109305

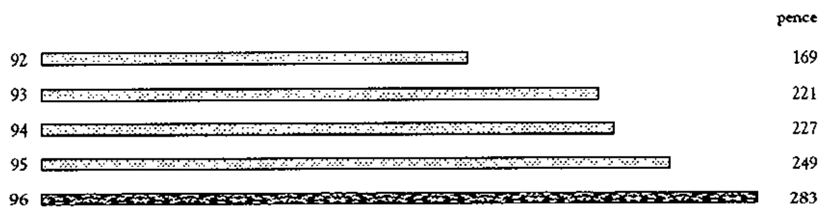
Objective

Our objective is to provide shareholders with long term growth in capital values and regular increases in dividend returns by means of a broadly diversified international portfolio.

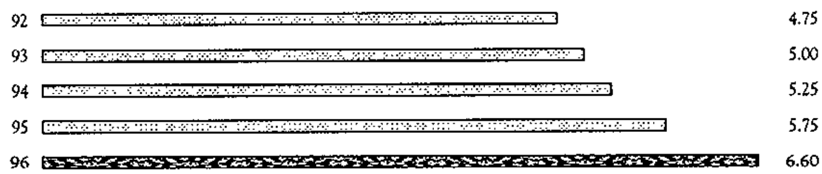
Financial Highlights

	1996	1995	increase %
Total net asset value	£148,372,000	£131,254,000	13.0
Net asset value per share	283p	249p	13.7
Earnings per share	7.65p	6.50p	17.7
Dividends per share	6.60p	5.75p	14.8
Share price at 30 September	242p	211p	14.7

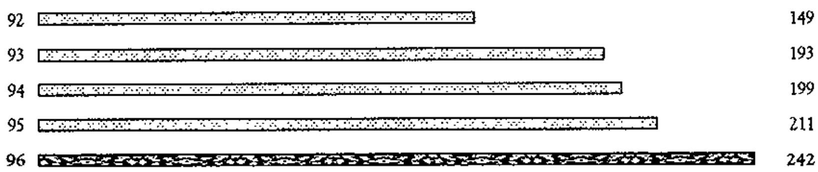
Net asset value per share increased by 13.7% in the year



Dividends have increased for the eighth consecutive year, this year by 14.8%



Share Price has increased for the sixth consecutive year, this year by 14.7%



Chairman's Statement

I am pleased to report that in the year ended 30 September 1996 earnings per share increased by 17.7% compared with the previous 12 months. Net asset value per share rose by 13.7% while the FTSE All-Share Index gained 12.2% in the same period.

The Board is recommending a final dividend of 4.1p which will give a total for the year of 6.6p: an increase of 14.8% over last year. This increase comfortably meets our continuing objective of providing steady growth in dividends which we have achieved in each of the last eight years.

Earnings

The earnings of the Group increased in the year to 7.65p per ordinary share reflecting a 19.8% increase in gross revenue. As I mentioned in the interim report, a significant factor affecting the buoyancy of our revenues was the payment of large special dividends by certain UK companies in which we are invested. In the first half of the year we received special dividends from London Electricity and Lloyds TSB while in the second six months Forte and National Power also made exceptional payments. These non-recurring items totalled £1,354,000 in 1995/96 compared with £509,000 in the previous year.

Our administrative expenses increased from £1,327,000 to £1,832,000. This increase arises from our continuing policy of developing the core investment trust business together with further work in establishing Majedie Portfolio Management Limited. Our aim is to achieve a sound base for the expansion of both businesses.

Unlike many other investment trusts we charge our management and administrative expenses wholly against the current year's income and do not apportion any of these charges, or the finance costs, to capital reserves.

Despite the rise in costs this year, your Board feels that the increase in net revenue, providing a significant increase in the dividend and a useful transfer to reserves, represents a very satisfactory outcome for the year.

Capital

Over the year our net assets rose from £131.3m to £148.4m, an increase of 13.0%. Our investment performance is discussed in more detail in the Investment Report. For the first time we list on pages 8 and 9 all our investment holdings in excess of £100,000. You will see from the Asset Distribution on page 10 that we have retained the dominance of investments in the United Kingdom but have maintained a broad geographical diversification elsewhere in the world, while always recognising the relative stability and liquidity of each market.

Subsidiaries

We are laying the foundations for the expansion of our investment trust management activities and in anticipation have established Majedie Investment Trust Management Limited, which is now responsible for the day-to-day investment decisions of the Trust. We are also developing the private client investment management business through Majedie Portfolio Management Limited which we reported last year as recently established. This Company provides a personal service which is dedicated to the investment objectives and policy agreed with each client.

On page 33 you will see the composition of the Boards of these two companies together with the Board of Barlow Service Company Limited, which is the subsidiary responsible for all the adminstrative services of the Group, and our investment dealing subsidiary, Majedie Securities Limited.

Corporate Governance

The Board supports the principles of corporate governance outlined in the Codes of Best Practice produced by the Cadbury and Greenbury Committees. Accordingly, this year we include an additional report from the Remuneration Committee on pages 14 and 15.

Board and Management

There is one change to the composition of the main Board. During the year, we welcomed Robert Clarke, who joined us as Finance Director in July. We feel that his ability and experience will be of considerable assistance to the Group.

We are all particularly fortunate to be part of a hard working and friendly team and I would like to thank all my colleagues for their efforts in helping to make this year a success.

Outlook

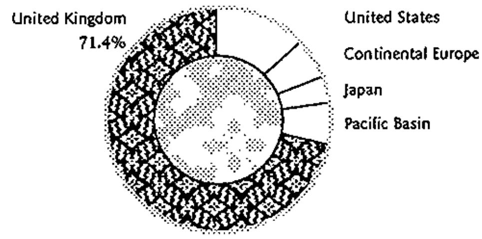
It seems unlikely that the level of special dividends received in the year will be as great in future but we have substantial revenue reserves, unlike many investment trusts, which will help us to maintain a progressive dividend policy. From an investment perspective we recognise the political and economic uncertainties on the horizon, while from a business point of view I am encouraged by the progress Majedie has made over the last twelve months. We look forward with confidence to further achievements during 1997.

J R K Barlow.

John K Barlow Chairman
14 November 1996

Investment Report

Geographical Spread of Investments



Overview

Over the past year Majedie Investments has maintained its high weighting in UK securities with just over 70% of net assets based in the UK. Whilst this is high relative to other international general investment trusts, the larger UK companies have a substantial degree of international diversification, effectively boosting our exposure to overseas economies. In addition, UK stocks generally have a significantly better yield and lower rating relative to their overseas counterparts as well as benefiting from good transparency in their accounts and the perception of a high degree of commitment to enhancing shareholder value. Though political worries have constrained UK shares in the short term, the strength of sterling has blunted the ostensibly greater returns that were achieved overseas.

Running against the trend for UK fund managers our exposure to US equities was modestly increased over the year, an action which proved prescient as Wall Street reached new highs. Set against this, our assets in Continental Europe were reduced slightly in the light of slow economic growth. Holdings of both fixed interest securities and cash fell enhancing the overall return.

United Kingdom

Over our financial year business sentiment steadily improved, with those areas exposed to increasing high street expenditure faring better than either the exporting or manufacturing sectors. Real wage growth, relatively affordable housing and the prospect of cash windfalls from the takeovers of mutual assurance and building societies all combined to boost consumer confidence. By contrast, European demand remained constrained by the tight fiscal policies demanded by the Maastricht Treaty ahead of monetary union.

In the face of falling unemployment and a rapidly expanding money supply investors worried about inflation resurging. During the year the Chancellor lowered interest rates four times, to 5¾%. This went against the advice of the Governor of the Bank of England, but it has proved economically as well as politically astute with, until recently, few overt signs of inflationary pressures building up.

The stock market has been helped by a firm gilt market as bond yields fell across Europe, though the UK's yield premium to German bonds has remained stubbornly high. Equity valuations have also been boosted by a continuing stream of special dividends and share buy-backs, with companies handing back excess capital to shareholders. In addition, the marked strength of Wall Street, albeit with noticeably increased volatility, pushed our market ahead. However, the strong likelihood of a change of government at the next election, highlighted in May by the Conservatives' local election rout, appears to have been factored into both the gilt and equity markets. Thus, whilst the FTSE All-Share Index rose by 12.2% over the year it significantly lagged most of the major stock markets around the world.

Portfolio Activity

Over the year we have both reduced our percentage exposure to fixed interest stocks and repositioned our portfolio to benefit from falling yields. Our holdings in short dated high coupon government securities were reduced. Part of the proceeds was invested in Eurosterling corporate bonds which had higher yields and longer maturity dates. Another part was switched into a longer dated gilt. Our weighting in convertibles was broadly maintained with the purchase of the Sainsbury convertible bond offsetting the sale of the NFC convertible.

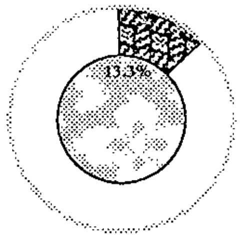
In equities, we have increased our already overweight positions in the general and vehicle engineering sectors through the purchase of LucasVarity and Smiths Industries. Both these sectors have performed well this year and the outlook is still attractive. After a prolonged period of underperfomance we were also drawn to the food retailing sector - an area of investment we had previously avoided. Sainsbury, in particular, appeared oversold on fears of supermarket price wars. Amongst the smaller companies our most notable purchases included the chemical company, Inspec and Johnson Group Cleaners, with further additions made to our holdings in the merchant bank, Close Brothers and the printing company, Watmoughs.

We reduced our holding in Lloyds TSB after very strong share performance and reinvested the proceeds into Abbey National which appeared inexpensive by comparison. Unilever and MEPC were also sold and our exposure to Gerrard & National and Guinness reduced.

Three of our stocks were taken over during the year. Scottish Power's bid for Manweb, which had emerged before the start of the year, was successfully completed. Seeboard succumbed to an American predator, whilst Forte, after a vigorous defence, fell to Granada. Beneficial stock switches over the year included Scottish Power into National Power, Allied Colloids into BTP and Thames Water into Severn Trent.

Prospects

Despite the strength of sterling the economic data that is emerging continues to paint a healthy picture for business. Indeed, there may be scope for modest tax cuts in the November Budget without upsetting the gilt market. Equity valuations whilst not especially cheap are not as stretched as overseas ratings. The recent rise in base rates also suggests that the Chancellor is not prepared to sacrifice the economy for short term political expendiency. Against this background the prospects for UK equities appear relatively attractive.



United States of America

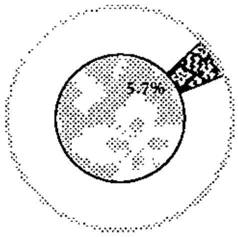
Twelve months ago the valuations of US equities looked historically high, after a 26.3% rise in the S&P Composite Index over the previous year. The index has now appreciated by a further 17.6% despite the Long Bond yield rising from 6.53% to 6.92%.

There has been a very substantial inflow of money into mutual funds, major restructuring by large companies, several important takeover bids and the Federal Reserve has not thought it necessary to raise interest rates. It has not all been plain sailing: the Arctic weather in January over the eastern seaboard was disruptive and the inability of the Government to produce a budget agreement with Congress led to uncertainty. Investors have worried about rises in interest rates and inflation together with a downturn in earnings in 1997. All these concerns, together with the threat of an overheating economy, led to a sharp sell off in the stock market in July followed by an equally strong rally only weeks later, when these fears appeared to have been dispelled.

Our strategy has been to remain predominantly invested in tried and tested large capitalisation growth companies, albeit with a selection of attractive smaller ones. We did raise some defensive liquidity in the spring, but this was reinvested some months later.

Our main sales have been Avery Dennison, Rubbermaid and International Paper while purchases comprised AT&T, Lucent Technologies, Amphenol, Kimberly-Clark, Sara Lee, Metromail and Allied Signal.

Mr Clinton was re-elected President, though the Republicans retained control of Congress, a result which pleased the stock and bond markets, ensuring a continuation of the status quo.



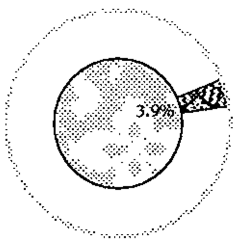
Continental Europe

Our investments are concentrated in two countries, Germany and Switzerland, which we feel offer the soundest prospects for long term capital growth. Both stock markets rose strongly, though the gains were pared by the strength of sterling.

Switzerland has the lowest interest rate structure in Europe: ten year bonds yield 4.2%, while inflation remains under 1.0%. The currency continues to enjoy safe haven status and its persistent strength has created problems for exporters. The extensive restructuring undertaken by many of the large companies will be very beneficial for the long term. We have purchased Sandoz and Zurich Versicherungs.

The extended period of low interest rates and a weaker Deutschmark has benefited German industrial companies, who are also realising that the growing internationalisation of their shareholder base demands greater attention to shareholder value. New investments have been made in Siemens and Veba while the holdings of BASF and Deutsche Bank were reduced.

In France we sold our holdings of Alcatel Alsthom and Compagnie de Suez, retaining one investment. We remain concerned that the French Franc is overvalued, labour unrest smoulders below the surface and economic fundamentals are at the mercy of Germany.



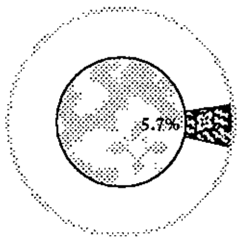
Japan

Our exposure to Japan is held in collective investment funds. The success of their performance this year has been strongly influenced by their policy on hedging, with some taking an aggressive attitude, which has paid off handsomely. By investing externally in this market we do rely on their expertise and most funds have now taken the view that any further depreciation of the yen against sterling is unlikely.

The Nikkei 225 Index rose 20.3% though in sterling terms the increase was reduced to 7.1%. The banking sector continued to suffer from non-performing loans and several smaller banks and housing loan companies had to be rescued.

Interest rates have remained very low and occasional fears that they would rise have caused turbulence in the stock market. Economic recovery became more fragile as the year unfolded, so a rate increase is unlikely in the medium term. The General Election was held on 20 October and the conservative Liberal Democrats were unable to achieve an overall majority. Their proposed economic and administrative reforms will consequently have to reflect their coalition partners' aspirations.

Although we are not overoptimistic about the immediate prospects for Japan, it does have a powerful history of surprising on the upside and we therefore intend to remain committed to the stock market.



Pacific Basin

The Chinese Government has gradually relaxed its intransigent attitude towards Hong Kong, with the probable realisation that it is not in its long term interest to be awkward. The Hang Seng Index rose 23.4% with confidence returning to the property market, which is the backbone of the stock market. We sold Citic Pacific and Shangri-La Asia, reinvesting into Hong Kong Electric. We remain optimistic that Hong Kong's handover to China on 30 June 1997 will be well received and the prospects for continuing economic growth look encouraging.

Singapore has suffered from evidence of a weaker economy. The ship repairing sector has been in the doldrums and the anti-speculation measures taken against the property sector have affected sentiment. The stock market only rose 2.7%.

Malaysia's stock market has been much more buoyant rising 13.5% on economic optimism with the reduction in the current account deficit which should lead to declining interest rates.

Political problems coupled with economic fundamentals were the main reasons for the 15.1% decline in the Thai stock market.

The Australian market has been held back by weakness in the natural resource stocks which make up 34% of the All Ordinaries Index and rose 7.2%. The Coalition victory in the Federal Election has improved sentiment, with banks outperforming the market on the possibility of further consolidation. We disposed of Wesfarmers and Qantas, reinvesting in BHP, Commonwealth Bank and David Jones.

Amongst the investment trusts specialising in the Far East, we sold Pacific Horizon and Scottish Oriental Smaller Companies and purchased Foreign & Colonial Pacific.

Valuation of Investments

Holdings valued over £100,000 as at 30 September 1996

Company	Market Value £000	% of Fund
Mineral Extraction		
Extractive Industries		
RTZ	1,908	1.3
BHP (Australia)	410	0.3
Avocet Mining	140	0.1
Oil, integrated		
Shell	3,656	2.5
Burmah Castrol	2,001	1.3
BP	1,451	1.0
Exxon (USA)	799	0.5
General Industrials		
Building & Construction		
Pochin's	624	0.4
Countryside Properties	533	0.4
Building Materials & Merchants		
Heywood Williams	894	0.6
RMC	861	0.6
Streamline Holdings	427	0.3
Chemicals		
ICI	1,690	1.1
Eastman Kodak (USA)	1,506	1.0
Inspec	853	0.6
BTP	776	0.5
Bayer (Germany)	701	0.5
BASF (Germany)	594	0.4
Diversified Industrials		
General Electric (USA)	1,659	1.1
BTR	1,488	1.0
Charter	1,235	0.8
Harrisons & Crosfield	1,024	0.7
Hanson	1,019	0.7
Hutchison Whampoa (Hong Kong)	955	0.6
PPG (USA)	869	0.6
Swire Pacific "A" (Hong Kong)	859	0.6
Veba (Germany)	251	0.2
Electronic & Electrical Equipment		
GEC	2,026	1.4
Racal	1,385	0.9
Amphenol (USA)	585	0.4
Siemens (Germany)	505	0.3
Engineering		
British Aerospace	1,585	1.1
Thermo Electron (USA)	1,554	1.0
British Steel	1,485	1.0
TI Group	1,456	1.0
Boeing (USA)	1,269	0.9
Smiths Industries	1,189	0.8
IMI	989	0.7
Ingersoll Rand (USA)	911	0.6
Allied Signal (USA)	632	0.4

Company	Market Value £000	% of Fund
Engineering, Vehicles		
LucasVarity	1,527	1.0
Eaton (USA)	676	0.5
Paper, Packaging & Printing		
Watmoughs	782	0.5
Rexam	393	0.3
Consumer Goods		
Alcoholic Beverages		
Guinness	2,013	1.4
Food Producers		
Cadbury Schweppes	1,720	1.2
Coca-Cola (USA)	1,367	0.9
Campbell Soup (USA)	998	0.7
Booker	950	0.6
James Finlay	652	0.4
Highlands & Lowlands (Malaysia)	563	0.4
Nestle (Switzerland)	535	0.4
Eridania Beghin-Say (France)	494	0.3
Sara Lee (USA)	457	0.3
Household Goods		
Gillette (USA)	1,522	1.0
Kimberly-Clark (USA)	986	0.7
Royal Doulton	855	0.6
Colgate-Palmolive (USA)	556	0.4
Pharmaceuticals		
SmithKline Beecham	2,784	1.9
Glaxo Wellcome	2,754	1.9
Roche (Switzerland)	2,356	1.6
American Home Products (USA)	1,468	1.0
F H Faulding (Australia)	771	0.5
Sandoz (Switzerland)	768	0.5
Tobacco		
BAT	2,553	1.7
Services		
Distributors		
Ideal Hardware	1,205	0.8
Inchcape	543	0.4
Leisure & Hotels		
Granada	698	0.5
Jarvis Hotels	309	0.2
Macdonald Hotels	120	0.1
Media		
Pearson	2,792	1.9
Reuters	2,216	1.5
Carlton Communications	1,691	1.1
Trinity International	1,218	0.8
Taylor Nelson AGB	923	0.6
Metromail (USA)	415	0.3
Atlantic Telecom	202	0.1
Visual Action	137	0.1

Company	Market Value £000	% of Fund
Retailers, Food		
Sainsbury	1,663	1.1
Retailers, General		
Marks & Spencer	2,234	1.5
Great Universal Stores	1,923	1.3
Boots	1,558	1.0
Thorn	545	0.4
David Jones (Australia)	400	0.3
Support Services		
Johnson Group Cleaners	595	0.4
Transport		
P&O	625	0.4
Utilities		
Electricity		
National Power	1,672	1.1
National Grid	1,310	0.9
London Electricity	1,104	0.7
Scottish Power	924	0.6
Hong Kong Electric (Hong Kong)	517	0.3
Gas Distribution		
PanEnergy (USA)	775	0.5
Telecommunications		
BT	2,674	1.8
Cable & Wireless	1,175	0.8
AT&T (USA)	668	0.5
Water		
Severn Trent	1,770	1.2
Thames Water	779	0.5
Financials		
Banks, Retail		
Lloyds TSB	4,536	3.1
HSBC	3,678	2.5
Royal Bank of Scotland	2,201	1.5
Swiss Bank (Switzerland)	1,050	0.7
National Australia Bank (Australia)	1,013	0.7
Abbey National	861	0.6
Deutsche Bank (Germany)	534	0.4
Commonwealth Bank of Australia (Australia)	287	0.2
Banks, Merchant		
Close Brothers	679	0.5
Gerrard & National	455	0.3
Insurance		
Royal & Sun Alliance Insurance	1,298	0.9
Lowndes Lambert	563	0.4
Zurich Versicherungs (Switzerland)	531	0.4
Life Assurance		
Prudential	1,798	1.2
Legal & General	1,611	1.1

Company	Market Value £000	% of Fund
Other Financial		
Henderson	996	0.7
Mercury Asset Management	808	0.5
Caledonia Investments	745	0.5
Property		
Daejan Holdings	1,771	1.2
London Merchant Securities	701	0.5
Allied London Properties	560	0.4
Lend Lease (Australia)	519	0.3
Collective Investment Funds		
GT Japan Investment	1,095	0.7
Fleming Japanese	1,087	0.7
Invesco Tokyo	1,053	0.7
F & C Pacific	969	0.7
Electra Investment Trust	908	0.6
GAM Japan	907	0.6
JF Fledgeling Japan	906	0.6
Siam Selective Growth	712	0.5
Schroder Japan Growth	593	0.4
Invesco Asia Trust	518	0.3
Thompson Clive Investments	172	0.1
PPM Far East Derivatives	170	0.1
Unlisted Investments		
National Parking Corporation	1,088	0.7
Quadrant Healthcare	247	0.2
County Catering & Leisure	165	0.1
Diomed	198	0.1
Convertibles		
British Aerospace 7.75% 2007/2010	927	0.6
Asda Group 10.75% 2005	639	0.4
Williams Holdings 8% 2018	633	0.4
Sainsbury 8.5% 2005	593	0.4
BICC Group 10.75% 2020	575	0.4
Rank 8.25% 2003/2007	480	0.3
Eurosterling Corporate Bonds		
Northumbrian Water 8.625% 2006	774	0.5
London Electricity 8% 2003	264	0.2
Government Securities		
Treasury 11½% 2001/2004	2,008	1.4
Exchequer 12¼% 1999	1,130	0.8
Treasury 8% 2003	530	0.4
Investment Property		
Commercial	4,420	3.0
Agricultural	1,750	1.2

Asset Distribution

at 30 September 1996

Classification of Assets	United Kingdom %	United States %	Continental Europe %	Japan %	Pacific Basin %	Total 1996 %	Total 1995 %
Extractive Industries	1.4	-	-	-	0.3	1.7	1.6
Oil, Integrated	4.8	0.5	-	-	-	5.3	4.9
Mineral Extraction	**6.2**	**0.5**	-	-	**0.3**	**7.0**	6.5
Building & Construction	0.8	-	-	-	-	0.8	0.8
Building Materials & Merchants	1.5	-	-	-	-	1.5	1.0
Chemicals	2.2	1.0	0.9	-	-	4.1	4.1
Diversified Industrials	3.2	1.7	0.2	-	1.2	6.3	7.3
Electronic & Electrical Equipment	2.3	0.5	0.3	-	-	3.1	3.1
Engineering	4.5	2.9	-	-	-	7.4	6.5
Engineering, Vehicles	1.0	0.5	-	-	-	1.5	1.4
Paper, Packaging & Printing	0.8	-	-	-	-	0.8	1.4
General Industrials	**16.3**	**6.6**	**1.4**	-	**1.2**	**25.5**	25.6
Alcoholic Beverages	1.4	-	-	-	-	1.4	2.0
Food Producers	2.2	1.9	0.7	-	0.4	5.2	5.7
Household Goods	0.6	2.0	-	-	-	2.6	2.5
Pharmaceuticals	3.7	1.0	2.1	-	0.5	7.3	6.1
Tobacco	1.7	-	-	-	-	1.7	2.4
Consumer Goods	**9.6**	**4.9**	**2.8**	-	**0.9**	**18.2**	18.7
Distributors	1.2	-	-	-	-	1.2	1.1
Leisure & Hotels	0.8	-	-	-	-	0.8	0.8
Media	6.2	-	-	-	-	6.2	6.2
Retailers, Food	1.1	-	-	-	-	1.1	-
Retailers, General	4.2	-	-	-	0.3	4.5	3.8
Support Services	0.4	0.3	-	-	-	0.7	0.5
Transport	0.5	-	-	-	-	0.5	0.7
Services	**14.4**	**0.3**	-	-	**0.3**	**15.0**	13.1
Electricity	3.4	-	-	-	0.3	3.7	4.4
Gas Distribution	-	0.5	-	-	-	0.5	0.5
Telecommunications	2.6	0.5	-	-	-	3.1	3.1
Water	1.7	-	-	-	-	1.7	2.4
Utilities	**7.7**	**1.0**	-	-	**0.3**	**9.0**	10.4
Banks, Retail	7.6	-	1.1	-	0.9	9.6	8.7
Banks, Merchant	0.8	-	-	-	-	0.8	0.8
Insurance	1.2	-	0.4	-	-	1.6	1.7
Life Assurance	2.3	-	-	-	-	2.3	2.1
Other Financial	1.7	-	-	-	-	1.7	2.3
Property	2.0	-	-	-	0.3	2.3	2.8
Financials	**15.6**	-	**1.5**	-	**1.2**	**18.3**	18.4
Collective Investment Funds	**0.7**	-	-	**3.9**	**1.5**	**6.1**	5.2
Unlisted	**1.2**	-	-	-	-	**1.2**	1.5
Total Equities	**71.7**	**13.3**	**5.7**	**3.9**	**5.7**	**100.3**	99.4
Convertibles	**2.6**	-	-	-	-	**2.6**	2.5
Eurosterling Corporate Bonds	**0.7**	-	-	-	-	**0.7**	-
Government Securities	**2.5**	-	-	-	-	**2.5**	4.7
Investment Property	**4.2**	-	-	-	-	**4.2**	4.7
Total Fixed Asset Investments	**81.7**	**13.3**	**5.7**	**3.9**	**5.7**	**110.3**	111.3
Cash	**1.1**	-	-	-	-	**1.1**	1.9
Proposed Dividend	**(1.4)**	-	-	-	-	**(1.4)**	(1.5)
Other Net Assets	-	-	-	-	-	-	(0.4)
Debenture Stock 2020	**(10.0)**	-	-	-	-	**(10.0)**	(11.3)
% Total at 30 September 1996	**71.4**	**13.3**	**5.7**	**3.9**	**5.7**	**100.0**	
% Total at 30 September 1995	73.0	11.4	5.8	4.2	5.6		100.0

Board of Directors

Sir John K Barlow Bt (62), Chairman
Has been a director and Chairman since 1978. He is also a member of the Audit and Remuneration Committees.

WG Underwood (60), Managing Director
Has been a director since joining in 1988.
He was appointed Managing Director in 1993.

RE Clarke MSc ACA (39), Finance Director
Was appointed to the Board this year.

Sir Richard Baker Wilbraham Bt DL (62)*
Was appointed a director in 1989 and is Chairman of the Audit and Remuneration Committees. He is Chairman of Bibby Line Group Limited and Deputy Chairman of Brixton Estates PLC and Grosvenor Estate Holdings.

HS Barlow OBE (52)*
Has been a director since 1978. He is a chartered accountant living in Malaysia with wide-ranging interests in the Far East. His alternate is RJ Clark.

MHD Barlow (58)*
Was an executive director between 1985 and 1993.

RHV Dixon (67)*
Was appointed a director in 1993 and is a member of the Audit and Remuneration Committees. For many years he was a partner of Travers Smith Braithwaite, Solicitors.

RJ Clark (63)*
Has been a director since 1979. He acts as an alternate for HS Barlow in his absence and is a member of the Audit Committee. He is a consultant to Baker Tilly, Chartered Accountants.

Senior Management

SV Toynbee (52), Senior Fund Manager

AJC Baxter (36), Fund Manager

MJ Bowman (49), Private Client Fund Manager

RTA Postlethwaite FCA (38), Financial Controller

* non-executive

Directors' Report

The directors submit their Report and the Accounts for the year ended 30 September 1996.

Activities

The Company operates as an investment trust company engaged in the investment of funds mainly in listed securities. An analysis of the portfolio is given on pages 8, 9 and 10. A review of the year and of future developments is contained in the Chairman's Statement on pages 2 and 3.

Results and Dividend

Consolidated net revenue before taxation amounted to £5,020,000 (1995 - £4,156,000). The directors recommend a final dividend of 4.1p per ordinary share payable on 10 January 1997 to shareholders on the register at the close of business on 17 December 1996. Together with the interim dividend of 2.5p per share paid on 5 July 1996, this makes a total distribution of 6.6p per share (1995 - 5.75p per share).

Directors

The directors listed on page 11 served throughout the year, with the exception of RE Clarke who was appointed a director of the Company on 1 July 1996. He will retire at the Annual General Meeting in accordance with the Articles of Association and, being eligible, offers himself for re-election.

The directors retiring by rotation in accordance with the Articles of Association are Sir John K Barlow Bt and RHV Dixon who, being eligible, offer themselves for re-election.

Directors' Interests

Beneficial interests in ordinary shares as at 30 September:

	1996	1995
Sir John K Barlow Bt	**4,328,186**	4,328,186
HS Barlow	**11,293,026**	11,293,026
MHD Barlow	**2,968,442**	2,968,442
Sir Richard Baker Wilbraham Bt	**10,000**	10,000
RHV Dixon	**10,000**	10,000
RJ Clark	**10,000**	10,000

Non-beneficial interests in ordinary shares as trustees for various settlements as at 30 September:

	1996	1995
Sir John K Barlow Bt	**4,175,049**	4,175,049
HS Barlow	**263,084**	263,084
MHD Barlow	**2,321,913**	2,321,913
RJ Clark	**1,511,957**	1,511,957

Some of the directors' holdings are duplicated, the total after elimination of duplicated holdings being 24,276,146 shares at 30 September 1996 (1995 - 24,276,146). There have been no changes in these holdings up to the date of this report.

Neither WG Underwood nor RE Clarke had an interest in the shares of the Company although WG Underwood is the holder of 300,000 share options (1995 - 280,000).

No director had an interest at any time during the year or since in any material contract, being a contract of significance with the Company or any subsidiary of the Company.

Substantial Shareholdings

Apart from the directors' interests above, at the date of this report the Company has also been notified of the following substantial holdings in its issued capital:

GB Barlow (0.94% also included above)	3.20%
Inchong Trust	4.00%
Compagnie UAP	17.18%

Corporate Governance

Except as noted below the Company has complied throughout the year with the provisions of the Code of Best Practice of the Cadbury Committee on Financial Aspects of Corporate Governance.

The Audit Committee comprises Sir John K Barlow Bt, Sir Richard Baker Wilbraham Bt (Chairman of the Committee), RHV Dixon and RJ Clark. The Code of Best Practice recommends that the Audit Committee should consist of at least three non-executive directors. The Board has decided that this Committee should consist of three non-executive directors and the Chairman.

Statements in compliance with the Code regarding the Group's status as a going concern and the systems of internal financial controls are included on page 16.

The Remuneration Committee comprises Sir Richard Baker Wilbraham Bt (Chairman of the Committee), Sir John K Barlow Bt and RHV Dixon. With the exception noted below the Remuneration Committee's composition, responsibilities and operation comply with the best practice provisions in Section A of the Annex to the Listing Rules of the London Stock Exchange.

The best practice provisions require that the Remuneration Committee should consist exclusively of non-executive directors. The Board has considered that the Committee should consist of two non-executive directors and the Chairman, Sir John K Barlow Bt.

The Report of the Remuneration Committee is set out on pages 14 and 15.

Statement of Recommended Practice

The Board has considered the implications of the Statement of Recommended Practice for the Financial Statements of Investment Trust Companies. As it is applicable to accounting periods beginning on or after 1 January 1996, the Board intends to implement the recommendations with effect from 1 October 1996. The new basis of reporting will therefore appear for the first time in the 1997 interim report.

Policy on Payment of Suppliers

It is not the Company's policy to follow any standard or code on payment practice. However the Company settles the terms of payment at the start of business with each supplier, ensures that suppliers are aware of the terms of payment and abides by the terms of payment.

Status

On 10 July 1996 the Inland Revenue confirmed the Company as an investment trust for taxation purposes under section 842 of the Income and Corporation Taxes Act 1988 in respect of the year ended 30 September 1995. The Company has subsequently directed its affairs so as to enable it to continue to qualify for such approval. The Company is not a close company.

The Company is a public limited company and an investment company under section 266 of the Companies Act 1985.

Political Contributions

The Company gave £3,000 to Conservative Party funds during the year.

Special Business

During the year the Company purchased 372,758 of its own shares, as further described in note 19, under an authority granted at last year's Annual General Meeting. Shareholder approval is sought to renew this authority as provided for in the Articles of Association. The directors consider it desirable that the Company be authorised to make such purchases so that the opportunity can be taken if conditions are favourable to enhance net asset value per share. The maximum number of shares which may be purchased under this authority is 2,617,500, being 5% of the issued share capital. Any shares so purchased will be cancelled.

CREST

The Company's shares joined CREST, the new electronic system for share transaction settlement, on 7 October 1996.

Auditors

A resolution will be proposed at the Annual General Meeting to re-appoint Pannell Kerr Forster as auditors and to authorise the directors to fix their remuneration.

By Order of the Board

Barlow Service Company Limited Secretaries

14 November 1996

Report of the Remuneration Committee

In implementing its policy, the Committee has given full consideration to the best practice provisions of Section B of the Annex to the Listing Rules of the London Stock Exchange.

Policy

The role of the Committee is to establish Board policy in respect of terms of employment, including remuneration packages, in detail for each executive director and in general for certain senior executives. The Committee seeks to encourage the enhancement of the Company's performance and to ensure that remuneration packages offered are competitive and designed to attract, retain and motivate executive directors and senior executives of the right calibre. In setting both the policy related to and levels of remuneration and benefits for executive directors and senior executives, the Committee takes account of market data and independent professional advice. The Committee has asked independent consultants to assist them in reviewing all the incentive arrangements for executive directors and senior management. This review is not yet complete and the salary, bonus and share option arrangements for the current year recognise these transitional circumstances.

The main components of the Group's remuneration packages are:

Salary and Bonus

The basic salary for each executive director is determined by the Committee, which takes into account market data provided by independent consultants. The Committee accepts the principle that, if appropriate, annual bonuses should be paid to executive directors and senior management.

In this year, whilst the review of incentive arrangements is being undertaken, the Committee felt that a bonus should be paid for the first time to directors and senior managment based on the Committee's assessment of the results. A new policy is likely to be confirmed within the next few months following further discussions with independent advisers.

Share Options

The Remuneration Committee is presently considering the introduction of a long term incentive scheme which may replace the current share option scheme. Until a decision is taken regarding the approach to be adopted, no more share options will be granted.

Directors' Remuneration

	Salaries and Fees £000	Bonuses £000	Pension Contributions £000	Other Benefits £000	1996 Total £000	1995 Total £000
Sir John K Barlow Bt, Chairman	65	-	5	4	74	82
WG Underwood, Highest paid director	150	19	34	10	213	173
RE Clarke (appointed 1 July 1996)	26	4	5	-	35	-
HS Barlow	10	-	-	-	10	2
MHD Barlow	15	-	1	10	26	27
Sir Richard Baker Wilbraham Bt	15	-	-	-	15	10
RHV Dixon	15	-	-	-	15	13
RJ Clark	5	-	-	-	5	-
	301	23	45	24	393	307

Pension Contributions

All executive directors and senior executives are eligible for membership of the Barlow Service Company Pension Scheme which is a non-contributory money purchase plan administered by Scottish Widows' Fund & Life Assurance Society. The Company matches additional contributions made by members up to an additional 4% of salary. The scheme also provides members with permanent health insurance and life assurance cover on the basis of a lump sum death in service policy.

Other Benefits

Executive directors and senior executives are also eligible for a range of other benefits including the provision of a company car and membership of a private medical scheme.

Directors' Share Options

WG Underwood had 300,000 options at 30 September 1996 (1995 280,000). An analysis of these options is as follows:

Directors' share options as at 30 September 1995	280,000
Granted on 7 December 1995	20,000
Directors' share options as at 30 September 1996	300,000
Representing:	
Exercisable at 121p per share between 1992 and 1999	130,000
Exercisable at 126½p per share between 1993 and 2000	60,000
Exercisable at 153p per share between 1995 and 2002	50,000
Exercisable at 172⅓p per share between 1996 and 2003	20,000
Exercisable at 202p per share between 1997 and 2004	20,000
Exercisable at 216p per share between 1998 and 2005	20,000
	300,000

No options lapsed during the year and there were no other share options held by directors during the year.

The Company's shares had a market price on 30 September 1996 of 242p; the range during the year was from 209p to 242p.

Service Contracts

WG Underwood has a service contract requiring two years' notice of termination from the Company or six months' notice from the individual.

RE Clarke has a service contract requiring six months' notice of termination from either the Company or the individual.

Neither the non-executive directors nor Sir John K Barlow Bt have service contracts with the Company.

R Baker Wilbraham Chairman
Remuneration Committee
14 November 1996

Directors' Responsibilities

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the results of the Group for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internal Financial Control

The directors have overall responsibility for the Group's systems of internal financial control and for monitoring their effectiveness. The objective of these controls is to ensure the reliability of the financial information upon which business decisions are made, the safeguarding of the Group's assets and the maintenance of proper accounting records.

The Audit Committee on behalf of the Board examines the effectiveness of these systems. Any significant findings or identified risks are closely examined so that appropriate action can be taken.

The Board maintains full control and direction over appropriate issues relating to strategy, investment policy, finance and compliance; and has put in place a structure with formally defined lines of responsibility. It has delegated to executive management the implementation of the systems of internal financial control within an established framework and as a result there are extensive internal check procedures which have regard to the size and nature of the Group's businesses. The Board, its Committees and its subsidiary Boards regularly monitor business risks and review performance.

The systems of internal financial control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- a detailed annual forecasting process;
- quarterly reviews by the directors of actual results against forecast and prior year figures including rolling forecasts;
- monthly investment management meetings to review transactions and performance in the light of policy guidelines approved by the Board.

Going Concern

The directors believe that the Group has adequate financial resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the financial statements.

Report of the Auditors

To the Shareholders of Majedie Investments PLC

We have audited the financial statements on pages 18 to 31 which have been prepared under the accounting policies set out on pages 22 and 23. We have also examined the amounts disclosed on pages 14 to 15 relating to remuneration and share options of the directors which form part of the Report of the Remuneration Committee.

Respective Responsibilities of Directors and Auditors

As described on page 16 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 September 1996 and of the Group's result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Corporate Governance Matters

In addition to our audit of the financial statements, we have reviewed the directors' statements on pages 12, 13 and 16 on the Company's compliance with the paragraphs of the Code of Best Practice specified for our review by the London Stock Exchange. The objective of our review is to draw attention to non-compliance with those paragraphs of the Code which is not disclosed.

We carried out our review in accordance with bulletin 1995/1 'Disclosures relating to corporate governance' issued by the Auditing Practices Board. That bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Group's system of internal financial control or its corporate governance procedures, nor on the ability of the Group to continue in operational existence.

Opinion

With respect to the directors' statements on internal financial control and on going concern on page 16, in our opinion the directors have provided the disclosures required by paragraphs 4.5 and 4.6 of the Code (as supplemented by the related guidance for directors) and such statements are not inconsistent with the information of which we are aware from our audit work on the financial statements.

Based on enquiry of certain directors and officers of the Company, and examination of relevant documents, in our opinion the directors' statements on pages 12, 13 and 16 appropriately reflect the Company's compliance with the other paragraphs of the Code specified for our review.

Pannell Kerr Forster

Pannell Kerr Forster Chartered Accountants
Registered Auditors
London
15 November 1996

Consolidated Revenue Account

for the year ended 30 September 1996	Notes	1996 £000	1996 £000	1995 £000	1995 £000
Revenue					
Investment income:	3				
Franked		5,613		3,819	
Unfranked		2,449		3,001	
			8,062		6,820
Other income (net)	4		218		91
			8,280		6,911
Costs					
Administrative expenses		1,832		1,327	
Interest payable	5	1,428		1,428	
			3,260		2,755
Net revenue before taxation	6		5,020		4,156
Taxation	9		1,005		738
Net revenue after taxation			4,015		3,418
Dividends					
Interim of 2.5p (1995 - 2.0p)		1,310		1,051	
Proposed final of 4.1p (1995 - 3.75p)		2,146		1,975	
			3,456		3,026
Revenue retained	23		559		392
Earnings per share	10		7.65p		6.50p
Dividends per share			6.60p		5.75p

All amounts relate to continuing activities.

Statement of Total Recognised Gains & Losses

for the year ended 30 September 1996	1996 £000	1996 £000	1995 £000	1995 £000
Capital profit on investments				
Realised gains	6,838		5,714	
Unrealised gains	10,507		5,970	
Capital surplus for the year		17,345		11,684
Revenue profit available for distribution		4,015		3,418
Total recognised gains for the year		21,360		15,102

Consolidated Balance Sheet

at 30 September 1996	Notes	1996 £000	1996 £000	1995 £000	1995 £000
Fixed assets					
Tangible assets	11	361		373	
Investments	12	163,685		145,961	
			164,046		146,334
Current assets					
Debtors	14	765		1,022	
Investments	15	50		18	
Cash at bank and on deposit	16	1,570		2,532	
		2,385		3,572	
Creditors					
Amounts falling due within one year	17	3,255		3,851	
Net current liabilities			(870)		(279)
Total assets less current liabilities			163,176		146,055
Creditors					
Amounts falling due after more than one year	18		14,804		14,801
Total net assets			148,372		131,254
Capital and reserves					
Called up share capital	19	5,235		5,267	
Share premium account	20	245		168	
Capital reserve	21	119,016		101,671	
Capital redemption reserve	22	37		-	
Revenue reserve	23	23,839		24,148	
Shareholders' funds	24		148,372		131,254
Net asset value per share	25		283p		249p

Approved by the Board on 14 November 1996

J K Barlow
R Baker Wilbraham

John K Barlow
R Baker Wilbraham
Directors

Company Balance Sheet

at 30 September 1996	Notes	1996 £000	1996 £000	1995 £000	1995 £000
Fixed assets					
Investments	12	163,685		145,961	
Investments in subsidiaries	13	790		567	
			164,475		146,528
Current assets					
Debtors	14	649		966	
Cash at bank and on deposit	16	1,121		2,206	
		1,770		3,172	
Creditors					
Amounts falling due within one year	17	3,069		3,645	
Net current liabilities			(1,299)		(473)
Total assets less current liabilities			163,176		146,055
Creditors					
Amounts falling due after more than one year	18		14,804		14,801
Total net assets			148,372		131,254
Capital and reserves					
Called up share capital	19	5,235		5,267	
Share premium account	20	245		168	
Capital reserve	21	118,899		101,673	
Capital redemption reserve	22	37		-	
Revenue reserve	23	23,956		24,146	
Shareholders' funds	24		148,372		131,254

Approved by the Board on 14 November 1996

John K Barlow
R Baker Wilbraham
Directors

J K Barlow
R Baker Wilbraham

Consolidated Cash Flow Statement

for the year ended 30 September 1996	Notes	1996 £000	1996 £000	1995 £000	1995 £000
Operating activities					
Cash received from investments		6,711		5,123	
Interest received		161		155	
Cash payments		(1,740)		(1,241)	
Net cash inflow from operating activities	26		5,132		4,037
Servicing of finance					
Dividends paid		(3,251)		(2,716)	
Interest paid		(1,107)		(1,359)	
Net cash outflow from servicing of finance			(4,358)		(4,075)
Taxation					
Tax recovered			242		155
Investing activities					
Purchases of investments		(34,146)		(26,419)	
Sales of investments		33,042		26,300	
Purchases of tangible assets		(114)		(235)	
Sales of tangible assets		26		80	
Net cash outflow from investing activities			(1,192)		(274)
Net cash outflow before financing			(176)		(157)
Financing					
Issue of ordinary share capital		(82)		(182)	
Shares purchased for cancellation		868		-	
Loan stock issue expenses		-		6	
Net cash outflow/(inflow) from financing			786		(176)
Change in cash and cash equivalents	27		(962)		19
			(176)		(157)

Notes to the Accounts

1 Accounting Policies

Basis of Accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with applicable Accounting Standards.

The consolidated accounts incorporate the audited accounts of the Company and its subsidiaries made up to 30 September 1996.

Investment Income

Income from investments is included as and when such income becomes due and payable except in the case of interest receivable from bonds which is included on the accruals basis. Deposit interest and rents receivable are also included on the accruals basis. Scrip dividends are recognised as income when dealings in those new shares commence and are valued on the basis of the market value of the shares at the start of the first day of dealings.

Foreign income is converted at the rate of exchange applicable on the appropriate date.

Expenses

Expenses are accounted for on an accruals basis. They are charged through the revenue account except where they directly relate to the acquisition or disposal of an investment, in which case they are either added to the cost of the investment or deducted from sale proceeds as appropriate. Expenses include pension contributions made to a money purchase scheme.

Finance Costs

The finance costs arising from the 9.5% Debenture Stock are charged in the revenue account at a constant rate on the carrying amount of the debt.

Investments - Fixed Assets

Listed investments are valued at market prices. Unlisted investments and investment properties are stated at the Board's estimate of their fair value. Unlisted investments are valued with reference to available information including market prices, latest dealings, accounting information and professional advice as appropriate. The directors' valuation of the agricultural and commercial properties is based on professional valuations obtained as at 30 September 1995.

No depreciation is provided in respect of freehold property. This represents a departure from statutory accounting principles which require depreciation to be provided on all fixed assets which have a limited useful economic life. The directors consider that this policy is necessary for the accounts to give a true and fair view. Depreciation is only one of the factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investments - Current Assets

Listed investments held by the Company's dealing subsidiary are valued at the lower of cost and net realisable value.

Tangible Assets

Tangible assets are stated at cost less depreciation. Leasehold improvements are written off in equal annual instalments over the minimum period of the lease whereas depreciation for other tangible assets is provided for at 25% per annum using the straight line method.

Operating Lease Rentals

Total operating lease rentals up to the date of the next rent review, in respect of premises occupied by the Company, are spread evenly over the term.

Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction or, where accrued, at the year end rate. Foreign currency deposits and balances are converted into sterling at the year end rates of exchange. The valuation of investments listed overseas shown in note 12 has been translated into sterling at the year end exchange rates, except where a forward contract has been arranged, in which case the contract rate is used. Profits and losses arising on exchange are taken to capital reserves if they are of a capital nature: otherwise they are taken to the revenue account.

Deferred Taxation

Deferred taxation is provided on the liability method on all short term timing differences. Provision is not otherwise made unless there is a probability that such taxation will become payable in the foreseeable future.

Reserves

Gains and losses on the realisation of investments and foreign currency are accounted for in the realised capital reserve. Increases and decreases in the valuation of investments and currency held at the year end are accounted for in the unrealised capital reserve. No provision is made for tax on capital gains since the Company operates as an investment trust for tax purposes.

2 Revenue Account

The revenue account of the Company is not presented as part of these financial statements as permitted by Section 230 of the Companies Act 1985.

The Company's net revenue after tax for the year amounted to £4,134,000 (1995 - £3,431,000).

Notes to the Accounts

3 Investment Income

	1996 £000		1995 £000	
Listed investments	7,351		5,563	
Rents	536		527	
Interest on deposits	158		128	
Unlisted investments	6		573	
Stock lending commission	11		29	
		8,062		6,820

Income from listed investments includes scrip dividends and foreign income dividends amounting to £269,000 (1995 - £935,000).

During the year the Company ended the practice of lending securities to other institutions. Consequently the aggregate value of securities on loan at year end was nil (1995 - £8,815,000). The maximum aggregate value of securities on loan during the year was £16,533,000 (1995 - £19,568,000).

4 Other Income (net)

Management fees	133		83	
Dealing profit(loss)	16		(13)	
Underwriting	69		21	
		218		91

5 Interest Payable

Interest payable on debenture stock repayable in more than five years	1,428	1,428

6 Net Revenue before Taxation

After charging:

Depreciation of tangible assets	100	82
Staff costs - note 8	1,025	612
Auditors' remuneration	24	20
Operating lease rentals - premises	79	76

Remuneration of the auditors in the year for services other than audit amounted to £6,000 (1995 - £2,000).

7 Directors' Emoluments

Salaries and fees	301		243	
Bonuses	23		-	
Pension contributions	45		32	
Other benefits	24		32	
		393		307

7 Directors' Emoluments continued

	1996 Number	1995 Number
Emoluments of the directors were within the following bands (excluding pension contributions):		
£Nil to £5,000	1	2
£5,001 to £10,000	1	-
£10,001 to £15,000	2	2
£25,001 to £30,000	1	1
£30,001 to £35,000	1	-
£65,001 to £70,000	1	-
£70,001 to £75,000	-	1
£145,001 to £150,000	-	1
£175,001 to £180,000	1	-

The Report of the Remuneration Committee on pages 14 and 15 explains the Company's policy on remuneration for executive directors and certain senior executives. It also provides further details of directors' remuneration and share options.

8 Staff Costs including Executive Directors

	£000	£000	£000	£000
Salaries and other payments	818		499	
Social security costs	87		55	
Pension contributions	120		58	
		1,025		612
		Number		Number
Management and office staff		14		10

9 Taxation

	£000	£000	£000	£000
Charge for the year based on net revenue before taxation:				
Corporation tax	-		-	
Deferred tax	-		(36)	
Overseas tax	98		86	
Tax credits imputed to UK dividends	907		688	
		1,005		738

10 Earnings per Share

Based on a weighted average of 52,502,239 (1995 - 52,568,813) shares in issue and net revenue after taxation of	4,015	3,418

Notional adjustment for the exercise of the share options referred to in note 19 would not have resulted in any material difference in earnings per share.

Notes to the Accounts

11 Tangible Assets

	Leasehold Improvements £000	Office Equipment £000	Motor Vehicles £000	Total £000
Cost:				
At 30 September 1995	241	259	112	612
Additions	8	47	59	114
Disposals	-	-	(29)	(29)
At 30 September 1996	249	306	142	697
Depreciation:				
At 30 September 1995	52	170	17	239
Charge for year	37	35	28	100
Disposals	-	-	(3)	(3)
At 30 September 1996	89	205	42	336
Net book value:				
At 30 September 1996	160	101	100	361
At 30 September 1995	189	89	95	373

12 Investments

	Listed Investments £000	Unlisted Investments £000	Freehold Properties £000	Total £000
Cost:				
At 30 September 1995	90,942	1,537	5,604	98,083
Additions	32,847	464	-	33,311
Disposals	(25,712)	(382)	-	(26,094)
At 30 September 1996	98,077	1,619	5,604	105,300
Unrealised appreciation:				
At 30 September 1995	46,727	605	546	47,878
Movement for the year	10,976	(489)	20	10,507
At 30 September 1996	57,703	116	566	58,385
Valuation at 30 September 1996	155,780	1,735	6,170	163,685
Valuation at 30 September 1995	137,669	2,142	6,150	145,961

12 Investments continued

	1996 £000		1995 £000	
Comprising:				
Listed investments at market value:				
United Kingdom	120,279		106,678	
Overseas	35,501		30,991	
		155,780		137,669
Unlisted investments at directors' valuation		1,735		2,142
Freehold investment properties at directors' valuation:				
Agricultural property	1,750		1,350	
Commercial property	4,420		4,800	
		6,170		6,150
		163,685		145,961

Uncalled capital on partly paid investments of the Company and the Group at 30 September 1996 amounted to £217,000 (1995 - £972,000). Underwriting commitments of the Group at 30 September 1996 were £173,000 (1995 - £1,230,000).

13 Investment in Subsidiaries

The Company's subsidiaries are as follows:

Majedie Investment Trust Management Limited	- investment trust management
Majedie Portfolio Management Limited	- private client fund management
Majedie Securities Limited	- investment dealing
Barlow Service Company Limited	- administrative services to group companies
Barlow Investments Limited	- non trading
Majedie Properties Limited	- non trading

All the subsidiaries are wholly-owned, operate in England and are incorporated in Great Britain.

	Shares £000		Loans £000		Total £000	
Cost:						
At 30 September 1995	102		463		565	
Additions	250		91		341	
At 30 September 1996		352		554		906
Unrealised appreciation:						
At 30 September 1995	2		-		2	
Arising during the year	(118)		-		(118)	
At 30 September 1996		(116)		-		(116)
Valuation at 30 September 1996		236		554		790
Valuation at 30 September 1995		104		463		567

Notes to the Accounts

14 Debtors

	Group 1996 £000	Group 1995 £000	Company 1996 £000	Company 1995 £000
Amounts falling due within one year:				
Taxation recoverable	271	385	271	385
Disposal of investments	255	365	255	365
Accrued income	120	181	96	179
Payments in advance	84	57	20	9
Amounts owing by subsidiary	-	-	7	28
Other debtors	35	34	-	-
	765	1,022	649	966

15 Investments

	Group 1996 £000	Group 1995 £000	Company 1996 £000	Company 1995 £000
Listed investments held for resale	50	18	-	-

The market value of these investments was £55,000 (1995 - £18,000)

16 Cash at Bank and on Deposit

	Group 1996 £000	Group 1995 £000	Company 1996 £000	Company 1995 £000
Deposits	1,463	2,473	1,030	2,156
Other balances	107	59	91	50
	1,570	2,532	1,121	2,206

17 Creditors

	Group 1996 £000	Group 1995 £000	Company 1996 £000	Company 1995 £000
Amounts falling due within one year:				
Proposed final dividend	2,146	1,975	2,146	1,975
Purchase of investments	430	1,285	430	1,285
Accrued expenses	322	262	155	76
Other creditors	357	329	338	309
	3,255	3,851	3,069	3,645

18 Creditors

	Group 1996 £000	Group 1995 £000	Company 1996 £000	Company 1995 £000
Amounts falling due after more than one year:				
£15m 9.5% debenture stock	14,804	14,801	14,804	14,801

The stock is repayable in 2020 and is secured by a floating charge over the Company's assets.

19 Called up Share Capital

	1996 £000	1995 £000
Allotted and fully paid at 30 September 1996: 52,350,000 (1995 - 52,672,758) shares of 10p each	5,235	5,267
Authorised at 30 September 1996: 70,000,000 (1995 - 70,000,000) shares of 10p each	7,000	7,000

During the year 372,758 shares (0.7% of the issued share capital) were purchased to enhance net asset value per share. These purchases were made within a range of prices from 216½p to 241p per share at a total cost of £868,000.

In addition 50,000 shares were issued fully paid for consideration of £82,000 as a result of the exercise of share options. The mid market price on the day of exercise was 237p per share.

An analysis of directors' share options is set out in the Report of the Remuneration Committee on page 15. There follows a summary of share options in respect of other staff:

Number of share options:	
At 30 September 1995	70,000
Granted during the year:	
Exercisable at 216p per share between 1998 and 2005	50,000
Exercised during the year:	
Exercised at 153p per share	(20,000)
Exercised at 172½p per share	(30,000)
At 30 September 1996	70,000
Representing:	
Exercisable at 202p per share between 1997 and 2004	20,000
Exercisable at 216p per share between 1998 and 2005	50,000
	70,000

20 Share Premium Account

	Group 1996 £000	Group 1995 £000	Company 1996 £000	Company 1995 £000
At 30 September 1995	168	-	168	-
Arising on shares issued	77	168	77	168
At 30 September 1996	245	168	245	168

Notes to the Accounts

21 Capital Reserve

	Group 1996 £000		Group 1995 £000		Company 1996 £000		Company 1995 £000	
At 30 September 1995	101,671		89,987		101,673		90,002	
Profits realised on disposal of investments	6,838		5,714		6,838		5,714	
Increase in unrealised appreciation of investments	10,507		5,970		10,388		5,957	
At 30 September 1996		119,016		101,671		118,899		101,673
Representing:								
Realised profits	60,631		53,793		60,631		53,793	
Unrealised appreciation of investments	58,385		47,878		58,268		47,880	
		119,016		101,671		118,899		101,673

22 Capital Redemption Reserve

	Group 1996 £000	Group 1995 £000	Company 1996 £000	Company 1995 £000
Arising on the purchase of 372,758 shares for cancellation	37	-	37	-

23 Revenue Reserve

	Group 1996 £000		Group 1995 £000		Company 1996 £000		Company 1995 £000	
At 30 September 1995	24,148		23,756		24,146		23,741	
Purchase of 372,758 shares	(868)		-		(868)		-	
Revenue retained for the year	559		392		678		405	
At 30 September 1996		23,839		24,148		23,956		24,146

24 Reconciliation of Movements in Shareholders' Funds

	Group 1996 £000		Group 1995 £000		Company 1996 £000		Company 1995 £000	
Net revenue for the year	4,015		3,418		4,134		3,431	
Dividends	(3,456)		(3,026)		(3,456)		(3,026)	
		559		392		678		405
Net capital surplus for the year		17,345		11,684		17,226		11,671
		17,904		12,076		17,904		12,076
Opening shareholders' funds	131,254		118,996		131,254		118,996	
New shares issued	82		182		82		182	
Cancellation of shares	(868)		-		(868)		-	
		130,468		119,178		130,468		119,178
Closing shareholders' funds		148,372		131,254		148,372		131,254

25 Net Asset Value per Share

	1996 £000	1995 £000
Based on 52,350,000 (1995 - 52,672,758) shares in issue and net assets of	148,372	131,254

Notional adjustment for the exercise of the share options referred to in note 19 would not have resulted in any material difference in the net asset value per share.

26 Reconciliation of Net Revenue before Taxation to Net Cash Inflow from Operating Activities

	1996		1995	
Net revenue before taxation	5,020		4,156	
Scrip dividends	(21)		(766)	
Depreciation	100		82	
Interest and debenture expenses	1,428		1,428	
Decrease in debtors, accrued income and payments in advance	37		7	
Increase in other creditors and accrued expenses	60		117	
Increase in investments held for resale	(32)		(18)	
Tax on franked income	(1,126)		(778)	
Tax on unfranked income	(334)		(191)	
Net cash inflow from operating activities		5,132		4,037

27 Analysis of Changes in Cash and Cash Equivalents during the Year

	1996		1995	
Balance at 30 September 1995	2,532		2,513	
Net cash (outflow)inflow	(962)		19	
Balance at 30 September 1996		1,570		2,532
Cash and cash equivalents:				
Cash at bank and on deposit		1,570		2,532

28 Operating Lease Commitments

A subsidiary company, Barlow Service Company Limited, had an annual commitment of £132,000 at 30 September 1996 (1995 - £119,000) under a non-cancellable operating lease in respect of premises. The operating lease commitment will expire in more than five years from the balance sheet date.

29 Significant Shareholdings

The Company owns 13.2% of the fully paid ordinary share capital of County Catering & Leisure Limited. This company is incorporated in Great Britain.

Five Year Summary

Year to 30 September	1996 £000	1995 £000	1994 £000	1993 £000	1992 £000
Issued capital	**5,235**	5,267	5,253	5,253	2,627
Net assets	**148,372**	131,254	118,996	116,185	88,786
Investment income	**8,062**	6,820	4,736	4,647	4,559
Net revenue after taxation	**4,015**	3,418	2,965	2,812	2,644
Dividends	**3,456**	3,026	2,758	2,627	2,495
Revenue retained	**559**	392	207	185	149

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

Majedie Investments Personal Equity Plans

The Company has appointed The Royal Bank of Scotland as Manager of the Majedie PEP scheme. The scheme provides UK shareholders with the opportunity for tax free savings through payment of gross dividends and exemption from capital gains tax. The Royal Bank of Scotland is an Inland Revenue approved Plan Manager and is regulated by the Investment Management Regulatory Organisation.

The Royal Bank of Scotland offers shareholders a competitive PEP management fee of 0.5% per annum up to a maximum of £40 and an initial set up charge of £10 (these figures exclude VAT).

Investors may open a plan in a number of ways:

- by payment of cash
- by monthly savings
- with the sale proceeds of shares held on the main register, the sale and subsequent investment being carried out by the Plan Manager

Thereafter top up payments can be made by similar methods. Dividends earned on the investment can either be reinvested or taken as income with the Plan Manager reclaiming the tax credit from the Inland Revenue. Investors can also make withdrawals, close the Plan or transfer it to another Plan Manager at any time.

To open a Majedie Investments PEP or to obtain further information please telephone The Royal Bank of Scotland PEP Unit helpline on 0131 523 6101 or write to:

The Royal Bank of Scotland plc
Registrar's PEP Unit
P.O Box 1840 Owen House
8 Bankhead Crossway North
Edinburgh EH11 4BS

Company Information

Registered Office
1 Minster Court
Mincing Lane
London EC3R 7ZZ

Telephone: 0171 626 1243
Facsimile: 0171 929 0904
Registered Number: 109305 England

Registrars
The Royal Bank of Scotland plc
Registrar's Department
PO Box 435 Owen House
8 Bankhead Crossway North
Edinburgh EH11 4BR

Telephone: 0131 556 8555

Corporate Advisers
Close Brothers Limited

Stockbrokers
Credit Lyonnais Laing

Solicitors
Travers Smith Braithwaite

Auditors
Pannell Kerr Forster
Chartered Accountants
New Garden House
78 Hatton Garden
London EC1N 8JA

Share Price
The share price is quoted daily in The Times, Financial Times, The Daily Telegraph and The Independent. Shares may be bought by placing an order with a stockbroker or through a solicitor, bank, accountant, other authorised intermediary or through the Majedie PEP scheme.

Personal Equity Plans
The Company's policy is to hold at least one half of its investments by value in the ordinary shares of UK and other EU companies thus qualifying as an investment trust for Personal Equity Plan purposes up to the current maximum subscription level of £6,000. Details of the Majedie PEP scheme are set out on page 32.

Principal Subsidiary Companies - Boards of Directors

Majedie Investment Trust Management Limited - investment trust management
Sir John K Barlow Bt, Chairman
WG Underwood
SV Toynbee
AJC Baxter
RE Clarke
JWM Barlow (32), non-executive, is a UK fund manager with Skandia Investment Management Limited

Majedie Portfolio Management Limited - private client fund management
Sir John K Barlow Bt, Chairman
WG Underwood
MJ Bowman
RTA Postlethwaite
MHD Barlow, non-executive

Barlow Service Company Limited - provision of administrative services to group companies
Sir John K Barlow Bt, Chairman
WG Underwood
RE Clarke
MHD Barlow, non-executive
RHV Dixon, non-executive

Majedie Securities Limited - investment dealing
Sir John K Barlow Bt, Chairman
WG Underwood
MHD Barlow, non-executive

Notice of Meeting

Notice is hereby given that the eighty fifth Annual General Meeting of the Company will be held on Tuesday 17 December 1996 at the London Underwriting Centre, 3 Minster Court, Mincing Lane, London EC3 at 12.15pm for the purpose of transacting the following:

Ordinary Business

1. To receive and adopt the Directors' Report and Accounts for the year ended 30 September 1996.
2. To declare a final dividend in respect of the year ended 30 September 1996.
3. To re-elect the following as directors:
   a) Sir John K Barlow Bt
   b) RHV Dixon
   c) RE Clarke
4. To re-appoint the auditors and to authorise the directors to fix their remuneration.

Special Business

To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

5. THAT the Company generally be and is hereby authorised for the purpose of Section 166 of the Companies Act 1985 to make market purchases (as defined in Section 163 of the said Act) of shares of 10p each in the capital of the Company ("shares") provided that:

   a) the maximum number of shares hereby authorised to be purchased is 2,617,500;
   b) the minimum price which may be paid for such shares is 10p per share;
   c) the maximum price (exclusive of expenses) which may be paid for such shares shall be 5% above the average of the middle market quotations taken from the London Stock Exchange Daily Official List for the ten business days before the purchase is made;
   d) the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the next Annual General Meeting of the Company and the date which is eighteen months after the date on which this resolution is passed;
   e) the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own shares in pursuance of any such contract.

By order of the Board
Barlow Service Company Limited Secretaries
14 November 1996

1 Minster Court
Mincing Lane
London EC3R 7ZZ

Copies of directors' service contracts are available for inspection at the Company's registered office during normal business hours and from noon on Tuesday 17 December 1996 at the place of the Meeting until its conclusion. A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of him or her. Such proxies need not be members of the Company but are not entitled to vote except on a poll.

Form of Proxy

for use at the Annual General Meeting

I/We. . . . .

(Full registered name(s) in BLOCK CAPITALS PLEASE)

of. . . . .

being (a) member(s) of MAJEDIE INVESTMENTS PLC hereby appoint the Chairman of the meeting . . . .

. . . .

as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday 17 December 1996 and at any adjournment thereof.

I/We direct our proxy to vote as indicated below.

Ordinary Resolutions	For	Against
1. To receive the Directors' Report and Accounts		
2. To declare a final dividend of 4.1p per share		
3a. To re-elect Sir John K Barlow Bt as a director		
3b. To re-elect RHV Dixon as a director		
3c. To re-elect RE Clarke as a director		
4. To re-appoint the auditors and to authorise the directors to fix their remuneration		
Special Resolution		
5. To authorise market purchases of the Company's own shares		

Please indicate in the appropriate space above how you wish your votes to be cast. Where no indication is made your proxy will vote or abstain as he/she thinks fit.

Date. . . . .

Signature. . . . .

Notes:

1. To be valid this proxy duly signed must be lodged at the office of the Company's Registrars not less than 48 hours before the meeting or the adjourned meeting.
2. If you wish to appoint as your proxy any person other than the Chairman of the meeting, insert the full name and address of the proxy in the space provided and delete the words 'the Chairman of the meeting'. A proxy need not be a member of the Company and may attend the meeting in person but may not vote except on a poll.
3. The signature of any joint holder is sufficient.
4. A corporation may complete the proxy under its common seal or under the hand of a duly authorised officer.
5. The return of the form of proxy will not preclude a member from attending in person and voting at the meeting.

FOLD 2

BUSINESS REPLY SERVICE
Licence No. EH 59

2

The Royal Bank of Scotland plc
Registrar's Department
PO Box 457
Owen House
8 Bankhead Crossway North
Edinburgh EH11 0XG

FIRST FOLD

FOLD 3 AND TUCK IN