts outstanding at 30 September 2014 for directors' fees (2013: £nil). Further information about the remuneration of individual directors is provided in the audited part of the Report on Directors Remuneration on page 36.

	2014 £000	2013 £000
Short term employee benefits	266	235
Partnership profit shares	50	66
	316	301

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.

Notice is hereby given that the one hundred and third Annual General Meeting of Majedie Investments PLC will be held at City of London Club, 19 Old Broad Street, London EC2N 1DS on Wednesday, 14 January 2015 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 10 will be proposed as Ordinary Resolutions and Resolutions 11 to 13 shall be proposed as Special Resolutions. All business to be transacted at the AGM is Ordinary Business for the purpose of the Listing Rules.

Ordinary Resolutions

1. To receive the Directors' Report and Accounts for the year ended 30 September 2014.
2. To approve the Directors' Remuneration Report for the year ended 30 September 2014, which can be found on pages 31 to 38.
3. To approve the Directors' Remuneration Policy, which can be found on pages 33 to 35.
4. To declare a final dividend of 4.5p per share in respect of the year ended 30 September 2014.
5. To re-appoint AJ Adcock as a director
6. To re-appoint RDC Henderson as a director
7. To re-appoint JWM Barlow as a director.
8. To appoint Ernst & Young LLP as auditors.
9. To authorise the directors to fix the auditor's remuneration.
10. 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 5,200,000 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 2016, 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

11. That, subject to the passing of resolution 10 above, the Directors be empowered in accordance with section 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 if the Act) of the Company for cash pursuant to the authority conferred by resolution 10 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 5,200,000 Ordinary Shares;

    b) The authority granted shall (unless previously revoked) expire at the conclusion of the next Annual General Meeting of the Company in 2016 or, if earlier, 15 months after the passing of this resolution;

    c) The said power shall allow the 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.

12. 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 7,813,947, 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 and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No.2233/2003);

    (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2016 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.

13. 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.

Registered Office
Tower 42
25 Old Broad Street
London EC2N 1HQ

Registered in England Number: 109305

By order of the Board
Capita Sinclair Henderson Limited
Company Secretary
4 December 2014

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 6.00 pm on 12 January 2015 (or, in the event of any adjournment, 6.00 pm 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.

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.eproxyappointment.com 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, 12 January 2015.

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 6.00 pm on 12 January 2015 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 6.00 pm on 12 January 2015 ("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 52,528,000 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:

    (ii) 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.

Note 9
A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares:

a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way;

b) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

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
Members satisfying the thresholds in section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the AGM unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. The business which may be dealt with at the AGM includes a resolution circulated pursuant to this right. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.

Note 12
Members satisfying the thresholds in section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM. A matter may properly be included in the business at the AGM unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than 6 weeks before the date of the AGM.

Note 13
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 14
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 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. None of the Directors has a contract of service with the Company.

Note 15
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 16
If a shareholder receiving this notice has sold or transferred all shares in the Trust, 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.

Recommendation
The Directors believe that the resolutions contained in this Notice of Annual General Meeting are in the best interests of the Company as a whole and recommend that you vote in favour of them as the Directors intend to do in respect of their own beneficial shareholdings.

Majedie Share Plan

The Majedie Share Plan is a straightforward and low cost way to invest or save in the shares of Majedie Investments PLC. Charges are kept low and the Plan is very flexible.

Lump sum investments are dealt with on a weekly or daily basis whereas the monthly savings facility is an affordable and effective way of building a substantial shareholding over the longer term. The minimum lump sum investment is £250, while the minimum monthly amount is £25. There are no maximum limits.

There are no dealing charges and there is no annual management fee. 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 + VAT is levied.

Dividends may either be paid in cash or reinvested in the Plan. Existing Majedie shareholdings may be transferred into the Plan. You may close your plan by selling all your shares at any time.

For more information, a Majedie Share Plan booklet and/or an application form please contact the Majedie Share Plan Manager, Majedie Portfolio Management Limited*, Tower 42, 25 Old Broad Street, London, EC2N 1HQ (telephone 020 7626 1243).

* authorised and regulated by the Financial Conduct Authority

Majedie Corporate ISA

The Majedie Corporate ISA (Individual Savings Account) provides individuals with a tax efficient way to invest or save in the shares of Majedie Investments PLC.

ISAs provide the following benefits:

– no extra income tax payable on income generated within the ISA;
– no Capital Gains Tax liability on any profits arising from within the ISA;
– no need to include the details of your ISA in reports to HM Revenue & Customs; and
– no minimum period of investment.

The Majedie Corporate ISA provides the additional benefit of extremely low cost. There is no initial charge and no annual management charge for the ISA. 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 investment permitted is currently £15,000 for the 2014/15 tax year. Investments can be split between a cash ISA and a stocks and shares ISA).

The Majedie Corporate ISA is provided in conjunction with Halifax Share Dealing (HSDL) who act as a HM Revenue & Customs Approved ISA Manager. To apply for an account please contact Halifax Share Dealing on 0845 850 0181.

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, 25 The North Colonnade, Canary Wharf, London, E14 5HS under registration number 183332. A Member of the London Stock Exchange and an HM Revenue & Customs Approved ISA Manager.

* Please call 0845 850 0181 for further information

Majedie General 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 and can continue to grow. You may transfer an existing PEP or ISA from another manager to the Majedie General ISA and, if you have not already subscribed to another Stocks & Shares ISA in this tax year, you can apply to pay in to your Majedie General 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 (telephone: 0800 800 008).

Shareholder Information

Registered Office
Tower 42
25 Old Broad Street
London EC2N 1HQ
Telephone: 020 7626 1243
Fax: 020 7374 4854
E-mail: majedie@majedieinvestments.com
Registered Number: 109305 England

Company Secretary & Fund Administrator
Capita Sinclair Henderson Limited
Trading as Capita Asset Services
Beaufort House
51 New North Road
Exeter EX4 4EP
Telephone: 01392 412122
Fax: 01392 253282

Investment Manager
Majedie Asset Management Limited
10 Old Bailey
London EC4M 7NG
Telephone: 020 7618 3900
Email: info@majedie.com

Depositary
BNY Mellon Trust & Depositary (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

The Depositary has delegated the safe keeping of the Company's assets to the Custodian, The Bank of New York Mellon SA/NV, London Branch.

AIFM
Majedie Investments PLC

Registrars
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 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.computershare.com.

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 http://www-uk.computershare.com/investor. 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
1 More London Place
London SE1 2AF

Stockbrokers
Westhouse Securities Limited
Heron Tower
110 Bishopsgate
London EC2N 4AY

ISIN
Ordinary: GB0005555221
Debenture 9.5% 2020: GB0005583389
Debenture 7.25% 31/03/2025: GB0006733058

Ticker
Ordinary: MAJE
Debenture 9.5% 2020: 86HK
Debenture 7.25% 31/03/2025: BD22

Sedol
Ordinary: 0555522
Debenture 9.5% 2020: 0558338
Debenture 7.25% 31/03/2025: 0673305

Shareholder Information

Key Dates in 2015

Ex-dividend date	8 January 2015
Record date	9 January 2015
Annual General Meeting	14 January 2015
2013/14 final dividend payable	21 January 2015
Interim results announcement	May 2015
2014/15 interim dividend payable	June 2015
Financial year end	30 September 2015
Final results announcement	December 2015
Annual Report mailed to shareholders	December 2015

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 Majedie Share Plan or Majedie Corporate ISA (details of which are set out on page 99). You may transfer an existing PEP or ISA to the Majedie General ISA (page 100). 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 weekly 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

Many companies are aware that their shareholders have received unsolicited calls or correspondence concerning investment matters. These are typically from overseas based "brokers" who target UK shareholders offering to sell them what often turns out to be worthless or high risk shares based in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers for free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment "advice".

If you are in any doubt about the veracity of an unsolicited telephone call, please either call the Company or the Registrar.

Notes

Notes

Majedie Investments PLC

Tower 42
25 Old Broad Street
London EC2N 1HQ

Telephone 020 7626 1243
Facsimile 020 7374 4854
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