

Jupiter European Opportunities Trust PLC

Annual Report & Accounts

for the year ended 31 May 2019




JUPITER

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Investment Objective, Investment Policy and Benchmark Index

Objective of the Company

The objective of the company is to invest in securities of European companies and in sectors or geographical areas which are considered by the investment adviser to offer good prospects for capital growth, taking into account economic trends and business development.

Investment Policy

The investment adviser adopts a stock picking approach in the belief that a thorough analysis and understanding of a company is the best way to identify long-term superior growth prospects. This understanding begins with identifying those companies where the ownership structure and incumbent management are conducive to the realisation of the aim of achieving superior long-term earnings growth. The investment adviser will seek to identify companies which enjoy certain key business characteristics including some or all of the following:

- a strong management record and team, and the confidence that the investment adviser has in that management's ability to explain and account for its actions;
- proprietary technology and other factors which indicate a sustainable competitive advantage;
- a reasonable expectation that demand for their products or services will enjoy long-term growth; and
- an understanding that structural changes are likely to benefit rather than negatively impact that company's prospects.

There may be sectors which do not enjoy the business characteristics described above and in such circumstances the investment adviser will seek to identify companies that are expected to generate superior earnings growth within that sector.

In analysing potential investments, the investment adviser will employ differing valuation techniques depending on their relevance to the business characteristics of a particular company. However, the underlying feature will be the sustainability and growth of free cashflow in the long-term.

Any material change in the investment policy of the company described above may only be made with the approval of shareholders by an ordinary resolution.

Investment Restrictions

The company will at all times invest and manage its assets, with the objective of spreading risk and in accordance with its published investment policy. In order to comply with the current Listing Rules the company will not invest in other listed closed-ended investment funds.

Benchmark Index

FTSE World Europe ex UK Total Return Index
(Bloomberg Indication Code FTRSERXU)

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■ Strategic Report

■ Financial Highlights for the year ended 31 May 2019

Capital Performance

	31 May 2019	31 May 2018	% change
Total assets less current liabilities (£'000)	927,482	873,195	+6.2

Ordinary Share Performance

	31 May 2019	31 May 2018	% change
Net asset value (pence)	822.23	778.94	+5.6
Net asset value (with dividends paid of 6.5p added back) (pence) ¹	828.73	778.94	+6.4
Middle market price (pence)	815.00	770.00	+5.8
FTSE World Europe ex UK Total Return Index	1,362.22	1,338.77	+1.8
Discount to net asset value (%) ¹	(0.9)	(1.1)	–
Ongoing charges figure (%) ^{1,2}	0.90	0.91	–

Performance Since Launch

Year ended 31 May	Total Assets less Current Liabilities £'000	Net Asset Value per Ordinary Share p	Year-on-year change in Net Asset Value per Ordinary Share %	Year- on-year change in Benchmark Index %
20 November 2000 (launch)	93,969	94.66	–	–
2001	83,600	89.29	-5.7	-8.0
2002	91,028	91.12	+2.0	-10.7
2003	84,592	83.82	-8.0	-19.0
2004	97,915	109.25	+30.3	+15.7
2005 (restated) ³	117,679	133.54	+22.2	+19.3
2006	154,927	167.47	+25.4	+26.2
2007	182,278	224.58	+34.1	+30.0
2008	188,519	230.56	+2.7	-0.1
2009	131,457	162.35	-29.6	-25.3
2010	185,504	232.40	+43.1	+14.4
2011	252,813	316.73	+36.3	+24.2
2012	231,584	291.05	-8.1	-24.2
2013	340,801	403.58	+38.7	+43.3
2014	409,191	451.26	+11.8	+13.4
2015	558,389	546.27	+21.1	+4.7
2016	613,922	550.23	+0.7	-3.7
2017	795,012	712.53	+29.5	+35.7
2018	873,195	778.94	+9.3	+0.9
2019	927,482	822.23	+5.6	+1.8

¹ For definitions of the above Alternative Performance Measures please refer to the Glossary of Terms on page 57.

² Excluding finance costs (interest on the company's loan facility).

³ Prior to 2005, financial information was prepared under UK GAAP. From 2006 all information is prepared under IFRS.

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Strategic Report continued**Chairman's Statement**

I am pleased to present the Annual Report of Jupiter European Opportunities Trust Plc for the year to 31 May 2019.

During the twelve months to 31 May 2019 the total return on the net asset value per share of your company was 6.4 per cent (with dividends added back). This compares with an increase in the company's benchmark index, the FTSE World Europe ex UK Total Return Index, of 1.8 per cent and a total return on the middle market price of the company's shares of 6.7 per cent (again with dividends added back) during the same period.

Since 31 May 2019 the return on the net asset value per share of your company was 6.2 per cent as at 13 September 2019, which compares with a total return of 8.5 per cent from the benchmark index during the same period. The market price of the company's shares had increased by 4.8 per cent to 854p as at that date.

As at 31 May 2019 the company had total assets under management of £1,002 million.

The background to the performance of your company over the course of the financial year is discussed in detail by Alexander Darwall in his Investment Adviser's Review on pages 6 and 7.

Future management arrangements

It was announced on 1 July 2019 that Alexander Darwall was taking steps to launch a new investment management company, Devon Equity Management Limited ("Devon"), to be based in London. The board announced that it was investigating the possibility of appointing Devon as the company's investment adviser.

Since the announcement on 1 July, the board has undertaken a comprehensive due diligence exercise and shareholder consultation regarding the possible appointment of Devon as the company's investment adviser. At present the company contracts with Jupiter Unit Trust Managers Limited ("JUTM"), which is the company's Alternative Investment Fund Manager ("AIFM") and which delegates the provision of investment advice to Jupiter Asset Management Limited. Devon is seeking authorisation from the Financial Conduct Authority to act as investment adviser but is not seeking authorisation to act as an AIFM, although its intention is in due course to seek such authorisation. The board has also been considering the appointment of a new AIFM in place of JUTM. It is in discussions with FundRock Management Company ("FundRock"), an established AIFM with assets under management of over £75 billion. If appointed, FundRock would delegate investment advice to Devon.

Discussions are continuing with Devon, FundRock and the other service providers to the company, as well as with Jupiter regarding the termination of the JUTM management agreement. A further announcement is expected to be made in early October.

Performance fees

During the financial year to 31 May 2019 a performance fee of £7 million, equal to 0.8 per cent of the Company's net assets, was earned by JUTM as a result of the company's significant net outperformance of its benchmark index. Full details of how this performance fee was calculated are set out in note 24 to the accounts on page 52 of this report. It should be noted that the performance fee is subject to both a 'high water mark' (meaning that a performance fee can only be paid if the net asset value at the end of the year is higher than the net asset value at the end of the year in respect of which a performance fee was last paid) and the hurdle of outperforming the total return on the

benchmark index. There is also a cap on the aggregate fees that may be paid to the investment manager in any one financial year of 4.99 per cent of net assets.

If FundRock and Devon are appointed as AIFM and investment adviser respectively of the company, these appointments will be subject to new fee arrangements, to be negotiated.

Board composition

On 1 August 2019 the board announced the appointment of Sharon Brown as an additional non-executive director. Sharon is a qualified accountant and it is anticipated that she will take over from Philip Best as chair of the audit committee in 2020.

Sharon was interviewed by members of the board's nomination committee prior to her appointment as a director. The committee was seeking a suitable candidate to act as a future chair of the audit committee and it also had regard to the Hampton-Alexander Review of gender diversity on FTSE 350 company boards. In making its recommendation, the committee took into account both the overall board composition and the particular skills, diversity and intrinsic personal qualities and underlying competencies required for the role. Sharon Brown was one of a number of candidates to be considered and her particular experience in both public listed trading companies and investment companies in an audit chair capacity was identified as a particular opportunity for the future development of the board.

John Wallinger has served on your board since the launch of the company in November 2000. The board does not believe that his length of service, of itself, has any bearing on his independence or ability to fulfil his fiduciary duties towards our shareholders. However, it recognises the need to refresh the composition of the board from time to time and John has indicated that he plans to retire as a director of the company at the Annual General Meeting in 2020.

All of your current directors are offering themselves for re-election at the forthcoming Annual General Meeting and we would welcome your support for our resolutions.

Proposed change of name

In anticipation of the potential change of investment manager and adviser described above, at the Annual General Meeting ("AGM") a resolution will be put to shareholders that the company's name be changed to European Opportunities Trust PLC.

Dividend

A resolution to declare a final dividend of 5.5p per share will be proposed at the AGM on 14 November 2019, payable on 12 December 2019 to shareholders on the Register of Shareholders on 22 November 2019. The cost of this dividend is covered by the company's distributable revenues during the financial year under review.

The company's objective is to achieve shareholder returns through capital growth rather than income. However, in order to qualify for approval as an investment trust, the company is not permitted to retain more than 15 per cent of eligible investment income arising during any accounting period. Accordingly, the board's policy is to propose a modest annual dividend and one at least sufficient to enable the company to maintain its investment trust status.

The declaration of the dividend as a final dividend will provide shareholders with an opportunity to express their approval on the matter, in line with corporate governance guidelines. In the unlikely

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■ **Strategic Report** continued■ **Chairman's Statement** continued

event that shareholders were to vote against the resolution at the AGM to pay a final dividend then the directors would pay an equivalent interim dividend, as otherwise the company would be likely to lose investment trust status, with potentially disastrous tax consequences for a large number of its shareholders.

Gearing

As at 31 May 2019 the company's gearing level (being the ratio of the company's borrowings less cash to its total assets) was 6.3 per cent.

Your company's portfolio manager, Alexander Darwall, expects to increase gearing at times of low valuations while decreasing gearing in stronger markets and he has the board's authority to raise the level of gearing to 20 per cent. should market conditions be appropriate.

Share issuance

Shareholders will be aware that it is the board's ambition to continue to grow the company by the issuance of new shares in response to market demand. I am pleased that we were able to issue a total of 700,000 shares during the financial year at a small premium to the underlying net asset value. The company's share price has, during the financial year, fluctuated between being at a premium and at a discount to its net asset value and, as at 13 September 2019, the company's share price was at a discount of 2.1 per cent.

Change of Auditor

On recommendation from the audit committee, the board is proposing the appointment of PricewaterhouseCoopers LLP as auditors of the company at this year's AGM. The board wishes to extend its thanks to Ernst & Young LLP, who have served as auditors of the company since its launch in 2000.

Annual General Meeting

The company's AGM will be held on 14 November 2019 at 11:00 a.m. at the offices of Jupiter Asset Management Limited, The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ. Notice of the AGM, containing full details of the business to be conducted at the meeting, is set out on page 58 of this report. Your attention is also drawn to the report of the directors on page 18 where various resolutions relating to special business are explained.

In addition to the formal business, Alexander Darwall will provide a presentation to shareholders on the performance of the company over the past year as well as an outlook for the future. The board would welcome your attendance at the AGM as it provides shareholders with an opportunity to ask questions of both the board and the investment adviser.

Outlook

There are some worrying headwinds affecting the global economy: slower economic growth, a possible recession in Germany, US/China trade disputes, geo-political developments involving oil-producing countries, Brexit and so on. The companies in the portfolio are unlikely to be immune from the consequences of these headwinds.

However, the investment adviser continues to concentrate on individual stock-picking rather than basing investment decisions on macro-economic issues. It looks for those companies with innovative products or strategies and good management; many of these companies will prosper during cyclical economic downturns.

Your board is working hard to finalise the future management arrangements referred to above. The board believes that shareholders are looking for continuity of investment advice and they would also be supportive of the appointment of Devon. Your company has an outstanding long-term performance record and we are looking for an outcome that best ensures the opportunity to continue that performance record.

Andrew Sutch

Chairman

27 September 2019

Strategic Report continued

Investment Adviser's Review

Portfolio review

The net asset value of the company's ordinary shares rose 6.4 per cent (with dividends added back) during the twelve months to 31 May 2019. This compares with a 1.8 per cent rise, in sterling, of the FTSE World Europe ex UK index. The level of the company's borrowings less cash at the financial year-end was £58.5m (£42.8m). Borrowings represented 6.3 per cent of total assets at the period end, having been 4.9 per cent twelve months earlier. Borrowing rates were slightly higher than in the previous reporting period 1.57 per cent (1.2 per cent). The FTSE World (total return) index was up 5.1 per cent in sterling during the 12 months under review.

There has been a slight deterioration in forecasts for economic growth. The IMF has reduced its world forecasts for 2019 over the last eighteen months and now expects a figure of 3.3 per cent, having earlier forecast growth of 3.9 per cent. Most regions of the world are forecast to deliver slightly lower growth rates than previously expected: The Euro Area 1.3 per cent (2.0 per cent previously); the US 2.3 per cent (2.7 per cent); and the UK 1.2 per cent (1.5 per cent previously). Forecasts for Brazil, an important market for many of our companies, point to an improving trend with growth in 2019 building on 2018 and 2020 expected to see a further acceleration in growth. The salient reason for the softness in global growth is weaker world trade, this principally the result of tensions between the US and China. The sharp fall in the oil price – the West Texas Intermediate ('WTI') was down by 20.2 per cent to \$53.50 over the period under review – would normally give a strong fillip to economic activity. However, the energy market is greatly distorted by incentives to encourage the move to a low carbon economy. In Europe especially, this has the effect of increasing costs. Two other big constituents of corporate costs, labour and interest rates, are still 'positive' for corporate earnings inasmuch as new digital technologies continue to improve efficiency, and interest rates remain low. The ECB's main refinancing rate remains 0 per cent as it has been for the last three years; and 3 month Euribor was -0.32 per cent at the end of May 2019, almost exactly the same figure as a year earlier. The policy of Quantitative Easing (Q.E.) has inflated asset prices (as reflected in rising stock markets) but not had the desired effect of boosting capital expenditure. European corporate earnings have continued to improve, but at a lower rate than previously forecast. Consensus estimates for the constituents of the MSCI Europe index are that European companies increased their earnings by 6 per cent in 2018 and forecast only 4.3 per cent progress in 2019. Our companies deliver higher growth rates partly because they are engaged in higher growth businesses and partly because, typically, they have a global coverage thereby tapping into some of the more vibrant economies.

The relative success of the portfolio was due to a coincidence of good performance from an eclectic group of stocks. The same can be said when the outcome is bad: individual stock performance is the key to understanding the portfolio's progress. Yet it is instructive to compare the lists of our winners and losers. Although both lists have diverse business activities there is a key difference between the two which might be described as 'capacity discipline'. The 'winners' have not made any significant acquisitions; the industries in which they operate enjoy structures which are conducive to pricing discipline; they are 'capital light' business models and have not raised fresh capital. In terms of attribution, the best performers, Experian (the credit bureau and data analytics company), RELX (the leading provider of information and analytics for professionals and businesses) and Edenred (prepaid vouchers for benefits, rewards and expense management) are good examples of companies which have these characteristics. Further, these companies are beneficiaries of two other developments.

The first is the exploitation of digital technologies which can reduce cost, increase flexibility and further the reach of the services offered by Experian, RELX and Edenred. The second is ever tougher regulatory requirements which is in turn driving greater demand for these services. Other successful investments include adidas which has continued to deliver good results. Its success owes much to the hugely improved management performance, successfully addressing marketing, strategic and logistical challenges. Intermediate Capital Group was another good performer. This London listed company specialises in private debt, equity and credit mainly for European smaller companies. Other notable performers include Mowi, the world's leading salmon farming and processing company; ALK-Abello, the Danish immunotherapy company, and Wolters Kluwer, the Dutch provider of tax, accounting, legal and healthcare information services. Our largest investment is Wirecard, the German listed internet payment and processing company. It has reported remarkably strong profits growth, yet the shares have been exceptionally volatile whilst making modest progress over the reporting period. We retain great confidence in the management of the company to capitalise on the considerable opportunities that present themselves.

Whereas the 'winners' all demonstrated good 'capacity discipline', the same cannot be said of the 'losers'. In some instances, this is a lack of industry discipline. Ryanair, for example, operates in an industry where short haul airline capacity has increased. This has caused pressure on ticket prices, squeezing revenues. Likewise, Carnival, which controls the world's largest fleet of cruise ships, operates in an industry where growing capacity has hurt pricing. Both Ryanair and Carnival have played a part in building excess supply. This is also true of Umicore, the Belgian precious metals refining and recycling company and Infineon (power semiconductors); their own capacity overreach has played a part in the deterioration of pricing conditions. This problem is compounded by companies where new capital has been raised to pay for big acquisitions. The most notable of these is Bayer, the German pharmaceutical, healthcare and agriculture technology company, which completed the \$63 billion acquisition of Monsanto in June 2018. Another large German company, Infineon, is in the process of acquiring its rival, Cypress Semiconductor, for EUR 9 billion. Both stocks have been significant detractors to performance. Finally, we note the poor performance of shares in Arrow Global, the London listed leading European credit management services provider. However, the disappointing share price belies the strong operating performance of the company. We remain confident about the company and its prospects.

Although portfolio turnover is lower than usual there was the usual run of mistakes. Investments in Bayer and Infineon have proved to be costly errors. However, we have decided to retain these investments. Bayer's share price has suffered unduly in the face of litigation in the U.S. involving one of the company's crop protection chemicals. Infineon's shares have suffered for cyclical demand reasons and because of the risks associated with their major acquisition. Notwithstanding these understandable concerns, we believe that the company's undoubted strengths should assert themselves and be recognised in due course. There were two significant disposals, those of Inmarsat and Ryanair. Inmarsat, the British satellite telecommunications company, was sold following a takeover approach. This has been a very disappointing investment. We misjudged the competitive environment and concomitant adverse pricing implications. When an offer was made for the company, we took the opportunity to sell the position. Ryanair, on the other hand, has been a good investment. It is Europe's leading short haul, low cost airline. However, we decided to sell our holding as revenues are under pressure and costs, following the company's decision to recognise

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Strategic Report continued**Investment Adviser's Review continued**

unions, have increased markedly. We also disposed of Umicore. Its strategy is predicated on a swift and solid uptake of electric vehicles. However, demand for electric vehicles has stalled leaving Umicore with overcapacity and pricing pressure.

There were only three new purchases of any note, the London Stock Exchange (LSE), Ubisoft and Barry Callebaut. The LSE continues to benefit from the regulatory driven trend to 'on exchange' trading; and it is also well placed to exploit the increasing use of data intense index businesses by customers. French based Ubisoft is a leading video gaming company. New technology, notably 'cloud' based technology, enables innovations which should improve user experiences. We believe that these better experiences will drive new demand. The other significant new investment was that of Barry Callebaut, the world's largest chocolate manufacturer. Its expertise is reflected in its growing market share and manifest in innovations such as ruby chocolate, the new 'fourth' chocolate.

Outlook

We identify a few elements in the economic backdrop which give cause for concern: *anaemic economic growth rates, high debt levels and protectionism*. Moreover, quoted companies are assailed by wider 'stakeholder' interests that challenge business orthodoxy and explain the continuing shift in capital from public to private equity. The value of Initial Public Offerings declined in 2018 whereas Private equity fund raising increased. Notwithstanding these multifarious concerns, it is undoubtedly the case that some businesses will prosper. We attempt to find companies which are secular, as opposed to cyclical, winners. Typically, these companies have successful digital strategies, have products and services that are well adapted to demand trends, and have business models that escape the attention of protectionist minded politicians. *Capital light enterprises which can succeed without recourse to major acquisitions* fit our ideal investment criteria. Such businesses exist and are flourishing. We remain confident that our investment process is an appropriate one to find these winning companies.

Alexander Darwall
Fund Manager
Jupiter Asset Management Limited
Investment Adviser
27 September 2019

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■ Strategic Report continued

■ Investment Portfolio as at 31 May 2019

Company	Country of Listing	31 May 2019 Market Value £'000	31 May 2019 Percentage of Portfolio	31 May 2018 Market Value £'000	31 May 2018 Percentage of Portfolio
Wirecard	Germany	142,113	14.3	138,414	14.8
RELX	United Kingdom	88,686	8.9	77,624	8.4
Experian	United Kingdom	81,611	8.2	43,098	4.7
Novo Nordisk 'B'	Denmark	74,065	7.4	67,667	7.2
Deutsche Boerse	Germany	69,831	7.0	59,086	6.4
Carnival	United Kingdom	55,114	5.6	67,096	7.1
Amadeus IT Group	Spain	54,297	5.5	62,486	6.8
GRENKE	Germany	53,980	5.4	59,061	6.4
Dassault Systemes	France	49,900	5.0	35,065	3.8
adidas	Germany	48,823	4.9	23,657	2.6
Intermédiaire Capital Group	United Kingdom	47,970	4.8	20,934	2.3
BioMerieux	France	43,962	4.4	44,842	4.8
Grifols	Spain	33,407	3.3	36,365	3.9
Edenred	France	26,615	2.7	12,953	1.4
Genus	United Kingdom	19,261	1.9	11,677	1.3
Arrow Global Group	United Kingdom	15,460	1.6	19,422	2.1
Ubisoft Entertainment	France	15,217	1.6	-	-
London Stock Exchange Group	United Kingdom	15,022	1.5	-	-
Bayer	Germany	10,483	1.1	10,503	1.1
Barry Callebaut	Switzerland	9,064	0.9	-	-
Mowi*	Norway	6,924	0.7	16,934	1.8
doBank	Italy	6,511	0.7	5,940	0.6
Chr Hansen Holding	Denmark	4,785	0.5	2,359	0.3
KWS Saat	Germany	3,555	0.4	4,779	0.5
Infineon Technologies	Germany	3,406	0.3	1,030	0.1
Ossur HF	Iceland	3,204	0.3	2,322	0.3
Hexagon	Sweden	2,567	0.3	-	-
Wolters Kluwer	Netherlands	1,935	0.2	-	-
ALK-Abello	Denmark	1,811	0.2	2,381	0.3
CGG	France	1,766	0.2	-	-
Tecan Group	Switzerland	1,034	0.1	-	-
Knorr-Bremse	Germany	867	0.1	-	-
Total		993,246	100.0		

* Formerly Marine Harvest.

■ Cross Holdings in other Investment Companies

As at 31 May 2019 none of the company's assets were invested in the securities of other listed closed-ended investment companies. It is the company's stated policy that it will not invest in other closed-ended investment companies.

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■ Strategic Report continued

■ Classification of Investments as at 31 May 2019

Equities	Denmark %	France %	Germany %	Spain %	UK %	Other %	2019 %	2018 %
Basic Materials							–	1.4
Chemicals	–	–	–	–	–	–	–	1.4
Industrials							25.2	35.3
Electronic & Electrical Equipment	–	–	–	–	–	–	–	0.5
Industrial Engineering	–	–	–	–	–	–	–	0.7
Support Services	–	2.7	14.3	–	8.2	–	25.2	34.1
Consumer Goods							8.6	5.3
Automobiles & Parts	–	–	0.1	–	–	–	0.1	–
Food Producers	–	–	0.4	–	–	1.6	2.0	2.3
Leisure Goods	–	1.6	–	–	–	–	1.6	–
Personal Goods	–	–	4.9	–	–	–	4.9	3.0
Health Care							19.2	19.9
Health Care Equipment & Services	–	4.4	–	–	–	0.4	4.8	5.8
Pharmaceuticals & Biotechnology	8.1	–	1.1	3.3	1.9	–	14.4	14.1
Consumer Services							14.7	19.2
Media	–	–	–	–	8.9	0.2	9.1	8.6
Travel & Leisure	–	–	–	–	5.6	–	5.6	10.6
Telecommunications							–	3.4
Mobile Telecommunications	–	–	–	–	–	–	–	3.4
Financials							21.0	11.6
Banks	–	–	–	–	–	0.7	0.7	0.6
Financial Services	–	–	12.4	–	7.9	–	20.3	11.0
Information Technology							11.1	3.9
Information Technology Hardware	–	–	0.3	–	–	–	0.3	0.1
Software & Computer Services	–	5.0	–	5.5	–	0.3	10.8	3.8
Oil & Gas							0.2	–
Oil Equipment, Services & Distribution	–	0.2	–	–	–	–	0.2	–
Totals	8.1	13.9	33.5	8.8	32.5	3.2	100.0	100.0

Strategic Report continued

Strategic Review

The Strategic Report has been prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The Strategic Report seeks to provide shareholders with the relevant information to enable them to assess the performance of the directors and the company during the period under review.

Business and Status

During the year the company carried on business as an investment trust with its principal activity being portfolio investment. The company has been approved by HM Revenue & Customs as an investment trust subject to the company continuing to meet the eligibility conditions of sections 1158 and 1159 of the Corporation Tax Act 2010 and the ongoing requirements for approved companies as detailed in Chapter 3 of Part 2 of the Investment Trust (Approved Company) (Tax) Regulations 2011. In the opinion of the directors, the company has conducted its affairs in the appropriate manner to retain its status as an investment trust.

The company is an investment company within the meaning of section 833 of the Companies Act 2006.

The company is not a close company within the meaning of the provisions of the Corporation Tax Act 2010 and has no employees.

The company was incorporated in England & Wales on 28 September 1999 and started trading on 20 November 2000.

Reviews of the company's activities are included in the Chairman's Statement and Investment Adviser's Review on pages 4 to 7.

There has been no significant change in the activities of the company during the year to 31 May 2019 and the directors anticipate that the company will continue to operate in the same manner during the current financial year.

Planned Life of the Company

The Articles of Association of the company provide that at every third Annual General Meeting ('AGM') an ordinary resolution shall be proposed that the company shall continue in existence as an investment trust. If any such resolution is not passed at any of those meetings, the directors shall, within 90 days of the date of the resolution, put forward to shareholders proposals (which may include proposals to wind up or reconstruct the company) whereby shareholders are entitled to receive cash in respect of their shares equal as near as practicable to that to which they would be entitled on a liquidation of the company at that time (and whether or not shareholders are offered other options under the proposals).

As a resolution to that effect was passed at the 2017 AGM, the next scheduled continuation vote will be at the 2020 AGM.

Shareholders should note that the valuations used to produce the financial statements on a going concern basis might not be appropriate if the company were to be liquidated.

Investment Strategy

In order to achieve the objective of investing in securities of European companies and geographical sectors or areas which offer good prospects for capital growth, the investment adviser adopts a stock picking approach, in the belief that a thorough analysis and understanding of a company is the best way to identify long-term superior growth prospects.

Investment Policy

The investment policy of the company is set out in full on page 2 of this document.

Future Developments

It is the board's ambition to grow the asset base of the company through a combination of organic growth and new issuance of shares with a view to achieving the critical mass necessary to attract broader demand from wealth managers, IFAs and other institutional buyers of investment trust shares. The investment adviser continues to be encouraged to use the particular advantages of an investment trust structure to enhance potential returns to shareholders, including the use of gearing and the freedom to hold high conviction positions through periods of sharp market fluctuations.

Benchmark Index

The company's benchmark index is the FTSE World Europe ex UK Total Return Index.

Dividend Policy

The company's objective is to achieve shareholder returns through capital growth rather than income. However, in order to qualify for approval as an investment trust, the company is not permitted to retain more than 15 per cent of eligible investment income arising during any accounting period. Accordingly, the board's policy is to propose a modest annual dividend and one at least sufficient to enable the company to maintain its investment trust status.

Management

The company has no employees and most of its day-to-day responsibilities are delegated to the company's investment adviser and company secretary.

On 1 July 2019, the board announced that it had been informed that Alexander Darwall had taken preparatory steps to launch a new investment management company, Devon Equity Management Limited ('Devon'), to be based in London, subject to authorisation from the Financial Conduct Authority. The board announced that it had decided to investigate the possibility of appointing Devon to advise on its investment portfolio and had instructed its professional advisers to assist in a due diligence exercise and to consult with its shareholders.

Since the announcement, the board has undertaken a comprehensive due diligence exercise and shareholder consultation regarding the possible appointment of Devon as the company's investment adviser. The board has also been considering the appointment of a new alternative investment fund manager ('AIFM') and is in discussions with FundRock Management Company ('FundRock'), an established AIFM with assets under management of over £75 billion. If appointed, FundRock would delegate investment advice to Devon.

Discussions are ongoing with Devon, FundRock and other service providers to the company, as well as with Jupiter Asset Management Limited and Jupiter Unit Trust Managers Limited, the existing investment adviser and AIFM to the company.

J.P. Morgan Europe Limited acts as the company's depositary and the company has entered into an outsourcing arrangement with J.P. Morgan Chase Bank N.A. for the provision of accounting and administration services.

Although Jupiter Asset Management Limited is named as the company secretary, J.P. Morgan Europe Limited provides administrative support to the company secretary as part of its formal mandate to provide broader fund administration services to the company. In the event of Devon's appointment, it is intended that Devon will be named as the company secretary.

Strategic Report continued

Strategic Review continued

Internal Controls and Risk Management Systems

The board has established an ongoing process for identifying, evaluating and managing significant risks faced by the company. This is described in more detail on page 12.

Viability Statement

In accordance with provision C.2.2 of the UK Corporate Governance Code as issued by the Financial Reporting Council ('FRC') in April 2016, the board has assessed the viability of the company over a rolling three years, as they consider this to be an appropriate period over which they do not expect there to be any significant change in the current principal risks or adequacy of mitigating controls in place. The company's investment objective is to achieve long-term capital growth and the board regards the company's shares as a long-term investment. Three years is considered a reasonable period for investment in equities and is appropriate for the composition of the company's portfolio and as part of its assessment, the board has noted that the shareholders are required to vote on the continuation of the company at three-year intervals, the next vote being at the 2020 AGM. The board has received feedback from shareholders which is supportive of the potential change in management and the board is therefore confident that the continuation vote will be passed. The board has considered the company's business model including its investment objective and investment policy as well as the principal risks and uncertainties that may affect the company as detailed below.

The board has noted that:

- The company holds a liquid portfolio invested predominantly in listed equities;
- The company maintains a relatively low level of gearing;
- The company's ongoing charges and operational expenses are well covered by the expected levels of return and revenue;
- The company has maintained a consistent performance and share price discount to NAV;
- European equities remain an attractive opportunity for investors; and
- No significant increase to ongoing charges or operational expenses is anticipated.

The board has also considered the company's prospects over the rolling three years, its principal risks, its level of gearing, the predicted demand for the company's shares as well as market outlook, both for equity shares and investment trusts.

The board has therefore concluded that there is a reasonable expectation that the company will be able to continue in operation as its assets are liquid and it will be able to meet its liabilities as they fall due over the rolling three years.

Gearing

'Gearing' may be defined as the ratio of a company's borrowings, less cash, compared to its total assets, expressed as a percentage. The effect of gearing is that where the value of the investment portfolio increases, all the increase accrues to the shareholders whereas when the value falls, the shareholders suffer the whole of the reduction. Holders of the company's debt are not affected by such increases or reductions, provided that the portfolio value remains sufficient to cover the debt.

Loan Facility

In order to improve the potential for capital returns to shareholders the company has access to a flexible loan facility with Scotiabank Europe PLC for amounts up to £100 million. This loan facility was approved on 14 September 2018 and replaced a loan facility in place with Scotiabank (Ireland) Designated Activity Company for amounts up to £135m. The board approved the renewal of the Company's loan facility with Scotiabank

Europe PLC for amounts up to £100m with effect from 13 September 2019.

The directors consider it a priority that the company's level of gearing should be maintained at appropriate levels with sufficient flexibility to enable the company to adapt at short notice to changes in market conditions.

The board has not set any additional limits or restrictions on the company's £100 million loan facility with Scotiabank Europe PLC. The board regularly reviews the company's level of gearing.

Key Performance Indicators

At the quarterly board meetings the directors consider a number of performance indicators to help assess the company's success in achieving its objectives. The key performance indicators used to measure the performance of the company over time are as follows:

- Net asset value changes over time
- Ordinary share price movement
- A comparison of the absolute and relative performance of the ordinary share price to net asset value and the company's benchmark index
- Discount over varying periods
- Peer group comparative performance.

A history of the net asset value ('NAV') and benchmark is shown on page 3 under the heading 'Performance Since Launch' and in the monthly factsheets which can be viewed on the company's section of the investment adviser's website www.jupiteram.com/JEO and which are available on request from the company secretary.

Peer Group Performance

There were 8 investment trusts in the Europe sector as at 31 May 2019. The board monitors the company's performance in relation to both the sector as a whole and the companies within the sector which the board considers to be its peer group.

As at 31 May 2019, of those companies within the Europe sector, the company was ranked 1st over one year, 1st over three and 1st over five years respectively by NAV performance.

Capital Gains Tax Information

The closing middle market price of ordinary shares on the first date of dealing (20 November 2000) for Capital Gains Tax purposes was 101.5p.

Premium/Discount to Net Asset Value

The board implements a discount and premium policy under which it uses share buybacks and new issues of shares with the intention of ensuring that, in normal market conditions, the market price of the company's shares will track their underlying NAV. The board believes that this commitment to the active removal of discount and premium risk will improve liquidity for both buyers and sellers of the company's shares.

During the year under review the company has issued a total of 700,000 ordinary shares at a small premium to their attributable NAV. No ordinary shares were bought back during the year.

Under the Listing Rules, the maximum price that may currently be paid by the company on the repurchase of any ordinary shares is 105 per cent. of the average of the middle market quotations for the ordinary shares for the five business days immediately preceding the date of repurchase. The minimum price will be the nominal value of the ordinary shares.

The board is proposing that its authority to repurchase up to approximately 14.99 per cent. of its issued share capital should be renewed at the Annual General Meeting. The new authority to repurchase will last until the conclusion of the Annual General Meeting of the company in 2020 (unless renewed earlier). Any repurchase

Strategic Report continued

Strategic Review continued

made will be at the discretion of the board in light of prevailing market conditions and within guidelines set from time to time by the board, the Companies Act, the Listing Rules and Model Code.

Treasury Shares

In accordance with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the 'Regulations') which came into force on 1 December 2003 any ordinary shares repurchased, pursuant to the above authority, may be held in treasury. These ordinary shares may subsequently be cancelled or sold for cash. This would give the company the ability to reissue shares quickly and cost effectively and provide the company with additional flexibility in the management of its capital. The company may hold in treasury any of its ordinary shares that it purchases pursuant to the share buy back authority granted by shareholders. At present there are no shares held in treasury.

Principal Risks and Uncertainties

The principal risk factors that may affect the company and its business can be divided into the following areas:

Investment Strategy and Share Price Movements – The company is exposed to the effect of variations in the price of its investments. A fall in the value of its portfolio will have an adverse effect on shareholders' funds. The aim of the board is to favour capital growth wherever possible, but it is inevitable that from time to time losses may be incurred. The board reviews the company's investment strategy and the risk of adverse share price movements at its quarterly board meetings taking into account the economic climate, market conditions and other factors that may have an effect on the sectors in which the company invests.

Foreign Currency Movements – The company has exposure to foreign currency through its investments. The board considers carefully factors which may affect the foreign currency in which the company has an exposure at its quarterly board meetings taking into account the economic and political climate of various regions and the prospects for sterling.

Interest Rates – The company has exposure to cash which generates interest through interest bearing accounts. The board is mindful of interest rates when setting limits on the company's exposure to cash.

Liquidity Risk – This risk can be viewed both as the liquidity of the securities in which the company invests and the liquidity of the company's shares. The company may invest in securities that have a very limited market which will affect the ability of the company's investment adviser to dispose of securities when he no longer feels they offer the potential for future returns. Likewise the company's shares may experience liquidity problems when shareholders are unable to realise their investment in the company because there is a lack of demand for the company's shares. The board is mindful of the liquidity in the company's shares. In addition, the board seeks the advice of the company's brokers, Cenkos, who give advice on ways in which the board can influence the liquidity in the company's shares.

Gearing Risk – The company's gearing can impact the company's performance by accelerating the decline in value of the company's net assets at a time when the company's portfolio is declining. Conversely gearing can have the effect of accelerating the increase in the value of the company's net assets at a time when the company's portfolio is rising. The company's level of gearing is under constant review by the board who take into account the economic environment and market conditions when reviewing the level.

Discount to Net Asset Value – A discount in the price at which the company's shares trade to net asset value would mean that shareholders would be unable to realise the true underlying value of their investment. As a means of controlling the discount to net asset

value the board has established a discount control policy which is under constant review as market conditions change. Further details of the buy back programme can be found on page 11 under the heading 'Premium/Discount to Net Asset Value'.

Regulatory Risk – The company operates in a complex regulatory environment and faces a number of regulatory risks. A breach of section 1158 of the Corporation Tax Act 2010 could result in the company being subject to tax on capital gains in the portfolio. Breaches of other regulations, such as the UKLA Listing Rules, could lead to a number of detrimental outcomes and reputational damage. Breaches of controls by service providers could also lead to reputational damage or loss. The board relies on the services of its company secretary, Jupiter Asset Management Limited, and its professional advisers to ensure compliance with, amongst other regulations, the Companies Act 2006, the UKLA Listing Rules and the Alternative Investment Fund Managers' Directive.

Loss of Key Personnel – The day-to-day management of the company has been delegated to the investment adviser. Loss of the investment adviser's key staff members could affect investment return. The board takes into consideration information provided by the investment adviser regarding its approach to attract and retain staff and its approach to succession planning. The board also takes into consideration the availability of suitably experienced personnel to manage the company's portfolio in the event of an emergency.

Operational – Failure of the investment adviser's core accounting systems, or a disastrous disruption to its business, or that of the administration provider J.P. Morgan Chase Bank N.A., could lead to an inability to provide accurate reporting and monitoring. The investment adviser is contractually obliged to ensure that its conduct of business conforms to applicable laws and regulations. Details of how the board monitored the services provided by Jupiter Asset Management Limited and its associates during the year are included within the Internal Controls section of the Report of the Directors on page 17.

Custody – The board receives quarterly reports from the depositary confirming safe custody of the company's assets and cash and holdings are reconciled to the custodian's records. The depositary's internal controls reports are reviewed by the investment adviser and the company's directors and concerns are discussed as and when they may occur.

The depositary is specifically liable for loss of any of the company's securities or cash held in custody.

Financial – Inadequate financial controls could result in misappropriation of assets, loss of income and debtor receipts and inaccurate reporting of net asset value per share. The board annually reviews the investment adviser's statements on its internal controls and procedures in addition to any financial reporting by the company.

Derivatives – The company invests in derivatives from time to time. Derivatives may be a riskier investment than equities as they can exaggerate the return that can be achieved compared to investing directly in equities. The board has set limits on the amount of exposure the company has to derivatives and it reviews these limits at its quarterly board meetings. The company did not invest in derivatives during the year.

In accordance with the Association of Investment Companies (AIC) and the UK Corporate Governance Code, the directors have carried out a review of the effectiveness of the system of internal control as it has operated over the year and up to the date of approval of the report and accounts.

■ Strategic Report continued

■ Strategic Review continued

Social and Environmental Matters

The investment adviser considers various factors when evaluating potential investments. While an investee company's policy towards the environment and social responsibility, including with regard to human rights, is considered as part of the overall assessment of risk and suitability for the portfolio, the investment adviser does not necessarily decide to, or not to, make an investment on environmental and social grounds alone.

Global Greenhouse Gas Emissions

The company has no greenhouse gas emissions to report from its operations as its day-to-day management and administration functions have been outsourced to third parties and it neither owns physical assets, property nor has employees of its own. It therefore does not have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Board Diversity

It is seen as a prerequisite that each member of the board must have the skills, experience and character that will enable each director to contribute individually, and as part of the board team, to the effectiveness of the board and the success of the company. Subject to that overriding principle, diversity of experience and approach, including gender diversity, amongst board members is of great value, and it is the board's policy to give careful consideration to issues of overall board balance and diversity in appointing new directors.

The board currently comprises four male directors and two female directors.

For and on behalf of the board

Andrew Sutch

Chairman

27 September 2019

Report of the Directors & Governance

Directors

Andrew Lang Sutch*

A director since: 10 October 2011
Last re-elected to the board: 2018

(Chairman), is a solicitor and was formerly the senior partner of Stephenson Harwood. He is a corporate lawyer and has for much of his career advised investment trusts and other investment funds. He is the chairman of J.P. Morgan Claverhouse Investment Trust plc and Hipgnosis Songs Fund Limited.

Philip Edward Fraser Best*

A director since: 12 May 2009
Last re-elected to the board: 2018

(Chairman of the Audit Committee), is an investment manager based in Geneva, where he co-founded Quaero Capital and is the fund manager of The Argonaut Fund – a Luxembourg-listed UCITS created in 2003. Prior to that he worked in broking at Jefferies & Co and Enskilda Securities, after starting out as a fund manager at Mercury Asset Management in the 1980s.

Sharon Brown**

A director since: 1 August 2019

is a non-executive director and chairman of the audit committees of BMO Capital & Income Investment Trust PLC, McColl's Retail Group plc, Fidelity Special Values plc and Celtic PLC. Between 1998 and 2013 she was finance director of Dobbies Garden Centres plc. Ms Brown is a Fellow of the Chartered Institute of Management Accountants.

The Rt Hon Lord Lamont of Lerwick*

A director since: 24 June 2015
Last re-elected to the board: 2018

(Chairman of the Remuneration Committee) was Chancellor of the Exchequer from November 1990 to May 1993 and has been a member of the House of Lords since 1998. He is a director or advisor to a number of companies in the financial sector including Stanhope Capital and the Small Companies Dividend Trust PLC and was previously a director of NM Rothschild, Rothschild Asset Management and Jupiter Second Split Trust PLC.

John David Arnold Wallinger†

A director since: 3 October 2000
Last re-elected to the board: 2018

has over forty years' experience in investment management and financial services, most recently having been chairman of Zebedee Focus Fund, Zebedee Growth Fund and Zebedee Trading Fund, all European hedge funds. Prior to that he was a director of Euroland Plus (Smaller Companies) PLC, non-executive chairman of Hardt Group Capital Limited, an Austrian Fund Management group, and vice chairman of S. G. Warburg International, where he started their European Equity business, under the aegis of Warburg Securities, and was then an executive director of UBS A.G. Mr Wallinger was a member of the Association of Institutional Investment Management & Research.

Virginia Holmes*

A director since: 7 November 2017
Last elected to the board: 2018

currently serves on the investment committee of the UK Universities Superannuation Scheme and chairs its investment management subsidiary, is chair of British Airways Pension Trustees Ltd and is a non-executive director of Intermediate Capital Group. Her executive experience includes serving as chief executive of AXA Investment Managers in the UK and more than a decade with the Barclays Bank Group.

* Members of the Audit, Remuneration and Nomination Committees.

** Member of the Audit Committee.

† Member of the Nomination Committee.

Annual Report & Accounts 2019

■ Report of the Directors & Governance continued

■ Report of the Directors

The directors present the Annual Report and Accounts of the company for the year ended 31 May 2019.

Results and Dividends

Results and reserve movements for the year are set out in the Statement of Comprehensive Income and Statement of Financial Position on pages 33 and 34 and the Notes to the Accounts on pages 37 to 52.

Capital Structure

All of the company's shares are fully paid and carry one vote per share. The ordinary shares carry no additional obligations or special rights. The ordinary shares are listed on the premium segment of the official list of the UK Listing Authority and are traded on the London Stock Exchange.

As at 31 May 2019 the company's issued share capital and voting rights totalled 112,800,331.

Since year end, the company has issued an additional 75,000 shares. The authority to buy back the company's shares require a special resolution to be passed by shareholders at a general meeting. The rules

governing the directors' powers to buy back shares or reissue shares are detailed on page 18 under the heading 'Resolution 15: Authority to buy back shares'.

There are 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; no agreements which the company is party to that affect its control following a takeover bid; and no agreements between the company and its directors concerning compensation for loss of office.

As the company does not have any employees it also does not have an employee share scheme.

Notifiable Interests in the Company's Voting Rights

In accordance with the FCA's Disclosure and Transparency Rules, the company has been notified of the following substantial interests in the ordinary shares amounting to 3 per cent. or more of the voting rights held in the company. There have been no further changes notified to the company since year end.

Ordinary shares

	31 May 2019	
	Number of shares	% of total voting rights
Investec Wealth & Investment Limited	4,757,982	4.24

Directors

A list of the directors of the company and their biographies can be found on page 14. All directors held office throughout the year under review, with the exception of Ms Sharon Brown, who was appointed on 1 August 2019.

Directors' Remuneration and Interests

The Directors' Remuneration Report and Policy on pages 24 and 25 provides information on the remuneration and shareholdings of the directors.

Conflicts of Interest

Each director has a statutory duty to avoid a situation where he has or might have a direct or indirect interest which conflicts or might conflict with the interests of the company, unless, in terms of the Articles of Association, the relevant conflict or potential conflict has been authorised by the board. The directors have declared all potential conflicts of interest with the company. The register of potential conflicts of interests is kept at the Registered Office of the company. It is reviewed regularly by the board and all directors will advise the company secretary as soon as they become aware of any potential conflicts of interest. Directors who have potential conflicts of interest will not take part in any discussions which relate to any of their potential conflicts.

Directors' and Officers' Liability Insurance and Indemnification

During the year under review the company purchased and maintained liability insurance for its directors and officers as permitted by Section 233 of the Companies Act 2006.

The company has indemnified each of its directors to cover any liabilities that may arise to a third party, as defined by Section 234 of the Companies Act 2006.

Ongoing Appointment of Investment Adviser, Alternative Investment Fund Manager and Depositary

The company has entered into an Investment Management Agreement with Jupiter Unit Trust Managers Limited ('JUTM'), who became the Alternative Investment Manager ('AIFM') to the company with effect from 22 July 2014, pursuant to the requirements of the AIFMD. Under these arrangements, certain investment management functions have been delegated from JUTM to Jupiter Asset Management Limited. J.P. Morgan Europe Limited ('JPM Europe') acts as depositary to the company for cash monitoring, safekeeping of financial instruments and other assets and oversight JPM Europe has entered into an internal delegation agreement with JPMCB to delegate the custody functions to it.

Report of the Directors & Governance continued

Report of the Directors continued

A summary of the terms of JUTM's appointment including the notice of termination period, annual fee and any performance fee payment is set out in Note 24 of the accounts on page 52. On 1 July 2019, the board announced that it had been informed that Alexander Darwall had taken preparatory steps to launch a new investment management company, Devon Equity Management Limited ("Devon"), to be based in London, subject to authorisation from the Financial Conduct Authority. The board has decided to investigate the possibility of appointing Devon to advise on its investment portfolio and has instructed its professional advisers to assist in a due diligence exercise and to consult with its shareholders.

The board is in discussion with FundRock Management Company ('FundRock') to serve as AIFM to the company. In the event that FundRock are appointed as AIFM it would delegate investment advice to Devon. Discussions are ongoing with FundRock, Devon and other service providers to the company, as well as with Jupiter regarding potential management arrangements.

Common Reporting Standards

With effect from 1 January 2016, The Organisation for Economic Cooperation and Development ('OECD') introduced new Regulations for Automatic Exchange of Financial Account Information (the Common Reporting Standard, 'CRS'). HMRC enacted the CRS in the UK through The International Tax Compliance Regulations 2015.

These Regulations require all financial institutions to share certain information on overseas shareholders with HMRC; this scope includes an obligation for investment trust companies which had previously had no such reportable accounts under the UK FATCA regulations. Accordingly, the company will be required to provide information to HMRC on the tax residencies of a number of non-UK based certificated shareholders and corporate entities on an annual basis. HMRC will in turn exchange this information with tax authorities in the country in which the shareholder may be resident for taxation purposes. HMRC has advised that the company will not be required to provide such information on uncertificated holdings held through CREST. The company has engaged Link Asset Services to provide such information on certificated holdings to HMRC, the deadline being 31 May annually.

AIFMD Remuneration Disclosure

Under the requirements of the Alternative Investment Fund Managers' Directive ('AIFMD'), Jupiter Unit Trust Managers Limited ('JUTM') (part of the Jupiter Group, which comprises Jupiter Fund Management plc and all of its subsidiaries ('Jupiter')) is required to comply with certain disclosure and reporting obligations for funds that are considered to be Alternative Investment Funds including the company.

Jupiter operates a Group-wide remuneration policy, which applies to all employees across the Group. All employees are incentivised in a similar way and are rewarded according to personal performance and Jupiter's success. Details of the remuneration policy, including the applicable financial and non-financial criteria, are set out in the detailed remuneration policy disclosures available via the following link:

<https://www.jupiteram.com/corporate/Governance/Risk-management>

Remuneration decisions are governed by Jupiter's Remuneration Committee (the 'Committee'), which meets on a regular basis to consider remuneration matters across the Group. In order to avoid conflicts of interest, the Committee comprises independent non-executive directors, and no individual is involved in any decisions regarding their own remuneration.

JUTM does not directly employ any individuals and therefore the total amount of remuneration paid by it is nil. All staff are employed and paid by other entities of Jupiter. In the interests of transparency, Jupiter has apportioned the total employee remuneration paid to all 561 Jupiter staff in respect of JUTM's AIFMD duties performed for the AIFs on a 'number of funds' basis. It has estimated that the total amount of employee remuneration paid in respect of duties for the company is £5,020,426, of which £425,717 is fixed remuneration and £4,594,709 is variable remuneration.

The aggregate total remuneration paid to AIFMD Identified Staff that is attributable to duties for the company is £4,859,592 of which £107,183 is paid to Senior Management and £4,752,409 is paid to other staff. It should be noted that the aforementioned Identified Staff also provide services to other companies within Jupiter and its clients. They are included because their professional activities are considered to have a material impact on the risk profile of the company.

Leverage

In accordance with the requirements under AIFMD, the average leverage employed by the company as at 31 May 2019 was 1:07 as determined using the Gross method, and 1:15 as determined using the Commitment method.

Average leverage on a gross exposure basis is calculated by taking the sum of the notional values of the derivative instruments and bank loans used by the company, without netting, and is expressed as a ratio of the company's net asset value. Average leverage on a commitment basis is calculated by netting the sum of the notional values of the derivative instruments and bank loans and expressing it as a ratio of the company's net asset value. The company did not invest in derivatives during the year. Short-term bank loans are disclosed under Finance costs in Note 7 on page 40.

Disclosed in the table below is the level of leverage employed by the company.

Gross exposure		Commitment exposure	
Maximum Limit	Average leverage employed during the period for the year ended 31 May 2019	Maximum limit	Average leverage employed during the period for the year ended 31 May 2019
2:1	1:07	2:1	1:15

Going Concern

The financial statements have been prepared on a going concern basis. The directors consider that this is the appropriate basis as they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the directors took into account the company's investment objective, risk management policies and capital management policies, the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments and the ability of the company to meet all of its liabilities and ongoing expenses. The directors continue to adopt the going concern basis of accounting in preparing the financial statements while recognising that the Articles of the company require a continuation vote at every third AGM.

■ Report of the Directors & Governance continued

■ Report of the Directors continued

ISA Qualification

The company currently manages its affairs so as to be a qualifying investment trust under the Individual Savings Account (ISA) rules. As a result, under current UK legislation, the ordinary shares qualify for investment via the stocks and shares component of an ISA up to the full annual subscription limit, currently £20,000, in each tax year. It is the present intention that the company will conduct its affairs so as to continue to qualify for ISA products.

Bribery Prevention Policy

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The board takes its responsibility to prevent bribery by Jupiter on its behalf very seriously. To aid the prevention of bribery being committed for the benefit of the company, Jupiter Asset Management Limited has adopted a Bribery Prevention Policy. Jupiter will advise any changes to the policy to the board.

Internal Controls

In accordance with the Code of Corporate Governance as issued by the Association of Investment Companies, the board is responsible for identifying, evaluating and managing the risks significant to the company. The board is also responsible for monitoring the internal control systems and reviewing their effectiveness, at least annually, and report on that review in the company's annual report. Internal control systems are designed to meet the particular requirements of the company and to manage rather than eliminate the risks of failure to achieve its objectives. The systems by their very nature can provide reasonable but not absolute assurance against material misstatement or loss. The board has reviewed the effectiveness of the company's internal control systems including the financial, operational and compliance controls and risk management to ensure that the internal control systems accord with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting as issued by the FRC. These systems have been in place for the period under review and to the date of signing the accounts.

The company receives services from Jupiter Asset Management Limited, J.P. Morgan Chase Bank N.A. and J.P. Morgan Europe Limited relating to its investment management, global custody, depository and certain accounting and administration services. For the period under review, contractual arrangements were in place with Jupiter Asset Management Limited, J.P. Morgan Chase Bank N.A. and J.P. Morgan Europe Limited which define the areas where the company has delegated authority to them. The directors have considered the reports on the internal control objectives and procedures of Jupiter Asset Management Limited and J.P. Morgan together with the opinion of the service auditor for these reports which detail the measures and the testing of the measures which are in place to ensure the proper recording, valuation, physical security and protection from theft of the company's investments and assets and the controls which have been established to ensure compliance with all regulatory, statutory and fiscal obligations of the company. No issues arose from this review.

The directors have also had regard to the procedures for safeguarding the integrity of the computer systems operated by the investment adviser and the key business disaster recovery plans. By way of the procedures described above the board reviews the procedures in place to manage the risks to the company on an annual basis.

The company does not have an internal audit function. The Audit Committee considers whether there is a need for an internal audit function periodically. As most of the company's functions are delegated

to third parties the board does not consider it necessary for the company to establish its own internal audit function.

UK Stewardship Code and the Exercise of Voting Powers

The company's investment adviser is responsible for voting the shares it holds on the company's behalf. The investment adviser supports the Financial Reporting Council's UK Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of monitoring and engaging with investee companies.

The investment adviser's UK voting policies are consistent with the UK Stewardship Code. The investment adviser's Corporate Governance & Voting Policy can be found at www.jupiteram.com.

The board and the investment adviser believe that shareholders have a vital role in encouraging a higher level of corporate performance and therefore adopt a positive approach to corporate governance. The investment adviser aims to act in the best interests of all its stakeholders by engaging with companies that it invests in, and by exercising its voting rights with care. Not only is this commensurate with good market practice, it goes hand in hand with ensuring the responsible investment of its clients' funds. Equally, companies are asked to present their plans for maintaining social and environmental sustainability within their businesses.

The board and the investment adviser believe that institutional investors should exercise their corporate governance rights including voting at general meetings.

In order to assist in the assessment of corporate governance and sustainability issues and contribute to a balanced view, the investment adviser subscribes to external corporate governance and sustainability research providers but does not necessarily follow their voting recommendations. Contentious issues are identified and, where necessary (and where timescales permit), are discussed with corporate governance and/or sustainability analysts and portfolio managers, and with the companies themselves. The investment adviser ensures that its policy is voted in practice and timely voting decisions made.

From time to time resolutions will be brought to Annual General Meetings ('AGM') by third parties encouraging companies to address specific environmental and/or social concerns. In such instances, Jupiter's corporate governance and sustainability analysts will discuss their views with the fund manager and the investee company if appropriate. The investment adviser will then vote for what it considers to be in the best financial interests of shareholders, whilst having regard for any specific sustainability concerns unless otherwise directed.

Global Greenhouse Gas Emissions

Details on the company's greenhouse gas emissions can be found on page 13 of this report.

Shareholder Relations

All shareholders have the opportunity to attend and vote at the AGM during which the directors and investment adviser will be available to answer questions regarding the company. The Notice of Meeting sets out the business of the AGM and any item not of an entirely routine nature is explained in the directors' report or notes accompanying the Notice. Separate resolutions are proposed for each substantive issue. Information about proxy votes is available to shareholders attending the AGM and published thereafter on the investment adviser's website.

The company reports to shareholders twice a year by way of the Half-Yearly Financial Report and Annual Report & Accounts. In

Annual Report & Accounts 2019

Report of the Directors & Governance continued

Report of the Directors continued

addition, net asset values are published on a daily basis and factsheets are published monthly on the investment adviser's website www.jupiteram.com/JEO.

The board has developed the following procedure for ensuring that each director develops an understanding of the views of shareholders. Regular contact with major shareholders is undertaken by the company's corporate brokers and by the corporate finance executive of the investment adviser. Any issues raised by major shareholders are then reported to the board. The board also receives details of all material correspondence with shareholders and the Chairman and individual directors are willing to meet shareholders to discuss any particular items of concern regarding the performance of the company. The Chairman, directors and representatives of the investment adviser are also available to answer any questions which may be raised by a shareholder at the company's AGM.

Statement in Respect of the Annual Report & Accounts

Having taken all available information into consideration, the board has concluded that the Annual Report & Accounts for the year ended 31 May 2019, 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. The board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 27.

Annual General Meeting

This year's AGM will be held at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ at 11.00 am on 14 November 2019.

Resolutions relating to the following special business will be proposed:

Resolution 12

As noted in the Chairman's Statement on page 4, it is proposed that the company's name be changed to European Opportunities Trust PLC.

Resolution 13: Authority to Allot Shares

The directors may only allot shares for cash if they are authorised to do so by shareholders in a general meeting. At the Annual General Meeting of the company held on 7 November 2018, the directors were authorised to allot up to 37,558,443 ordinary shares with an aggregate nominal value of £375,584.43. This authority will expire at the conclusion of the next Annual General Meeting. Since the authority 75,000 shares have been issued.

The directors are now seeking to renew their authority to allot up to 37,625,110 ordinary shares with an aggregate nominal value of £376,251.10. This authority will lapse at the conclusion of the Annual General Meeting to be held in 2020. The sum of £376,251.10 is approximately one third of the current issued share capital.

The directors believe that it would be beneficial to the company for them to allot shares whenever they consider that it would be in the best interests of the company's existing shareholders to do so. The shares will only be issued at a premium to net asset value at the time of issue.

Resolution 14: Authority to disapply pre-emption rights

The directors may only allot shares for cash or sell shares held in treasury, other than by way of offer to all existing shareholders pro rata to their shareholdings if they are authorised to do so by the shareholders in general meeting. This resolution seeks authority for the directors to allot shares for cash without first offering them to existing shareholders

up to a nominal amount of £112,875.33. This sum represents 11,287,533 ordinary shares of 1p each, being 10 per cent. of the current issued share capital. This authority would allow the directors to satisfy any future additional demand for shares with the benefit of enlarging the company.

The current authority will expire at the conclusion of the 2019 AGM and it is the intention of the directors to seek renewal of this authority at that AGM. The directors will only use this authority in circumstances where they consider it is in the best interests of the company. As with the shares issued to date, any new ordinary shares will be issued (or sold if held in treasury) only at prices greater than the prevailing net asset value and therefore will be accretive to the net asset value per share.

Resolution 15: Authority to buy back shares

Resolution 15 seeks shareholder approval for the company to renew the power to purchase its own ordinary shares. The board believes that the ability of the company to purchase its own ordinary shares in the market will potentially benefit all shareholders of the company. The purchase of ordinary shares at a discount to the underlying net asset value would enhance the net asset value on the remaining ordinary shares if they were cancelled on repurchase or reissued (as treasury shares) at a lesser discount than that on which they were first repurchased.

The company is seeking shareholder approval to repurchase up to 16,920,012 ordinary shares, representing 14.99 per cent. of the company's issued share capital (the maximum permitted under the Listing Rules) at a price that is not less than 1p per ordinary share (the nominal value of each ordinary share) and not more than 5 per cent. above the average of the middle market quotations for the five business days preceding the day of purchase. The authority being sought will expire at the conclusion of the AGM to be held in 2020. The decision as to whether to repurchase any ordinary shares will be at the absolute discretion of the board. Ordinary shares repurchased under this authority may either be held by the company in treasury for resale or cancelled. The company will fund any purchases by utilising existing cash resources or loan facilities.

The board has determined the following policies in respect of the investment adviser's discretion in the use of treasury shares. In the event that treasury shares are not reissued to the market within six months of their date of purchase they will automatically be cancelled. Treasury shares will only be reissued at a premium to net asset value. Any treasury shares will only be reissued at a price not less than the market bid price at the time of purchase.

Resolution 16: Notice of General Meetings

The board believes that it is in the best interests of shareholders of the company to have the ability to call meetings on 14 days' clear notice should a matter require urgency. The board will therefore, as last year, propose a resolution at the 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. The approval will be effective until the company's next AGM, when it is intended that a similar resolution will be proposed. The company will also need to meet the requirements for electronic voting under the Shareholders' Rights Directive before it can call a General Meeting on 14 clear days' notice.

■ Report of the Directors & Governance continued

■ Report of the Directors continued

Regulatory Disclosures – Information to be disclosed in accordance with Listing Rule 9.8.4

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

9.8.4(1) The company has not capitalised any interest in the period under review.

9.8.4(2) The company published its Half Yearly Financial Report on 25 February 2019 which contained unaudited financial information.

9.8.4(4) The company has no incentive schemes in operation.

9.8.4(5) and (6) No director of the company has waived or agreed to waive any current or future emoluments from the company.

9.8.4(7), (8) and (9) The company has not allotted any equity securities during the period under review within the meaning of Listing Rule 9.8.4(7), (8) and (9).

9.8.4(10) During the period under review, there were no contracts of significance subsisting to which the company is a party and in which a director of the company is or was materially interested: or between the company and a controlling shareholder.

9.8.4(11) This provision is not applicable to the company.

9.8.4(12) and (13) During the period under review, there were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.

9.8.4(14) This provision is not applicable to the company.

Recommendation

The board considers that the passing of the resolutions being put to the AGM would be in the best interests of the company and its shareholders as a whole. They therefore recommend that shareholders vote in favour of Resolutions 1 to 16, as set out in the Notice of Meeting.

By order of the board

Jupiter Asset Management Limited
Company Secretary
27 September 2019

Report of the Directors & Governance continued

Corporate Governance

Corporate Governance Compliance Statement

This statement, together with the Statement of Directors' Responsibilities on page 27 and the Internal Controls section on page 17, indicates how the company has complied with the recommendations of the Association of Investment Companies (AIC) Code of Corporate Governance and the relevant provisions of the Financial Reporting Council's UK Corporate Governance Code.

The board considers that the company has complied with the provisions of the Code throughout the accounting period under review, in so far as they are relevant to the business of an investment trust.

The company has complied with all of the recommendations of the AIC Code, and, except as set out below, the relevant provisions of the UK Corporate Governance Code:

- The role of the chief executive;
- Executive director's remuneration; and
- The need for an internal audit function.

For the reasons set out in the AIC guide and as explained in the UK Corporate Governance Code, the board considers these provisions not relevant to the position of the company, being an externally managed investment company. The company has therefore not reported further in respect of these provisions.

By means of the procedures set out in that report, and in accordance with the AIC and the UK Corporate Governance Code, the board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the company. The board has mapped these risks and the measures taken to mitigate them, and this is reviewed alongside any proposed updates with the company's financial reporting. The board has reviewed the effectiveness of the company's risk management and internal control systems within the last twelve months.

The board is committed to continuing compliance with the revised AIC Code issued in February 2019 and which is effective for the reporting period commencing 1 June 2019.

A description of the main features of the company's internal control and risk management functions can be found on page 17 of this report.

The Board

Role of the Board

The board receives monthly reports and meets at least quarterly to review the overall business of the company and to consider matters specifically reserved for its review. At these meetings the board monitors the investment performance of the company. The board also reviews the company's activities every quarter to ensure that it adheres to its investment policy or, if appropriate, to make any changes to that policy.

Additional ad hoc reports are received as required and directors have access at all times to the advice and services of the company secretary, who is responsible for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The board has adopted a schedule of items specifically reserved for its decision.

A procedure has been adopted for the directors, in the furtherance of their duties, to take independent professional advice at the expense of the company.

Composition

As at 31 May 2019 the board of directors comprised five non-executive directors. On 1 August 2019, Ms Sharon Brown was appointed as an independent non-executive director of the company. The board is comprised of independent non-executive directors. The company has no executive directors and no employees. The structure of the board is such that it is considered unnecessary to identify a senior independent director other than the Chairman. The directors' biographies can be found on page 14.

Diversity

The company's policy on diversity can be found on page 13 under the heading 'Board Diversity'.

Appointment of Directors

Appointments to the board are made based on merit and objective criteria with due regard for the benefits of diversity, including gender. The priority in appointing new directors is to identify the candidate with the best range of skills, knowledge and experience to complement the existing directors. At the Nomination Committee meeting held on 1 July 2019, it was agreed that the appointment of an additional director, preferably with an accounting background, would complement the existing skills and experience on the board. Further to an initial interview with the Chairman and a second stage interview with The Rt Hon. Lord Lamont of Lerwick and Ms Holmes, Ms Sharon Brown was recommended as a strong candidate to join the board. The board approved the appointment of Ms Sharon Brown as an independent non-executive director on 1 August 2019.

Tenure

The board does not consider it appropriate that directors should be appointed for a specific term.

Re-election of Directors

The board has adopted a policy of annual re-election for all directors as a matter of best practice, as recommended by the AIC Code.

Ms Sharon Brown will be proposed for election at the forthcoming AGM and the board is recommending that all other directors be re-elected at the forthcoming AGM.

Directors' Training

Although no formal training in Corporate Governance is given to directors, the directors are kept up-to-date on Corporate Governance issues through bulletins and training materials provided from time to time by the company secretary. The board may obtain training in Corporate Governance on an individual basis.

Directors' Performance Evaluation

The board has not established an externally facilitated interview process for the evaluation of its own performance and that of the individual directors as it does not consider this to be appropriate having regard to the non-executive role of the directors and the significant outsourcing of services to external providers. The independent directors undertake on an annual basis an appraisal in relation to their oversight and monitoring of the performance of the investment adviser and other key service providers. In addition the directors undertake, on an annual basis, assessment of the effectiveness of the board as a whole. This year the board members each completed a formal evaluation questionnaire as part of the evaluation process.

Annual Report & Accounts 2019

■ Report of the Directors & Governance continued

■ Corporate Governance continued

Board Committees**Audit Committee**

The board established an Audit Committee which consists of the entire board other than John Wallinger. Philip Best is Chairman of the Audit Committee. Mr Best is considered to have recent and relevant financial and investment experience as a result of his employment in the financial services sector. The Report of the Audit Committee can be found on pages 22 and 23.

The Chairman of the Board, Mr Sutch, serves as a member of the Audit Committee. With reference to the provision 8.2 of the AIC Code of Corporate Governance (February 2019) the Audit Committee notes that Mr Sutch was independent on appointment and considers Mr Sutch's appointment as a member of the Audit Committee to be appropriate having regard to his skills, experience and valued contributions which enhance the overall effectiveness of the Audit Committee.

The Terms of Reference of the Audit Committee are available on the company's website www.jupiteram.com/JEO.

Other Committees**Nomination Committee**

Appointments to the board of directors are considered by the Nomination Committee which comprises the entire board. Andrew Sutch is Chairman of the Nomination Committee. The Terms of Reference of the Committee are disclosed on the company's website

and further copies are available on request from the company secretary. The function of this Committee is to evaluate the appointment of additional or replacement directors against the requirements of the company's business and the need to have a balanced board. The Nomination Committee considers job specifications and assesses whether candidates have the necessary skills and time available to devote to the company's business. All newly appointed directors receive any necessary training and induction. New directors will be subject to election by shareholders at the Annual General Meeting following their appointment and thereafter at least at every third subsequent Annual General Meeting.

Remuneration Committee

The remuneration of the board is considered by the Remuneration Committee, which consists of the entire board other than John Wallinger. The Rt Hon. Lord Lamont of Lerwick is Chairman of the Remuneration Committee. The Terms of Reference of the Committee are disclosed on the company's section of the investment adviser's website and further copies are available on request from the company secretary. The function of this committee is to determine the remuneration of the board and in doing so the committee takes into consideration the remuneration of similar boards of other investment companies of a similar size to that of the company.

Directors' Attendance at Meetings

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
P E F Best	4/4	2/2	1/1	1/1	1/1
The Rt Hon. Lord Lamont of Lerwick	4/4	2/2	1/1	1/1	1/1
A L Sutch	4/4	2/2	1/1	1/1	1/1
J D A Wallinger	3/4	n/a	n/a	1/1	1/1
Virginia Holmes	4/4	2/2	1/1	1/1	1/1

For and on behalf of the board

Andrew Sutch

Chairman

27 September 2019

Annual Report & Accounts 2019

■ Report of the Directors & Governance continued

■ Report of the Audit Committee

Role of the Audit Committee

The Audit Committee meets at least twice a year to consider the financial reporting by the company, internal controls and relations with the company's external auditors. In addition, it reviews the independence and objectivity of the auditors and the effectiveness of the audit process, the quality of the audit engagement partner and the audit team, making a recommendation to the board with respect to the reappointment of the auditors. It will also provide an opinion as to whether the Annual Report & Accounts, 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.

During the course of the year, representatives of the AIFM, investment adviser and other third party service providers may be invited to attend meetings of the Audit Committee to report on issues as required.

The company does not have an internal audit function as most of its day to day operations are delegated to professional third parties.

The Audit Committee also reviews the company's compliance with the FRC UK Corporate Governance Code and the AIC Code of Corporate Governance.

Composition

All the committee members are independent non-executive directors.

The Committee has direct access to Ernst & Young LLP ('EY'), the Heads of Internal Audit, Risk and Compliance of the investment adviser and to its group audit committee and reports its findings to the board. The board retains ultimate responsibility for all aspects relating to external financial statements and other significant published financial information.

Auditors and Audit Tenure

The company's current independent auditors, EY, have acted in this role since the launch of the company on 16 August 2000. As part of its review of the continuing appointment of the auditor, the Audit Committee considers the length of tenure of the audit firm, its fees and independence from the AIFM and the investment adviser along with any matters raised during each audit.

The company's year ended 31 May 2019 is the second year of a five year maximum for the current audit partner, Sue Dawe.

Audit Tender

Following the EU Audit Directive and Regulation update, as applicable to Public Interest Entities (PIEs), the Audit Committee undertook a formal tendering process for year ending 31 May 2020.

Following its review, the Audit Committee confirmed the appointment of EY for the year ended 31 May 2019 and selected PricewaterhouseCoopers LLP to carry out the audit of the company for the subsequent year ending 31 May 2020. A resolution seeking shareholder approval for the appointment of PricewaterhouseCoopers LLP will be put to shareholders at the AGM on 14 November 2019.

Significant Accounting Matters

During its review of the company's accounts for the year ended 31 May 2019, the Audit Committee considered the following significant issues, including the consideration of principal risks and uncertainties in light of the company's activities and issues communicated by the Auditors during their review, all of which were satisfactorily addressed:

Issue considered	How the issue was addressed
• Valuation of the investment portfolio	• Review of reports from the investment adviser and custodian
• Compliance with section 1158 of the Corporation Tax Act 2010	• Review of portfolio holdings reports and revenue received to ensure compliance criteria is met
• Calculation of performance fees	• Consideration of methodology used to calculate fees, matched against the criteria set out in the Investment Management Agreement
• Revenue recognition	• Review of internal control reports and dividend announcements from independent sources.
• Statement of going concern	• Review of the investment portfolio, risks and uncertainties, projected cash flow and forecast revenue

Auditor Effectiveness & Independence

Auditor effectiveness is assessed by means of the auditors' direct engagement with the committee at Audit Committee meetings and also by reference to feedback from the AIFM, investment adviser and their employees who have direct dealings with the auditors during the annual audit of the company.

During the audit of this year's annual report and accounts EY identified that certain non-audit services related to the period October 2017 to January 2018 and prohibited under the FRC Ethical Standard had been undertaken by EY. These services related to an engagement entered into in 2012 to assist in the preparation and filing of German and French withholding tax reclaims. The engagement in 2012 was in compliance with ethical standards in force at that time and the breach relates to work undertaken after implementation of the revised FRC Ethical Standard in 2016. EY has reported that it considers this to be a minor breach of the FRC Ethical Standard and that it does not consider its independence to be impaired. EY has reported to the Audit Committee on the safeguards to auditor independence in connection with the services provided and the Audit Committee is satisfied that EY's independence was maintained during the course of this year's audit. Further information is provided in the auditor's report on page 32.

Disclosure of Information to the Auditors

The directors are not aware of any relevant audit information of which the company's auditors are unaware. The directors also confirm that they have taken all the steps required of a company director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

■ Report of the Directors & Governance continued

■ Report of the Audit Committee continued

Non-Audit Services

The Audit Committee ensures that auditors' objectivity and independence are safeguarded by requiring pre-approval by the Committee for all non-audit services provided to the company, which takes into consideration:

- confirmation from the auditors that they have adequate arrangements in place to safeguard its objectivity and independence in carrying out such work, within the meaning of the regulatory and professional requirements to which it is subject;
- the fees to be incurred, relative to the audit fees;
- the nature of the non-audit services; and
- whether the auditors' skills and experience make it the most suitable supplier of such services and whether it is in a position to provide them.

The Committee has adopted a policy that all non-audit services are subject to its approval. The fees paid to EY in respect of audit services and non-audit services are disclosed in Note 5 to the Accounts on page 39.

Statement in Respect of the Annual Report & Accounts

The completion of the audit of the company's Annual Report and Financial Statements is a lengthy process which requires high levels of review and verification with significant input from numerous different parties. The Committee, when considering the draft Annual Report and Financial Statements for the year ended 31 May 2019, reviewed the company's financial statements and approved the company's accounting policies. The members of the Committee applied their recent and relevant financial experience and concluded that the Annual Report and Financial Statements, taken as a whole, were fair, balanced and understandable and provided the information necessary for shareholders to assess the company's performance, business model, position, and strategy. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and Financial Statements would have a reasonable knowledge of the investment trust industry in general and of investments trusts in particular.

The Committee has reported its findings to the board who affirm the Committee's conclusions in the Statement of Directors' Responsibilities on page 27.

For and on behalf of the Audit Committee

P E F Best

Chairman of the Audit Committee

27 September 2019

Annual Report & Accounts 2019

Report of the Directors & Governance continued

Directors' Remuneration Report and Policy

Introduction

The board is pleased to present the company's annual remuneration report for the year ended 31 May 2019 in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The law requires the company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 28 to 32.

Statement by the Chairman of the Remuneration Committee

The board's policy on remuneration is set out below. Fees payable to directors should reflect the time spent on the company's affairs, and should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience.

Directors' fees are reviewed on an annual basis. Reflective of the increased regulatory scope associated with the role, and the returns delivered to shareholders since the previous review. The Committee has not proposed any change to fees for the financial year ending 31 May 2020.

The directors of the company are non-executive and by way of remuneration receive an annual fee, which in the case of the chairman is £35,000, and in the case of each of the other directors is £25,000. Philip Best receives an additional £3,500 as Chairman of the Audit Committee. The fee is payable quarterly. The company does not award any other remuneration or benefits to the chairman or directors. There are no bonus schemes, pension schemes, share option or long-term incentive schemes in place for the directors.

The remuneration policy of the company was approved by shareholders at the AGM held on 7 November 2017 and next requires to be approved by shareholders at the AGM in 2020. The following table sets out the votes received at the 2017 AGM.

Votes cast for*		Votes cast against		Total votes cast	Number of votes withheld
Number	%	Number	%		
24,872,212	99.96	10,552	0.04	24,882,764	25,400

* includes discretionary votes.

Directors' Remuneration Policy

The company's proposed remuneration policy is that fees payable to directors are commensurate with the amount of time directors are expected to spend on the company's affairs, whilst seeking to ensure that fees are set at an appropriate level so as to enable candidates of a sufficient calibre to be recruited. The company's Articles of Association states the maximum aggregate amount of fees that can be paid to directors in any one year. This is currently set at £200,000 per annum and shareholder approval is required for any changes to this.

Each director is entitled to a base fee. The Chairman of the board and Chairman of the Audit Committee were paid a higher fee than the other directors, to reflect the additional work required to be carried out in these roles.

The following table provides a summary of the remuneration package for non-executive directors:

Element	Purpose	Operation
Fees	To compensate the directors for their time commitment, and the levels of responsibility assumed.	Reviewed triennially and subject to an annual cap in accordance with the Articles of Association of the company.

Policy for Directors' Fees

The board has established a Remuneration Committee to set the remuneration policy for all directors and the Chairman and propose any changes to directors' fees. Any proposed changes to directors' fees are subject to approval by the board as a whole and has regard to the level of fees paid to non-executive directors of other investment companies of equivalent size.

Prior to the adjustment effective of 1 June 2017 the directors' fees were last increased on 1 June 2013. The Remuneration Committee is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its Terms of Reference. The Remuneration Committee did not seek external advice during the year under review.

Directors' Service Contracts

No director has a contract of service with the company. Accordingly, the directors are not entitled to any compensation in the event of termination of their appointment or loss of office, other than the payment of any outstanding fees.

The board is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its Terms of Reference. The board did not seek external advice during the year under review.

The board does not consider it appropriate that directors should be appointed for a specific term. However, directors who have served longer than nine years, are subject to annual re-election. Any new director appointed would be subject to election by shareholders at the next AGM following their appointment.

The board has adopted a policy of annual re-election for all directors as a matter of best practice, as recommended by the AIC Code.

Annual Report on Remuneration

A single figure for the total remuneration of each director is set out in the table below for the year ended 31 May 2019 and 31 May 2018 respectively:

Directors' emoluments for the period (audited)

	Total fees for the year ended 31 May 2019	Total fees for the year ended 31 May 2018
	£	£
P E F Best**	28,500	28,500
The Rt Hon Lord Lamont of Lerwick	25,000	25,000
H M Priestley†	–	12,365
A L Sutch*	35,000	35,000
J D A Wallinger	25,000	25,000
Virginia Holmes***	25,000	16,235
Total	138,500	142,100

* Chairman of the board.

** Chairman of the Audit Committee.

*** Appointed as a director on 7 November 2017.

† Retired as a director on 7 November 2017.

Annual Report & Accounts 2019

■ Report of the Directors & Governance continued

■ Directors' Remuneration Report and Policy continued

Expenditure by the Company on Directors' Remuneration compared with Distributions to Shareholders

The table below compares the remuneration paid to directors to distributions made to shareholders during the year under review and the prior financial year. In considering these figures, shareholders should take into account the company's principal investment objective of achieving capital growth.

	Year ended 31 May 2019 £'000	Year ended 31 May 2018 £'000	Change per cent.
Remuneration paid to directors	138	142	(2.53)
Distributions to shareholders – dividends	7,332	7,252	1.1

Statement of voting at the last AGM

The following sets out the votes received at the last AGM of the shareholders of the company, held on 7 November 2018, in respect of the approval of the directors' Remuneration Report:

Votes cast for*		Votes cast against		Total votes cast	Number of votes withheld
Number	per cent.	Number	%		
26,167,196	99.23	202,285	0.77	26,369,481	26,841

* includes discretionary votes.

Directors' interest in Ordinary shares (audited)

	31 May 2019	31 May 2018
P E F Best	43,750	43,750
The Rt Hon Lord Lamont of Lerwick	14,660	14,660
A L Sutch	9,558	9,477
J D A Wallinger	256,000	256,000
V Holmes	13,000	10,000

* S Brown was appointed a director on 1 August 2019 and holds 2,354 shares in the company.

Shareholder approval and effective date

The current directors' Remuneration Policy, which was approved by shareholders at the 2017 AGM, shall be valid until the 2020 AGM unless renewed, varied or revoked by the company at a general meeting.

Implementation of the remuneration policy for the year to 31 May 2020

No significant changes are expected in the company's approach to director remuneration. Remuneration in accordance with the company's policy and the overall remuneration of each director will continue to be monitored by the Remuneration Committee on an annual basis. The remuneration policy will be presented for shareholder approval at the AGM in 2020.

Directors' fees were reviewed by the Remuneration Committee in July 2019, and it was agreed that these continued to be at an appropriate level and will be subject to review again during the course of 2020.

The terms and conditions of directors' appointments are set out in formal letters of appointment.

Directors' Interests

The directors who held office at the end of the year covered by these accounts and their beneficial interests in the ordinary shares at 31 May 2019 are shown below.

No director was a party to or had any interest in any contract or arrangement with the company at any time during the year or subsequently.

There are no requirements for the directors of the company to own shares in the company.

Annual Report & Accounts 2019

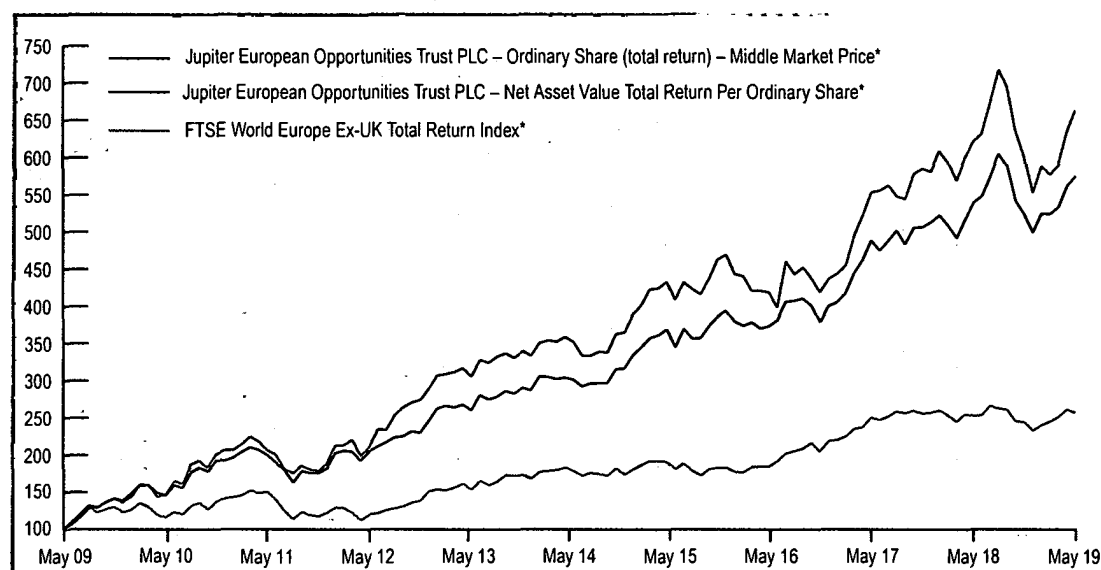
Report of the Directors & Governance continued

Directors' Remuneration Report and Policy continued

Performance from 31 May 2009 to 31 May 2019

The graph below provides details of the company's performance by reference to the ordinary shares price compared against the FTSE World Europe ex UK Total Return Index. The FTSE World Europe ex UK Total Return Index has been chosen as the most suitable benchmark against which to measure the performance of the company.

In accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) as amended in August 2013, the graph tracks a rolling ten-year performance.



Effect of £100 invested in the Company between the period 31 May 2009 to 31 May 2019.

* Source: Morningstar.

On behalf of the board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the directors' Remuneration Report and Policy summarises, for the year ended 31 May 2019, the review undertaken and the decisions made regarding the fees paid to the board, and the future remuneration policy of the company which is to be approved by shareholders.

By order of the board
The Rt Hon Lord Lamont of Lerwick
 Chairman of the Remuneration Committee
 27 September 2019

Annual Report & Accounts 2019

■ Report of the Directors & Governance continued

■ Statement of Directors' Responsibilities in Relation to the Financial Statements

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the return or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- (b) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- (c) provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- (d) state that the company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- (e) make judgements and estimates that are reasonable and prudent.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website www.jupiteram.com/JEO. The work carried out by the auditors does not include consideration of the maintenance and integrity of the website and accordingly the auditors accept no responsibility for any changes that have occurred to the financial statements when they are presented on the website.

The financial statements are published on www.jupiteram.com/JEO, which is a website maintained by Jupiter Asset Management Limited.

Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 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, Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations.

Each of the directors, who are listed on page 14 of this report, confirm to the best of their knowledge that:

- (a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company;
- (b) the report includes a fair view of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties that the company faces; and
- (c) that in the opinion of the board, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the company's performance, business model and strategy.

So far as each director is aware at the time the report is approved:

- (a) there is no relevant audit information of which the company's auditors are unaware; and
- (b) the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the board
Andrew Sutch
 Chairman
 27 September 2019

Annual Report & Accounts 2019

Report of the Directors & Governance continued**Independent Auditors' Report** to the Members of Jupiter European Opportunities Trust PLC**Opinion**

We have audited the financial statements of Jupiter European Opportunities Trust PLC (the 'Company') for the year ended 31 May 2019, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 26, 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 (IFRS) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 May 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to principal risks, going concern and viability statement

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

- the disclosures in the annual report set out on page 12 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 12 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 16 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 page 11 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	• Risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income. • Risk of incorrect valuation and/or defective title to the investment portfolio. • Risk of the performance fee not being calculated in line with the Investment Management Agreement ('IMA') or the methodology is open to interpretation.
Materiality	• Overall materiality of £9.27m which represents 1% of equity shareholders' funds.

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.

The table opposite describes the key audit matters, a summary of our procedures carried out and our key observations that we communicated to the Audit Committee.

Annual Report & Accounts 2019

■ Report of the Directors & Governance continued

■ Statement of Directors' Responsibilities in Relation to the Financial Statements

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the return or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- (b) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- (c) provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- (d) state that the company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- (e) make judgements and estimates that are reasonable and prudent.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website www.jupiteram.com/JEO. The work carried out by the auditors does not include consideration of the maintenance and integrity of the website and accordingly the auditors accept no responsibility for any changes that have occurred to the financial statements when they are presented on the website.

The financial statements are published on www.jupiteram.com/JEO, which is a website maintained by Jupiter Asset Management Limited.

Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 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, Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations.

Each of the directors, who are listed on page 14 of this report, confirm to the best of their knowledge that:

- (a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company;
- (b) the report includes a fair view of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties that the company faces; and
- (c) that in the opinion of the board, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the company's performance, business model and strategy.

So far as each director is aware at the time the report is approved:

- (a) there is no relevant audit information of which the company's auditors are unaware; and
- (b) the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the board
Andrew Sutch
 Chairman
 27 September 2019

Annual Report & Accounts 2019

Report of the Directors & Governance continued**Independent Auditors' Report to the Members of Jupiter European Opportunities Trust PLC****Opinion**

We have audited the financial statements of Jupiter European Opportunities Trust PLC (the 'Company') for the year ended 31 May 2019, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 26, 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 (IFRS) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 May 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to principal risks, going concern and viability statement

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

- the disclosures in the annual report set out on page 12 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 12 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 16 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 page 11 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	• Risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income. • Risk of incorrect valuation and/or defective title to the investment portfolio. • Risk of the performance fee not being calculated in line with the Investment Management Agreement ('IMA') or the methodology is open to interpretation.
Materiality	• Overall materiality of £9.27m which represents 1% of equity shareholders' funds.

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.

The table opposite describes the key audit matters, a summary of our procedures carried out and our key observations that we communicated to the Audit Committee.

Annual Report & Accounts 2019

■ Report of the Directors & Governance continued

■ Independent Auditors' Report to the Members of Jupiter European Opportunities Trust PLC continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income (per the Audit Committee report set out on page 22 and the accounting policy set out on page 37). The income recognised for the year to 31 May 2019 was £16.28m (2018: £16.23m), consisting primarily of dividend income from listed investments. The income receivable by the Company during the year directly affects the Company's revenue return. There is a risk of incomplete or inaccurate recognition of income through the failure to recognise proper income entitlements or applying appropriate accounting treatment. In addition to the above, the Directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital'.	We have performed the following procedures: We obtained an understanding of the Manager's and Administrator's processes and controls surrounding revenue recognition and classification of special dividends by reviewing their internal controls report and performing our walkthrough procedures to evaluate the design and implementation of controls. We agreed a sample of dividends received from the income report to the corresponding announcement made by the investee company. We recalculated the dividend amount receivable using exchange rates obtained from an independent data vendor and confirmed that the cash received as shown on bank statements was consistent with the recalculated amount. We agreed a sample of investee company dividend announcements from an independent data vendor to the income recorded by the Company to test completeness of the income recorded. For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the obligation arose prior to 31 May 2019. We agreed the dividend rate to corresponding announcements made by the investee company. We recalculated the dividend amount receivable and confirmed this was consistent with cash received as shown on post year end bank statements, where paid. We reviewed the income report and the acquisition and disposal report produced by the Administrator and referred to independent data sources to identify special dividends received or accrued in excess of our testing threshold. The Company received no special dividends above our testing threshold.	The results of our procedures are: Our year end substantive audit procedures satisfied us that revenue, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income, was appropriately recorded.
Incorrect valuation and/or defective title to the investment portfolio (as described on page 22 in the Report of the Audit Committee and as per the accounting policy set out on page 37). The valuation of the investment portfolio at 31 May 2019 was £993.25m (2018: £926.76m), consisting entirely of listed investments. 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 investment pricing, or a failure to maintain proper legal title of the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is based on their quoted bid price at the reporting date without any deduction for estimated future selling costs.	We performed the following procedures: We obtained an understanding of the Administrator's processes and controls surrounding investment pricing and legal title. For all listed investments in the portfolio, we compared the market values and exchange rates applied to an independent pricing vendor. We reviewed the price exception, stale pricing reports and transaction volume data to identify any prices that have not changed and assessed management's process in measuring the liquidity of the investment portfolio at year end. We agreed the Company's investments to the independent confirmation received from the Company's Custodian and Depositary to confirm existence and legal title as at 31 May 2019.	The results of our procedures are: Our year end substantive audit procedures satisfied us that the portfolio had been valued using appropriate prices and that there were no issues regarding legal title of the investments held by the Company.

Annual Report & Accounts 2019

Report of the Directors & Governance continued

Independent Auditors' Report to the Members of Jupiter European Opportunities Trust PLC continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Performance fees are not calculated in line with the Investment Management Agreement ('IMA') or the methodology is open to interpretation (as described on page 22 of the Report of the Audit Committee and as per the accounting policy set out on page 38). For the year ended 31 May 2019, the total performance fee amounted to £7.19m (2018: £13.08m). The performance fee payable by the Company for investment management services is a significant component of the Company's cost base and, therefore, impacts the Company's total return. If the performance fee is not calculated in accordance with the methodology prescribed in the IMA this could have a significant impact on both costs and overall performance.	We performed the following procedures: We assessed the Manager's and Administrator's processes and controls surrounding the net asset value and performance fee process by reviewing the internal controls reports and performing our walkthrough procedures to assess the design and operating effectiveness. We recalculated the performance fee payable and ensured that the calculation is in line with the IMA. We validated all key inputs used in the calculations to our audited financial information, the IMA or to external information produced by data vendors. We considered whether there were any areas of interpretation of the performance fee that we were required to discuss with the Manager or Audit Committee.	The results of our procedures are: Our year end substantive audit procedures satisfied us that the performance fee had been calculated in line with the IMA and there were no parts of the methodology that could be left open to interpretation.

An overview of the scope of our audit

Tailoring the scope

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

Our application of materiality

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

Materiality

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

We determined materiality for the Company to be £9.27m (2018: £8.73m) which is 1% of equity shareholders' funds. We believe that equity shareholders' funds provides us with materiality aligned to users interests as it represents a key measurement of the Company's position.

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% of our planning materiality, namely £6.96m (2018: £6.55m).

Given the importance of the distinction between revenue and capital for the Company, we have also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income which is equal to our reporting threshold.

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 £0.46m (2018: £0.44m) 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.

Report of the Directors & Governance continued

Independent Auditors' Report to the Members of Jupiter European Opportunities Trust PLC continued

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to address specifically 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 27** – 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 22 to 23** – 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 20** – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 27, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are IFRS, 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 the incomplete or inaccurate income recognition through incorrect classification of special dividends. Further discussion of our approach is set out in the section on key audit matters above.

Report of the Directors & Governance continued

Independent Auditors' Report to the Members of Jupiter European Opportunities Trust PLC continued

- 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 by the Company in 2000 to audit the financial statements for the year ended 31 May 2001 and subsequent financial periods.
- The period of total uninterrupted engagement is 19 years, covering periods from our appointment through to the period ending 31 May 2019.
- In August 2019, we identified that certain non-audit services related to the period October 2017 to January 2018, and prohibited under the FRC Ethical Standard, had been undertaken. These related to preparation and filing of German and French Withholding Tax reclaims. We notified the Audit Committee of this breach in August 2019. The evaluation of whether our independence was impaired included consideration of the safeguards to independence in connection with the services, the quantum of the fees for the services and the nature of the services. The work was undertaken by a separate team from the audit team and the fees related to these services in the financial statements were immaterial. We therefore consider this to be a minor breach of the Ethical Standard and we do not consider our independence to be impaired. The Audit Committee agreed with our conclusion and their consideration of this breach is set out on page 22.
- 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.

Susan Dawe (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
27 September 2019

Notes:

- The maintenance and integrity of the Jupiter European Opportunities Trust 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.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Annual Report & Accounts 2019

■ Accounts

■ Statement of Comprehensive Income for the year ended 31 May 2019

	Note	Year ended 31 May 2019			Year ended 31 May 2018		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on investments held at fair value through profit or loss	11	–	56,572	56,572	–	89,236	89,236
Foreign exchange loss on loan		–	–	–	–	(509)	(509)
Other exchange loss		–	(6)	(6)	–	(685)	(685)
Income	3	16,265	–	16,265	16,106	–	16,106
Other income	3	11	–	11	122	–	122
Total income		16,276	56,566	72,842	16,228	88,042	104,270
Investment management fee	4	(7,162)	–	(7,162)	(6,705)	–	(6,705)
Investment performance fee	4	–	(7,185)	(7,185)	–	(13,084)	(13,084)
Other expenses	5	(768)	–	(768)	(701)	–	(701)
Total expenses		(7,930)	(7,185)	(15,115)	(7,406)	(13,084)	(20,490)
Net return before finance costs and taxation		8,346	49,381	57,727	8,822	74,958	83,780
Finance costs	7	(1,176)	–	(1,176)	(933)	–	(933)
Return on ordinary activities before taxation		7,170	49,381	56,551	7,889	74,958	82,847
Taxation	8	(918)	–	(918)	(1,362)	–	(1,362)
Net return after taxation*		6,252	49,381	55,633	6,527	74,958	81,485
Return per ordinary share	10	5.55p	43.86p	49.41p	5.84p	67.13p	72.97p

* There is no other comprehensive income and therefore the 'Net return after taxation' is the total comprehensive income for the period.

The total column of this statement is the income statement of the company, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance produced by the AIC. All items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The Notes on pages 37 to 52 form part of these accounts.

Annual Report & Accounts 2019

■ Accounts continued

■ Statement of Financial Position as at 31 May 2019

	Note	2019 £'000	2018 £'000
Non current assets			
Investments held at fair value through profit or loss	11	993,246	926,757
Current assets			
Other receivables	13	5,384	4,427
Cash and cash equivalents		16,526	17,255
		21,910	21,682
Total assets		1,015,156	948,439
Current liabilities			
Other payables	14	(87,674)	(75,244)
Total assets less current liabilities		927,482	873,195
Capital and reserves			
Called up share capital	16	1,128	1,121
Share premium	17	203,485	197,506
Special reserve	18	33,687	33,687
Capital redemption reserve	19	45	45
Retained earnings	20	689,137	640,836
Total equity shareholders' funds		927,482	873,195
Net asset value per ordinary share	21	822.23p	778.94p

Approved by the board of directors and authorised for issue on 27 September 2019 and signed on its behalf by:



Andrew Sutch
Chairman

Company Registration Number 4056870

The Notes on pages 37 to 52 form part of these accounts.

Annual Report & Accounts 2019

■ Accounts continued

■ Statement of Changes in Equity for the year ended 31 May 2019

For the year ended 31 May 2019	Note	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
1 June 2018		1,121	197,506	33,687	45	640,836	873,195
Net return after taxation		–	–	–	–	55,633	55,633
Ordinary share issue	16, 17	7	5,979	–	–	–	5,986
Dividends declared and paid*	9	–	–	–	–	(7,332)	(7,332)
Balance at 31 May 2019		1,128	203,485	33,687	45	689,137	927,482

For the year ended 31 May 2018	Note	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
1 June 2017		1,116	193,561	33,687	45	566,603	795,012
Net return after taxation		–	–	–	–	81,485	81,485
Ordinary share issue	16, 17	5	3,945	–	–	–	3,950
Dividends declared and paid*	9	–	–	–	–	(7,252)	(7,252)
Balance at 31 May 2018		1,121	197,506	33,687	45	640,836	873,195

* Dividends paid during the period were paid out of revenue reserves.

Annual Report & Accounts 2019

Accounts continued

Cash Flow Statement for the year ended 31 May 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Investment income received (gross)		15,394	17,394
Deposit interest received		10	122
Investment management fee paid		(7,153)	(6,642)
Investment performance fee paid*		(13,084)	–
Other cash expenses		(821)	(654)
Net cash (outflow)/inflow from operating activities before taxation and interest	22	(5,654)	10,220
Interest paid		(1,101)	(936)
Overseas tax incurred		(1,019)	(1,498)
Net cash (outflow)/inflow from operating activities		(7,774)	7,786
Cash flows from investing activities			
Purchases of investments		(170,661)	(135,755)
Sales of investments		164,058	152,275
Net cash (outflow)/inflow from investing activities		(6,603)	16,520
Cash flows from financing activities			
Ordinary shares issued		5,986	3,950
Equity dividends paid		(7,332)	(7,252)
Repayment of loan		–	(58,407)
Drawdown of loan		15,000	–
Net cash inflow/(outflow) from financing activities		13,654	(61,709)
Decrease in cash		(723)	(37,403)
Change in cash and cash equivalents			
Cash and cash equivalents at start of year		17,255	55,343
Realised loss on foreign currency		(6)	(685)
Cash and cash equivalents at end of year		16,526	17,255

* Performance fee paid this period in relation to previous financial year.

The Notes on pages 37 to 52 form an integral part of these accounts.

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Accounts continued

Notes to the Accounts for the year ended 31 May 2019

1. Accounting policies

The Accounts comprise the financial results of the company for the year to 31 May 2019. The functional and reporting currency of the company is pounds sterling because that is the currency of the prime economic environment in which the company operates. The accounts were authorised for issue in accordance with a resolution of the directors on 27 September 2019. All values are rounded to the nearest thousand pounds (£'000) except where indicated.

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC), as adopted by the European Union (EU).

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for Investment Trusts issued by the Association of Investment Companies (AIC) in November 2014 is consistent with the requirements of IFRS, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The board continues to adopt the going concern basis in the preparation of the financial statements.

(a) Income recognition

Dividends from investments are recognised when the investment is quoted ex-dividend on or before the date of the Statement of Financial Position.

Dividends receivable from equity shares are taken to the revenue return column of the Statement of Comprehensive Income.

Deposit and other interest receivable are accounted for on an accruals basis. These are classified within operating activities in the cash flow statement.

Special dividends are reviewed on a case by case basis to determine if the dividend is to be treated as revenue or capital.

(b) Presentation of Statement of Comprehensive Income

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the Association of Investment Companies (AIC), supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the statement. In accordance with the company's Articles of Association, net capital returns may not be distributed by way of dividend.

An analysis of retained earnings broken down into revenue (distributable) items, and capital items (non-distributable) is given in Note 20.

(c) Basis of valuation of investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at the fair value, being the consideration given.

The investments are classified at fair value through profit or loss on initial recognition as this is consistent with the company's documented investment strategy.

All investments are classified as held at fair value through profit or loss. All investments are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income in the period in which they arise. The fair value of listed investments is based on their quoted bid price at the reporting date without any deduction for estimated future selling costs.

Foreign exchange gains and losses on fair value through profit or loss investments are included within the changes in the fair value of the investment.

For investments that are not actively traded and/or where active stock exchange quoted bid prices are not available, fair value is determined by reference to a variety of valuation techniques. These techniques may draw, without limitation, on one or more of: the latest arm's length traded prices for the instrument concerned; financial modelling based on other observable market data; independent broker research; or the published accounts relating to the issuer of the investment concerned.

(d) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risks of changes in value.

(e) Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At the date of each Statement of Financial Position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the Statement of Comprehensive Income with the revenue or capital column depending on the nature of the underlying item.

(f) Borrowing and finance costs

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs and subsequently measured at amortised cost.

Interest on the loan facility is accrued at the rate specified by the lender on renewal date.

Bank interest is recognised in the Statement of Comprehensive Income in the period in which they are incurred.

All finance costs are directly charged to the revenue column of the Statement of Comprehensive Income.

Annual Report & Accounts 2019

Accounts continued**Notes to the Accounts for the year ended 31 May 2019 continued****1. Accounting policies continued****(g) Expenses**

Expenses are accounted for on an accruals basis. Management fees, administration and other expenses are charged fully to the revenue column of the Statement of Comprehensive Income. That part of any investment performance fee which is deemed by the directors to relate to the capital outperformance of the company's investments will be charged to capital and that part relating to revenue outperformance will be charged to revenue. Expenses which are incidental to the purchase or sale of an investment are charged to capital, along with any foreign exchange gains and losses.

(h) Taxation

The tax expense 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 net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods 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 date of the Statement of Financial Position.

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 generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation of capital gains.

Irrecoverable VAT is included in the expense on which it has been suffered. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

(i) Accounting developments

The following standards, amendments and interpretations are applicable to the company.

IFRS 9 Financial Instruments

In the current period the company has adopted IFRS 9 Financial Instruments which became effective for accounting periods commencing on or after 1 April 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 is not applicable to items that have already been derecognised at 1 April 2018, the date of initial application.

Receivables that were previously measured at amortised cost under IAS 39 are held to collect contractual cash flows and give

rise to cash flows representing solely payments of principal and interest. Therefore, such instruments continue to be measured at amortised cost under IFRS 9.

The classification of financial liabilities under IFRS 9 remains broadly the same as under IAS 39. The main impact on measurement from the classification of liabilities under IFRS 9 relates to the element of gains or losses for financial liabilities designated at fair value through profit or loss attributable to changes in credit risk. The company has not designated any financial liabilities at fair value through profit or loss therefore this requirement has not had an impact on the company.

IFRS 9 requires the company to record expected credit losses on all of its receivables, either on a 12 month or lifetime basis. As the company has limited exposure to credit risk, this amendment has not had a material impact on the financial statements as the company only holds receivables with no financing component that have maturities of 12 months or less. This requirement has not significantly changed the carrying amounts of the company's financial assets under IFRS 9.

Comparative figures for the year ended 31 May 2018 have not been restated and are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 15 Revenue from Contracts with Customers

The company adopted IFRS 15 Revenue from Contracts with Customers which became effective for accounting periods commencing on or after 1 April 2018. IFRS 15 replaces IAS 18 Revenue and establishes a five-step model to account for revenue arising from contracts with customers. In addition, guidance on interest and dividend income have been moved from IAS 18 to IFRS 9 without significant changes to the requirements. Therefore, there was no impact of adopting IFRS 15 for the company.

Standards issued but not yet effective

There are no standards or amendments to standards not yet effective that are relevant to the company and should be disclosed.

Annual Report & Accounts 2019

■ Accounts continued

■ Notes to the Accounts for the year ended 31 May 2019 continued

2. Significant accounting judgements, estimates and assumptions

Management have not applied any accounting judgements, which would have a significant impact on this set of financial statements or those of the prior period.

3. Income

	Year ended 31 May 2019 £'000	Year ended 31 May 2018 £'000
Income from investments		
Dividends from United Kingdom companies	5,384	4,932
Dividends from overseas companies	10,881	11,174
	16,265	16,106
Other income		
Deposit interest	11	122
	16,276	16,228

4. Investment management and performance fees

	Year ended 31 May 2019			Year ended 31 May 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	7,162	–	7,162	6,705	–	6,705
Investment performance fee	–	7,185	7,185	–	13,084	13,084
	7,162	7,185	14,347	6,705	13,084	19,789

Details of the investment management contract are given in Note 24.

5. Other administrative expenses

	Year ended 31 May 2019			Year ended 31 May 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Directors' remuneration	133	–	133	142	–	142
Auditors' remuneration including VAT – audit	35	–	35	34	–	34
– non-audit*	41	–	41	–	–	–
Administration fee	155	–	155	152	–	152
Safe custody charges	58	–	58	70	–	70
Legal fees	16	–	16	16	–	16
Registrar fee	79	–	79	66	–	66
Other administrative expenses	251	–	251	221	–	221
	768	–	768	701	–	701

* Non-audit services relate to amounts payable to EY for the preparation and filing of withholding reclaim for French withholding tax suffered in 2014 (£10,800) and German withholding tax for the years 2012 to 2016 (£30,000).

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■ **Accounts** continued■ **Notes to the Accounts** for the year ended 31 May 2019 continued**6. Ongoing charges**

	Year ended 31 May 2019 £'000	Year ended 31 May 2018 £'000
Investment management fees	7,162	6,705
Other expenses	768	701
Total expenses (excluding finance costs)	7,930	7,406
Average net assets	883,633,814	816,355,483
Ongoing charges %	0.90	0.91

7. Finance Costs

	Year ended 31 May 2019			Year ended 31 May 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Short-term loan	961	–	961	681	–	681
Bank charges	83	–	83	162	–	162
Commitment fees	132	–	132	90	–	90
	1,176	–	1,176	933	–	933

8. Taxation**(a) Analysis of charge in year:**

	Year ended 31 May 2019			Year ended 31 May 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Tax on ordinary activities						
Foreign tax suffered	918	–	918	1,362	–	1,362

Annual Report & Accounts 2019

■ Accounts continued

■ Notes to the Accounts for the year ended 31 May 2019 continued

8. Taxation continued

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for a company 19.00% (2018: 19.00%). The differences are explained below:

	Year ended 31 May 2019 £'000	Year ended 31 May 2018 £'000
Net return before taxation	56,551	82,847
Corporation tax at 19.00% (2018: 19.00%)	10,744	15,741
Effects of:		
Tax free capital gain in investments	(10,747)	(16,728)
Exempt dividend income	(3,090)	(3,060)
Foreign tax suffered	918	1,362
Excess expenses for the year	3,093	4,047
Total tax charge for the year	918	1,362

Due to the company's status as an investment trust and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

There is an unrecognised deferred tax asset of £18,052,000 (at 17%) (2018: £15,285,000 at 17%) which relates to unutilised excess expenses. The deferred tax asset would only be recovered if the company were to generate sufficient profits to utilise these expenses. It is considered highly unlikely that this will occur and therefore, no deferred tax asset has been recognised.

9. Dividends

	Year ended 31 May 2019 £'000	Year ended 31 May 2018 £'000
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Amounts recognised as distributions to equity holders in the year:

2018 final dividend 6.50p net paid on 112,800,331 shares (2017: 6.50p net paid on 111,575,331 shares)	7,332	7,252
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Set out below is the total dividend payable in respect of the financial year under review, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered:

	2019 £'000	2018 £'000
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Dividends on equity shares:

2019 Final dividend 5.50p (2018: 6.50p)	6,204	7,332
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* Based on the number of shares in issue as at 13 September (2018: 112,800,331 shares), the latest practicable date prior to the publication of the Annual Report and Accounts.

Annual Report & Accounts 2019

■ Accounts continued

■ Notes to the Accounts for the year ended 31 May 2019 continued

10. Earnings per ordinary share

The earnings per ordinary share figure is based on the net return for the year of £55,633,000 (2018: Return £81,485,000), and on 112,598,345 (2018: 111,660,399) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The return per ordinary share figure detailed above can be further analysed between revenue and capital, as below.

	Year ended 31 May 2019 £'000	Year ended 31 May 2018 £'000
Net revenue return	6,252	6,527
Net capital return	49,381	74,958
Net total return	55,633	81,485
Weighted average number of ordinary shares in issue during the year	112,598,345	111,660,399
Revenue return per ordinary share	5.55p	5.84p
Capital return per ordinary share	43.86p	67.13p
Return per ordinary share	49.41p	72.97p

11. Non current assets

	Year ended 31 May 2019 £'000	Year ended 31 May 2018 £'000
Market value of investments at beginning of year	926,757	852,763
Net unrealised gain/(loss) at beginning of year	395,862	(350,835)
Cost of investments at beginning of year	530,895	501,928
Purchases at cost during the year	173,975	135,295
Sales at cost during the year	(137,398)	(106,328)
Cost of investments at end of year	567,472	530,895
Net unrealised gain at end of year	425,774	395,862
Market value	993,246	926,757
Listed on the UK stock exchange	234,438	193,276
Listed on overseas stock exchanges	758,808	733,481
Market value of investments at end of year	993,246	926,757
	2019 £'000	2018 £'000
Gains on investments		
Net gain on the sale of investments	26,660	44,209
Movement in unrealised gains	29,912	45,027
Gain on investments	56,572	89,236

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■ **Accounts continued**■ **Notes to the Accounts** for the year ended 31 May 2019 continued**12. Transaction costs**

The following transaction costs were incurred during the year:

	Year ended 31 May 2019 £'000	Year ended 31 May 2018 £'000
Purchases	387	428
Sales	91	87
	478	515

13. Other receivables

	2019 £'000	2018 £'000
Dividends receivable	2,464	1,593
Prepayments and accrued interest	33	48
Foreign recoverable tax	2,887	2,786
	5,384	4,427

14. Other payables

	2019 £'000	2018 £'000
Interest payable	232	159
Investment management fee payable	1,784	1,775
Other creditors and accruals	159	226
Short-term bank loans	75,000	60,000
Purchases awaiting settlement	3,314	–
Performance fee	7,185	13,084
	87,674	75,244

Annual Report & Accounts 2019

■ Accounts continued

■ Notes to the Accounts for the year ended 31 May 2019 continued

14. Other payables continued

Bank Loan

The company's revolving bank loan is with Scotiabank Europe PLC, with a loan facility available up to a maximum of £100 million. In the prior year, the company's revolving bank loan was with Scotiabank (Ireland) Designated Activity Company, with a maximum facility of up to £135 million.

During the year the Company used the loan facility as follows:

Date	Amount Borrowed	Date Renewed
15 March 2018	£60.0 million	15 June 2018
15 June 2018	£60.0 million	14 September 2018
14 September 2018	£60.0 million	14 December 2018
7 December 2018	£10.0 million	7 March 2019
14 December 2018	£60.0 million	14 March 2019
4 February 2019	£5.0 million	7 May 2019
7 March 2019	£10.0 million	7 June 2019
14 March 2019	£60.0 million	14 June 2019
7 May 2019	£5.0 million	7 August 2019

As at 31 May 2019 the following loan amount was outstanding:

£60.0 million and is payable on 14 June 2019,

£10.0 million and is payable on 7 June 2019 and

£5.0 million and is payable on 7 August 2019.

The £60.0 million outstanding sterling loan was renewed on 14 June 2019 with an interest rate of 1.44409% and was renewed on 13 September 2019 with an interest rate of 1.44122%.

The £10.0 million outstanding sterling loan was renewed on 7 June 2019 with an interest rate of 1.43908% and was renewed on 13 September 2019 with an interest rate of 1.44122%.

The £5.0 million outstanding sterling loan was renewed on 7 August 2019 with an interest rate of 1.46562% and was renewed on 13 September 2019 with an interest rate of 1.44122%.

15. Financial instruments

Background

The company's financial instruments comprise securities and other investments, cash balances and term loans, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income. The numerical disclosures below exclude short-term debtors and creditors which are denominated in sterling and do not incur interest and therefore are not subject to foreign currency risk or interest rate risk.

The principal risks the company faces in its portfolio management activities are:

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

Annual Report & Accounts 2019

■ Accounts continued

■ Notes to the Accounts for the year ended 31 May 2019 continued

15. Financial instruments continued

The investment adviser's policies for managing these risks are summarised in the following paragraph and have been applied throughout the year.

(a) Foreign currency risk

A portion of the financial assets of the company are denominated in currencies other than sterling with the result that the Statement of Financial Position and Comprehensive Income can be significantly affected by currency movements.

The company may hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are anticipated but otherwise takes account of this risk when making investment decisions.

Foreign currency sensitivity

The following tables illustrate the sensitivity of the profit after tax for the year and net assets to exchange rates for the £ against the Euro, Danish Krone, Swiss Franc, Norwegian Krone and Swedish Krona. It assumes the following changes in exchange rates:

£/Euro +/- 5% (2018: +/- 5%) £/Danish Krone +/- 5% (2018: +/- 5%) £/Swiss Franc +/- 5% (2018: +/- 5%) £/Norwegian Krone +/- 5% (2018: +/- 10%) £/Swedish Krona +/- 5% (2018: +/- 10%).

This percentage has been determined based on market volatility in exchange rates over the previous twelve months. The sensitivity analysis is based on the company's foreign currency financial instruments held at the date of each Statement of Financial Position.

If sterling had weakened against the currencies below this would have the following effect on revenue, capital, total return and, accordingly, net assets:

	2019			2018		
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Euro	(246)	32,768	32,522	(240)	31,997	31,757
Danish Krone	(31)	4,193	4,162	(28)	3,737	3,709
Swiss Franc	(4)	505	501	–	–	–
Norwegian Krone	(3)	346	343	(13)	1,693	1,680
Swedish Krona	(1)	128	127	(1)	188	187
	(285)	37,940	37,655	(282)	37,615	37,333

If sterling had strengthened against the currencies below this would have the following effect:

	2019			2018		
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Euro	246	(32,768)	(32,522)	240	(31,997)	(31,757)
Danish Krone	31	(4,193)	(4,162)	28	(3,737)	(3,709)
Swiss Franc	4	(505)	(501)	–	–	–
Norwegian Krone	3	(346)	(343)	13	(1,693)	(1,680)
Swedish Krona	1	(128)	(127)	1	(188)	(187)
	285	(37,940)	(37,655)	282	(37,615)	(37,333)

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Accounts continued

Notes to the Accounts for the year ended 31 May 2019 continued

15. Financial instruments continued

(b) Market price risk

By the very nature of its activities, the company's investments are exposed to market price fluctuations. The board reviews and agrees policies for managing this risk. The investment adviser assesses the exposure to market price risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis. Further information on the investment portfolio and investment policy is set out in the investment adviser's review.

Other price risk sensitivity

The following illustrates the sensitivity of the profit after taxation for the year and the total equity to an increase or decrease of 20% (2018: 20%) in the fair value of the company's equities. This level of change is considered to be reasonably possible based on observation of market conditions during the year. The sensitivity analysis is based on the company's equities at each Statement of Financial Position date, with all other variables held constant in the fair value price of the company's equities and in the calculation of fees.

The impact of a 20% increase in the value of investments on the revenue return as at 31 May 2019 is a decrease of £372,000 (2018: £348,000) due to the impact on the management fee, and on the capital return is an increase of £168,906,000 (2018: £157,658,000) due to the increase in investments and impact on performance fee.

The impact of a 20% fall in the value of investments on the revenue return as at 31 May 2019 is an increase of £372,000 (2018: £348,000) due to the impact on the management fee, and on the capital return is a decrease of £168,906,000 (2018: £157,658,000) due to the decrease in investments and impact on performance fee.

(c) Interest rate risk

Interest rate movements may affect:

- the fair value of investments of any fixed interest securities;
- the level of income receivable from any floating interest-bearing securities and cash at bank and on deposit; and
- the interest payable on the company's floating interest term loans.

The board reviews regularly the values of the company's fixed interest rate securities. The board imposes limits on the company's borrowing to ensure gearing levels are appropriate to market conditions, and these are monitored and reviewed on a regular basis. The company's borrowings are conducted through a fixed rate facility, which allows the investment manager to finance opportunities at competitive rates.

Interest Rate Sensitivity

As interest rates for any short term loans are fixed at the commencement of the loan, only cash at call are subject to interest rate movements. All such deposits at call, earn interest at daily rate. Therefore, if a sensitivity analysis was performed by increasing or decreasing the interest rates applicable to the company's cash balances held at each reporting date, with all other variables held constant, there would be no material change to the profit after taxation or net assets for the year.

The financial assets (excluding short-term debtors) consist of:

	2019			2018		
	Floating rate £'000	Non-interest bearing £'000	Total £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Sterling	8,914	234,438	243,352	1,938	193,276	195,214
Euro	6,249	655,354	661,603	9,638	639,935	649,573
Danish Krone	895	83,865	84,760	–	74,729	74,729
Swedish Krona	–	2,567	2,567	2,737	1,883	4,620
Swiss Franc	3	10,098	10,101	2,713	–	2,713
Norwegian Krone	465	6,924	7,389	229	16,934	17,163
	16,526	993,246	1,009,772	17,255	926,757	944,012

The floating rate assets consist of cash deposits at call. Sterling cash deposits at call earn interest at floating rates based on daily Sterling Overnight Index Average (SONIA) rates.

The non-interest bearing assets represent the equity element of the investment portfolio at 31 May 2019.

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■ Accounts continued

■ Notes to the Accounts for the year ended 31 May 2019 continued

15. Financial instruments continued

The financial liabilities consist of:

	2019			2018		
	Fixed rate £'000	Non-interest bearing £'000	Total £'000	Fixed rate £'000	Non-interest bearing £'000	Total £'000
Sterling	75,000	12,674	87,674	60,000	15,244	75,244
	75,000	12,674	87,674	60,000	15,244	75,244

The fixed rate liabilities consist of a short-term bank loan with Scotiabank Europe PLC.

(d) Liquidity risk

Liquidity risk is not considered significant. All liabilities are payable within three months.

The company's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary. Short-term flexibility is achieved through the use of short-term borrowings.

(e) Credit and counterparty risk

Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The company manages credit risk by using brokers from a database of approved brokers who have undergone rigorous due diligence tests by the Manager's Risk Management Team and by dealing through Jupiter Asset Management Limited with banks approved by the Financial Conduct Authority. Any derivative positions are marked to market and exposure to counterparties is monitored on a daily basis by the Manager; the Board of Directors reviews it on a quarterly basis. The maximum exposure to credit risk at 31 May 2019 was £21,910,000 consisting of short term debtors and cash and cash equivalents (2018: £21,682,000). The calculation is based on the company's credit exposure as at 31 May 2019. There are no financial assets that are either past due and the adoption of the expected credit loss model for impairment under IFRS 9 has not had a material impact on the company.

The company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the company does not track changes in credit risk but instead, recognises a loss allowance based on lifetime ECLs at each reporting date. The company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. In the investment advisers' opinion, due to the low level of expected future losses on cash and receivables, no provision has been made for ECLs.

Annual Report & Accounts 2019

Accounts continued

Notes to the Accounts for the year ended 31 May 2019 continued

15. Financial instruments continued

(f) Fair value of financial assets and financial liabilities

The financial assets and financial liabilities are carried in the statement of financial position at their fair value or the statement amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, short term bank loans and cash at bank).

Fair value hierarchy

IFRS 13 'Fair Value Measurement' requires an entity 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 shall have the following levels:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

Level 3 reflects financial instruments whose fair value is determined in whole using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	2019				2018			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	993,246	–	–	993,246	926,757	–	–	926,757

(g) Use of derivatives

In order to enhance returns, the company may take short positions (using contracts for difference) in respect of a small number of larger capital securities. No positions were held during the year.

(h) Capital management policies and procedures

The board with the assistance of the investment adviser monitors and reviews the broad structure of the company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the investment adviser's view on the market;
- the need to buy back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares, including shares from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The company is subject to several externally imposed capital requirements:

- The value of any short-term loans must be supported by a level of readily realisable assets.
- As a public company, the company has a minimum share capital of £50,000.
- In order to be able to pay dividends out of profits available for distribution, the company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

These requirements are unchanged since last year, and the company has complied with them.

As at 31 May 2019 the company's total capital was £927,482,000 (2018: £873,195,000) made up of:

	2019 £'000	2018 £'000
Ordinary shares	1,128	1,121
Reserves	926,354	872,074
Total capital	927,482	873,195

Annual Report & Accounts 2019

■ Accounts continued

■ Notes to the Accounts for the year ended 31 May 2019 continued

16. Called-up share capital

As at 31 May 2019	Number	2019 £	Number	2018 £
Authorised				
Ordinary shares of 1p each	305,000,000	3,050,000	305,000,000	3,050,000
Issued, called-up and fully paid				
Ordinary shares of 1p each	112,800,331	1,128,003	112,100,331	1,121,003

During the year to 31 May 2019 the company issued 700,000 ordinary shares as follows:

Date of Issue	Number	Issue price (pence)
16 August 2018	50,000	840.0
30 August 2018	50,000	896.0
3 September 2018	275,000	887.0
11 September 2018	75,000	860.0
14 September 2018	50,000	857.0
21 September 2018	75,000	864.0
22 October 2018	75,000	798.5
30 October 2018	50,000	773.3
Total	700,000	

During the year to 31 May 2018 the company issued 525,000 ordinary shares as follows:

Date of Issue	Number	Issue price (pence)
22 January 2018	50,000	786.8
7 February 2018	50,000	733.0
19 February 2018	50,000	742.0
28 February 2018	50,000	742.0
16 April 2018	75,000	726.5
18 April 2018	75,000	730.0
10 May 2018	50,000	775.0
22 May 2018	125,000	790.5
Total	525,000	

Annual Report & Accounts 2019

■ Accounts continued

■ Notes to the Accounts for the year ended 31 May 2019 continued

17. Share premium

	2019 £'000	2018 £'000
At 1 June 2018	197,506	193,561
Issue of ordinary shares	5,979	3,945
At 31 May 2019	203,485	197,506

18. Special reserve

	2019 £'000	2018 £'000
At 1 June 2018	33,687	33,687
At 31 May 2019	33,687	33,687

On 23 January 2001, pursuant to a special resolution passed on 17 January 2001, court approval was granted for the reduction of the share premium account by 50%. The reduction was made to enable the company to repurchase its own shares from the funds held in the special reserve created as a result of the reduction in the share premium account as and when deemed appropriate by the board of directors.

19. Capital redemption reserve

	2019 £'000	2018 £'000
At 1 June 2018	45	45
At 31 May 2019	45	45

20. Retained earnings

The table below shows the movement in the retained earnings analysed between revenue and capital items:

	Revenue return £'000	Capital return £'000	Total £'000
At 1 June 2018	14,496	626,340	640,836
Net return for the year	6,252	49,381	55,633
Dividends paid	(7,332)	–	(7,332)
At 31 May 2019	13,416	675,721	689,137

The capital reserve includes £425,774,000 of investment holding gains (2018: £395,862,000). The company does not distribute or pay dividends out of capital reserves.

21. Net Asset Value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £927,482,000 (2018: £873,195,000) and on 112,800,331 (2018: 112,100,331) ordinary shares, being the number of ordinary shares in issue at the year end.

Annual Report & Accounts 2019

■ Accounts continued

■ Notes to the Accounts for the year ended 31 May 2019 continued

22. Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities

	2019 £'000	2018 £'000
Net return before finance costs and taxation	57,727	83,780
Gain on investments	(56,572)	(89,236)
Realised loss on foreign currency	6	685
Foreign exchange loss on loans	–	509
(Increase)/decrease in prepayments and accrued income	(856)	1,251
(Decrease)/increase in other creditors and accruals	(60)	147
(Decrease)/increase in performance fees	(5,899)	13,084
Net cash (outflow)/inflow from operating activities before interest and taxation	(5,654)	10,220

23. Analysis of changes in financing activities

	1 June 2018 £'000	Cashflow £'000	Foreign Exchange £'000	31 May 2019 £'000
Debt:				
Bank loans	(60,000)	(15,000)	–	(75,000)
Total	(60,000)	(15,000)	–	(75,000)
	1 June 2017 £'000	Cashflow £'000	Foreign Exchange £'000	31 May 2018 £'000
Debt:				
Bank loans	(117,898)	58,407	(509)	(60,000)
Total	(117,898)	58,407	(509)	(60,000)

Annual Report & Accounts 2019

Accounts continued**Notes to the Accounts for the year ended 31 May 2019 continued****24. Related parties**

Jupiter Unit Trust Managers Limited ('JUTM'), the Alternative Investment Fund Manager, is a company within the same group as Jupiter Asset Management Limited, the investment adviser.

JUTM is contracted to provide investment management services to the company (subject to termination by not less than twelve months' notice by either party) for a quarterly investment management fee of 0.1875 per cent, payable quarterly in arrears, of the total assets of the company including drawn down borrowings, less current liabilities and after deduction of the value of any funds managed by Jupiter Fund Management PLC or its subsidiaries.

The investment management fee payable to JUTM for the period 1 June 2018 to 31 May 2019 was £7,162,000 (2018: £6,705,000) with £1,784,000 outstanding at year end (31 May 2018: £1,775,000).

JUTM is also entitled to an investment performance fee which is based on the out-performance of the adjusted NAV per ordinary share over the total return on the benchmark index, the FTSE World Europe ex UK Total Return Index in an accounting period. Any performance fee payable will equal 15 per cent of the amount by which the increase in the NAV per ordinary share (plus any dividends per ordinary share paid or payable and any accrual for unpaid performance fees for the period) exceeds the higher of (a) the NAV per ordinary share on the last business day of the previous accounting period; (b) the NAV per ordinary share on the last day of a period in respect of which a performance fee was last paid; and (c) 100p. In each case the values of (a), (b) and (c) are increased or decreased by the percentage by which the total return of the benchmark index increases or decreases during the calculation period. The aggregate of the investment management fee together with any performance fee payable in respect of one accounting period is limited to 4.99 per cent of the net assets of the company.

The investment performance fee payable to JUTM for the period 1 June 2018 to 31 May 2019 was £7,184,800 (2018: £13,084,031) with both amounts being paid within 30 days of their respective year ends.

Fees payable to the directors for the year ended 31 May 2019 were £133,000 (2018: £148,000) with £23,000 outstanding at year end (31 May 2018: £29,000). Fees paid to directors and their interests in shares of the company are disclosed within the Directors' Remuneration Report on pages 24 and 25.

25. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments outstanding as at 31 May 2019 (2018: nil).

26. Post balance sheet event

Since the year end 75,000 additional ordinary shares have been issued.

■ Company Information

Directors	Andrew Sutch, Chairman Philip Best Sharon Brown The Rt Hon Lord Lamont of Lerwick John Wallinger Virginia Holmes
Registered Office	The Zig Zag Building 70 Victoria Street London SW1E 6SQ
Alternative Investment Fund Manager	Jupiter Unit Trust Managers Limited The Zig Zag Building 70 Victoria Street London SW1E 6SQ
Telephone	020 3817 1000
Facsimile	020 3817 1820
Website	www.jupiteram.com/JEO
Email	investmentcompanies@jupiteram.com
	Authorised and regulated by the Financial Conduct Authority
Investment Adviser & Secretary	Jupiter Asset Management Limited The Zig Zag Building 70 Victoria Street London SW1E 6SQ
Telephone	020 3817 1000
Facsimile	020 3817 1820
	Authorised and regulated by the Financial Conduct Authority
Custodian	J.P. Morgan Chase Bank N.A. 25 Bank Street Canary Wharf London E14 5JP
	Authorised and regulated by the Financial Conduct Authority
Depository	J.P. Morgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP
	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority
Registrars	Link Asset Services 34 Beckenham Road Beckenham Kent BR3 4TU
Telephone	0871 664 0300 Lines are open from 9.00 am to 5.30 pm Monday to Friday. Calls cost 12 pence per minute plus network extras
Telephone (international)	+44 371 664 0300 Calls outside the United Kingdom will be charged at the applicable international rate.
Website	www.linkassetservices.com
Email	enquiries@linkgroup.co.uk
Independent Auditors	Ernst & Young LLP Atria One 144 Morrison Street Edinburgh EH3 8EX

Company Information continued

Broker

Cenkos Securities plc
6-8 Tokenhouse Yard
London EC2R 7AS

Authorised and regulated by the Financial Conduct Authority

Company Registration Number

4056870

Registered in England & Wales

An investment company under s.833 of the Companies Act 2006.

Investor Codes

The Ordinary shares of the Company are traded on the London Stock Exchange.

Sedol Number

Ordinary shares

0019772

ISIN

Ordinary shares

GB0000197722

Ticker

Ordinary shares

JEO

LEI

549300XN7RXQWHN18849

THE COMPANY IS A MEMBER OF THE

aic
The Association of
Investment Companies



■ Investor Information

FTSE All-Share Index Total Return

This document contains information based on the FTSE World Europe ex UK Total Return Index. 'FTSE®' is a trade mark jointly owned by the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited ('FTSE') under licence. The FTSE World Europe ex UK Total Return Index is calculated by FTSE. FTSE does not sponsor, endorse or promote the product referred to in this document and is not in any way connected to it and does not accept any liability in relation to its issue, operation and trading. All copyright and database rights in the index values and constituent list vest in FTSE.

Retail distribution of non-mainstream products

The company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Performance Updates

The company publishes a monthly factsheet which contains key information about its performance, investment portfolio and pricing. The factsheets together with electronic copies of the most recent annual and half-yearly reports and accounts are available for download from www.jupiteram.com/JEO. Should you wish to be added to an email distribution list for future editions of the monthly factsheet, please send an email to investmentcompanies@jupiteram.com. For investors who do not have access to the internet, these documents are also available on request from Jupiter's Customer Services Team on 0800 561 4000.

Further information about the company is also available from third party websites such as www.edisoninvestmentresearch.com, www.morningstar.co.uk and www.theaic.com.

Dividend Tax Allowance

With effect from 6 April 2016 the dividend tax credit was replaced by an annual tax-free dividend allowance. Dividend income in excess of this allowance will be taxed according to your personal income tax bracket. The company's registrar will continue to provide shareholders with confirmation of dividends paid and shareholders should retain such confirmations to enable them to calculate and report total dividend income received. Shareholders should note that it is their sole responsibility to report any dividend income in excess of their annual tax-free allowance to HMRC.

Further information on the dividend tax allowance can be obtained from the HMRC website at: <https://www.gov.uk/tax-on-dividends>

Dividend reinvestment plan and managing your account online

Shareholders may elect for the company's registrar, Link Asset Services, to reinvest dividends automatically on their behalf.

The reinvestment plan terms and conditions are available upon request from the helpline, by email to shares@linkgroup.co.uk, or through www.signalshares.com. The helpline number is 0871 664 0300, or from overseas +44 371 664 0300. Calls to this number are charged at the standard geographical rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. Lines are open from 9.00 am to 5.30 pm Monday to Friday.

Signal shares is the Link Asset Services online portal enabling you to manage your shareholding online. If you are a direct investor you can view your shareholding, change the way the registrar communicates with you or the way you receive your dividends, and buy and sell shares. If you haven't used this service before, all you need to do is enter the name of the company and register your account. You'll need your investor code (IVC) printed on your share certificate in order to register.

Changes to our Data Privacy Notice

Jupiter Asset Management Limited has updated its Privacy Notice to align with the new data privacy law in the European Union, known as the General Data Protection Regulation (GDPR) to which we are subject. Data protection and the security of your information always has been and remains of paramount importance to us.

Any information concerning shareholders and other related natural persons (together, the data subjects) provided to, or collected by or on behalf of, Jupiter Unit Trust Managers Limited (the management company) and/or Jupiter European Opportunities Trust Plc (the controllers) (directly from Data Subjects or from publicly available sources) may be processed by the controllers as joint controllers, in compliance with the GDPR.

You are not required to take any action in respect of this notice, but we encourage you to read our Privacy Notice. Our privacy notice can be found on our website, www.jupiteram.com/Shared-Content/Legal-content-pages/Privacy/Investment-trusts. In the event that you hold your shares as a nominee, we request that you promptly pass on the details of where to find our privacy notice to the underlying investors and/or the beneficial owners.

■ Important Risk Warnings

Advice to shareholders

In recent years investment related scams have become increasingly sophisticated and difficult to spot. We are therefore warning all our shareholders to be cautious so that they can protect themselves and spot the warning signs.

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they are only making the offer available to you
- ask you to not tell anyone else about it

You can avoid investment scams by:

- **Rejecting unexpected offers** – Scammers usually cold call but contact can also come by email, post, word of mouth or at a seminar. If you have been offered an investment out of the blue, chances are it's a high risk investment or a scam.
- **Checking the FCA Warning List** – Use the FCA Warning List to check the risks of a potential investment. You can also search to see if the firm is known to be operating without proper FCA authorisation.
- **Getting impartial advice** – Before investing get impartial advice and don't use an adviser from the firm that contacted you.

If you are suspicious, report it

- You can report the firm or scam to the FCA by contacting their Consumer Helpline on **0800 111 6768** or using their online reporting form.
- If you have lost money in a scam, contact **Action Fraud** on 0300 123 2040 or www.actionfraud.police.uk

For further helpful information about investment scams and how to avoid them please visit www.fca.org.uk/scamsmart.

Glossary of Terms including alternative performance measures

Alternative performance measures

The European Securities and Markets Authority ('ESMA') published its guidelines on Alternative Performance Measures ('APMs'). APMs are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.' The guidelines are aimed at promoting the usefulness and transparency of APMs included in regulated information and aim to improve comparability, reliability and/or comprehensibility of APMs. The following APMs are used throughout the annual report, financial statements and notes to the financial statements.

Benchmark total return index

A total return index is a type of equity performance index that tracks both the capital gains of a group of stocks over time, and assumes that any cash distributions, such as dividends, are reinvested back into the index.

Discount*

The amount, expressed as a percentage, by which the share price is less than the net asset value per share.

As at 31 May 2019 the share price was 815p and the net asset value per share (cum income) was 822.23p, the discount therefore being (0.9)%

Discount management

Discount management is the process of the buy-back and issue of company shares by the company, to and from its own holding or 'treasury' with the intention of managing any imbalance between supply and demand for the company's shares and thereby the market price. The aim is to ensure that, in normal market conditions, the market price of the company's shares will not materially vary from its NAV per share. The authority to repurchase the company's shares is voted upon by the shareholders at each annual general meeting.

Gearing*

Gearing is the borrowing of cash to buy more assets for the portfolio with the aim of making a gain on those assets larger than the cost of the loan. However, if the portfolio doesn't perform well the gain might not cover the costs. The more an investment company gears, the higher the risk.

Gearing is calculated at as the ratio of the company's borrowings (£75,000,000) less cash (£16,525,699) to its total assets (£927,481,779) expressed as a percentage (6.3%).

Mid market price

The mid-market price is the mid-point between the buy and the sell prices.

NAV per share*

The net asset value ('NAV') is the value of the investment company's assets less its liabilities. The NAV per share is the NAV divided by the number of shares in issue. The difference between the NAV per share and the share price is known as the discount or premium.

The NAV per share was 822.23p as at 31 May 2019.

NAV per share (with dividends added back)

NAV per share (with dividends added back) is the NAV per share plus the rate per share of the total dividends paid during the year.

Ongoing charges*

Ongoing charges are the total expenses including both the investment management fee and other costs, but excluding finance costs and performance fees, as a percentage of NAV.

The calculation of the ongoing charges is provided in note 6 of the accounts.

Premium*

The amount, expressed as a percentage, by which the share price is more than the net asset value per share.

Treasury shares

Treasury shares are the part of the issued share capital that is held by the company. They do not rank for dividend income and do not have voting rights. The company uses treasury shares for discount management purposes as described above and in more detail in the Report of the Directors on page 11.

* Alternative performance measure.

Annual Report & Accounts 2019

■ Annual General Meeting

■ Notice of Annual General Meeting

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

Notice is hereby given that the Annual General Meeting of Jupiter European Opportunities Trust PLC will be held at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ on 14 November 2019 at 11.00 am.

Shareholders will be asked to consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions, except for resolutions 12, 14, 15 and 16, which will be proposed as special resolutions:

ORDINARY BUSINESS

1. That the Report of the Directors and the audited Accounts of the company for the year ended 31 May 2019 be received.
2. That the Directors' Remuneration Report for the year ended 31 May 2019 be approved.
3. That a final dividend of 5.5p per ordinary share be paid in respect of the financial year ended 31 May 2019.
4. That Mr A L Sutch be re-elected as a director of the company.
5. That Mr P E F Best be re-elected as a director of the company.
6. That Ms V Holmes be re-elected as a director of the company.
7. That The Rt Hon Lord Lamont of Lerwick be re-elected as a director of the company.
8. That Mr J D A Wallinger be re-elected as a director of the company.
9. That Ms S Brown be elected as a director of the company.
10. That PricewaterhouseCoopers LLP be appointed as auditors of the company.
11. That the directors be authorised to agree the remuneration of the auditors.

SPECIAL BUSINESS

12. The name of the company be changed from Jupiter European Opportunities Trust PLC to European Opportunities Trust PLC.
13. That the directors of the company be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the 'Act'), in substitution for and to the exclusion of any outstanding authority previously conferred on the directors under Section 551 of the Act, to allot shares in the capital of the company ('shares') up to a maximum aggregate nominal amount of £376,251.10 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the company after the passing of this resolution save that the company may, before such expiry, make an offer or agreement which would or might require shares to be allotted after such expiry and the directors may allot shares in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.
14. That the directors of the company be and are hereby granted power pursuant to Section 570 and/or Section 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash either pursuant to the authority conferred by Resolution 13 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

(a) the allotment of equity securities up to an aggregate nominal amount of £112,875.33; and

(b) in addition to the authority referred to in (a) above, an offer of equity securities by way of a rights issue or open offer to ordinary shareholders in proportion as nearly as may be practicable to their existing holdings subject to such limits or restrictions or other arrangements as the directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws or requirements of, any territory or the requirements of any regulatory body or stock exchange or any other matter,

provided that this authority shall expire at the conclusion of the next Annual General Meeting of the company after the passing of this resolution save that the company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.

15. That the company be and is generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of Section 693 of the Act) of ordinary shares provided that:

(a) the maximum number of shares that may be purchased is 16,920,012 ordinary shares, being 14.99 per cent. of the issued number of ordinary shares at the date of this document or, if lower, such number as is equal to 14.99 per cent. of the issued number of ordinary shares at the date of passing the resolution;

(b) the minimum price which may be paid shall be one pence per ordinary share;

(c) the maximum price (excluding the expenses of such purchase) which may be paid for each ordinary share is the higher of:

(i) 105% of the average middle market quotations for such ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is purchased; and

(ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation EC 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No. 2273/2003); and

(d) unless renewed, the authority shall expire at the conclusion of the next Annual General Meeting of the company after the passing of this resolution save that the company may, prior to such expiry, enter into a contract to purchase shares which will or may be completed or executed wholly or partly after such expiry.

16. That a General Meeting other than the Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the board
Jupiter Asset Management Limited
Company Secretary
27 September 2019

The Zig Zag Building
70 Victoria Street,
London SW1E 6SQ

■ Annual General Meeting continued

■ Notes for Annual General Meeting

1. A member entitled to attend and vote may appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the company. A form of proxy is enclosed which, if used, must be lodged at the company's registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than forty-eight hours before the Meeting. To appoint more than one proxy you may photocopy this form. You may appoint a person other than the Chairman as your proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the company specifies that to be entitled to attend and vote at the AGM (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 12 November 2019. If the meeting is adjourned 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.
3. Electronic proxy voting is available for this meeting. If you would like to submit your voting instructions using the web-based voting facility please go to www.signalshares.com. If you have not already registered with Signal Shares you will need your Investor Code which can be found on your share certificate or recent dividend confirmation. Once registered you will be able to vote immediately by selecting 'Proxy Voting' from the menu.
4. For future general meetings, we will be removing paper from the voting process to further reduce any environmental impact. A faster and more secure method of voting online is available via the Signal Shares portal at www.signalshares.com. You will however, be able request a paper proxy if you wish by contacting Link Asset Services at the appropriate time.
5. As at 13 September 2019 (being the latest practicable date prior to the publication of this notice) the company's issued share capital consisted of 112,875,331 ordinary shares, carrying one vote each. The company holds no shares in treasury. Therefore, the total voting rights in the company as at 13 September 2019 were 112,875,331 votes.
6. The vote 'Withheld' is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Withheld' vote is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
7. The completion and return of this form will not preclude a Member from attending the meeting and voting in person.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 14 November 2019 and any adjournment(s) thereof by using the procedures described in the CREST Manual. 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 CRESTCo'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 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 Company's agent ID (RA10) 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 company'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 CRESTCo 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.

9. If you have disposed of your holding in the company the report should be passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.
10. 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 shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the 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 shareholder as to the exercise of voting rights.
11. A copy of the Notice of Meeting and other information required by section 311A of the Companies Act 2006, can be found at www.jupiteram.com/JEO.
12. Under the Companies Act 2006 (the "2006 Act"), the company is required to answer any question about the business of the AGM from a member attending the meeting. The exceptions include if it is undesirable in the interests of the company or the good order of the meeting, or if it would involve the disclosure of confidential information.
13. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the company: (i) to give notice of a properly moved resolution which they intend to move at the meeting to all members of the company; and/or (ii) to include in the business of the meeting any matter which may properly be included as business. A resolution will be deemed to be properly moved unless it would, if passed, be (a) ineffective by reason of inconsistency with the law or the company's constitution; (b) defamatory; or (c) frivolous or vexatious. Requests made pursuant

Annual General Meeting continued

Notes for Annual General Meeting continued

to this right must be accompanied by a statement setting out the grounds for the request, authenticated by the person(s) making it and received by the company at least six clear weeks before the meeting. In the case of a matter to be included in the business the request must be accompanied by a statement setting out the grounds for the request. Requests for inclusion of business may also be rejected if defamatory, frivolous or vexatious.

14. Under Section 527 of the 2006 Act, members meeting the threshold requirement set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) the audit of the company's accounts; or (ii) any circumstances connected with an auditor of the company ceasing to hold office since the previous AGM at which the annual accounts and reports were laid. The company is required to pay the cost of publication and to forward any statement to the company's auditors at or before the time it is published. The statement can be dealt with as business at the AGM.
15. Should you have any queries about voting or the AGM please contact the company's registrars Link Asset Services using the contact details proficed on the Company Information page.

Form of Proxy

I/We

of (address)

being a member of JUPITER EUROPEAN OPPORTUNITIES TRUST PLC hereby appoint the Chairman of the meeting or failing him:

as my/our proxy to vote for me/us and on my/our behalf at the **Annual General Meeting** of the company to be held at 11.00 am on 14 November 2019 and at any adjournment thereof.

I/We direct my/our proxy to vote on the resolutions as set out in the Notice convening the **Annual General Meeting** as follows:

	FOR	AGAINST	WITHHELD
1. To receive and adopt the Report of the Directors and audited Accounts	☐	☐	☐
2. To approve the Directors' Remuneration Report	☐	☐	☐
3. To declare a final dividend of 5.5p per ordinary share	☐	☐	☐
4. To re-elect Mr A L Sutch	☐	☐	☐
5. To re-elect Mr P E F Best	☐	☐	☐
6. To re-elect Ms V Holmes	☐	☐	☐
7. To re-elect The Rt Hon Lord Lamont of Lerwick	☐	☐	☐
8. To re-elect Mr J D A Wallinger	☐	☐	☐
9. To elect Ms S Brown	☐	☐	☐
10. To appoint the Auditors	☐	☐	☐
11. To determine the Auditors' remuneration	☐	☐	☐
12. To approve name change of the company*	☐	☐	☐
13. To authorise the directors to allot shares in the company	☐	☐	☐
14. To authorise the directors to disapply pre-emption rights*	☐	☐	☐
15. To authorise the company to make market purchases of its own shares*	☐	☐	☐
16. To approve the notice period for General Meetings*	☐	☐	☐

Dated 2019

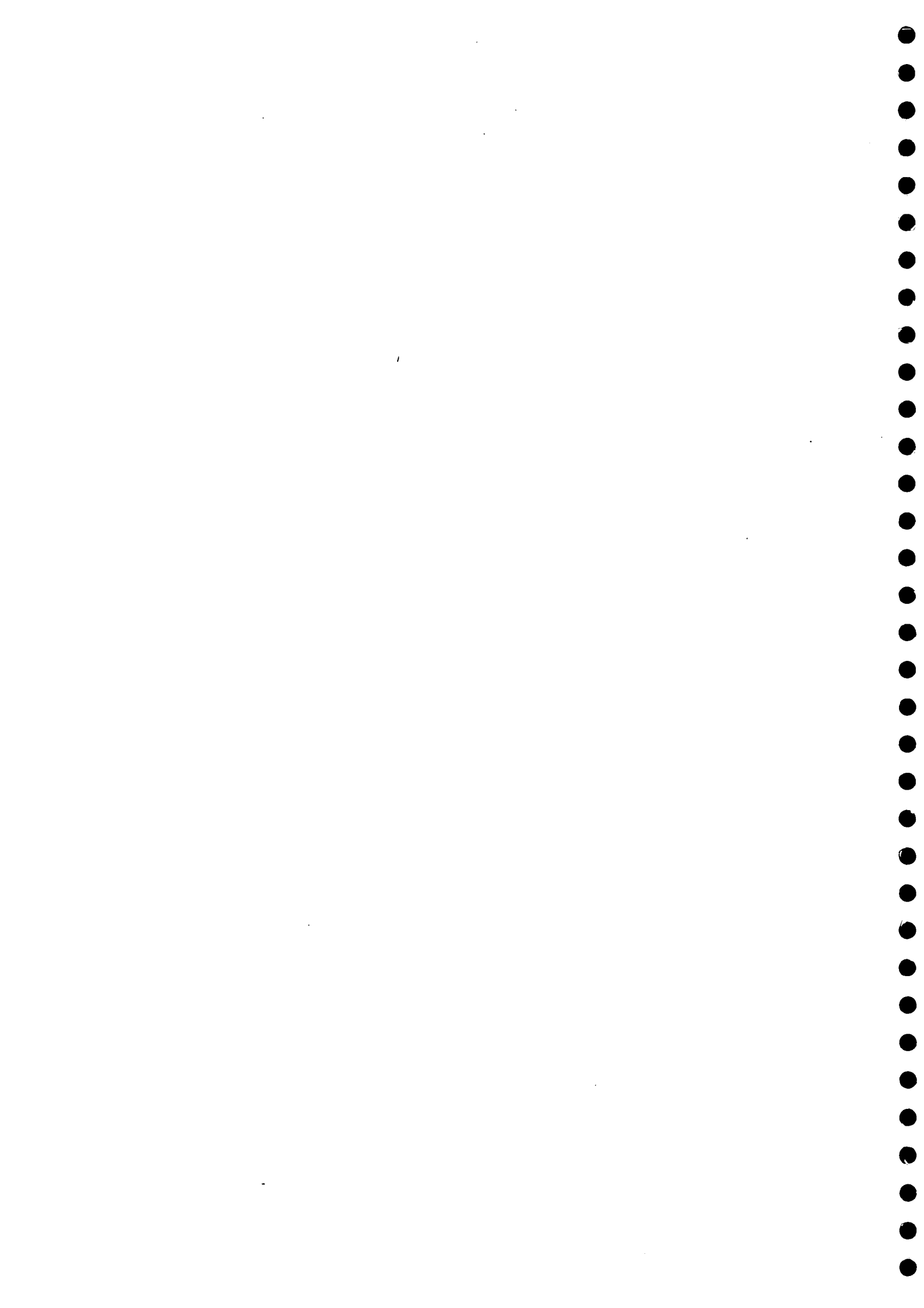
* special resolutions

Signature Print Name

Notes:

- Please indicate how you wish your votes to be cast on a poll in respect of the resolutions to be proposed at the said meeting. If you do not indicate how you wish your proxy to use your votes, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting. Your proxy will have the authority to vote at his discretion on any amendment or other motion proposed at the meeting, including any motion to adjourn the meeting. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- If you prefer to appoint some other person or persons as your proxy, strike out the words 'the Chairman of the Meeting, or failing him' and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the company. Completion of a form of proxy will not preclude a member from attending and voting in person.
- In the case of joint holders, the signature of the holder whose name stands first in the relevant register of members will suffice as the vote of such holder and shall be accepted to the exclusion of the votes of the other joint holders. The names of all joint holders should, however, be shown.
- If a member is a corporation, this form must be executed either under its common seal or under the hand of an officer or agent duly authorised in writing. In the case of an individual the proxy must be signed by the appointer or his agent, duly authorised in writing.
- This form of proxy has been sent to you by post. It may be returned in the pre-paid business reply envelope provided, or by post to the company's Registrars, Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, or courier or by hand to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. CREST members should use the CREST electronic proxy appointment service and refer to Note 8 in the Notes for Annual General Meeting on page 59 in relation to the submission of a proxy appointment via CREST.
- In each case the proxy appointment must be received not less than 48 hours before the time for the holding of the meeting or adjourned meeting together (except in the case of appointments made electronically) with any authority (or a notarially certified copy of such authority) under which it is signed.







www.jupiteram.com/JEO