

Contents

Overview 1 to 3

- 1 Investment Objective
- 1 Highlights for 2018
- 2 Year's Summary
- 3 Ten Year Record

Strategic Report 4 to 19

- 4 Chairman's Statement
- 6 Chief Executive's Report
- 13 Fund Analysis
- 14 Twenty Largest Portfolio Holdings
- 15 Business Review

Governance 20 to 42

- 20 Board of Directors
- 21 Directors' Report
- 28 Corporate Governance Statement
- 33 Report of the Audit Committee
- 37 Report on Directors' Remuneration
- 41 Statement of Directors' Responsibilities
- 42 Report of the Depositary

Financial Statements 43 to 82

- 43 Report of the Independent Auditor
- 52 Statement of Comprehensive Income
- 53 Statement of Changes in Equity
- 54 Balance Sheet
- 55 Cash Flow Statement
- 56 Notes to the Accounts

Information 83 to 95

- 83 Notice of Meeting
- 91 Majedie Savings Plans
- 94 Shareholder Information
- Loose Form of Proxy

Cautionary statement regarding forward-looking statements

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

This Annual Report contains certain forward-looking statements with respect to the principal risks and uncertainties facing the Company. By their nature, these statements and forecasts involve risk and uncertainty

because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The forward looking statements reflect the knowledge and information available at the date of preparation of this Annual Report and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

Investment Objective

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

| Highlights | 2018 | 2017 |
|---|--------|--------|
| Total shareholder return (including dividends): | 2.1% | 13.0% |
| Net asset value total return (debt at fair value including dividends): | 2.7% | 12.6% |
| Net asset value total return (debt at par including dividends): | 0.9% | 10.4% |
| Total dividends (per share): | 11.00p | 9.75p |
| Directors' valuation of investment in Majedie Asset Management Limited: | £58.7m | £61.5m |

Year's Summary

| Capital Structure | Note | 2018 | 2017 | % |
|---|------|---------|---------|-------|
| As at 30 September | | | | |
| Total assets | 1 | £199.2m | £216.5m | -8.0 |
| Which are attributable to: | | | | |
| Debenture holders (debt at par value) | 2 | £20.5m | £34.0m | |
| Equity Shareholders | | £178.6m | £182.5m | -2.1 |
| Gearing | 4 | 10.0% | 17.1% | |
| Potential Gearing | 4 | 11.5% | 18.6% | |
| Total returns (capital growth plus dividends) | | | | |
| Net asset value per share (debt at par value) | 3 | +0.9% | +10.4% | |
| Net asset value per share (debt at fair value) | 3 | +2.7% | +12.6% | |
| Share price | | +2.1% | +13.0% | |
| Capital returns | | | | |
| Net asset value per share (debt at par value) | 3 | 334.3p | 341.6p | -2.1 |
| Net asset value per share (debt at fair value) | | 326.2p | 327.8p | -0.5 |
| Share price | | 277.5p | 281.5p | -1.4 |
| Discount of share price to net asset value per share | | | | |
| Debt at par value | | 17.0% | 17.6% | |
| Debt at fair value | | 14.9% | 14.1% | |
| Revenue and dividends | | | | |
| Net revenue available to Equity Shareholders | | £6.7m | £6.0m | |
| Net revenue return per share | | 12.5p | 11.1p | +12.6 |
| Total dividends per share | | 11.00p | 9.75p | +12.8 |
| Total administrative expenses | | £1.7m | £1.8m | |
| Ongoing Charges Ratio | 6 | 1.3% | 1.5% | |

Notes:

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

- Total Assets:** Total assets are defined as total assets less current liabilities.
- Debt at par or fair value:** Par value is the carrying value of the debenture which will equate to the nominal value at maturity. Fair value is the estimated market value the Company would pay (on the relevant reporting date), as a willing buyer, to a debenture holder, as a willing seller, in an arms-length transaction.
- Net Asset Value:** The Net Asset Value (NAV) is the value of all of the Company's assets less all liabilities. The NAV is usually expressed as an amount per share.
- Gearing and Potential Gearing:** Gearing represents the amount of borrowing that a company has and is calculated using the Association of Investment Companies (AIC) guidance. It is usually expressed as a percentage of equity shareholders' funds and a positive percentage or ratio above one shows the extent of the level of borrowings. Gearing is calculated as borrowings less net current assets to arrive at a net borrowings figure. Potential Gearing excludes cash from the calculation. Details of the calculation for the Company are in note 22 on page 80.
- Total Return:** Total returns include any dividends paid as well as capital returns as a result of an increase or decrease in a company's share price or NAV.
- Ongoing Charges Ratio (OCR):** Ongoing charges are a measure of the normal ongoing costs of running a company. Further information is shown in the Business Review section of the Strategic Report on page 18.
- Adjusted Capital and Reserves:** This is as defined in the debenture Trust Deed. It essentially removes unrealised gains from reserves.

| Year's high/low | | 2018 | 2017 |
|-------------------------------|------|--------|--------|
| Share price | high | 308.0p | 310.0p |
| | low | 272.0p | 249.9p |
| Net asset value – debt at par | high | 344.3p | 344.0p |
| | low | 315.6p | 308.6p |
| Discount – debt at par | high | 17.6% | 21.4% |
| | low | 8.0% | 7.1% |
| Discount – debt at fair value | high | 15.1% | 17.2% |
| | low | 5.5% | 2.5% |

Ten Year Record

to 30 September 2018

| Year End | Total Assets £000 | Equity share-holders' Funds £000 | NAV Per Share (Debt at par value) Pence | Share Price Pence | Discount % | Earnings [^] Pence | Total Dividend ^{**} Pence | Gearing [†] % | Potential Gearing [†] % | Ongoing Charges [#] % |
|----------|----------------------|-------------------------------------|--|----------------------|------------|--------------------------------|---------------------------------------|---------------------------|-------------------------------------|-----------------------------------|
| 2009 | 157,943 | 124,181 | 238.7 | 189.8 | 20.51 | 8.14 | 10.50 | 17.22 | 27.19 | 1.71 |
| 2010 | 150,940 | 117,159 | 225.2 | 191.5 | 15.00 | 11.83 | 13.00 | 24.11 | 28.83 | 1.85 |
| 2011 | 145,683 | 111,634 | 214.5 | 139.5 | 34.96 | 4.66 | 10.50 | (1.72) | 30.28 | 1.92 |
| 2012 | 146,057 | 112,234 | 215.6 | 155.8 | 27.74 | 4.90 | 10.50 | 9.24 | 30.14 | 1.83 |
| 2013 | 159,013 | 125,166 | 240.5 | 160.0 | 33.47 | 6.80 | 10.50 | 21.47 | 27.04 | 1.73 |
| 2014 | 167,934 | 134,061 | 256.7 | 229.0 | 10.79 | 9.36 | 7.50 | 23.39 | 25.27 | 1.66 |
| 2015 | 183,708 | 149,807 | 281.9 | 257.3 | 8.74 | 9.42 | 8.00 | 21.25 | 22.63 | 1.88 |
| 2016 | 203,917 | 169,986 | 318.1 | 257.1 | 19.18 | 9.25 | 8.75 | 18.46 | 19.96 | 1.58 |
| 2017 | 216,507 | 182,544 | 341.6 | 281.5 | 17.59 | 11.14 | 9.75 | 17.09 | 18.61 | 1.54 |
| 2018 | 199,151 | 178,626 | 334.3 | 277.5 | 16.99 | 12.47 | 11.00 | 10.01 | 11.49 | 1.33 |

Notes:

† Calculated in accordance with AIC guidance.

^ Includes both continuing and discontinued operations.

As from May 2012, under AIC guidance, Ongoing Charges replace previous cost ratios.

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

In the year ended 30 September 2018 the NAV at par and NAV at FV (net asset value with debt at par and fair value) rose by 0.9% and 2.7% respectively on a total return basis. The redemption of the 2020 9.5% Debentures in December 2017 resulted in dilution of 1.6% to the NAV at par and 0.6% to the NAV at FV. The share price rose by 2.1% over the period, also on a total return basis. The FTSE All Share Index and MSCI World Index (in sterling terms) rose by 5.9% and 12.9% respectively, on a total return basis.

Results and Dividends

The Company had a capital loss for the twelve months to 30 September of £5.1m which includes a charge of £2.9m being the premium paid to the 2020 Debenture holders. The total income from investments was £7.9m compared to £7.5m in 2017. The uplift in income reflects an increase in dividends received from Majedie Asset Management (MAM) to £4.6m from £4.1m in 2017 whilst income from the MAM Funds was lower by £0.1m, reflecting the sale of assets to finance the early repayment of the 2020 Debentures. Total administration expenses and management fees have fallen from £1.8m to £1.7m due mainly to lower investment management fees. Finance costs fell by £1.1m to £1.8m due to the repayment of the 2020 Debentures. In the year to 30 September 2019 finance costs will fall further to £1.5m, reflecting the full year effect of repayment.

The ongoing charges ratio (OCR) has fallen to 1.3%. The self-managed nature of the Company and its size mean costs are higher than average, though the investment management fees that are paid to MAM and included in the OCR are more than offset by the dividend received from MAM. Costs remain a key area of focus for the Board.

The net revenue return after tax for the year to 30 September 2018 was £6.7m compared to £6.0m in the year to 30 September 2017. The Board increased the interim dividend by 14.3% to 4.0p partially to rebalance the split between interim and final dividend. The Board is recommending a final dividend of 7.0p which is an increase of 12.8% for the full year. The final dividend will be payable on 23 January 2019 to shareholders on the register on 11 January 2019. The Board retains its policy to increase dividends above the rate of inflation over the long term and since rebasing the dividend in 2014 has increased it by 46.7%. It is

very pleasing and reflects well on the reorganisation made in 2014 that the dividend now exceeds the dividend of 2013 and that it is fully covered by earnings.

Asset Allocation and Performance

The Company's asset allocation gives exposure to funds managed by a highly regarded boutique manager across all geographies. The Company retains a significant stake of 17.1% in the manager. No shares in MAM have been traded by the Company though there was a buyback for cancellation of shares by MAM from other shareholders, which increased the Company's percentage stake. The asset allocation provides key areas of differentiation from the Company's peers in the Global Growth Sector.

First the holding in MAM is calculated by a long standing and formulaic methodology. Over the longer term this provides a fair assessment of value, but can produce distortions in the short term. Due to the current market and political volatility the Directors have decided to include a discount in the MAM valuation to reflect fair value at 30 September 2018.

Secondly the Company's holding in the MAM Tortoise Fund, an absolute return fund, is designed in part, to reduce the downside volatility of returns to shareholders. The returns of the fund will not replicate the underlying stock markets and the fund was too defensively positioned in the past year. If stock markets roll over after a bull run of ten years the MAM Tortoise should recoup its recent losses and provide some downside protection.

Thirdly, the Company's asset allocation is more UK centric than its peers and since the Brexit vote the UK stock market has materially underperformed Global Markets. Whilst political uncertainty is not helpful for markets the scale of the underperformance has led to the UK Stock Market looking undervalued compared to Global Markets with its free cash flow yield at its highest level since 1986 and a dividend yield of over 4%. The current valuation of the UK market is presenting a good investment opportunity over the medium term especially as over 70% of the FTSE All Share's earnings are derived from overseas. The attractive valuation of UK companies is being recognised by overseas companies, particularly US corporates, who have made sizable acquisitions in the UK market in the last twelve months.

The Board views the key Company's differentiators as positive for shareholders over the medium term and recognises that its defensive positioning has caused the Company to underperform its peers over the last year. Since the year end market volatility has picked up markedly as concerns about rising inflation, the end of Quantitative Easing, rising bond yields, trade wars and a febrile political climate in the US, Europe and the UK cause investors to question market levels.

The Board is concerned that since the year end, the level of the Company's discount has widened. In general, volatile markets have led to investment company discounts widening across the sector.

Board

The Board has initiated a search for a new Non-executive Director to replace Paul Gadd who has served on the Board for over nine years. Once the appointment has been finalised, it is intended that Paul will resign from the Board and I personally, and on behalf of the Board, would like to thank him for his sound and helpful advice.

AGM

The AGM will be held on 16 January 2019 at 12.00 noon at the City of London Club, London EC2N 1DS. Details are set out in the notice of meeting on page 83. There will be presentations from the Board and MAM and there will be an opportunity to ask questions. I hope you will be able to attend.

Andrew Adcock

Andrew J Adcock
Chairman
4 December 2018

Strategic Report

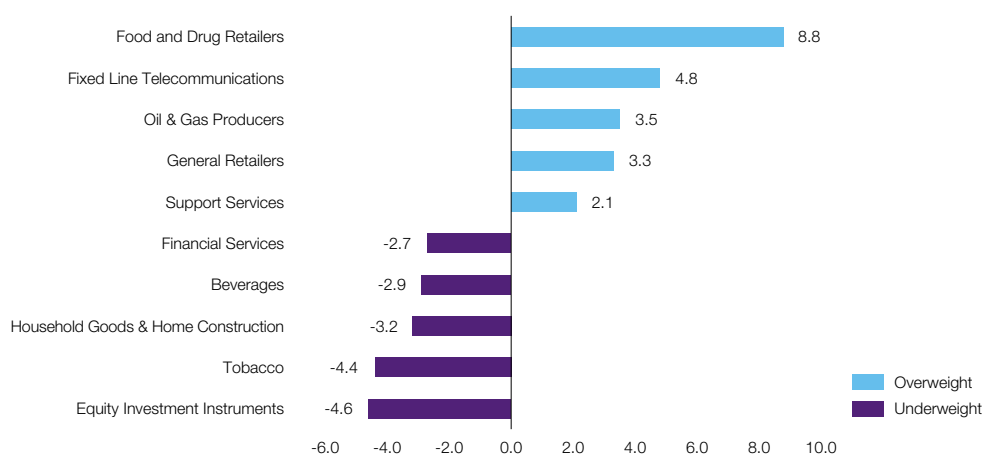
Chief Executive's Report

The Company's assets are allocated at the discretion of the Board between a number of investment strategies managed by MAM, and the Company retains an equity holding in MAM of 17.1%. The Company has no overall benchmark; rather each fund has its own benchmark. The monthly factsheets of each of the relevant MAM funds are on the Company's website. The Company's total assets at 30 September 2018 were £199.2m, as defined on page 2. The main changes to the Company's asset allocation during the year were the sales of investments to finance the early repayment of the debenture in December 2017. There were no sales of MAM shares during the year.

MAM Funds and Investment Performance

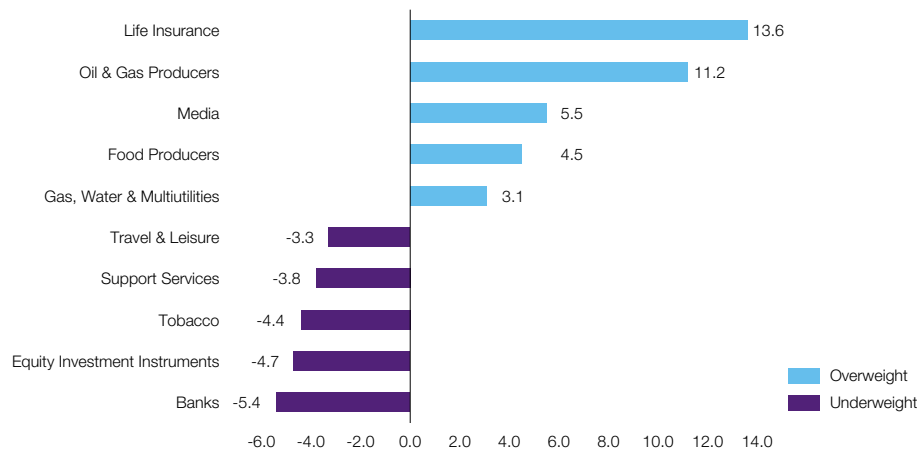
The UK Equity Fund is the flagship product of MAM, having started in March 2003, and since inception to 30 September 2018 has returned 12.2% per annum net of fees with a relative outperformance against its benchmark the FTSE All-Share Index of 2.9% per annum. The Company's assets are invested in a segregated portfolio that is managed pari passu to the MAM UK Equity Fund. The funds are predominantly invested in UK equities with overseas equities limited to 20% and the strategy incorporates a dedicated allocation to UK smaller companies. The sum invested in the MAM UK Equity Segregated Portfolio at 30 September 2018 was £58.3m which represents 29.3% of the Company's total assets. In the year to 30 September 2018, the MAM UK Equity Segregated Portfolio returned 3.0% net of fees, which is an underperformance of 2.9% against its benchmark. At a sector level, the largest positive contributors to performance over the year were Food Retail, Oil (both overweight) and Tobacco (underweight); detractors were General Retail, Gold Mining and Fixed Line Telecoms (all overweight). Positive stock contributors to performance over the year were British American Tobacco (underweight), Tesco and BP (both overweight); detractors were Barrick Gold, Saga (both overweight) and AstraZeneca (not held).

The table below shows the principal overweight and underweight sector positions of the MAM UK Equity Segregated Portfolio at 30 September 2018 relative to the FTSE All-Share Index, in %.



The MAM UK Income Fund started in December 2011. Its objective is to maintain an attractive yield whilst outperforming the FTSE All-Share Index over the longer term, with up to 20% of the Fund invested in overseas equities. The historic yield is 4.8%. Since inception to 30 September 2018, the Fund has returned 14.2% per annum net of fees, which is an outperformance of 4.2% per annum against its benchmark. At 30 September 2018 the Company has an allocation of £16.0m which represents 8.0% of the Company's total assets. In the year to 30 September 2018 the Fund returned 9.3% net of fees which represents an outperformance against its benchmark of 3.4%. At a sector level, the largest positive contributors to performance over the year were Oil, Media (both overweight) and Tobacco (underweight); detractors were Pharmaceuticals, Mining (both underweight) and Mobile Telecommunications (overweight). Positive stock contributors to performance over the year included Pearson, Genel Energy (both overweight) and British American Tobacco (not held); detractors were Ophir Energy, Kenmare Resources and Centrica (all overweight).

The table below shows the principal overweight and underweight sector positions of the MAM UK Income Fund at 30 September 2018 relative to the FTSE All-Share Index, in %.



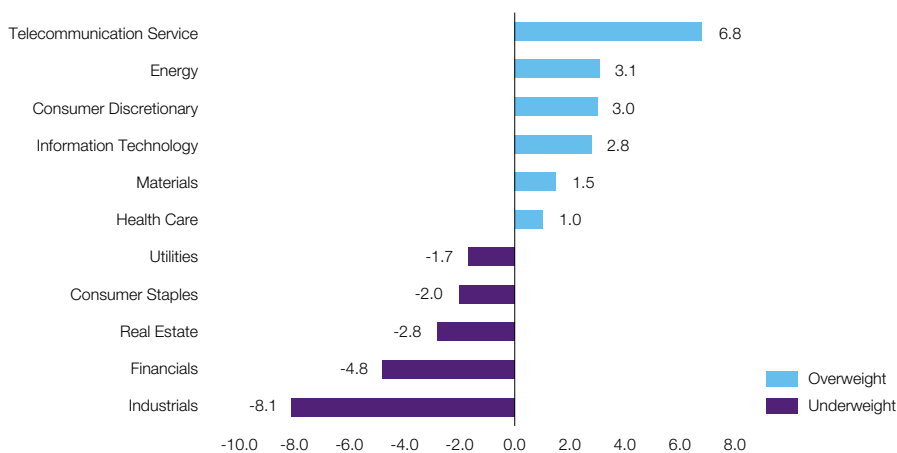
Strategic Report

Chief Executive's Report

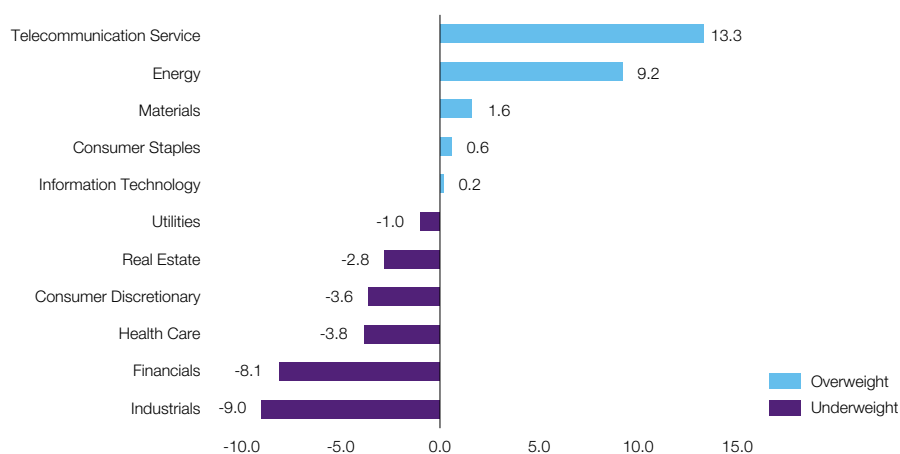
The MAM Global Equity and MAM Global Focus Funds were launched in June 2014. Their objectives are to provide a total return in excess of the MSCI All Country World Index over the long term through investment in a diversified portfolio (MAM Global Equity Fund) or concentrated portfolio (MAM Global Focus Fund) of global equities including emerging markets. Since inception the funds have returned 14.1% and 13.5% per annum net of fees for the sterling share classes which represents an outperformance 0.2% per annum for the MAM Global Equity Fund and an underperformance of 0.4% per annum for the MAM Global Focus Fund against their benchmark, the MSCI All Country World Index. At 30 September 2018, the Company has allocations of £22.5m and £7.9m respectively to the MAM Global Equity Fund and MAM Global Focus Fund, representing 11.3% and 4.0% of total assets. In the year to 30 September 2018, the funds returned 12.1% and 11.4% net of fees respectively, which represents an underperformance of 0.8% and 1.5% respectively. At a sector level, the largest positive contributors to performance over the year for MAM Global Equity Fund were Consumer Staples (underweight), Oil and Healthcare (both overweight); detractors were Information Technology, Consumer Discretionary (both overweight) and Industrials (underweight). Positive stock contributors to MAM Global Equity Fund performance over the year were Tullow Oil, Kering and Mosaic (all overweight); detractors were KPN, Sohu.com and Barrick Gold (all overweight).

For the MAM Global Focus Fund, the largest positive contributors to performance at a sector level were Consumer Staples, Oil (both overweight) and Financials (underweight); detractors were Information Technology (overweight), Consumer Discretionary and Industrials (both underweight). Positive stock contributors to MAM Global Focus Fund performance over the year were Softbank, Royal Dutch Shell and Kao (all overweight); detractors were Apple, Microsoft (both not held) and Amazon.com (underweight).

The table below shows the principal overweight and underweight sector positions of the MAM Global Equity Fund at 30 September 2018 relative to the MSCI All Country World Index, in %.

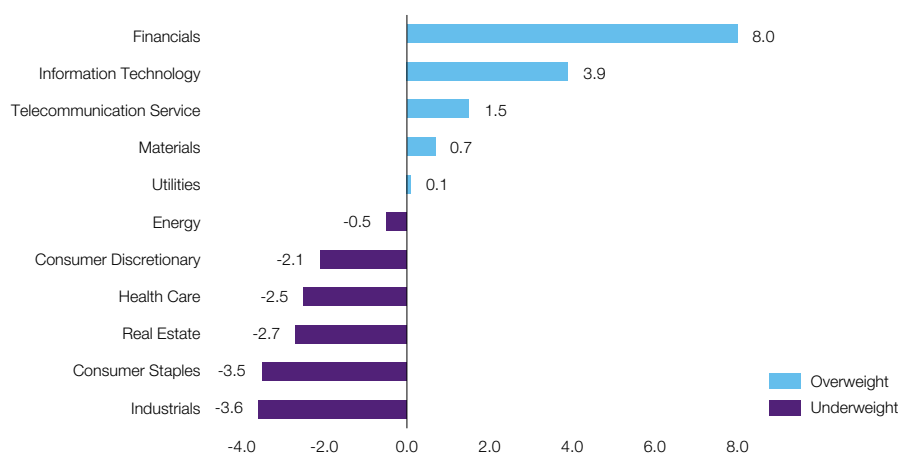


The table below shows the principal overweight and underweight sector positions of the MAM Global Focus Fund at 30 September 2018 relative to the MSCI All Country World Index, in %.



The MAM US Equity Fund was launched in June 2014. Since inception to 30 September 2018 the Fund has returned 16.2% per annum net of fees for the sterling share class. This represents an underperformance of 2.3% per annum against its benchmark S&P 500 Index. At 30 September 2018 the Company had an allocation of £8.7m, which represents 4.4% of total assets, and in the year the Fund returned 15.1% net of fees which represents an underperformance of 5.5%. At a sector level, the largest positive contributors to performance over the year for MAM US Equity Fund were Industrials, Consumer Staples (both underweight) and Telecoms (overweight); detractors were Information Technology, Financials and Consumer Discretionary (all overweight). Positive stock contributors to performance over the year were Anthem, TJX (both overweight) and General Electric (not held); detractors were Amazon.com, Apple (both underweight) and Barrick Gold (overweight).

The table below shows the principal overweight and underweight sector positions of the MAM US Equity Fund at 30 September 2018 relative to the S&P 500 Index, in %.

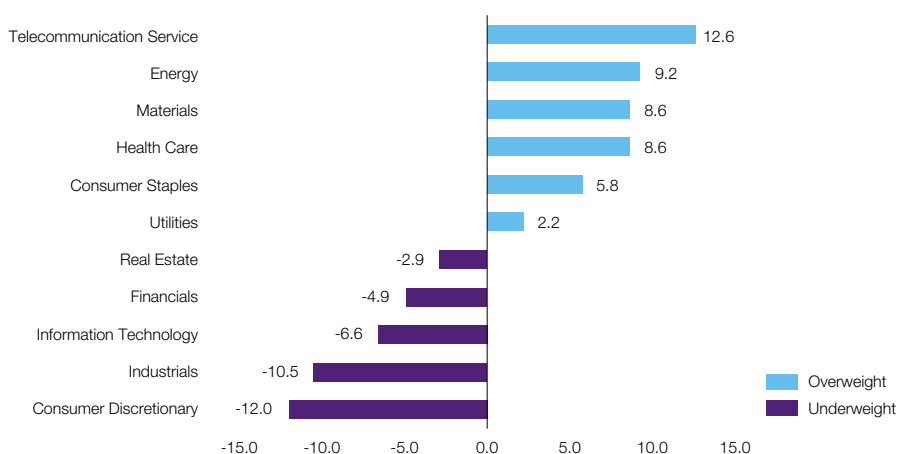


Strategic Report

Chief Executive's Report

The MAM Tortoise Fund is a global equity absolute return fund which started in August 2007. Its objective is to achieve positive absolute returns in all market conditions, through investment primarily in long and synthetic short positions in equities over rolling three year periods, with less volatility than a conventional long only equity fund. Since inception to 30 September 2018, the Fund has returned 6.7% per annum net of fees. At 30 September 2018, the Company has an allocation of £26.5m, which represents 13.3% of total assets. The Fund returned -6.6% net of fees in the year to 30 September 2018. At a sector level the largest positive contributors to performance were Consumer Staples, Energy and Healthcare (all long); detractors were Industrials, Consumer Discretionary (both short) and Materials (long). Positive stock contributors to performance over the year were Tesco, J Sainsbury and Mosaic (all longs); detractors were Gold Fields, Telecom Italia and Barrick Gold (all longs).

The table below shows the principal net long and short sector positions (on a net basis) of the MAM Tortoise Fund at 30 September 2018, in %.



Majedie Asset Management

The Company retains its holding in MAM. The percentage holding has increased from 16.8% to 17.1% following a small buyback of stock, for cancellation, by MAM from other shareholders in January 2018. The Company has no current intention to sell any shares in MAM other than the obligation, if required, to sell shares in proportion to other founder shareholders to the MAM Employee Benefit Trust, up to a maximum of 1% per annum. The value of the Company's holding in MAM was increased at the 31 March 2018 interim accounts date to £59.8m, including the value of the £1.1m interim dividend which the Company received from MAM subsequently. The Board has retained the value of its holding in MAM at £58.7m, which represents 29.5% of total assets. The valuation is based on a formula which has been used in prior years and reflects three year historic average earnings and cash held on the balance sheet. However, in light of recent market conditions, and prevailing valuations of listed fund managers, the Board has felt it appropriate not to increase the value of its holding in MAM; the retained valuation represents a discount to the formulaic valuation of £4.1m. MAM's assets under management declined over the year from £14.6bn to £14.1bn which reflects stock market movements and a net outflow of funds; inflows into the Global equity funds were more than offset by liability-driven outflows from institutional UK equity clients.

The Directors of MAM have considered the potential implications of Brexit and identified and prepared the appropriate actions as may be required.

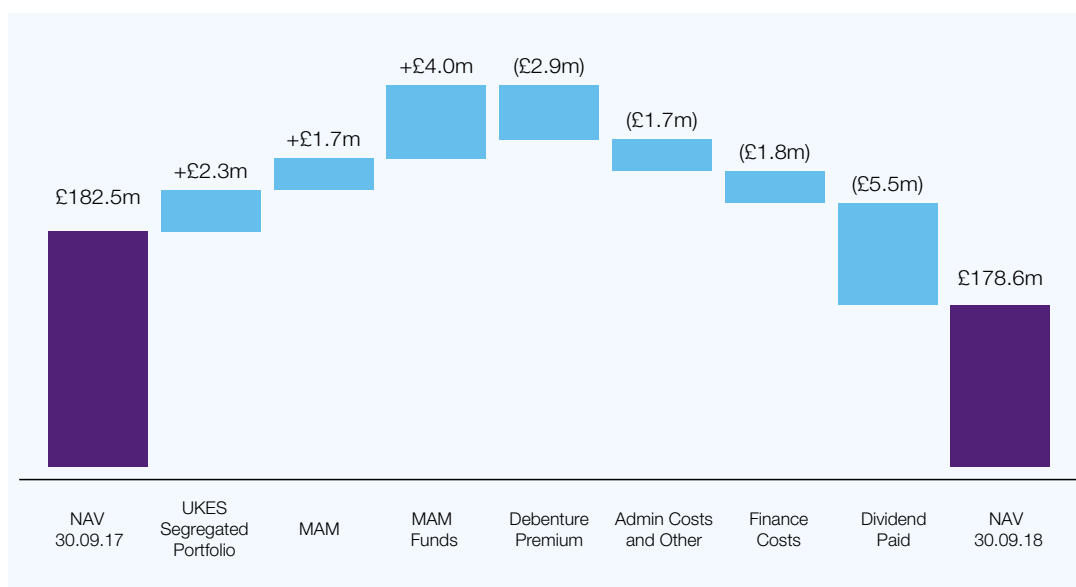
Summary

The Company redeemed the 9.5% 2020 Debenture in December 2017 in order to reduce its gearing as markets were at all time highs. The cost of early repayment was £2.9m with debt valued at par or £0.9m with debt valued at fair value, and the Company's gearing has reduced to 10.0% at 30 September 2018.

Against a background of rising political concerns notably Brexit in the UK, but also in the US and Europe and rising economic concerns as Quantitative Easing turns to Quantitative Tightening, interest rate rises due to inflationary concerns, early signs of leading economic indicators rolling over and the Chinese economy slowing; the Company's positioning has been defensive throughout the year. In retrospect this was too early but the recent market turbulence suggests the defensive positioning will be more appropriate in the current year.

Development of Net Asset Value

The chart below outlines the change in the Company's Net Asset Value (debt at par) over the year ended 30 September 2018. In aggregate, the NAV has decreased by £3.9m, comprised of investment gains of £8.0m being offset by expenses and interest of £3.5m, the premium paid on the redemption of the March 2020 debenture of £2.9m and dividends paid to shareholders of £5.5m.



Strategic Report

Chief Executive's Report

Allocation of Total Assets as at 30 September 2018

| | Value £000 | % of Total Assets |
|------------------------------------|----------------|----------------------|
| MAM UK Equity Segregated Portfolio | 58,304 | 29.3 |
| MAM UK Income Fund | 15,973 | 8.0 |
| MAM Global Equity Fund | 22,524 | 11.3 |
| MAM Global Focus Fund | 7,912 | 4.0 |
| MAM US Equity Fund | 8,716 | 4.4 |
| MAM Tortoise Fund | 26,479 | 13.3 |
| MAM | 58,673 | 29.5 |
| Net cash/Realisation fund * | 570 | 0.2 |
| | 199,151 | 100.0 |

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

MAM Fund Performance

| | 12 months to 30 September | | | Since MI invested (% annualised) | | |
|------------------------------------|---------------------------|--------------------|------------------------|----------------------------------|--------------------|------------------------|
| | % Fund return | % Benchmark return | % Relative performance | % Fund return | % Benchmark return | % Relative performance |
| MAM UK Equity Segregated Portfolio | 3.0 | 5.9 | -2.9 | 5.7 | 6.5 | -0.8 |
| MAM UK Income Fund | 9.3 | 5.9 | 3.4 | 8.4 | 7.3 | 1.1 |
| MAM Global Equity Fund | 12.1 | 12.9 | -0.8 | 14.1 | 13.9 | 0.2 |
| MAM Global Focus Fund | 11.4 | 12.9 | -1.5 | 13.5 | 13.9 | -0.4 |
| MAM US Equity Fund | 15.1 | 20.6 | -5.5 | 16.2 | 18.5 | -2.3 |
| MAM Tortoise Fund | -6.6 | | | -0.8 | | |

Notes:

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

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

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

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

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

William Barlow

CEO

4 December 2018

Strategic Report

Fund Analysis

at 30 September 2018

Fund Analysis

For this year we have amended the fund analysis and twenty largest investment holdings information. In order to aid shareholder understanding of the Company's investment portfolio both cases have been completed on a look through basis into the MAM funds themselves. This includes the MAM Tortoise Fund, which invests through CFDs, on a net exposure basis. As the MAM Tortoise Fund is an absolute return fund, the percentages do not sum to 100%.

The sector and geographic fund analysis excludes the Company's investment in MAM, however the top twenty investment holdings are on the Company's total assets.

Geographic and Sector Analysis at 30 September 2018

| | Europe ex UK % | UK % | Emerging Markets % | Asia Pacific % | North America % | Cash % | Total % |
|--------------------|----------------------|-------------|--------------------------|-------------------|-----------------------|-------------|------------|
| Basic Materials | 0.0 | 3.2 | 1.0 | 0.0 | 3.2 | | 7.4 |
| Consumer Goods | 0.0 | 0.4 | 0.2 | 0.8 | 0.6 | | 2.0 |
| Consumer Services | 0.7 | 13.3 | 1.1 | 0.3 | 1.1 | | 16.5 |
| Financials | 0.0 | 8.1 | 0.3 | (0.2) | 2.1 | | 10.3 |
| Health Care | 2.8 | 3.1 | 0.0 | 0.0 | 2.4 | | 8.3 |
| Industrials | 0.0 | 4.7 | 0.2 | 0.0 | (0.6) | | 4.3 |
| Oil & Gas | 0.3 | 12.2 | 0.0 | 0.0 | 2.8 | | 15.3 |
| Technology | 0.0 | 0.8 | 1.2 | 0.0 | 2.6 | | 4.6 |
| Telecommunications | 4.8 | 2.5 | 0.0 | 0.9 | 0.5 | | 8.7 |
| Utilities | 0.0 | 2.4 | 0.0 | 0.0 | 0.5 | | 2.9 |
| Cash | | | | | | 6.1 | 6.1 |
| Fixed Income | | | | | | 4.7 | 4.7 |
| | 8.6 | 50.7 | 4.0 | 1.8 | 15.2 | 10.8 | |

Notes:

The assets analysed above are the net exposure of the MAM UK Equity Segregated Portfolio, MAM UK Income Fund, MAM Global Equity Fund, MAM Global Focus Fund, the MAM US Equity Fund and MAM Tortoise Fund. The MAM Tortoise Fund, as an absolute return fund, invests through CFDs and the net exposure of the fund is shown in the table. The aggregate of the funds represents a total of 70.3% of the Company's total assets. In previous years the MAM Tortoise Fund was not disclosed.

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

Strategic Report

Twenty Largest Portfolio Holdings

at 30 September 2018

| Company | Fair Value £000 | % of Total Assets |
|----------------------------------|--------------------|----------------------|
| Majedie Asset Management Limited | 58,673 | 29.5 |
| Royal Dutch Shell Plc | 7,504 | 3.8 |
| BP p.l.c. | 6,160 | 3.1 |
| Tesco PLC | 5,032 | 2.5 |
| GlaxoSmithKline plc | 3,651 | 1.8 |
| Orange SA | 3,321 | 1.7 |
| Centrica plc | 3,072 | 1.5 |
| Wm Morrison Supermarkets PLC | 2,726 | 1.4 |
| HSBC Holdings plc | 2,421 | 1.2 |
| Pearson PLC | 2,172 | 1.1 |
| Barrick Gold Corporation | 2,003 | 1.0 |
| Tullow Oil plc | 2,002 | 1.0 |
| Royal KPN NV | 1,994 | 1.0 |
| J Sainsbury plc | 1,937 | 1.0 |
| Legal & General Group Plc | 1,893 | 1.0 |
| Vodafone Group Plc | 1,829 | 0.9 |
| Novartis AG | 1,797 | 0.9 |
| Aviva plc | 1,628 | 0.8 |
| BT Group plc | 1,585 | 0.8 |
| Mosaic Company | 1,465 | 0.7 |
| Total | 112,865 | 56.7 |

Notes:

The assets analysed above show the Company's largest twenty holdings on a look through basis across all assets. This differs from previous years disclosure which showed the largest twenty holdings in the MAM UK Equity Segregated Portfolio.

Strategic Report

Business Review

Introduction and Strategy

Majedie Investments PLC (the Company) is a listed investment trust company and an Alternative Investment Fund (AIF), which invests in companies around the world. The investment objective is to maximise total shareholder return, whilst increasing dividends by more than the rate of inflation over the long term. In seeking to achieve this objective, the Board has determined an investment policy and related guidelines or limits. The investment objective and policy (as detailed on pages 15 to 16) were both last approved by shareholders at a General Meeting of the Company on 27 February 2014.

The Company is subject to the Alternative Investment Fund Managers Directive (AIFMD). The AIFMD regulates the Alternative Investment Fund Managers (AIFMs) of AIFs. The Company's status under the AIFMD is that it is a self-managed AIF (meaning that it is an AIFM as well as an AIF). This requires the Company to be authorised and regulated by the Financial Conduct Authority (FCA). The AIFMD also requires the appointment of a depositary and the Company has appointed The Bank of New York Mellon (International) Limited to be its depositary. Further details concerning the Company's regulatory environment are set out below.

The Company's broker is J.P. Morgan Cazenove, and the Company is a member of the AIC (the trade body for closed-ended investment companies).

The purpose of the Strategic Report 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

The Company has been streamlining its operations in recent times, resulting in the removal of all other group entities and as such this Annual Report is in respect of the Company only.

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 24 to 26 of the Annual Report, but the Board, as AIFM, and in accordance with the Company's investment objective and policy, directs and monitors the overall performance, operations and direction of the Company). The Company undertakes all administration operations itself under the Company's business model.

The Company's Employee, Social, Environmental, Ethical and Human Rights policy is contained in the Directors' Report on page 24.

Investment Objective

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

Investment Policy

- **General**

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

- **Risk Diversification**

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

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

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

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

- **Investment restrictions**

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

- the Company will, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
- the Company will not conduct any trading activity which is significant in the context of the Company (or, if applicable, its Group as a whole); and

- not more than 10% in aggregate of the value of the gross assets of the Company at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List (except to the extent that those funds have published investment policies to invest no more than 15% of their gross assets in other investment companies which are listed on the Official List). However, no more than 15% of the gross assets of the Company at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List.

- **Asset Allocation**

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

- **Benchmark**

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

- **Gearing**

The Company uses gearing currently via 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, IFRS, the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules, taxation law and the Company's own Articles of Association. The Directors are charged with ensuring that the Company complies with its objectives as well as these regulations.

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

As outlined previously the Company is subject to the AIFMD. 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.

The financial statements report on profits, the changes in equity, the balance sheet position and the cash flows in the current and prior financial period. This is in compliance with current IFRS as adopted by the EU, supplemented by the Statement of Recommended Practice for Investment Trust Companies and Venture Capital Trusts (SORP) issued in January 2017. The principal accounting policies of the Company are set out in note 1 to the accounts on pages 57 to 59.

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. Further details are under the Dividend Growth section on page 18. The Company has a comparatively high level of revenue reserves for the investment trust sector. At £25.8m, the revenue reserves represent over four times the current annual dividend distribution. The strength of these reserves will assist in underpinning the Company's progressive dividend policy in years when the income from investments is insufficient to completely cover the annual distribution.

Performance Management

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

- **NAV and Total Shareholder Return:**

The Board believes that NAV return is fundamental to delivering value over the long-term and is a key determinant of shareholder return. The Board further believes that, in accordance with the Company's objective, the total return basis (which includes dividends paid out to shareholders) is the best measure of how to 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 in the Year's Summary on page 2.

- **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 provides further detail on each investment group's performance for the year.

- **Share price premium/discount:**

As a closed-ended listed investment company, the share price of the Company can and does differ from that of the NAV. This can give rise to either a premium or discount and as such is another component of Total Shareholder Return. During the year the discount has moved within a range ending the year at a lower value to that at the start of the year (with the NAV with debt at par), resulting in the Company's share price gain outperforming the gain in the Company's NAV (with debt at par).

The Board continually monitors the Company's premium or discount, and does have the ability to buy back shares if thought appropriate, although it must be noted that this ability is limited by the majority shareholding held by members of the

Barlow family. Additionally the Board has approval (and is seeking to renew such approval for another year) to issue new shares, at a premium to the relevant NAV (with debt at fair value), in order to meet any natural market demand. Details of movements in the Company's share price discount or premium over the year are shown in the Year's Summary on page 2.

- **Expenses:**

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

- **Dividend Growth:**

Dividends paid to shareholders are an important component of Total Shareholder Return and this has been included in the Company's investment objective. The Board is aware of the importance of this objective to the Company's shareholders but wishes to be prudent and is of the view that a sustainable and progressive dividend policy, paying dividends out of current year income and not reserves is appropriate.

The Board receives detailed management accounts and forecasts which show the actual and forecast financial outturns for the Company. For the 4 years to 30 September 2018, which is for the period after the rebasing of the dividend in 2014, average dividend growth has been 10.1% per annum, which is well ahead of inflation.

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 22 to the accounts.

- i. **Investment Risk:**

The Company has a range of equity investments, including a substantial investment in an unlisted asset management business, UK and global equities (both on a direct basis (via the MAM UK Equity Segregated Portfolio (UKES)) and via collective investment vehicles (the MAM Funds), and an investment in an absolute return fund, the MAM Tortoise Fund. The major risk for the Company remains investment risk, primarily market risk; however it is recognised that the investment in MAM continues to represent concentration risk for the Company. Additionally rising political concerns, notably Brexit in the UK, but also in the US, Europe and China, provide another element to the investment risk faced by the Company.

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

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

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

Other risks faced by the Company include the following:

ii. Strategy Risk:

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

The Board regularly reviews strategy in relation to a range of issues including investment 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 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 section 1158 of the Corporation Tax Act 2010.

v. Operational Risk:

Inadequate financial controls, failure by an outsourced supplier to perform to the required standard, or dependency on a small number of individuals could result in misappropriation of assets, loss of income and 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. In addition, the Company's Depositary provides an additional level of oversight over the Company's operations.

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

Lastly, given the nature of the Company's operations, the Board believes that Brexit is likely to have a minimal impact on the operational risks facing the Company.

On behalf of the Board

Andrew Adcock

Andrew J Adcock
Chairman

4 December 2018

Board of Directors

This page forms part of the Directors' 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 BMO Global Smaller Companies PLC. In July 2015, he was appointed as Chairman of JP Morgan European Investment Trust plc and was appointed as Chairman of VPC Specialty Lending Investments PLC in February 2015. He is also the Chairman of Panmure Gordon & Co. Ltd. He is also a non-executive director of Foxtons Group plc. He is Chairman of the Samuel Courtauld Trust and a Director of The Courtauld Institute of Art.

He was Vice Chairman of 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

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 joined Skandia Asset Management Limited as an equity portfolio manager in 1991. He was Managing Director of DnB Asset Management (UK) Limited having been appointed in 2002. Mr Barlow was appointed a director of the Company in July 1999 as a non-executive director and was made an executive director in June 2011. He is a non-executive director of Majedie Asset Management Limited. He is also a Trustee of Racing Welfare and a non-executive director of Strategic Equity Capital PLC.

Paul D Gadd*

Mr Gadd was appointed a director of the Company on 1 October 2009. He was a solicitor and had 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 Senior Advisor to Kleinwort Hambros, Chairman of Alder Investment Management, and is also a Non-Executive Director of MM&K Limited, Ecclesiastical Insurance Office Plc and EdenTree Investment Management, a subsidiary of Ecclesiastical Insurance Group. 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 RSM. He was appointed a director of the Company on 22 September 2011 and 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 2018.

Introduction

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

Principal Activity and Status

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

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

Results and Dividend

The net revenue return before taxation arising from operations amounted to £6,680,000 (2017: net revenue return of £5,964,000).

The Directors recommend a final ordinary dividend of 7.00p per ordinary share, payable on 23 January 2019 to shareholders on the register at the close of business on 11 January 2019. Together with the interim dividend of 4.00p per share paid on 22 June 2018, this makes a total distribution of 11.00p per share in respect of the financial year (2017: 9.75p per share).

Risk Management and Objectives

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

Directors

The Directors in office at the date of this report are listed on page 20 of the Company's Annual Report and Accounts.

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

The Company's Articles of Association require that at every AGM any Director who has not retired from office at the preceding two AGMs and who was not appointed by the Company in general meeting at either such meeting shall retire from the office and be eligible for re-election or election respectively, by the Company. However, the Board have agreed that it is good practice that all Directors be re-elected annually. As such Messrs. AJ Adcock, PD Gadd and RDC Henderson will retire at the forthcoming AGM and, being eligible, will offer themselves for re-election.

The Board is aware of the new requirements regarding tenure in the UK Corporate Governance Code and have initiated a search for a new non-executive director to replace Mr PD Gadd, who has served on the Board for over nine years. Once the appointment has been finalised, it is intended that Mr PD Gadd will resign. The Board wishes to thank him for his sound and helpful advice over that time.

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

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

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

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 2018 | 1 October 2017 |
|------------------|----------------------|-------------------|
| Mr AJ Adcock | 50,000 | 50,000 |
| Mr JWM Barlow | 692,083 | 692,083 |
| Mr PD Gadd | 56,092 | 54,224 |
| Mr RDC Henderson | 24,700 | 24,700 |

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

| | 30 September 2018 | 1 October 2017 |
|---------------|----------------------|-------------------|
| Mr JWM Barlow | 2,828,251 | 2,828,251 |

On 5 June 2008, Mr Barlow became the trustee of 282,859 shares held in trust on behalf of his children. These shares were incorrectly included in his beneficial shareholding total and should have been included in his non-beneficial shareholding total. Following this amendment, made on 23 November 2018, Mr Barlow holds 409,224 shares beneficially, and 3,111,110 shares non-beneficially.

Substantial Shareholdings

At 30 September 2018, the Company has been notified of the following substantial holdings in shares carrying voting rights:

| | | |
|------------------------------|------------|--------|
| Mr HS Barlow | 15,017,619 | 28.10% |
| Aviva plc | 6,941,341 | 12.99% |
| Mr JWM Barlow Non-beneficial | 2,828,251 | 5.32% |
| Miss AE Barlow | 2,029,148 | 3.80% |
| Mr MHD Barlow | 1,776,241 | 3.32% |
| Oakwood Nominees Limited | 1,631,602 | 3.05% |

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

As reported, Mr Barlow became the trustee of 282,859 shares held in trust on behalf of his children. These shares were incorrectly included in his beneficial shareholding total and should have been included in his non-beneficial shareholding total. The Company's records were updated accordingly, after 30 September 2018, to reflect the correct position. Following this amendment, at the date of this report, Mr Barlow holds 3,111,110 shares non-beneficially, which equates to 5.82% of the Company's issued share capital.

AGM

The AGM will be held at City of London Club, 19 Old Broad Street, London EC2N 1DS on Wednesday, 16 January 2019 at 12 noon. The notice convening the AGM is available on the Company's website.

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

The Board is of the view that an increase of the Company's stock in issue provides benefits to shareholders including a dilution of the Company's gearing and cost of its debentures, a reduction in the Company's administrative expenses on a per share basis and increased liquidity in the Company's shares. As such the Board sought and received approval, at the AGM on 17 January 2018, to allot new shares for cash, and without first offering them to existing shareholders in proportion to their holdings, up to a maximum of 5,338,556 shares (being approximately 9.99% of the Company's existing share capital at that time). These two existing authorities will expire at the 2019 AGM.

During the year no shares have been allotted (2017: Nil).

The Board continues to be prepared to issue new shares in order to meet natural market demand subject to the restriction that any new shares will be issued at a premium, and as such shareholder approval is sought at the AGM to renew the authority to issue new shares, without first offering them to existing shareholders in proportion to their holdings, up to a maximum of 5,338,556 shares (being approximately 9.99% of the Company's existing share capital). The renewed authority will expire at the 2020 AGM.

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

Since 1 October 2017, and up to the date of this report, the Company has made no buybacks for cancellation of its ordinary shares. At the AGM in 2018 the Directors were given power to buy back 8,010,506 ordinary shares (being 14.99% of the Company's existing share capital). Since the AGM the Directors have not bought any shares under this authority. This authority will also expire at the 2019 AGM.

In order to provide maximum flexibility, the Directors consider it appropriate that the Company be authorised to make such purchases and accordingly shareholder approval is sought at the AGM to renew the authority of the Company to exercise the power contained in its Articles of Association to make buybacks of its own shares. The maximum number of shares which may be purchased shall be 8,010,506 ordinary shares (being approximately 14.99% of the Company's issued share capital). Any shares so purchased will be cancelled or held in treasury. The restrictions on such purchases (including minimum and maximum prices) are outlined in the Notice of Meeting. The authority will be used where the Directors consider it to be in the best interests of the shareholders and will expire at the 2020 AGM.

Capital Structure

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

At 30 September 2018, the Company had a nominal issued share capital of £5,343,900, comprising 53,439,000 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 Company holds no shares in Treasury.

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

Given the gearing held by the Company and the state of world equity markets it was decided that it would be beneficial to reduce the previous gearing level of the Company. As such on 6 December 2017 the Company redeemed the entire outstanding holdings, being £13.5m nominal, of the March 2020 9.50% debentures. Further details are in the Chief Executive's Report on page 11 and the Chairman's Statement on page 4, and in note 8 to the Accounts.

The limits on the ability to borrow are described in the investment policy on page 16. The Board is responsible for managing the overall gearing of the Company. Details of gearing levels are contained in the Year's Summary on page 2, and in note 22 to the Accounts.

There are: no restrictions on voting rights; no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might 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 clear days' notice should a matter require urgency. The Board will therefore, as last year, propose a resolution at the AGM to approve the reduction in the minimum notice period from 21 clear days to 14 clear days for all general meetings other than annual general meetings. The Directors do not intend to use the authority unless immediate action is required.

Future Developments

The Chairman's Statement on page 5 and the Chief Executive's Report on page 11 provide details concerning relevant future developments of the Company in the forthcoming year.

Employee, Social, Environmental, Ethical and Human Rights policy

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

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

Carbon Reporting

In accordance with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, the Company is required to report on its greenhouse gas emissions. In accordance with the regulations, the Company has determined that its organisational boundary, to which entities the regulations apply, is consistent with its accounts.

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

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

Additionally, the Company has many investments in companies around the world, either directly or through the MAM funds, however the Company does not have the ability to control the activities of these investee companies and as such has no responsibility for their emissions. Therefore, the Directors believe that the Company has no reportable emissions for the year ended 30 September 2018 (2017: nil).

Donations

The Company made no political or charitable donations during the year (2017: nil) to organisations either within or outside of the EU.

Gender Diversity

The Board are aware of the recommendations made in the Hampton-Alexander Review in respect of gender diversity in the boardroom. The Company's policy on diversity is included in the section on the Nomination Committee on page 30 of the Company's Annual Report and Accounts and this is applied when a new appointment to the Board is required. At the year end all directors of the Board were male. The composition of the Company's employees is 66.6% male and 33.3% female.

Material Contracts

• Majedie Asset Management Limited

The Board has appointed MAM as its 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 on the same basis as the MAM UK Equity Fund, with other investments being made into the various MAM Funds, as decided by the Board as part of their asset allocation requirements. Further details on the allocation of the investments managed by MAM are included in the Chief Executive's Report on pages 6 to 12.

The fees payable under the Investment Agreement are detailed below:

| Portfolio/Fund* | Management Fee [†] | Performance Fee [†] |
|------------------------------------|-----------------------------|------------------------------|
| MAM UK Equity Segregated Portfolio | 0.70% p.a. | Nil |
| MAM Tortoise Fund | 1.50% p.a. | 20% [†] |
| MAM UK Income Fund | 0.75% p.a. | Nil |
| MAM Global Equity Fund | 0–0.75% 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 Management fee for the MAM UK Equity Segregated Portfolio reduced to 0.70% from 1 July 2018.

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

† The performance fee entitlement only occurs once the 5% p.a. 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 Investment Agreement entitles either party to terminate the arrangement with six months' notice.

- **The Bank of New York Mellon (International) Limited**
The Company appointed BNY Mellon Trust & Depositary (UK) Limited to provide depositary services as required by the AIFMD and certain other associated services under the terms of a depositary agreement dated 19 June 2014. This agreement was novated to The Bank of New York Mellon (International) Limited (BNYMIL) with effect from 1 March 2018. The services provided by BNYMIL as Depositary for the Company include:
 - general oversight responsibilities over the issue and cancellation of the Company's share capital, the carrying out of net asset value calculations, the application of income, and the ex-post review of investment transactions;
 - monitoring of the Company's cash flows and ensuring that all cash is booked in appropriate accounts in the name of the Company or BNYMIL acting on behalf of the Company; and

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

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

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

- **Link Market Services Limited (Link)**

Company Secretarial services are provided by Link, following their acquisition of Capita Asset Services on 6 November 2017. Such services continue to be provided under the previous Company Secretarial Services Agreement dated 25 April 2016. The agreement mandates that Link Company Matters Limited will act as Link's nominated corporate secretary. The agreement also provides for fees to be paid quarterly and to be based on a fixed annual amount and be subject to annual RPI increases with either party to give notice to terminate the agreement with 12 months' notice.

Listing Rule Disclosure

The Company confirms that there are no items which require disclosure under Listing Rule 9.8.4R in respect of the year ended 30 September 2018.

AIFMD

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

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

- **Remuneration**

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

- **Leverage**

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 times being defined as no leverage) and as at 30 September 2018 had leverage of 1.10 times under the Gross method and 1.12 times under the Commitment method. Note 22 to the accounts provides further details.

- **Investor Pre-investment information**

The AIFMD requires that potential investors are provided with certain information. The Company provides this information on its website at www.majedieinvestments.com. This has been updated in the year reflecting various small changes, including the change in Depositary, all of which are described in this Annual 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 17 January 2018. Ernst & Young LLP have indicated their willingness to continue in office and a resolution will be proposed at the AGM to re-appoint them as Auditors.

Viability

The Directors have assessed the prospects of the Company over the five year period to September 2023. The Directors believe that this period is appropriate as the Company is a long-term investor in equity markets.

In their assessment of the viability of the Company, the Directors have considered each of the Company's principal risks and uncertainties. The Directors have also considered the Company's income and expenditure projections, the level of borrowings (leverage of 1.10 times (Gross method) and 1.12 times (Commitment method) are well below the 1.5 times limit. In addition the current borrowings of £20.5m are over 9 times covered by the current total assets) plus as the Company's investments primarily comprise readily realisable securities (equal to 70.3% of total assets as at 30 September 2018), these can be sold to meet funding requirements as necessary.

Based on the Company's processes for monitoring expenses, share price discounts or premium, the allocation in its investment portfolio to an absolute return fund, the Investment Manager's compliance with the investment restrictions and objective, concentration and liquidity risk, the current large margin of safety over the covenants on its debentures and financial controls, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period to September 2023.

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 a period of at least 12 months from the date that the financial statements were approved. 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

Link Company Matters Limited

Company Secretary
4 December 2018

Corporate Governance Statement

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

This section of the Annual Report describes how the Company, as a member of the AIC, has applied the principles of the UK Corporate Governance Code as published by the Financial Reporting Council (FRC) in April 2016, as required by the FCA. A copy of the UK Corporate Governance Code can be found at www.frc.org.uk. The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (AIC Code) by reference to the AIC Corporate Governance Guide for investment companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. A copy of the AIC Code can be found at www.theaic.co.uk.

The Board considers that reporting against the principles and recommendations of the AIC Code, by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide shareholders with full details of the Company's corporate governance compliance. The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code throughout the year ended 30 September 2018 except as set out below:

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

Internal Audit function – The Company does not have an internal audit function due to:

- its investment management, company secretarial and custody arrangements being outsourced to the parties detailed on pages 24 to 26; and
- the appointment of a depositary who undertakes various checks on the Company's activities. More details on the duties of the Depositary are detailed on page 25.

Shareholder information – The Company does not provide, although relevant information is disclosed (which has been amended and enhanced this year), a complete portfolio listing. The provision of a complete portfolio listing would be contrary to the information provided publicly by MAM. Also certain small legacy realisation holdings are no longer material.

It is important to note however, that the latest Factsheets for the relevant MAM funds are available on the Company's website. These contain a large amount of information on the performance and characteristics of those funds.

The Board has considered the FRC guidance on risk management, internal control and related financial and business reporting dated September 2014 that applies from 1 October 2014. Further details are contained on pages 33 to 36 in the Report of the Audit Committee.

The Board has also reviewed and considered the FRC's changes to the 2018 UK Corporate Governance Code and is monitoring developments on the new AIC Code. Whether any changes are required to the Company's current governance arrangements will be continually reviewed.

The Company

The Company has a long history of self management which also includes the Company being a self managed AIF under the AIFMD. In complying with the more detailed aspects of best corporate governance practice, the Board takes into account that the Company is a listed investment trust and the Barlow family, as a whole, owns approximately 53% 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 of 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. The Chairman is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role, and that all Directors receive accurate, timely and clear information. Its composition satisfies the requirements of the AIC Code and is composed of an independent Chairman, two independent non-executive Directors and Mr JWM Barlow who is the CEO.

Biographical details of the Directors are shown on page 20.

Messrs AJ Adcock, PD Gadd and RDC Henderson are considered to be independent as defined by the AIC Code as, in the opinion of the Board, each is independent in character and judgment and there are no relationships or circumstances relating to the Company that are likely to affect their judgment. The Chairman's other commitments are in his biography on page 20.

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

During the year ended 30 September 2018, the Company held six Board meetings, three Audit Committee meetings, one Management Engagement Committee meeting, one Nomination Committee meeting and one Remuneration Committee meeting. Attendance at these Board and Committee meeting is detailed below.

| | Number of meetings | | | | |
|------------------|--------------------|----------|-----------------------|--------------|------------|
| | Board | Audit | Management Engagement | Remuneration | Nomination |
| Directors | 6 | 3 | 1 | 1 | 1 |
| AJ Adcock | 5 | 2 | 1 | 1 | 1 |
| JWM Barlow | 6 | n/a | n/a | n/a | n/a |
| RDC Henderson | 6 | 3 | 1 | 1 | 1 |
| PD Gadd | 6 | 3 | 1 | 1 | 1 |

Mr AJ Adcock did not attend one Board and one Audit Committee meeting due to illness. Since the Company's financial year end the Company held two Board meetings, one Audit Committee meeting, one Management Engagement Committee meeting, one Nomination Committee meeting and one Remuneration Committee meeting.

The Board has undertaken a formal and rigorous evaluation of its own performance and of its Committees through the completion of a comprehensive questionnaire. The key finding from the evaluation process regarded succession planning, which, as mentioned above, is being addressed through the recruitment of a new non-executive director. Having discussed the results, and noting the changes being made, 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 on regulatory and governance matters, and development and training needs were discussed as part of the Board evaluation process.

- **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.

Corporate Governance Statement

Further details on the work of the Audit Committee are detailed in the Report of the Audit Committee on pages 33 to 36.

- **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. As part of this policy, gender and diversity are carefully 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 AGM and all Directors must seek re-appointment at least every three years. However, as previously advised, the Board have agreed it is good practice that all Directors be re-appointed annually. The Articles of Association can be amended by shareholders at a General Meeting.

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

Non-executive Directors are appointed for a term of three years, subject to earlier termination, including provision for early termination by either party on one month's notice. The terms and conditions for all non-executive Directors' appointments are set out in letters of appointment, which are available for inspection at the Company's registered office and will be available 15 minutes before the start of and during the Company's AGM. The letters of appointment set out the time commitment expected of non-executive Directors who, on appointment, undertake that they will have sufficient time to meet their requirements. The Board does not have a formal policy on tenure which would require Directors to stand down after a fixed period. In common with many investment trusts, it considers that length of service and experience can be valuable to its deliberations.

Details of the CEO's employment contract can be found in the Report on Directors' Remuneration on page 37.

The Nomination Committee met on 18 October 2018 to consider the re-appointment of Directors at the Company's AGM and the appointment of a new non-executive director.

In respect of the other Directors, 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 all Directors.

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

- **The Remuneration Committee comprises:** Mr PD Gadd (Chairman) and all of the non-executive Directors. Mr JWM Barlow is invited to attend and participate as appropriate. Further details on the work of the Remuneration Committee are included in the Report on Directors' Remuneration on pages 37 to 40.

- **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 once on 18 October 2018 and recommended that MAM be retained as Investment Manager. In determining their recommendation, the MEC concluded that MAM have an excellent long-term track record and offer a broad range of products to meet the Company's investment policy.

Following the recommendation from the MEC, the Board has concluded that it is in the best interests of shareholders that MAM should continue to be the 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, including custodial services, company secretarial services, share administration and registration services.

The MEC annually reviews their performance and their contracts.

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

Conflicts of Interest

The Directors have declared any conflicts or potential conflict of interest to the Board 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

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

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

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

Corporate Governance Statement

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

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

MAM 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 risk management and internal control relating to the Company and for reviewing the effectiveness of those systems. An ongoing process is in existence to identify, evaluate and manage risks faced by the Company. This included the introduction of the AIFMD and the in-sourcing of the fund administration activities, 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 Company's operations. Additionally, the Depositary provides an additional check over the Company's operations as required by the AIFMD.

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

A review of internal control and risk management systems 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. In arriving at its judgement of the nature of the risks facing the Company, the Board or the Audit Committee have considered the Company's operations in the light of the following factors:

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

Further details relating to risk management, risk assessments and internal controls are contained in the Report of the Audit Committee on pages 33 to 36.

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

By Order of the Board

Link Company Matters Limited
Company Secretary
4 December 2018

Report of the Audit Committee

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

During the year ended 30 September 2018 the Audit Committee was comprised of 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, Link Company Matters Limited (trading as Company Matters), acts as Secretary to the Committee and its terms of reference are available on request or may be obtained from the Company's website.

Responsibilities

The Committee's responsibilities include:

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

In respect of the year under review the Committee met three times, in November 2017 and May and July 2018. Since the year end it has also met in November 2018. The purpose of the meetings was to review the Company's Half-Yearly Financial Report and Annual Report respectively, to review the internal control environments of outsourced service providers and to oversee the relationship with the Auditor (which includes recommendations on fees, approval of their terms of engagement and assessing their independence and effectiveness).

Significant issues related to the Financial Statements

In respect of the year ended 30 September 2018, and following a robust assessment of the risks facing the Company, the Committee considered the following issues to be significant to the financial statements:

Valuation of Investments

The Company is a global equity investment trust which invests in many companies around the world, the majority of which are quoted and traded on a recognised stock exchange. These investments are made directly via the MAM UK Equity Segregated Portfolio or in Funds managed by MAM. However, some of the Company's investments are held in companies that are not quoted or traded on a recognised stock exchange and for which price discovery requires careful analysis and judgement. Although these are small in number (and also usually by value, see note 13 on page 67) they do include the investment in MAM and, as such, are collectively significant to the determination of the Company's net asset value.

Investments in quoted companies are valued using prices from a third party pricing source. These prices are reviewed against other third party sources and additionally those that exceed a pre-determined movement threshold, or do not change, are subject to further verification.

Investments made in the various MAM funds are priced using prices published by the relevant fund administrator (MAM use the Bank of New York Mellon).

For unquoted investments, the CEO provides detailed valuation papers and analyses and recommends a fair value for the relevant investment to the Committee, using the Company's policy as set out in note 1 to the Accounts on pages 57 to 59. The unquoted investment papers are reviewed by the Committee, who challenge assumptions, methodologies and inputs used. They are also subject to review by the Auditors.

The fair value of MAM is usually assessed twice a year by the Directors and is approved by the Board on the recommendation of the Audit Committee. The valuation is based on a formula which has been used in prior years and reflects three year historic average earnings and cash held on the balance sheet. However, in light of recent market conditions, and prevailing valuations of listed fund managers, the Committee has felt it appropriate not to increase the value of the holding in MAM; the retained valuation represents a discount to the formulaic valuation of £4.1m. A 5% increase/decrease in MAM's earnings would result in an increase/decrease of 4.1% in the carrying value of MAM.

Report of the Audit Committee

Ownership of Investments

The Company's investments are held in safe custody by BNYMIL as Depositary. BNYMIL acts as global custodian and may delegate safekeeping of the assets of the Company to one or more global sub-custodians (such delegation may include the powers of sub-delegation). BNYMIL has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and The Bank of New York Mellon. The Committee receives regular reports on BNYMIL's internal controls.

Income Recognition

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

The Committee receives regular detailed management accounts during the year and also reviews and approves the Company's forecast for the year.

Additionally, Mr JWM Barlow is a non-executive director of MAM which provides a significant level of assurance over MAM dividend receipts.

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

External Audit

The Company's external auditor is Ernst & Young LLP, who were initially appointed on 18 January 2008, replacing Deloitte & Touche LLP following an open tender process. In accordance with the EU Audit Directive and Regulation, the Company completed a competitive tender process, as reported in the 2017 Annual Report.

Following the tender the Committee recommended to the Board at its November 2017 meeting that Ernst & Young LLP be re-appointed as auditor. Legislation allows for a further period of up to ten years at which time a mandatory rotation is required.

As such, the notice of the 2019 Annual General Meeting on page 83 includes a resolution, to be approved by shareholders, that Ernst & Young LLP be re-appointed as Auditor.

The current audit partner, Mrs S Williams, has been the engagement partner since the 2014 financial year. She will be replaced by Mr A Coups in the 2019 financial year in accordance with Auditing Practices Board requirements.

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

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

| Factor | Assessment |
|--------------------|--|
| The Audit Partner | Extent to which the partner demonstrates a strong understanding of the business and industry and the challenges that the Company faces. Additionally is committed to audit quality, whose opinion is valued and sought after. |
| The Audit Team | Extent to which the audit team understand the business and industry, are properly resourced and experienced. |
| The Audit approach | The Audit approach is discussed with management and targets the significant issues early (and any new requirements as a result of new regulations etc), is communicated properly, is appropriate for the Company's business and industry and includes an appropriate level of materiality. |

| Factor | Assessment |
|---|--|
| The role of management | Information provided by management is timely and correct with proper work papers. Accounting systems and internal controls work properly to enable proper information and an audit trail to be provided. |
| The communications and formal reporting by the Auditor | Management and the Committee kept appropriately informed as the audit progresses – a no surprises basis is adopted. The formal report is appropriate and contains all the relevant material matters. |
| The support, insights and added value provided to the Committee | Guidance given to the Committee for best practice with provision of updates and or briefings or training between Committee meetings. |
| The independence and objectivity of the Auditor | Complies with the FRC ethical standards and has the required degree of objectivity. |

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

As a result of its review, the Committee is satisfied that, in respect of the year ended 30 September 2018, the external audit process is effective and it recommends the appointment of Ernst & Young LLP as Auditors at the forthcoming AGM.

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 Company's interest for the external auditor to provide such services. In the year under review, the auditor provided a review of the Company's debenture covenant reporting (to the trustee for the debenture holders), which is 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 Company 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 including those from the Company's Depositary. The Committee also receives control reports from its key third party outsourced service providers on the effectiveness of their own internal control systems and procedures. Any particular issues identified are documented and followed up by the Committee or the Board in following meetings.

The Company does not have an internal audit function as required under 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, Company Secretarial functions by Link Company Matters Limited and Depositary Services by BNYMIL (with custody being delegated to The Bank of New York Mellon SA/NV and The Bank of New York).

Report of the Audit Committee

For the year ended 30 September 2018 the Company's risk management and internal controls were subject to review by the Committee which includes internal controls in place to support the Company's fund administration activities. The Committee noted that the Company's Depositary also reviews these activities as part of its oversight duties. Additionally, Mr JWM Barlow is a non-executive director of MAM and chairman of their Audit & Risk Committee. In this capacity he receives detailed reports on MAM's internal control environment. Lastly, the Committee noted the audit approach undertaken and the additional work performed by the auditor in the course of the year end audit. These, together with the Committee's own review, meant that the Committee considers that the Company's risk management and internal controls have been, and are, adequate and effective.

Risk Assessment

The Audit Committee considered the revisions to the AIC Code which require a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks facing the Company and how they are being managed are detailed on pages 18 to 19 in the Business Review section of the Strategic Report. The Committee robustly reviews these risks and mitigating controls in its meetings in May and November (and additionally the Board, at each meeting, reviews a Key Risks Summary which outlines the key risks, and changes thereto).

Compliance, Whistleblowing and Fraud

The Company continues to use an outsourced service provider model, in common with other investment trusts. As such the Committee and the Board primarily receive reports regarding the compliance function of the Investment Manager, including procedures for whistleblowing and for detecting fraud and bribery.

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

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

On behalf of the Board

RDC Henderson

Chairman of the Audit Committee

4 December 2018

Report on Directors' Remuneration

Annual Statement

There were no changes to the composition of the Board during the year. The Company Secretary, Link Company Matters Limited, acts as Secretary to the Committee and its terms of reference are available on request or may be obtained from the Company's website.

At its meeting in October 2018, the Remuneration Committee decided that there should be no change to the remuneration of the non-executive Directors in respect of the financial year ending 30 September 2019.

This was made in the context of the previous change in Directors' fees in 2017, and the prevailing market conditions.

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

During the financial year ended 30 September 2018 no shares were issued. Mr Barlow did not therefore qualify for a performance bonus under this bonus scheme.

The Remuneration Committee has decided that, following a review of market conditions, Mr Barlow's basic salary will increase by 3.0% with effect from 1 October 2018. There is no change to his other benefits nor to the bonus scheme.



P D Gadd

Chairman of the Remuneration Committee
4 December 2018

Directors' Remuneration Policy

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), an ordinary resolution to approve the new Directors' Remuneration Policy was approved at the Company's AGM on 17 January 2018. It is proposed that the approved policy remain in force until the AGM of the Company in 2021, at which time a further resolution will be proposed. The approved policy is available for inspection by shareholders on the Company's website at www.majedieinvestments.com.

AUDITED SECTION

Annual Report

The remuneration of the Directors for the year ended 30 September 2018 was as follows:

| | Salary & Fees | | Taxable Benefits | | Bonus | | Total Remuneration | |
|--------------------------------|---------------|--------------|------------------|--------------|--------------|--------------|--------------------|--------------|
| | 2018 £000 | 2017 £000 | 2018 £000 | 2017 £000 | 2018 £000 | 2017 £000 | 2018 £000 | 2017 £000 |
| Non-executive Directors | | | | | | | | |
| AJ Adcock | 65 | 79 | | | | | 65 | 79 |
| PD Gadd | 35 | 32 | | | | | 35 | 32 |
| RDC Henderson | 35 | 32 | | | | | 35 | 32 |
| Fees sub-total | 135 | 143 | | | | | 135 | 143 |
| Executive Director | | | | | | | | |
| JWM Barlow | 182 | 177 | 9 | 8 | | | 191 | 185 |
| Total | 317 | 320 | 9 | 8 | | | 326 | 328 |

Mr JWM Barlow's taxable benefits relate to healthcare costs (he receives no pension contributions). Directors' fees were set at £65,000 per annum for the Chairman and £31,500 basic, per annum, for each of the other non-executive Directors. In addition, there is a £3,500 per annum supplement for the Chairman of each of the Audit and Remuneration Committees.

There have been no payments to past Directors during the financial year ended 30 September 2018, whether for loss of office or otherwise.

Scheme interests awarded during financial year

The Company does not operate any share incentive schemes.

Report on Directors' Remuneration

Directors' Interests

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

As announced on 23 November 2018, on 5 June 2008, Mr Barlow became the trustee of 282,859 shares held in trust on behalf of his children. These shares were incorrectly included in his beneficial shareholding total and should have been included in his non-beneficial shareholding total. Following this amendment, made on 23 November 2018, Mr Barlow holds 409,224 shares beneficially, and 3,111,110 shares non-beneficially.

The interests of the Directors of the Company, including their connected persons, in securities of the Company as at 30 September 2018 and as at 4 December 2018 are as follows:

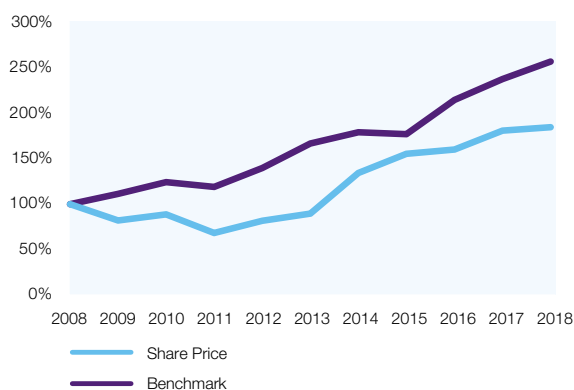
| Directors' Interests | Type of holding | No of fully paid ordinary 0.1p shares | |
|----------------------|-----------------|---------------------------------------|-----------------|
| | | 30 September 2018 | 4 December 2018 |
| Mr AJ Adcock | Beneficial | 50,000 | 50,000 |
| Mr RDC Henderson | Beneficial | 24,700 | 24,700 |
| Mr PD Gadd | Beneficial | 56,092 | 56,092 |
| Mr JWM Barlow | Beneficial | 692,083 | 409,224 |
| | Non-beneficial | 2,828,251 | 3,111,110 |

NON AUDITED SECTION

Performance

Set out below is a graph showing the total shareholder return attributable to the ordinary shares in the Company in respect of the ten financial years ended 30 September 2018, and to a hypothetical portfolio constructed according to a benchmark equity index, calculated as 70% FTSE All-Share Index and 30% FTSE World ex UK Index (Sterling) to September 2016 and the MSCI All Country World Index (Sterling) thereafter. This composite is the comparator for the purpose of this graph as it includes a global equity weighting appropriate to a global equity trust and was (using the pre-September 2016 indices), the Company's benchmark at the start of the ten-year period.

Total Shareholder Return v Benchmark for the 10 years ended 30 September 2018



Remuneration of the Director undertaking the role of Chief Executive Officer

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

| Year ended | Director undertaking role of CEO | Total remuneration | Current year variable remuneration awarded vrs maximum potential value | Prior year or future year awards vested vrs maximum potential value |
|-------------|----------------------------------|--------------------|--|---|
| 30 Sep 2018 | Mr JWM Barlow | £190,511 | 0% | 0% |
| 30 Sep 2017 | Mr JWM Barlow | £185,618 | 0% | 0% |
| 30 Sep 2016 | Mr JWM Barlow | £180,559 | 0% | 0% |
| 30 Sep 2015 | Mr JWM Barlow | £215,649 | 44%* | 0% |
| 30 Sep 2014 | Mr JWM Barlow | £153,358 | 0% | 0% |
| 30 Sep 2013 | Mr JWM Barlow | £143,531 | 0% | 0% |
| 30 Sep 2012 | Mr JWM Barlow | £166,640 | 0% | 0% |
| 30 Sep 2011 | Mr GP Aherne | £185,040 | 0% | 0% |
| 30 Sep 2010 | Mr GP Aherne | £260,000 | 100% | 0% |
| 30 Sep 2009 | Mr GP Aherne | £147,000 | 0% | 0% |

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

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

| Year ended | Fixed remuneration | | Benefits | | Variable remuneration | |
|-------------------|--------------------|-------|----------|-------|-----------------------|-------|
| | CEO | Staff | CEO | Staff | CEO | Staff |
| 30 September 2018 | +2.5% | +4.2% | +4.2% | +6.5% | 0.0% | 5.7% |

Notes

1. The change in the CEO's fixed remuneration reflects the salary increase as detailed in last year's report. Average staff fixed remuneration has increased, reflecting cost of living increases, market movements and maternity cover arrangements. Given the small number of staff the impact in monetary terms is small.
2. The percentage increase in benefits shown includes the increased costs by the relevant providers. As is the case with fixed remuneration the actual increase in monetary terms is small.
3. The percentage increase reflects an increase in the bonus paid to a member of staff in the year. Again, in monetary terms the increase is small.

External appointments

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

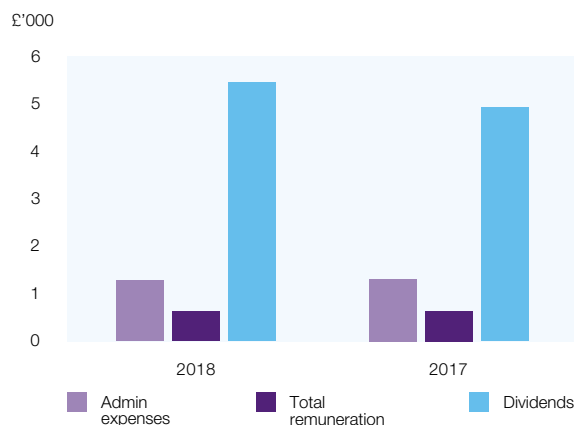
During the year, Mr JWM Barlow was a non-executive director of Strategic Equity Capital PLC for which he received fees on the basis of £24,000 for the year to 30 June 2018 and £24,500 thereafter.

Relative importance of spend on pay

The table below sets out, in respect of the financial year ended 30 September 2018 and the preceding financial year:

- a) the actual administration expenses expenditure of the Company;
- b) the remuneration paid to or receivable by all employees and directors of the Company;

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



Statement of implementation of Remuneration Policy in respect of the financial year ending 30 September 2019

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. It intends to operate Mr JWM Barlow's bonus scheme in accordance with its terms as set out in the Remuneration Policy.

Consideration by the Directors of remuneration

During the financial year, the members of the Remuneration Committee were MR PD Gadd (chair), Mr AJ Adcock and Mr RDC Henderson. No person provided services or advice to the Remuneration Committee which materially assisted the Committee.

Statement of voting at General Meeting

At the AGM of the Company held on 17 January 2018, resolutions were proposed by the Company to approve the Report on Directors' Remuneration for the year ended 30 September 2017 and to approve the new Directors' Remuneration Policy. For both resolutions 99.9% of the votes cast were in favour with 0.1% against and 0.0% of the votes being withheld.

Report on Directors' Remuneration

Basis of preparation

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

The Report on Directors' Remuneration on pages 37 to 40 was approved by the Board on 4 December 2018.

On behalf of the Board



PD Gadd

Chairman of the Remuneration Committee
4 December 2018

Statement of Directors' Responsibilities

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

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

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

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

The Directors of the Company, whose names are shown on page 20 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 of the Company;
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- they consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

Andrew Adcock

Andrew J Adcock
Chairman
4 December 2018

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 2018.

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

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

Report of the Independent Auditor

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

Opinion

We have audited the financial statements of Majedie Investments PLC (the 'Company') for the year ended 30 September 2018 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance sheet, the Cash Flow Statement and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2018 and of its 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 provisions of the Companies Act 2006.

Basis for opinion

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

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

Report of the Independent Auditor

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

Conclusions relating to principal risks, going concern and viability statement

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

- the disclosures in the annual report set out on pages 18 to 19 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 36 in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 57 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements
- whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on pages 26 to 27 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

| | |
|-------------------|--|
| Key audit matters | <ul style="list-style-type: none">• Incorrect valuation of the investment in Majedie Asset Management ('MAM').• Incomplete or inaccurate revenue recognition, including classification as revenue or capital items.• Incorrect valuation of investments other than MAM and defective title of the entire investment portfolio. |
| Materiality | <ul style="list-style-type: none">• Overall materiality of £1.79m (2017: £1.83m) which represents 1% (2017: 1%) of net assets. |

Key audit matters

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

| Risk | Our response to the risk | Key observations communicated to Audit Committee |
|--|--|---|
| <p>Incorrect valuation of the investment in Majedie Asset Management ('MAM'). (2018: £58.7m, 2017: £61.5m)</p> <p>Refer to the Audit Committee Report (page 33); Accounting policies (pages 60 to 61); and Note 13 of the Financial Statements (pages 67 to 70).</p> <p>The investment in MAM is an unquoted investment and, accordingly, its valuation requires estimation and judgement giving rise to a greater risk that the valuation of the investment is materially misstated. The incorrect valuation of MAM could have a significant impact on the return generated for shareholders.</p> | <ul style="list-style-type: none"> • We performed our walkthrough procedures to gain an understanding of management's processes and controls surrounding investment valuation of the investment in MAM to assess the effectiveness of their design. • We checked for any restrictions on the sale of the Company's stake in MAM with reference to the shareholder agreement and considered the impact of these restrictions on its fair value. • We assessed whether the valuation of MAM was performed in line with the methodology set out in the shareholder agreement and the International Private Equity and Venture Capital Valuation guidelines. • We considered whether or not the assumptions used to support the valuation of MAM, individually or taken as a whole, are within a reasonable range and whether there is any contradictory evidence to the inputs and assumptions used. This included comparing the valuation multiples and key financial data against those of comparable companies. • We agreed the inputs into the valuation to source documentation and re-performed the calculations performed by management to confirm the arithmetical accuracy. | <p>Based on the work performed we are satisfied that the valuation of investment in MAM is within a reasonable range.</p> <p>We had no further observations to communicate.</p> |

Report of the Independent Auditor

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

| Risk | Our response to the risk | Key observations communicated to Audit Committee |
|--|---|--|
| <p>Incomplete or inaccurate revenue recognition, including classification as revenue or capital items.</p> <p>(2018: £7.9m, 2017: £7.5m)</p> <p>Refer to the Audit Committee Report (page 34); Accounting policies (page 58); and Note 3 of the Financial Statements (page 61)</p> <p>Income is comprised of dividends and distributions receivable from the investment portfolio. There is a risk of incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment.</p> <p>The Directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital'. During the year, the Company received 7 special dividends, with an aggregate value of £0.10 million (2017: £0.04 million).</p> | <ul style="list-style-type: none"> • We performed our walkthrough procedures to gain an understanding of management's processes and controls surrounding the recognition of revenue and allocation of special dividends between revenue and capital to assess the effectiveness of their design. • We agreed a sample of dividends received on listed equity investments from the income report to an independent data vendor, recalculated the amount received and agreed this to bank statements. • We agreed a sample of distributions received on funds from the income report to an independent data vendor, and agreed this to bank statements. • We agreed the dividends received from MAM to the audited financial statements, the board minutes and bank statements. • We agreed a sample of dividends and distributions paid on investments held from an independent data vendor to the income report to determine the completeness of the income report. • We agreed 100% of accrued dividends to an independent data vendor, recalculated the amount receivable and agreed this to post year-end bank statements, where possible. • We performed a review of the income and capital reports to identify special dividends, above our testing threshold, that have been received and accrued during the period. | <p>The results of our procedures to test investment income identified no issues with the occurrence, measurement or completeness of investment income.</p> <p>We concurred with the accounting treatment adopted for the special dividends in our sample.</p> <p>Based on the work performed, we had no further observations to communicate.</p> |

| Risk | Our response to the risk | Key observations communicated to Audit Committee |
|---|--|---|
| <p>Incorrect valuation of investments other than MAM and defective title of the entire investment portfolio.</p> <p>(2018: £137.8m, including £0.1m of investments of unquoted investments other than MAM, 2017: £152.2m, and £0.1m respectively)</p> | <ul style="list-style-type: none"> • For special dividends above our testing threshold we recalculated the amount of dividend receivable and assessed the appropriateness of management's allocation between revenue and capital for special dividends. • We recalculated and assessed the appropriateness of management's allocation between revenue and capital for a sample of special dividends below our testing threshold. | <p>The results of our procedures identified no issues in relation to the valuation of investments other than MAM or the existence and rights on the entire investment portfolio.</p> <p>Based on the work performed, we had no further observations to communicate.</p> |
| <p>Refer to the Audit Committee Report (pages 33 and 34); Accounting policies (pages 59 and 60); and Note 13 of the Financial Statements (pages 67 to 70).</p> <p>The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders.</p> | <ul style="list-style-type: none"> • We performed our walkthrough procedures to gain an understanding of management's processes and controls surrounding the valuation of and title to investments to assess the effectiveness of their design. • We compared 100% of the listed equity investments and investments in funds managed by MAM, and related exchange rates, to a relevant independent pricing vendor. • We reviewed management's assessment of the valuation of the level 3 investments excluding MAM and considered whether there was any evidence to suggest that there should be a material write up in the valuation of these investments. • We reviewed price exception and stale pricing reports to identify any prices that have not changed and tested whether the listed price is a valid fair value. • Obtained confirmations from the Custodian and Depositary of all investments held at the year-end and agreed those confirmations to the Company's records. | <p>Based on the work performed, we had no further observations to communicate.</p> |

Report of the Independent Auditor

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

An overview of the scope of our audit

Tailoring the scope

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

Our application of materiality

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

Materiality

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

We determined materiality for the Company to be £1.79m (2017: £1.83m), which is 1% of net assets. We have derived our materiality calculation based on a proportion of net assets as we consider it to be the most important financial metric on which shareholders judge the performance of the Company.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2017: 75%) of our planning materiality, namely £1.34m (2017: £1.37m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate testing threshold of £0.33m (2017: £0.30m) for the revenue column of the Income Statement, being 5% (2017: 5%) of the revenue return before taxation.

Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.09m (2017: £0.09m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

We have nothing to report in this regard.

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

- **Fair, balanced and understandable** set out on page 41 – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting** set out on pages 33 to 34 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** set out on page 28 – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 41, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Report of the Independent Auditor

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are IFRSs as adopted by the European Union, the Companies Act 2006, AIC SORP, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of the Company's documented policies and procedures.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to management override in relation to the valuation of the investment in MAM and the classification of special dividends as 'revenue' or 'capital' (which are key audit matters) further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- Following the recommendation of the Audit Committee, we were appointed as auditors by the Audit Committee on 18 January 2008.

The period of total uninterrupted engagement including previous renewals and reappointments is 11 years, covering the years ended 2008 to 2018.

- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Sarah Williams (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP,
Statutory Auditor
London
4 December 2018

Notes:

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

Statement of Comprehensive Income

for the year ended 30 September 2018

| | Notes | Revenue return £000 | 2018 Capital return £000 | Total £000 | Revenue return £000 | 2017 Capital return £000 | Total £000 |
|--|-------|---------------------------|-----------------------------------|---------------|---------------------------|-----------------------------------|---------------|
| Investments | | | | | | | |
| Gains on investments at fair value through profit and loss | 13 | | 36 | 36 | | 14,680 | 14,680 |
| Net investment result | | | 36 | 36 | | 14,680 | 14,680 |
| Income | | | | | | | |
| Income from investments | 3 | 7,829 | | 7,829 | 7,414 | | 7,414 |
| Other income | 3 | 47 | 7 | 54 | 49 | | 49 |
| Total income | | 7,876 | 7 | 7,883 | 7,463 | | 7,463 |
| Expenses | | | | | | | |
| Management fees | 4 | (108) | (323) | (431) | (122) | (364) | (486) |
| Performance fees | 4 | | | | | (4) | (4) |
| Administration expenses | 5 | (649) | (638) | (1,287) | (673) | (650) | (1,323) |
| Return/(loss) before finance costs and taxation | | 7,119 | (918) | 6,201 | 6,668 | 13,662 | 20,330 |
| Finance costs | 8 | (439) | (1,317) | (1,756) | (704) | (2,112) | (2,816) |
| Premium paid on redemption of March 2020 Debenture | 8 | | (2,869) | (2,869) | | | |
| Net return/(loss) before taxation | | 6,680 | (5,104) | 1,576 | 5,964 | 11,550 | 17,514 |
| Taxation | 9 | (17) | | (17) | (13) | | (13) |
| Net return/(loss) after taxation for the year | | 6,663 | (5,104) | 1,559 | 5,951 | 11,550 | 17,501 |
| Return/(loss) per Ordinary Share | | | | | | | |
| Basic | 11 | pence 12.5 | pence (9.5) | pence 3.0 | pence 11.1 | pence 21.6 | pence 32.7 |

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

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

All amounts relate to continuing operations.

Statement of Changes in Equity

for the year ended 30 September 2018

| | Notes | Share capital £000 | Share premium £000 | Capital redemption reserve £000 | Capital reserve £000 | Retained earnings £000 | Total £000 |
|-------------------------------------|-------|-----------------------|-----------------------|---------------------------------------|-------------------------|---------------------------|----------------|
| Year ended 30 September 2018 | | | | | | | |
| As at 1 October 2017 | | 5,344 | 3,054 | 56 | 149,499 | 24,591 | 182,544 |
| Net (loss)/return for the year | | | | | (5,104) | 6,663 | 1,559 |
| Dividends declared and paid in year | 10 | | | | | (5,477) | (5,477) |
| As at 30 September 2018 | | 5,344 | 3,054 | 56 | 144,395 | 25,777 | 178,626 |
| Year Ended 30 September 2017 | | | | | | | |
| As at 1 October 2016 | | 5,344 | 3,054 | 56 | 137,949 | 23,583 | 169,986 |
| Net return for the year | | | | | 11,550 | 5,951 | 17,501 |
| Dividends declared and paid in year | 10 | | | | | (4,943) | (4,943) |
| As at 30 September 2017 | | 5,344 | 3,054 | 56 | 149,499 | 24,591 | 182,544 |

Balance Sheet

as at 30 September 2018

| | Notes | 2018 £000 | 2017 £000 |
|--|-------|-----------------|-----------------|
| Non-current assets | | | |
| Property and equipment | 12 | 37 | 50 |
| Investments at fair value through profit or loss | 13 | 196,515 | 213,748 |
| | | <u>196,552</u> | <u>213,798</u> |
| Current assets | | | |
| Trade and other receivables | 14 | 213 | 228 |
| Cash and cash equivalents | 15 | 3,483 | 3,566 |
| | | <u>3,696</u> | <u>3,794</u> |
| Total assets | | <u>200,248</u> | <u>217,592</u> |
| Current liabilities | | | |
| Trade and other payables | 16 | (1,097) | (1,085) |
| Total assets less current liabilities | | <u>199,151</u> | <u>216,507</u> |
| Non-current liabilities | | | |
| Debentures | 16 | (20,525) | (33,963) |
| Total liabilities | | <u>(21,622)</u> | <u>(35,048)</u> |
| Net assets | | <u>178,626</u> | <u>182,544</u> |
| Represented by: | | | |
| Ordinary share capital | 17 | 5,344 | 5,344 |
| Share premium account | | 3,054 | 3,054 |
| Capital redemption reserve | | 56 | 56 |
| Capital reserve | | 144,395 | 149,499 |
| Revenue reserve | | 25,777 | 24,591 |
| Equity Shareholders' Funds | | <u>178,626</u> | <u>182,544</u> |
| Net asset value per share | 18 | pence | pence |
| Basic | | 334.3 | 341.6 |

Approved by the Board of Majedie Investments PLC (Company no. 109305) and authorised for issue on 4 December 2018.

Andrew Adcock

Andrew J Adcock

Chairman

Cash Flow Statement

for the year ended 30 September 2018

| | Notes | 2018 £000 | 2017 £000 |
|--|-------|-----------------|----------------|
| Net cash flow from operating activities | | | |
| Company net return before taxation* | | 1,576 | 17,514 |
| Adjustments for: | | | |
| Gains on investments | 13 | (36) | (14,680) |
| Accumulation dividends | 3 | (386) | (338) |
| Depreciation | 5 | 29 | 25 |
| Foreign exchange gains | | (1) | (1) |
| Purchases of investments | | (10,426) | (26,043) |
| Sales of investments | | 28,128 | 28,580 |
| | | <u>18,884</u> | <u>5,057</u> |
| Finance costs | | 4,625 | 2,816 |
| Operating cashflows before movements in working capital | | 23,509 | 7,873 |
| (Decrease)/increase in trade and other payables | | (15) | 5 |
| Decrease/(increase) in trade and other receivables | | 5 | (46) |
| Net cash inflow from operating activities before tax | | 23,499 | 7,832 |
| Tax recovered | | 4 | 31 |
| Tax on overseas dividend income | | (30) | (15) |
| Net cash inflow from operating activities | | 23,473 | 7,848 |
| Investing activities | | | |
| Purchase of tangible assets | | (16) | (23) |
| Net cash outflow from investing activities | | (16) | (23) |
| Financing activities | | | |
| Interest paid | | (1,736) | (2,783) |
| Dividends paid | | (5,477) | (4,943) |
| Redemption of 9.50% March 2020 debenture | | (16,327) | |
| Net cash outflow from financing activities | | (23,540) | (7,726) |
| (Decrease)/increase in cash and cash equivalents for the year | | (83) | 99 |
| Cash and cash equivalents at start of year | | 3,566 | 3,467 |
| Cash and cash equivalents at end of year | | 3,483 | 3,566 |

* Includes dividends received in the year of £7,392,000 (2017: £7,040,000) and interest received of £Nil (2017: £3,000).

Notes to the Accounts

General Information

Majedie Investments PLC is a company incorporated and domiciled in England under the Companies Act 2006. The Company is registered as a public limited company and is an investment company as defined by Section 833 of the Companies Act 2006. The address of the registered office is given on page 94. The nature of the Company's operations and its principal activities are set out in the Business Review section of the Strategic Report on pages 15 to 19.

Significant Accounting Judgements, Estimates and Assumptions

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

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

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

- **Unquoted Investments**
Unquoted investments are valued at management's best estimate of fair value in accordance with IFRS having regard to International Private Equity and Venture Capital Valuation guidelines as recommended by the British Venture Capital Association. The principles which the Company applies are set out on page 60. The inputs into the valuation methodologies adopted include historical data such as earnings or cash flow as well as more subjective data such as earnings forecasts, discount rates and earnings multiples. As a result of this the determination of fair value requires management judgement. At the year end, unquoted investments (including the investment in MAM but excluding the MAM funds) represent 32.9% (2017: 33.8%) of Equity Shareholders Funds.

Notes to the Accounts

1 Significant Accounting Policies

The principal accounting policies adopted are set out as follows:

The accounts on pages 52 to 55 comprise the audited results of the Company for the year ended 30 September 2018, and are presented in pounds Sterling rounded to the nearest thousand, as this is the functional currency in which the Company transactions are undertaken.

Going Concern

The Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for a period of at least 12 months from the date that the financial statements were approved. 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 Company have been prepared in accordance with IFRS. They comprise standards and interpretations approved by the International Accounting Standards Board and International Financial Reporting Committee, interpretations approved by the International Accounting Standards Committee that remain in effect, to the extent 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 November 2014, and updated in January 2017, is not inconsistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

Standards Issued But Not Yet Effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations have not been applied in these financial statements since 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 2018 |
| IFRS 16 Leases | 1 January 2019 |

In respect of IFRS 9 and IFRS 15, which will both be first adopted by the Company during the year ended 30 September 2019, an assessment was undertaken of the impact of both IFRS 9 and IFRS 15 on the financial statements.

For IFRS 9, the Company's assets essentially comprise equity investments, and these met the criteria for being valued at fair value through profit or loss (as they are currently), as they fail the test of contractual cash flows. The Company does not have any debt investments and its other assets are immaterial. Lastly its financial liabilities are accounted for under IFRS 9 in the same manner as they are currently. For these reasons, it is not expected that the adoption will have any material impact on the financial statements.

For IFRS 15, with the Company's business model as a self-managed investment trust in which the vast majority of its revenue is dividend income from its investment portfolio, again it is not expected that the adoption will have any material impact on the financial statements.

Notes to the Accounts

In respect of IFRS 16, which will be first adopted by the Company during the year ended 30 September 2020, a detailed assessment of any quantitative impact on the adoption of this standard will be undertaken in the year ended 30 September 2019.

Management anticipates that all of the relevant pronouncements will be adopted in the relevant accounting period in which the standard is effective.

New standards interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the prior year's financial statements. On 1 October 2017, the Disclosure Initiative Amendments to IAS 7 Statement of Cash Flows have been adopted by the Company. This has resulted in additional disclosure, see note 19, but has had no impact on the Company's financial performance or position.

Foreign Currencies

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.

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.

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

Deposit interest and other interest receivable is included on an accruals basis.

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).
- 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 defined contribution 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.

1 Significant Accounting Policies continued

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 Company'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 depreciated 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.

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.

Financial Instruments

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

Investments Held at Fair Value Through Profit or Loss

The Company classifies its investments in debt and equity securities as financial assets or financial liabilities at fair value through profit or loss, as defined by IAS 39.

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 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.

Notes to the Accounts

1 Significant Accounting Policies *continued*

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

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

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

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 equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Non current liabilities

The debenture is 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.

Capital Reserve

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. Additionally and as detailed on page 58, finance costs and expenses are allocated to the Capital Reserve.

Share Premium Account

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

Revenue Reserve

The net revenue return for the year is included in the Revenue Reserve along with dividends to shareholders (when they are paid or approved in general meetings).

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

Investing activities

The Company's investment objective is to maximise total shareholder return whilst increasing dividends by more than the rate of inflation over the long term. The Company operates as an investment trust company and its portfolio contains investments in companies listed in a number of countries. Geographical information about the portfolio is provided on page 13 and exposure to different currencies is disclosed in note 22 on page 74.

3 Income

| | 2018 £000 | 2017 £000 |
|--------------------------------|--------------|--------------|
| Income from investments | | |
| Dividend income * | 7,319 | 6,967 |
| Accumulation dividend income | 386 | 338 |
| Overseas dividend income | 124 | 109 |
| | 7,829 | 7,414 |
| Other income | | |
| Deposit interest | | 3 |
| Sundry income | 54 | 46 |
| | 54 | 49 |
| Total income | 7,883 | 7,463 |
| Income from investments | | |
| Listed UK | 1,943 | 1,910 |
| Listed overseas | 124 | 109 |
| Unlisted – MAM funds | 1,160 | 1,253 |
| Unlisted | 4,602 | 4,142 |
| | 7,829 | 7,414 |

* Includes MAM Ordinary income of £4,602,000 (2017: £4,142,000) and Property Income Distribution (PID) dividend income of £7,000 (2017: Nil).

Notes to the Accounts

4 Management and Performance Fees

| | 2018 | | | 2017 | | |
|-----------------------|------------------------|------------------------|---------------|------------------------|------------------------|---------------|
| | Revenue return £000 | Capital return £000 | Total £000 | Revenue return £000 | Capital return £000 | Total £000 |
| Investment management | 108 | 323 | 431 | 122 | 364 | 486 |
| Performance | | | | | 4 | 4 |
| | 108 | 323 | 431 | 122 | 368 | 490 |

The investment management fees are payable to MAM in accordance with an Investment Agreement. Further details on the terms of this Investment Agreement are given in the Directors' Report on pages 24 to 25. The investment management fees charged and shown are only in respect on the investment in the MAM UKES Segregated Portfolio. Investment management fees in respect of the investments made in the other MAM funds are charged directly in the relevant fund and included in the relevant fund's published net asset value price and hence form part of that investment's valuation in the Company's accounts. These costs are however included in the Company's OCR, as disclosed on page 2 on a best estimates basis. At 30 September 2018, an amount of £103,000 was outstanding for payment of investment management fees due to MAM on the UKES Segregated Portfolio (2017: £122,000).

Performance fees are also payable to MAM in respect of the investment in the MAM Tortoise fund, but not on any other MAM fund investment. The performance fees are calculated in accordance with the fund's prospectus using an equalisation method. As these fees are individual to each investor they are charged to each investor and not the fund. The MAM Tortoise fund charges performance fees on the basis of its fund year and there are no performance fees due this year (2017: £4,000). In accordance with the AIC SORP these fees are charged wholly to capital. There were no amounts outstanding as at 30 September 2018 (2017: Nil).

5 Administrative Expenses

| | 2018 £000 | 2017 £000 |
|---------------------------------------|--------------|--------------|
| Staff costs – note 7 | 448 | 451 |
| Other staff costs and Directors' fees | 181 | 185 |
| Advisers' costs | 288 | 315 |
| Information costs | 102 | 124 |
| Establishment costs | 39 | 30 |
| Operating lease rentals – premises | 60 | 60 |
| Depreciation on tangible assets | 29 | 25 |
| Auditor's remuneration (see below) | 29 | 43 |
| Other expenses | 111 | 89 |
| | 1,287 | 1,322 |

A charge of £638,000 (2017: £650,000) to capital and an equivalent credit to revenue has been made to recognise the accounting policy of 75% of direct investment administration expenses to capital.

5 Administrative Expenses continued

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

| | 2018 £000 | 2017 £000 |
|----------------------------------|--------------|--------------|
| Audit services – statutory audit | 28 | 33 |
| Other audit related services | 1 | 1 |
| Liquidation services | | 9 |
| | 29 | 43 |

Other audit related services relate to a review of the Company's debenture covenant in 2018 (2017: other related audit services relate to a review of the Company's debenture covenant and liquidation services relate to the liquidation of Majedie Portfolio Management Limited).

6 Directors' Emoluments

| | 2018 £000 | 2017 £000 |
|----------------|--------------|--------------|
| Fees | 135 | 143 |
| Salary | 182 | 177 |
| Other benefits | 9 | 8 |
| | 326 | 328 |

The Report on Directors' Remuneration on pages 37 to 40 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

| | 2018 £000 | 2017 £000 |
|-----------------------------|--------------|--------------|
| Salaries and other payments | 369 | 370 |
| Social security costs | 49 | 50 |
| Pension contributions | 30 | 31 |
| | 448 | 451 |

| | 2018 Number | 2017 Number |
|---|----------------|----------------|
| Average number of employees: Management and office staff | 3 | 3 |

Notes to the Accounts

8 Finance Costs

| | 2018 | | | 2017 | | |
|--|------------------------|------------------------|---------------|------------------------|------------------------|---------------|
| | Revenue return £000 | Capital return £000 | Total £000 | Revenue return £000 | Capital return £000 | Total £000 |
| Interest on 9.50% 2020 debenture stock | 59 | 177 | 236 | 321 | 961 | 1,282 |
| Interest on 7.25% 2025 debenture stock | 375 | 1,125 | 1,500 | 375 | 1,126 | 1,501 |
| Amortisation of issue expenses on the debenture stocks | 5 | 15 | 20 | 8 | 25 | 33 |
| | 439 | 1,317 | 1,756 | 704 | 2,112 | 2,816 |

On 6 November 2017, irrevocable notice was given to redeem all of the Company's outstanding March 2020 debenture stock, with settlement occurring on 6 December 2017. The total cost of the redemption was £16,563,000 which included interest of £236,000. This resulted in a premium of £2,869,000, which was charged 100% to capital. Further details concerning the redemption of the March 2020 debenture are contained in note 16 and note 19 and in the Chief Executive's Report on page 11.

Further details of the debenture stock in issue are provided in note 16, 19 and 22.

9 Taxation

Analysis of tax charge

| | 2018 £000 | 2017 £000 |
|---------------------------|--------------|--------------|
| Tax on overseas dividends | 17 | 13 |

Reconciliation of tax charge:

The current taxation rate for the year is lower (2017: lower) than the standard rate of corporation tax in the UK of 19.0% (2017: 19.5%). The differences are explained below:

| | 2018 £000 | 2017 £000 |
|--|--------------|--------------|
| Net return before taxation | 1,580 | 17,514 |
| Taxation at UK Corporation Tax rate of 19.0% (2017: 19.5%) | 300 | 3,414 |
| Effects of: | | |
| – UK dividends which are not taxable | (1,471) | (1,424) |
| – foreign dividends which are not taxable | (24) | (21) |
| – gains on investments which are not taxable | (9) | (2,863) |
| – expenses which are not deductible for tax purposes | 10 | 12 |
| – excess expenses for the current year | 1,194 | 882 |
| – overseas taxation which is not recoverable | 17 | 13 |
| Actual current tax charge | 17 | 13 |

9 Taxation continued

After claiming relief against accrued income taxable on receipt, the Company has unrelieved excess expenses of £86,312,000 (2017: £83,028,000). It is not yet certain that the Company will generate sufficient taxable income in the future to utilise these expenses are therefore no deferred tax asset has been recognised.

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

10 Dividends

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

| | 2018 £000 | 2017 £000 |
|--|--------------|--------------|
| 2016 Final dividend of 5.75p paid on 25 January 2017 | | 3,073 |
| 2017 Interim dividend of 3.50p paid on 16 June 2017 | | 1,870 |
| 2017 Final dividend of 6.25p paid on 24 January 2018 | 3,340 | |
| 2018 Interim dividend of 4.00p paid on 22 June 2018 | 2,137 | |
| | <u>5,477</u> | <u>4,943</u> |

| | 2018 £000 | 2017 £000 |
|---|--------------|--------------|
| Proposed final dividend for the year ended 30 September 2018 of 7.00p (2017: final dividend of 5.75p) per ordinary share | 3,741 | 3,340 |
| | <u>3,741</u> | <u>3,340</u> |

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

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

| | 2018 £000 | 2017 £000 |
|---|--------------|--------------|
| Interim dividend for the year ended 30 September 2018 of 4.00p (2017: 3.50p) per ordinary share. | 2,137 | 1,870 |
| Final dividend for the year ended 30 September 2018 of 7.00p (2017: 6.25p) per ordinary share. | 3,741 | 3,340 |
| | <u>5,878</u> | <u>5,210</u> |

Distributable reserves of the Company comprise the Capital and Revenue Reserves. However, unrealised gains on illiquid investments are not distributable.

Dividends for the year (and 2017) have been solely made from the Revenue Reserve.

Notes to the Accounts

11 Return per Ordinary Share

Basic return per ordinary share is based on 53,439,000 ordinary shares, being the weighted average number of shares in issue (2017: Basic return of 53,439,000). Basic returns per ordinary share are based on the net return after taxation attributable to equity shareholders. (2017: Basic returns per ordinary share are based on the net return after taxation attributable to equity shareholders).

| | 2018 £000 | 2017 £000 |
|---|--------------|---------------|
| Basic revenue returns are based on net revenue after taxation of: | 6,663 | 5,951 |
| Basic capital returns are based on net capital (loss)/return of: | (5,104) | 11,550 |
| Basic total returns are based on a return of: | <u>1,559</u> | <u>17,501</u> |

12 Property and Equipment

| | Leasehold Improvements £000 | Office Equipment £000 | Total £000 |
|----------------------|-----------------------------------|-----------------------------|---------------|
| Cost: | | | |
| At 1 October 2017 | 28 | 230 | 258 |
| Additions | | 16 | 16 |
| Disposals | | | |
| At 30 September 2018 | <u>28</u> | <u>246</u> | <u>274</u> |
| Depreciation: | | | |
| At 1 October 2017 | 9 | 199 | 208 |
| Charge for year | 6 | 23 | 29 |
| Disposals | | | |
| At 30 September 2018 | <u>15</u> | <u>222</u> | <u>237</u> |
| Net book value: | | | |
| At 30 September 2018 | <u>13</u> | <u>24</u> | <u>37</u> |
| At 30 September 2017 | <u>19</u> | <u>31</u> | <u>50</u> |

13 Investments at Fair Value Through Profit or Loss

| | 2018 | | | | 2017 | | | | |
|---|----------------|------------------------------------|------------------|----------------|----------------|------------------------------------|------------------|-------------------------------|----------------|
| | Listed £000 | Unlisted (MAM Funds) £000 | Unlisted £000 | Total £000 | Listed £000 | Unlisted (MAM Funds) £000 | Unlisted £000 | Subsidiary Company £000 | Total £000 |
| Opening cost at beginning of year | 51,585 | 81,082 | 2,680 | 135,347 | 132,179 | | 2,680 | 1,000 | 135,859 |
| Gains/(losses) at beginning of year | 4,349 | 15,040 | 59,012 | 78,401 | 11,942 | | 54,558 | (838) | 65,662 |
| Opening fair value at beginning of year | 55,934 | 96,122 | 61,692 | 213,748 | 144,121 | | 57,238 | 162 | 201,521 |
| Purchases at cost | 10,455 | 386 | | 10,841 | 20,805 | 5,337 | | | 26,142 |
| Sales – proceeds | (15,508) | (12,532) | (70) | (28,110) | (24,085) | (4,348) | | | (28,433) |
| Gains/(losses) on sales | 1,767 | 1,262 | (279) | 2,750 | 2,583 | 196 | | (838) | 1,941 |
| (Decrease)/increase in investment holding gains | (1,361) | 1,220 | (2,573) | (2,714) | (7,593) | 15,040 | 4,454 | 838 | 12,739 |
| Return of capital on liquidation of subsidiary | | | | | | | | (162) | (162) |
| Transfer on de-listing of shares | | | | | (79,897) | 79,897 | | | |
| Closing fair value at end of year | 51,287 | 86,458 | 58,770 | 196,515 | 55,934 | 96,122 | 61,692 | | 213,748 |
| Closing cost at end of year | 48,299 | 70,198 | 2,331 | 120,828 | 51,585 | 81,082 | 2,680 | | 135,347 |
| Gains at end of year | 2,988 | 16,260 | 56,439 | 75,687 | 4,349 | 15,040 | 59,012 | | 78,401 |
| Closing fair value at end of year | 51,287 | 86,458 | 58,770 | 196,515 | 55,934 | 96,122 | 61,692 | | 213,748 |

Unlisted investments include an amount of £97,000 in 3 companies (2017: £142,000 in 4 companies) and £58,673,000 (2017: £61,550,000) for the Company's investment in MAM as detailed on page 70. The decrease in the number of unlisted holdings from 4 to 3 is due to the sale of an holding during the year resulting in a loss for the period. Further details concerning the investments in the MAM Funds are shown on page 70.

During the year the Company incurred transaction costs amounting to £63,000 (2017: £127,000), of which £48,000 (2017: £107,000) related to the purchase of investments and £15,000 (2017: £20,000) 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 Statement of Comprehensive Income.

Notes to the Accounts

13 Investments at Fair Value Through Profit or Loss continued

The composition of the investment return is analysed below:

| | 2018 £000 | 2017 £000 |
|--|--------------|---------------|
| Net gains on sales of equity investments | 2,750 | 1,941 |
| (Decrease)/increase in holding gains on equity investments | (2,714) | 12,739 |
| Net return on investments | 36 | 14,680 |

Fair value hierarchy disclosures

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

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

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

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

Level 2 inputs include the following:

- quoted prices for similar (i.e. not identical) assets in active markets.
 - inputs other than quoted prices that are observable for the asset (e.g. interest rates and yield curves observable at commonly quoted intervals).
 - inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (market corroborated inputs).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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:

| | 2018 | | | | 2017 | | | |
|---|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|
| | Level 1 £000 | Level 2 £000 | Level 3 £000 | Total £000 | Level 1 £000 | Level 2 £000 | Level 3 £000 | Total £000 |
| Financial assets held at fair value through profit or loss – equities and managed funds: | | | | | | | | |
| Listed equity securities | 51,287 | | | 51,287 | 55,934 | | | 55,934 |
| Unlisted equity securities (MAM funds) | | 86,458 | | 86,458 | | 96,122 | | 96,122 |
| Unlisted equity securities | | | 58,770 | 58,770 | | | 61,692 | 61,692 |
| | 51,287 | 86,458 | 58,770 | 196,515 | 55,934 | 96,122 | 61,692 | 213,748 |

Investments whose values are based on quoted market prices in active markets, and therefore are classified within Level 1, include active listed equities. The Company does not normally adjust the quoted price for these instruments (although it may invoke its fair value pricing policy in times of market disruption – this was not the case for 30 September 2018 or 2017).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect liquidity and/or non-transferability, which are generally based on available market information. During the year there were no transfers (2017: £90,125,000 in respect of the delisting of the MAM funds during the year. That change in classification had no impact on the pricing or liquidity of these funds) from Level 2 to Level 1 for listed exchange traded funds.

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

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

| | 2018 | | 2017 | |
|---|---------------|-------------------------------|---------------|-------------------------------|
| | Total £000 | Equity investments £000 | Total £000 | Equity investments £000 |
| Opening balance | 61,692 | 61,692 | 57,400 | 57,400 |
| Sales during the year | (70) | (70) | | |
| Return of capital on liquidation of subsidiary | | | (162) | (162) |
| Total (losses)/gains for the year included in the Statement of Comprehensive Income | (2,852) | (2,852) | 4,454 | 4,454 |
| | 58,770 | 58,770 | 61,692 | 61,692 |

13 Investments at Fair Value Through Profit or Loss continued

Investments in Investment Funds

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

| | 30 September 2018 | | 30 September 2017 | |
|--------------------------------|--------------------------|----------------------|--------------------------|----------------------|
| | Investment Value £000 | Proportion Held % | Investment Value £000 | Proportion Held % |
| MAM Tortoise Fund | 26,479 | 1.9 | 35,485 | 2.5 |
| MAM Income Fund | 15,974 | 1.9 | 17,119 | 1.9 |
| MAM Global Equity Fund | 22,525 | 45.9 | 21,812 | 45.0 |
| MAM Global Focus Fund | 7,912 | 3.6 | 7,677 | 4.6 |
| MAM US Equity Fund | 8,716 | 4.3 | 8,251 | 3.8 |
| MAM UK Smaller Companies Fund* | 4,852 | 1.1 | 5,778 | 1.0 |
| | 86,458 | | 96,122 | |

* The MAM UK Smaller Companies Fund forms part of the MAM UK Equity Segregated Portfolio.

The fees charged on these investments are disclosed in the material contracts section of the Directors' Report on page 25.

In addition, the total value of all investments managed by MAM at 30 September 2018 was £139.9 million (2017: £154.6 million). Further details on the investments in the MAM investment funds are contained in the Chief Executive's Report on pages 6 to 12.

Substantial Share Interests

The Company has invested £15 million in the MAM Global Equity Fund which is a substantial interest in that fund at 30 September 2018 (2017: MAM Global Equity Fund of £15 million). This holding is not treated as a subsidiary or associate, rather is accounted for as an investment held at fair value through profit or loss, in accordance with IFRS 10.

Majedie Asset Management (MAM)

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

| | 2018 £000 | 2017 £000 |
|--|---------------|---------------|
| Cost of investment | 540 | 540 |
| Holding gains | 58,133 | 61,010 |
| Fair value of investment at 30 September | 58,673 | 61,550 |

The carrying value is usually assessed and approved twice a year by the Directors' following the relevant recommendation by the Audit Committee. Further details about the methodology employed in the determination of the MAM carrying value is contained in the Report of the Audit Committee on page 33.

In accordance with the revised shareholders' agreement, the Company may sell, if obligated to, a certain number of shares to the MAM Employee Benefit Trust at the relevant prescribed price (as calculated in accordance with the revised shareholders' agreement). The Company sold no shares during the year (2017: nil).

As at 30 September, the Company holds 57,523 ordinary 0.1p shares representing a 17.1% shareholding in MAM (2017: 57,523 ordinary 0.1p shares representing a 16.8% shareholding).

14 Trade and Other Receivables

| | 2018 £000 | 2017 £000 |
|-----------------------------|--------------|--------------|
| Sales for future settlement | 26 | 44 |
| Prepayments | 47 | 75 |
| Dividends receivable | 83 | 60 |
| Taxation recoverable | 57 | 49 |
| | 213 | 228 |

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

15 Cash and Cash Equivalents

| | 2018 £000 | 2017 £000 |
|----------------------|--------------|--------------|
| Deposits at banks | 2,751 | 2,900 |
| Other cash balances* | 732 | 666 |
| | 3,483 | 3,566 |

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

16 Trade and Other Payables

Amounts falling due within one year:

| | 2018 £000 | 2017 £000 |
|---------------------------------|--------------|--------------|
| Purchases for future settlement | 108 | 79 |
| Accrued expenses | 257 | 295 |
| Other creditors | 732 | 711 |
| | 1,097 | 1,085 |

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

Amounts falling due after more than one year:

| | 2018 £000 | 2017 £000 |
|--|---------------|---------------|
| £Nil (2017: £13.5m) 9.50% 2020 debenture stock | | 13,459 |
| £20.7m (2017: £20.7m) 7.25% 2025 debenture stock | 20,525 | 20,504 |
| | 20,525 | 33,963 |

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

On 6 November 2017, irrevocable notice was given to redeem all of the Company's outstanding March 2020 debenture stock, with settlement occurring on 6 December 2017. Further details concerning the redemption of the March 2020 debenture are contained in note 8 and in the Chief Executive's Report on page 11.

Notes to the Accounts

17 Ordinary Share Capital

| | Number | 2018 £000 | Number | 2017 £000 |
|--------------------------------|------------|--------------|------------|--------------|
| As at 1 October & 30 September | 53,439,000 | 5,344 | 53,439,000 | 5,344 |

All shares are allotted fully paid up, and are of one class only. New ordinary shares can only be issued at a premium to the relevant NAV (with debt at par value).

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

18 Net Asset Value

The net asset value per share has been calculated based on equity shareholders' funds of £178,630,000 (2017: £182,544,000), and on 53,439,000 (2017: 53,439,000) ordinary shares, being the number of shares in issue at the year end.

19 Reconciliation of changes in liabilities arising from financing activities

| | At 30 September 2017 £000 | Cash Flows £000 | Non-cash charges | | At 30 September 2018 £000 |
|---|------------------------------------|-----------------------|----------------------------------|---|------------------------------------|
| | | | Premium on redemption £000 | Effective interest rate accrual £000 | |
| Long term borrowings | | | | | |
| £13.5m 9.50% 2020 debenture stock | 13,459 | (16,327) | 2,869 | (1) | |
| £20.7m 7.25% 2025 debenture stock | 20,504 | | | 21 | 20,525 |
| Interest payable | | (1,736) | | 1,736 | |
| Total liabilities from financing activities | 33,963 | (18,068) | 2,869 | 1,756 | 20,525 |

20 Operating Lease Commitments

The Company operates in its premises by way of a sub-lease arrangement with a superior leasee, which has two years remaining. The arrangement allows for participation in rent reviews etc as they occur. Following a rent review in the prior year the Company has an annual commitment of £60,000 under its sub-lease arrangement (2017: £60,000). This operating lease commitment is disclosed in the table below:

| Expiry Date | 2018 £000 | 2017 £000 |
|------------------------------|--------------|--------------|
| Within one year | 60 | 60 |
| Between one and two years | 60 | 60 |
| Between two and three years | | 60 |
| Between three and four years | | |
| Between four and five years | | |
| | 120 | 180 |

21 Financial Commitments

At 30 September 2018, the Company had no financial commitments which had not been accrued for (2017: none).

22 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 the Company is a long term investor and it is the Board's policy that no trading in investments or other financial instruments be undertaken.

Management of Market Risk

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

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

From time to time, the Company itself may seek to reduce or increase its exposure to equity markets and currencies by taking positions in index futures and/or options relating to one or more equity markets or currency forward contracts. These instruments are used for the purpose of hedging some, or all, of the existing exposure with the Company's investment portfolio to those particular currencies or equity markets, or to enable increased exposure when deemed appropriate. In all cases the specific approval of the Board is required. There were no such positions during the year ended 30 September 2018 (2017: None).

In addition, MAM as Investment Manager, can utilise derivative instruments for efficient portfolio management and investment purposes as it sees fit. There have been no derivatives used in the MAM UK Equity Segregated Portfolio in the period (2017: None). Certain MAM funds do use derivatives to meet their investment objectives.

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

In the pursuit of its investment objective, the Company is exposed to various risks which could cause short term variation in its net assets and which could result in both or either a reduction in its net assets or a reduction in the revenue profits available for distribution by way of dividend. The main risk exposures for the Company from its financial instruments are market risk (including currency risk, interest rate risk and other price risk), liquidity risk, concentration risk and credit risk.

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

Market Risk

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

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

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

Notes to the Accounts

22 Financial Instruments and Risk Profile continued

Foreign Currency Risk

Exposure to foreign currency risk arises primarily and directly through investments in securities listed on overseas equity markets. A proportion of the net assets of the Company are denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be materially affected by currency movements. The Company's exposure to foreign currencies through its investments in overseas securities as at 30 September 2018 was £5,810,000 (2017: £6,787,000).

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

MAM, as Investment Manager, monitors the Company's exposure to foreign currencies and the Board receives regular reports on exposures.

The Company is able to, though unlikely, 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 an existing currency exposure of the Company's investment portfolio (as a means of reducing risk), or to enable increased exposure when this is deemed appropriate.

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

| | 2018 | | 2017 | |
|--------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | Overseas Investments £000 | Total Currency Exposure £000 | Overseas Investments £000 | Total Currency Exposure £000 |
| Currency exposure | | | | |
| US Dollar | 1,551 | 1,551 | 1,763 | 1,763 |
| Euro | 3,430 | 3,430 | 4,096 | 4,096 |
| Yen | 126 | 126 | 251 | 251 |
| Other non-Sterling | 703 | 703 | 677 | 677 |
| | 5,810 | 5,810 | 6,787 | 6,787 |

Sensitivity Analysis

If Sterling had strengthened by 5% relative to all currencies on the reporting date, with all other variables held constant, the income and net assets would have decreased by the amounts shown in the table below. The analysis was performed on the same basis for 2017. The revenue impact is an estimated annualised figure based on the relevant foreign currency denominated balances at the reporting date.

| | 2018 £000 | 2017 £000 |
|------------------|--------------|--------------|
| Income statement | | |
| Revenue return | | |
| Capital return | (290) | (339) |
| Net assets | (290) | (339) |

A 5% weakening of Sterling against the same currencies would have resulted in an equal and opposite effect on the above amounts, on the basis that all other variables remain constant. It should also be noted that the calculations are done at the reporting date and may not be representative of a year as a whole.

22 Financial Instruments and Risk Profile continued

Interest Rate Risk

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

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

During the year the Company gave irrevocable notice to redeem the entire outstanding amount of the March 2020 debenture, in order to reduce its gearing. Further information is contained in note 8 and in the Chief Executive's Report on page 11.

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

| | 2018 £000 | 2017 £000 |
|---|-----------------|-----------------|
| Floating rate financial assets: | | |
| UK Sterling | 3,483 | 3,566 |
| Financial assets not carrying interest | 196,728 | 213,976 |
| | 200,211 | 217,542 |
| Fixed rate financial liabilities: | | |
| UK Sterling | (20,525) | (33,963) |
| Financial liabilities not carrying interest | (1,097) | (1,085) |
| | (21,622) | (35,048) |

Floating rate financial assets usually comprise cash on deposit with banks which is repayable on demand and receives a rate of interest based, in part, on the UK base rates in force over the period. The Company does not normally hold non-Sterling cash as all foreign currency receivables or payables are converted back into Sterling at the settlement date of the relevant transaction. The fixed rate financial liabilities comprise the Company's debenture, totalling £20.7 million in total on a nominal basis. It pays a rate of interest of 7.25% per annum and will mature in March 2025 (£20.7 million nominal) (2017: Two debentures totalling £34.2 million nominal with an average interest rate of 8.1% per annum. Maturity in March 2020 and March 2025 (£13.5 million and £20.7 million respectively)).

Sensitivity Analysis

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

Notes to the Accounts

22 Financial Instruments and Risk Profile continued

A 0.5% increase in interest rates would result in a larger impact, as is shown in the table below. Both analyses are solely based on balances at the reporting date and is not representative of the year as a whole.

| Income statement | 2018 £000 | 2017 £000 |
|------------------|--------------|--------------|
| Revenue return | 14 | 15 |
| Net assets | 14 | 15 |

Other Price Risk

Exposure to market price risk is significant and comprises mainly movements in the market prices and hence value of the Company's listed equity security investments and its investments in the unlisted MAM Funds, which although the funds themselves are unlisted they are invested in listed equity securities, which are both disclosed in note 13 on pages 67 to 70. The MAM Tortoise Fund return profile is uncorrelated to investment markets as an absolute return fund. This should provide a reduction in the downside volatility of returns to shareholders. The Company also has unlisted investments which are indirectly impacted by movements in listed equity prices and related variables. The Board sets the overall investment strategy and allocation which aims to achieve a spread of investments across sectors and regions in order to reduce risk. The Board receives reports on the investment portfolio, performance and volatility on a regular basis in order to ensure that the investment portfolio is in accordance with the investment policy.

MAM's policy as Investment Manager is to manage risk through a combination of monitoring the exposure to individual securities, industry and geographic sectors, whilst maintaining a constant awareness in real time of the portfolio exposures in accordance with the investment strategy. Any derivative positions are marked to market and exposure to counterparties is also monitored on a daily basis by MAM. At the year end the Company itself did not hold any derivatives (2017: None).

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

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

| | 2018 £000 | 2017 £000 |
|--|----------------|----------------|
| Non-current investments held at fair value through profit or loss | | |
| Listed equity investments | 51,287 | 55,934 |
| Unlisted equity investments (MAM Funds) | 86,458 | 96,122 |
| Unlisted equity investments | 58,770 | 61,692 |
| | 196,515 | 213,748 |

22 Financial Instruments and Risk Profile continued

Sensitivity Analysis

If share prices on listed equity security investments and the unlisted equity investments (MAM Funds) had decreased by 10% at the reporting date with all other variables remaining constant, the net return before tax and the net assets would have decreased by the amounts shown below. Details of the sensitivity analysis in respect of the investment in MAM is shown in the Report of the Audit Committee on page 33.

| Income statement | 2018 £000 | 2017 £000 |
|------------------|--------------|--------------|
| Capital return | 13,775 | 15,206 |
| Net assets | 13,775 | 15,206 |

A 10% increase in listed equity security share prices would have resulted in a proportionately equal and opposite effect on the above amounts on the basis that all other variables remain constant. The analysis has been calculated on the investment portfolio held at the reporting date 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 Company financial loss. The Company's exposure to credit risk is managed by the following:

- The Company's investments are held on its behalf by the Company's Depositary, who has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and The Bank of New York Mellon, which if it became bankrupt or insolvent could cause the Company's rights with respect to securities held to be delayed. However under the AIFMD, the Depositary provides certain indemnities in respect of the Company's investments. The Company receives regular internal control reports from the Custodian which are reported to and reviewed by the Audit Committee.
- Investment transactions are undertaken by MAM with a number of approved brokers in the ordinary course of business on a contractual delivery versus payment basis. MAM has procedures in place whereby all new brokers are subject to credit checks and approval by them prior to any business being undertaken. MAM utilises the services of a large range of approved brokers thereby mitigating credit risk by diversification.
- Company cash is held at banks that are considered to be reputable and of high quality. Cash balances above a certain threshold are spread across a range of banks to reduce concentration risk.

Credit Risk Exposure

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

| | 2018 £000 | 2017 £000 |
|---|--------------|--------------|
| Cash on deposit and at banks | 3,483 | 3,566 |
| Sales for future settlement | 26 | 44 |
| Interest, dividends and other receivables | 187 | 184 |
| | 3,696 | 3,794 |
| Minimum exposure during the year | 3,121 | 3,249 |
| Maximum exposure during the year | 20,426 | 10,920 |

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 current or prior reporting date.

Notes to the Accounts

22 Financial Instruments and Risk Profile continued

Liquidity Risk

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

Liquidity risk is monitored, although it is recognised that the majority of the Company's assets are invested in quoted equities and other quoted securities that are readily realisable (all MAM fund investments are highly liquid). The Board has various limits in respect to how much of the Company's assets can be invested in any one company. The unlisted investments in the portfolio are subject to liquidity risk, but such investments (excluding MAM) are a very small part of the portfolio and are in realisation mode. Nonetheless limits remain for any such investments and liquidity risk is always considered when making investment decisions in such securities. The Company is subject to concentration risk due to its investment in MAM, at 29.5% (2017: 28.4%) of the Company's total assets. This investment is closely monitored by the Board who receive regular financial and operational reports, and it is believed that the current concentration risk here is mitigated somewhat by the diversification undertaken within the MAM business itself.

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

During the year the Company gave irrevocable notice to redeem the entire outstanding amount of the March 2020 debenture, in order to reduce its gearing. Further information is contained in note 8 and in the Chief Executive's Report on page 11.

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

| Undiscounted cash flows | 2018 | | | | Total £000 |
|--------------------------------------|------------------------------|---|---|-----------------------------------|---------------|
| | 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 | |
| 7.25% 2025 debenture stock | | | | 20,700 | 20,700 |
| Interest on financial liabilities | 1,501 | 1,501 | 1,501 | 5,253 | 9,756 |
| Trade payables and other liabilities | 365 | | | 732 | 1,097 |
| | 1,866 | 1,501 | 1,501 | 26,685 | 31,553 |

| Undiscounted cash flows | 2017 | | | | Total £000 |
|--------------------------------------|------------------------------|---|---|-----------------------------------|---------------|
| | 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 | |
| 9.50% 2020 debenture stock | | | | 13,500 | 13,500 |
| 7.25% 2025 debenture stock | | | | 20,700 | 20,700 |
| Interest on financial liabilities | 2,783 | 2,783 | 2,783 | 6,753 | 15,102 |
| Trade payables and other liabilities | 1,085 | | | | 1,085 |
| | 3,868 | 2,783 | 2,783 | 40,953 | 50,387 |

22 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 | 2018 £000 | 2017 £000 |
|---|--------------|--------------|
| Financial assets at fair value through profit or loss | | |
| Equity securities | 196,515 | 213,748 |
| | 196,519 | 213,748 |
| Other financial assets* | 3,696 | 3,794 |
| | 200,211 | 217,542 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost** | 21,622 | 35,048 |
| | 21,622 | 35,048 |

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

** Financial liabilities measured at amortised cost include; debenture stock in issue, purchases for future settlement, investment management fees, 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 stock is classified as level 3 under the fair value hierarchy. The fair value of the debenture stock is calculated using a standard bond pricing method, using a redemption yield of a similar UK Gilt stock with a appropriate margin being applied.

| | Book Value 2018 £000 | Book Value 2017 £000 | Fair Value 2018 £000 | Fair Value 2017 £000 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| £Nil (2017:£13.5m) 9.50% 2020 debenture stock | | 13,459 | | 15,620 |
| £20.7m (2017:£20.7m) 7.25% 2025 debenture stock | 20,525 | 20,504 | 24,829 | 25,706 |
| | 20,525 | 33,963 | 24,829 | 41,326 |

Capital Management Policies and Procedures

The Company's capital management objectives are:

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

Notes to the Accounts

22 Financial Instruments and Risk Profile continued

| | 2018 £000 | 2017 £000 |
|---|--------------|--------------|
| Net Debt | | |
| Adjusted cash and cash equivalents* | (2,599) | (2,709) |
| Debentures | 20,525 | 33,963 |
| Sub total | 17,926 | 31,254 |
| Equity | | |
| Equity share capital | 5,344 | 5,344 |
| Retained earnings and other reserves | 173,282 | 177,200 |
| Shareholders' funds | 178,626 | 182,544 |
| Gearing | | |
| Net debt as a percentage of shareholders' funds | 10.0% | 17.1% |

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

Maximum potential gearing represents the highest gearing percentage on the assumption that the Company had no net current assets. As at 30 September 2018 this was 11.5% (2017: 18.6%).

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

- the level of gearing, taking into account MAM's views on capital markets; and
- the level of the Company's free float of shares as the Barlow family owns approximately 53.5% 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. As noted previously, during the year the Company gave irrevocable notice to redeem the entire outstanding amount of the March 2020 debenture, in order to reduce its gearing. Further information is contained in note 8 and in the Chief Executive's Report on page 11.

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

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

22 Financial Instruments and Risk Profile continued

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

| Gross Method | 2018 £000 | 2017 £000 |
|--|--------------|--------------|
| Investments held at fair value through profit or loss | 196,515 | 213,748 |
| Total investments at exposure value as defined under the AIFMD | 196,515 | 213,748 |
| Shareholders' funds | 178,626 | 182,544 |
| Leverage (times) | 1.10 | 1.17 |
| Commitment Method | 2018 £000 | 2017 £000 |
| Investments held at fair value through profit or loss | 196,515 | 213,748 |
| Cash and cash equivalents | 3,483 | 3,566 |
| Total investments at exposure value as defined under the AIFMD | 199,998 | 217,314 |
| Shareholders' funds | 178,626 | 182,544 |
| Leverage (times) | 1.12 | 1.19 |

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

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

23 Related Party Transactions

Majedie Asset Management (MAM)

MAM 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 portfolio basis and also by investments into various MAM funds. Details of the Investment Agreement are contained in the material contracts section of the Directors' report on pages 24 to 25. As Investment Manager, MAM is entitled to receive investment management fees. In respect of the Segregated Portfolio investment these are charged directly to the Company and are shown as an expense in its accounts. Any fees due in respect of investments made into any MAM funds are charged in the fund's accounts and are therefore included as part of the investment value of the relevant holdings. Details concerning the Company's investments in the period in the MAM funds are shown in the Chief Executive's Report on page 6 to 12.

Notes to the Accounts

23 Related Party Transactions continued

MAM is also entitled to receive performance fees on the Company's investment in the MAM Tortoise Fund. Further details on performance fees for the MAM Tortoise Fund performance fees are shown in the Directors' Report on page 25 and in Note 4 on page 62.

In addition to the above, the Company retains an investment in MAM itself. Mr JWM Barlow is a non-executive director of MAM, but receives no remuneration for this role. MAM is accounted for as an investment in the Company's accounts and is valued at fair value through profit or loss. Details concerning the Company's investment in MAM is included in the Chief Executive's Report on page 10 and on note 13 on page 70.

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

| | 2018 £000 | 2017 £000 |
|---|--------------|--------------|
| Transactions during the period: | | |
| Dividend income received from MAM | 4,602 | 4,142 |
| Performance fee income due to MAM (MAM Tortoise Fund only) | | 4 |
| Management fee income due to MAM (UK Equity Segregated Portfolio only) | 431 | 486 |
| Balances outstanding at the end of the period: | | |
| Between the Company and MAM (Segregated Portfolio investment management fees) | 103 | 122 |
| Value of the Company's investment in MAM | 58,673 | 61,550 |

Remuneration

The remuneration of the Directors, who are the key management personnel of the Company, are set out below in aggregate for each of the categories specified in IAS 24: Related Party disclosures. There are no amounts outstanding at 30 September 2018 for Directors fees or salary (2017: Nil). Further information about the remuneration of individual Directors is provided in the audited section of the Report on Directors' Remuneration on page 37.

| | 2018 £000 | 2017 £000 |
|------------------------------|--------------|--------------|
| Short term employee benefits | 326 | 328 |
| | 326 | 328 |

Notice of Meeting

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

Notice is hereby given that the one hundred and eighth Annual General Meeting of Majedie Investments PLC will be held at City of London Club, 19 Old Broad Street, London EC2N 1DS on Wednesday 16 January 2019 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 2018.
2. To approve the Directors' Remuneration Report for the year ended 30 September 2018, which can be found on pages 37 to 40.
3. To declare a final dividend of 7.00p per share in respect of the year ended 30 September 2018.
4. To re-elect PD Gadd as a Director.
5. To re-elect JWM Barlow as a Director.
6. To re-elect AJ Adcock as a Director.
7. To re-elect RDC Henderson as a Director.
8. To re-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 5,338,556 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 2020, 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 sections 570 and 573 of the Companies Act 2006 (the Act) to allot equity securities (within the meaning of section 560 of the Act) of the Company for cash pursuant to the authority conferred by resolution 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 5,338,556 Ordinary Shares;
 - b) The authority granted shall (unless previously revoked) expire at the conclusion of the next Annual General Meeting of the Company in 2020 or, if earlier, 15 months after the passing of this resolution;
 - c) The said power shall allow and enable the Directors to make an offer or agreement before the expiry of that power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if that power had not expired.

Notice of Meeting

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 8,010,506, or if less, 14.99% of the number of shares in circulation immediately following the passing of this Resolution;
 - (b) the minimum price which may be paid for each Ordinary Share is 10p;
 - (c) the maximum price payable by the Company for each Ordinary Share is the higher of:
 - (i) 105% of the average of the middle market quotations of the Ordinary Shares in the Company for the five business days prior to the date of the market purchase; and
 - (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out;
 - (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2020 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
1 King's Arms Yard
London
EC2R 7AF

Registered in England Number: 109305

By order of the Board
Link Company Matters Limited
Company Secretary
4 December 2018

Explanation of Notice of Annual General Meeting

Resolution 1 – To receive the Directors' Report and Accounts

The Directors are required to present the financial statements, Directors' report and Auditor's report to the meeting. These are contained in the Company's Annual Report and Financial Statements 2018. A resolution to receive the financial statements, together with the Directors' reports and the Auditor's report on those accounts for the financial period ended 30 September 2018 is included as an ordinary resolution.

Resolution 2 – Directors' Remuneration Report

Reflecting the remuneration reporting regime which came into effect on 1 October 2013, shareholders have an annual advisory vote on the report on Directors' remuneration. Accordingly, shareholders are being asked to vote on the receipt and approval of the Directors' Remuneration Report as set out on pages 37 to 40 of the 2018 Annual Report.

Resolution 3 – Final Dividend

The Board proposes a final dividend of 7.00 pence per share in respect of the year ended 30 September 2018. If approved, the recommended final dividend will be paid on 23 January 2019 to all ordinary shareholders who are on the register of members on 11 January 2019. The shares will be marked ex-dividend on 10 January 2019.

Resolutions 4-7 – Re-election of Directors

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

Mr Gadd will retire at the forthcoming Annual General Meeting, and, being eligible, will offer himself for re-election.

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

Mr Adcock will retire at the forthcoming Annual General Meeting, and, being eligible, will offer himself for re-election.

Mr Henderson will retire at the forthcoming Annual General Meeting, and, being eligible, will offer himself for re-election.

Full biographies of all the Directors are set out in the Company's 2018 Annual Report and are also available for viewing on the Company's website <http://www.majedieinvestments.com/overview>.

Resolutions 8 and 9 – Appointment and Remuneration of Auditor

At each meeting at which the Company's financial statements are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. The Board, on the recommendation of the Audit Committee, recommends the appointment of Ernst & Young LLP.

Resolution 10 – Authority to allot ordinary shares

Resolution 10 authorises the Board to allot ordinary shares generally and unconditionally in accordance with Section 551 of the Companies Act 2006 up to a maximum number of 5,338,556 Ordinary Shares, representing approximately 9.99% of the issued ordinary share capital at the date of the Notice.

No ordinary shares will be issued at a price less than the prevailing net asset value per Ordinary Share at the time of issue. This authority shall expire at the Annual General Meeting to be held in 2020.

Resolution 11 – Authority to dis-apply pre-emption rights

Resolution 11 is a special resolution which is being proposed to authorise the Directors to disapply the pre-emption rights of existing shareholders in relation to issues of ordinary shares under Resolution 10 (being a maximum number of 5,338,556 Ordinary Shares, representing approximately 9.99% of the issued ordinary share capital at the date of the Notice).

This authority shall expire at the Annual General Meeting to be held in 2020.

Notice of Meeting

Resolution 12 – Purchase of Own Shares

Resolution 12 is a special resolution that will grant the Company authority to make market purchases of up to 8,010,506 Ordinary Shares, representing 14.99% of the ordinary shares in issue as at the date of the Notice. Any shares bought back will either be cancelled or placed into treasury at the determination of the Directors.

The maximum price which may be paid for each Ordinary Share must not be more than the higher of (i) 105% of the average of the mid-market values of the Ordinary Shares for the five business days before the purchase is made or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. The minimum price which may be paid for each ordinary share is £0.10.

The Directors would not exercise the authority granted under this resolution unless they consider it to be in the best interests of shareholders. Purchases would be made in accordance with the provisions of the Companies Act 2006 and the Listing Rules. This authority shall expire at the Annual General Meeting to be held in 2020 when a resolution to renew the authority will be proposed.

Resolution 13 – Notice Period for General Meetings

Resolution 13 is a special resolution that will give the Directors the ability to convene general meetings, other than annual general meetings, on a minimum of 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. This authority would provide the Company with flexibility where action needs to be taken quickly but will only be used where the Directors consider it in the best interests of shareholders to do so and the matter is required to be dealt with expediently. The approval will be effective until the Company's Annual General Meeting to be held in 2020, at which it is intended that renewal will be sought.

Recommendation

Full details of the above resolutions are contained in the Notice. The Directors consider that all the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

Note 1

To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast) members must be entered on the Company's register of members at close of business on 14 January 2019 (or, in the event of any adjournment, close of business on the date which is two days (excluding weekends and bank holidays) before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

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 14 January 2019.

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.

Notice of Meeting

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 14 January 2019 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 14 January 2019 (the specified time) shall be disregarded in determining the rights of any person to attend or vote at the meeting. If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If, however, the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.

Note 6

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual, which is available to download from the Euroclear website (www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

Note 7

As at the date of this Notice, the Company's issued share capital and total voting rights amounted to 53,439,000 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:
 - (i) interfere unduly with the preparation for the meeting, or
 - (ii) involve the disclosure of confidential information;
- b) the answer has already been given on a website in the form of an answer to a question; or
- c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Note 9

Any corporation which is a member can appoint one or more corporate representative(s) who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers in relation to the same shares.

Note 10

Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditors' Report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

Note 11

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.

Notice of Meeting

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.

Before investing in the Company's shares, potential investors must read the Key Information Document and the Investor Disclosure Document. They are available on the Company's website at www.majedieinvestments.com, under the investing section.

Equiniti Shareview Dealing Investment Account

The Equiniti Investment Account (EIA) is a flexible and cost effective way to invest or save in the shares of Majedie Investments PLC. There are no charges apart from Stamp Duty which is payable on all share investments. The EIA is able to be operated online or by phone.

Lump sum investments are dealt with on a daily basis whereas the monthly savings facility is an affordable and effective way of building a substantial shareholding over a longer term. The minimum monthly investment is £50. There is no minimum lump sum investment amount and there are no maximum limits.

There are no dealing charges and there is no annual management fee (the Company subsidises the EIA running costs). Your lump sum or monthly payments will be used to buy as many shares as possible after deducting Government Stamp Duty, currently at the rate of 0.5%.

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

To summarise:

| | | |
|------------|-----------------|------------|
| Investment | Lump sum | No minimum |
| | Monthly savings | from £50 |
| Charges | Initial | Nil* |
| | Annual | Nil |
| | Sale of Shares | Nil |

* Except stamp duty of 0.5%

For further details please contact Equiniti Financial Services Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Telephone: 0345 300 0430. Email: enquiries@equinitishareviewdealing.com.

Please note that the previous Majedie Share Plan has now closed. For further information please visit the Company's website <http://www.majedieinvestments.com/>.

Majedie Corporate ISA

The Majedie Corporate ISA (Individual Savings Account) provides a tax effective way to invest or save in the shares of Majedie Investments PLC. There are no initial charges and no annual management fees. Halifax Share Dealing Limited is the Majedie Corporate ISA Manager.

ISA's provide the following benefits:

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

The Majedie Corporate ISA provides the additional benefit of extremely low cost. There are no initial charges and no annual management charges. Furthermore there is no brokerage charge on purchases as part of the weekly bulk dealing for the scheme. However there is Government Stamp Duty on purchases, currently at 0.5%, and there is also an additional charge should you wish to make use of the Real Time Dealing Service*.

Shares may be purchased either by way of a lump sum payment or through regular monthly payments. The minimum lump sum investment is £500, while the minimum direct debit subscription is £20. The maximum investment permitted is £20,000 for the 2018/19 tax year. Investments can be split between a Cash ISA a Stocks and Shares ISA, and a Lifetime ISA. Income may be paid direct to your bank or building society on a half-yearly basis or reinvested.

To summarise:

| | | |
|------------------|-----------------|-------------|
| Investment | Lump sum | from £500 |
| | Monthly savings | from £20 |
| ISA Charges | Initial | Nil |
| | Annual | Nil |
| Dealing Charges* | Online | £12.50 |
| | Telephone | From £25.00 |

The Majedie Corporate ISA is provided in conjunction with Halifax Share Dealing Limited (HSDL) who act as an HM Revenue & Customs Approved ISA Manager. To apply please contact Halifax Share Dealing on 03457 22 55 25, quoting Stock Code: MXMJ. Telephone calls may be recorded for security purposes and may be monitored under the Bank's quality control procedures.

The value of investments and income from them can go down as well as up and you may not get back the amount you originally invested. Any tax concessions are not guaranteed and may be changed at any time. The value of any tax concessions will depend on your individual circumstances.

Halifax Share Dealing Limited. Registered in England and Wales no. 3195646. Registered Office: Trinity Road, Halifax, West Yorkshire, HX1 2RG. Authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN under registration number 183332. A Member of the London Stock Exchange and an HM Revenue & Customs Approved ISA Manager.

* Please call 03457 22 55 25 for further information

Majedie ISA (formerly a PEP)

You are no longer able to put new money into a PEP. However, your existing PEP investments remain sheltered from tax in an ISA.

Please note that ISA limits apply and taxation levels and bases are subject to change. Past performance of investments is not a guide to future performance as their value can go down as well as up.

Further details may be obtained from the Company's ISA Manager, The Share Centre, PO Box 2000, Aylesbury, Buckinghamshire HP21 8ZB (telephone: 0800 800 008).

Shareholder Information

Registered Office

1 King's Arms Yard
London EC2R 7AF
Telephone: 020 7382 8170
E-mail: majedie@majedieinvestments.com
Registered Number: 109305 England

Company Secretary

Link Company Matters Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Investment Manager

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

Depository

The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

The Depository acts as global custodian and may delegate safekeeping to one or more global sub-custodians. The Depository has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and The Bank of New York Mellon.

AIFM

Majedie Investments PLC

Solicitor

Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

Website

www.majedieinvestments.com

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1159

Shareholders should notify all changes of name and address in writing to the Registrars. Shareholders may check details of their holdings, historical dividends, graphs and other data by accessing www.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
25 Churchill Place
Canary Wharf
London E14 5EY

Stockbrokers

J.P. Morgan Cazenove
25 Bank Street
London E14 5JP

ISIN

Ordinary: GB0005555221
Debenture 7.25% 31/03/2025: GB0006733058

Ticker

Ordinary: MAJE
Debenture 7.25% 31/03/2025: BD22

Sedol

Ordinary: 0555522
Debenture 7.25% 31/03/2025: 0673305

Shareholder Information

Key Dates in 2018

| | |
|--------------------------------------|-------------------|
| Ex-dividend date | 10 January 2019 |
| Record date | 11 January 2019 |
| Annual General Meeting | 16 January 2019 |
| 2017/18 final dividend payable | 23 January 2019 |
| Interim results announcement | May 2019 |
| 2018/19 interim dividend payable | June 2019 |
| Financial year end | 30 September 2019 |
| Final results announcement | December 2019 |
| Annual Report mailed to shareholders | December 2019 |

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 pages 91 and 92). You may transfer an existing PEP or ISA to the Majedie ISA (page 92). You may also purchase shares through an on-line dealing facility or via your stockbroker or bank.

Net Asset Value

The Company announces its net asset value daily through the London Stock Exchange and on its website. The Financial Times publishes daily estimates of the net asset value and discount.

Capital Gains Tax

For capital gains tax purposes the adjusted market price of the Company's shares at 31 March 1982 was 35.875p per 10p share. Former shareholders of Barlow Holdings PLC are recommended to consult their professional advisers in this regard.

Warning to shareholders

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

Majedie Investments PLC

1 King's Arms Yard
London EC2R 7AF

Telephone 020 7382 8170
E-mail majedie@majedieinvestments.com

www.majedieinvestments.com