Majedie

2010

Majedie Investments PLC

Annual Report

30 September 2010

Majedie Investments PLC is an investment trust with total portfolio assets of over £150 million as at 30 September 2010.

Our Objective is to maximise total shareholder return over the long term whilst increasing dividends by more than the rate of inflation.

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Investment Objective and Policy Statement

Investment Objective

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

Investment Policy

The Company invests principally in securities of publicly quoted companies worldwide, though it may invest in unquoted securities up to levels set periodically by the Board. This can include products managed by Javelin Capital, its investment manager.

The overall approach is based on analysis of global economies and sector trends with a focus on companies and sectors judged likely to deliver strong growth over the long term. The number of investments held, together with the geographic and sector diversity of the portfolio, enable the Company to spread its risks with regard to liquidity, market volatility, currency movements and revenue streams.

The assets of the Company are split into four major groups. These are the Core Portfolio, funds managed by Javelin Capital LLP, and the Company's investments in Majedie Asset Management (MAM) and Javelin Capital LLP. An analysis and description of these groups is contained in the Investment Managers' Report.

The Company does not have one overall benchmark, rather each distinct group of assets is viewed independently. For the actively managed Core Portfolio the benchmark comprises 70% FTSE All-Share Index and 30% FTSE World ex UK Index (Sterling) on a total return basis. Any investments made into Javelin Capital products are measured against the relevant fund benchmark as contained in the fund's prospectus. It is important to note that in all cases investment decisions and portfolio construction are made on an independent basis. The Board however sets various specific portfolio limits for stocks and sectors in order to restrict risk levels.

Although, exceptionally, derivative instruments may be employed by the Company, usually for hedging purposes and with specific prior approval of the Board, generally the Company is a long-only investor and would be unlikely to use such instruments.

The Company will not invest in any holding that would, at the time of investment, represent more than 15% of the value of its gross assets.

The Company uses gearing, currently via longer term debentures. The Articles of Association give the Board the ability to borrow up to 100% of adjusted capital and reserves. The Board also reviews the level of net gearing (borrowings less cash) on an ongoing basis and sets a range at its discretion as appropriate. The Company's current debenture borrowings are limited by covenant to 66⅔%, and any additional indebtedness is not to exceed 20%, of adjusted capital and reserves.

Highlights for 2010

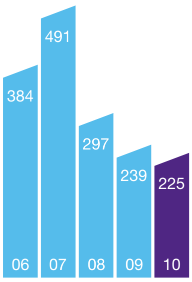
Total shareholder return:	7.9%
Net asset value total return:	(0.6%)
Final dividend (per share):	6.3p
Special dividend (per share):	2.5p
Total dividends (per share):	13.0p
Directors' valuation of investment in Majedie Asset Management Limited:	£30.0m
Investment in Javelin Capital LLP of:	£4.5m

Group Summary

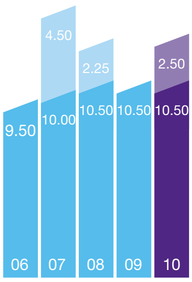
Total assets*	£150.9m	
Shareholders' funds	£117.2m	
Market capitalisation	£99.6m	
Capital structure	10p ordinary shares	52,528,000
	Debt	£13.5m 9.5% debenture stock 2020 £20.7m 7.25% debenture stock 2025
ISA status	Up to £10,200 2010/11 tax year.	

* Represents total assets less current liabilities as at 30 September 2010.

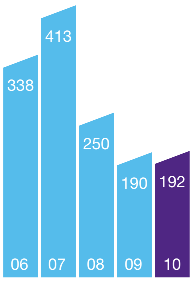
Recent Trends



Net asset value per share (pence) decreased by 5.7% in the year.



Core dividends (pence) have remained at 10.50 pence. Additionally a special dividend of 2.5 pence was paid during the year.



Share price (pence) has increased by 0.9% during the year.

Year's Summary

Financial* as at 30 September	2010	2009	%
Total assets less current liabilities	£150.9m	£157.9m	(4.4)
Shareholders' funds	£117.2m	£124.2m	(5.7)
Net asset value per share	225.2p	238.7p	(5.7)
Share price	191.50p	189.75p	0.9
Discount to net assets (debt at par value)	15.0%	20.5%	
Discount to net assets (debt at fair value)	9.4%	17.5%	
Revenue return before tax	£6.3m	£4.3m	45.3
Earnings per share	11.8p	8.1p	45.7
Core dividends per share**	10.5p	10.5p	
Total dividends per share**	13.0p	10.5p	
Group costs (administrative expenses)	£5.1m	£2.9m	
Company costs/average Company net assets	2.4%	2.1%	
Company costs/average Company total assets	1.8%	1.7%	
Maximum potential gearing	28.8%	27.2%	

* Financial information is disclosed in respect of the consolidated accounts unless otherwise stated.

** Both core and total dividends per share represent dividends that relate to the Company's financial year. However under IFRS dividends are not accrued until paid or approved.

Year's high/low		2010	2009
Share price	high	214.7p	256.0p
	low	167.5p	135.0p
Net asset value	high	256.6p	304.2p
	low	210.4p	177.1p
Discount (debt at par)	high	24.7%	35.2%
	low	15.0%	8.8%
Discount (debt at fair value)	high	20.6%	30.1%
	low	9.9%	4.2%

Chairman's Statement

The Chairman's Statement forms part of the Director's Report

The current year has been one of change for the Company. It included the launch of Javelin Capital LLP, its appointment as Investment Manager and the reorganisation of the management of the Company's assets. For the year to 30 September 2010 the Company's Net Asset Value and Share Price, both on a total return basis fell by 0.6% and increased by 7.9% respectively.

Results and Dividends

The results for the year ended 30 September 2010 include Javelin Capital LLP in the Group, whose results are consolidated as required by accounting rules.

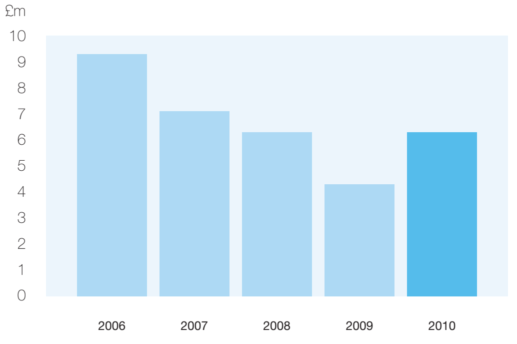
The Group's net profit before tax for the year was £6.3m which is an increase of £2m or 45.3% compared to the prior year of £4.3m. This reflects an increase of £3.6m in Group income being partially offset by an increase of £1.6m in Group costs.

Group income of £10.1m includes total dividend income received from Majedie Asset Management (MAM) of £6.2m, including a special dividend of £5.4m, which is an increase of £4.3m from the prior year. Portfolio dividend and interest income for the year was impacted by market conditions and totalled £3.8m, a decrease of £0.7m from FY2009. All Javelin Capital income is within the Group for the current year and is eliminated on consolidation.

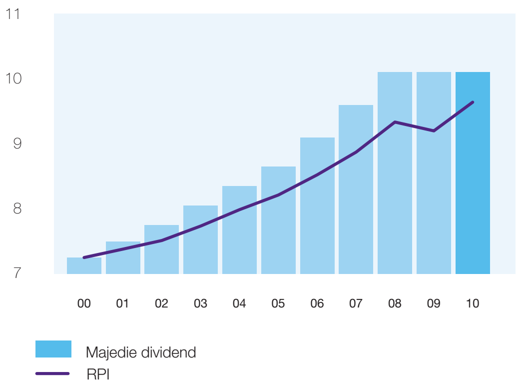
Group costs of £5.1m include £2.4m of Javelin Capital expenses reflecting the extensive start-up phase of the business and is in-line with the financial plan. Additionally £0.6m in set up costs incurred by the Company have been expensed to capital in accordance with IFRS. Offsetting this has been a reduction in Company costs of £0.5m primarily reflecting the non-recurring costs in FY2009 in respect of the office relocation and the departure of a former Investment Director. The Company is in a transitional phase and as noted above has incurred additional costs this year which have negatively impacted the Company's Total Expense Ratio. However, the Board believes that underlying ongoing operating costs should be expected to reduce in the future.

A final dividend for the year of 6.3p per share is recommended by the Board which is considered appropriate after taking into account the future needs of the wider Group and forecasted investment outturn over the forthcoming year. This when combined with the interim and special dividends paid during the year of 4.2p and 2.5p per share results in total dividends of 13.0p per share (10.5p per share excluding the special)

CONSOLIDATED REVENUE RETURN BEFORE TAXATION



GROWTH IN CORE MAJEDIE DIVIDENDS COMPARED WITH INCREASE IN RETAIL PRICES INDEX BOTH REBASED TO 1999 (PENCE PER SHARE)



Chairman's Statement

which compares to total dividends of 10.5p for last year. This meets our objective of growing dividends over the longer term by more than the rate of inflation. The Diagram on page 5 shows the Company dividend history over the last ten years as compared to the RPI.

Investment Portfolio

This year for the first time following the appointment of Javelin Capital LLP as the Company's investment manager, we have a separate Investment Manager's Report which is on pages 8 to 10.

However, I do wish to provide an overview on changes relating to how we manage the Company's assets now and in the future. The Company has changed significantly over the last few years and our approach to the management of our assets needed to be revised. This does not though change our investment objective to maximise total shareholder return over the long term which remains a prime focus of the Board.

In the past the return on the Company's investment portfolio, which was comprised of quoted and some unquoted equities, under the direct control of the Investment Director, determined the NAV performance. Today the Company's assets are managed in four distinct major groups, namely:

1. The Core portfolio which is currently managed by reference to its benchmark;
2. Majedie Asset Management, an asset management business in which the Company has a significant shareholding;
3. Javelin Capital LLP which is a newly formed asset management partnership;
4. Funds managed by Javelin Capital. Currently the Company has an investment in the Javelin Capital Global Equity Strategies Fund.

Javelin Capital

After a longer than anticipated period of development, primarly due to the provision of a sophisticated trading platform, the various Javelin Capital agreements and regulatory approvals were completed and the business commenced operations on 1 September 2010. On this date Javelin Capital assumed responsibility for the investment management and general administration of the Company, along with all employees and use of the premises and other relevant fixed assets. Further details in respect of Javelin Capital are included in the Business Review and Report on Directors' Remuneration sections starting on pages 21 and 28 respectively.

On 20 September, after receipt of the regulatory approvals, Javelin Capital's first fund, the Javelin Capital Global Equity Strategies Fund, was launched with a £20 million seed investment from the Company. The fund's objective is to deliver superior absolute returns with low volatility. The Investment Manager's report on page 9 provides further information and the Board is of the view that this investment should be the start of a new stream of investment returns to the Company.

Review of Investment Trust tax Rules

In June of this year a review of the current rules for taxation of Investment Trusts was announced. The proposals' intent is to modernise the tax treatment which has remained unchanged since 1965 and are to be welcomed. However they also include changes that if implemented could have adverse consequences for the Company. These are the specific proposals in respect of the close company and income retention rules, the former of which exposes the Company to loss of investment trust status by changes to its shareholder base and the latter which reduces the flexibility of the Company in applying its dividend policy. These issues are of course not unique to the Company and the industry has made various submissions to HMRC. We have also made a submission and I hope that the views of the industry and common sense will prevail but I will report further on this as developments arise.

Annual Report

This year's Annual Report is different from prior years and reflects the appointment of an investment manager, the introduction of Javelin Capital and the new approach to how we view our assets. For the most part these changes are required by regulation but we have also reviewed our disclosures to ensure they are appropriate.

Annual General Meeting

The AGM will be held on 19 January 2011 at 11:30am at the Pewterers' Hall, Oat Lane, London EC2V 7DE. Details are set out on page 75. As in prior years there will be presentations and an opportunity to ask questions. I do hope you will be able to attend.

Outlook

Although at current levels equity markets are relatively inexpensive the current economic climate is such that the investment outlook is uncertain. The Board is confident that our range of investment assets with their different risk and return characteristics in conjunction with the performance of the Investment Manager will provide a suitable investment return in these uncertain times.

It has been a challenging first year as Chairman and I wish to thank my fellow directors for their help and support during this time. I also would like to thank the former staff of the Company and wish them well in their new roles within Javelin Capital. I am delighted that Javelin Capital is now operational and I am hopeful it will be a successful investment for the Company.

Andrew Adcock

Andrew J Adcock Chairman
24 November 2010

Investment Manager's Report

The Company's assets are managed in four separate major groups which the Board now believes provides the correct balance in order to achieve the Investment Objective of maximising shareholder return in the long term whilst increasing dividends by more than the rate of inflation. Each investment group has distinct characteristics and drivers of performance that in combination determine the direction and value of the Company's net assets.

The chart on page 10 demonstrates the impact that each investment group and other characteristics of the Company has made on the Net Assets Performance during the year. Note that the reports on pages 11 to 14 are based on the aggregate value of the total assets of the Company.

Core Portfolio

The Core Portfolio comprises holdings in large-cap UK and international stocks and a small number of carefully selected mid-cap companies, managed under an equity income investment mandate. The majority of positions are held in well financed, high quality companies with a proven track record of delivering profit and dividend growth. The portfolio is invested approximately 70% in UK listed companies, and 30% overseas in line with the Core Portfolio investment benchmark.

As at 30 September 2010, the value of the Core Portfolio, including cash available for investment, was £90.2m, representing 60% of the Company's Total Assets.

The past eighteen months has been a period of economic stabilisation after the depths that global economies reached, or threatened to reach, in early 2009. In autumn 2009 and spring 2010, evidence continued to emerge that the worst of the recession had passed, global trade had been re-established and GDP growth was appearing to be sustainable. This was no doubt influenced by the magnitude of government stimulus packages throughout the world and further economic strength from China and India, both of which continue to gain in economic influence as power shifts from the traditional base in the West to the East. Equity markets were reasonably buoyant as ample liquidity and record low interest rates encouraged investors to increase exposures in riskier assets. The Core Portfolio benchmark returned +12.7% in the first six months of the year.

The second half of the year has been particularly volatile. From mid April to early July, stock markets globally declined by over 15% as investors lost their appetite for riskier asset classes such as equities. There was no individual reason for this but signals of a faltering USA recovery, policy tightening in China, sovereign debt default fears in Europe and political change in the UK all contributed. The FTSE All-Share was further impacted by the experience of BP, one of the largest constituents of the index, in the Gulf of Mexico.

In July risk appetite suddenly returned and in the three months to September, markets recovered much of the value lost since the April peak. The Core Portfolio benchmark was down 1% in the six month period to end the full year up 11.6% on a total return basis. Once again there was no individual catalyst but markets were driven by confidence taken from macro economic releases that demonstrated global recovery being sustained, and the acknowledgement that corporate profits and balance sheets remained strong.

During the year the Core Portfolio Total Return was +5.9%, a credible performance compared with the wider UK and Global equity income peer groups. The equity income asset class has not performed as strongly as the wider benchmark as investors have shunned more mature, dividend paying companies in preference for higher risk positions.

The portfolio remains biased towards income stocks that are, in our judgement, best placed to benefit from the faster growing areas of the global economy, particularly those exposed directly or indirectly to the Far East. Investments in the mining sector, such as Antofagasta, have been increased. New positions have been taken in engineering companies such as Alstom, Illinois Tool Works and IMI, and support service providers Bunzl, Compass and G4S. These companies all earn significant proportions of their revenues in high growth overseas markets. The portfolio remains under exposed to developed market consumers and governments as these areas are likely to remain tough for the foreseeable future.

At current levels, equity markets remain relatively inexpensive, especially in comparison to the returns available from other asset classes and against historic profit multiples and dividend growth.

Corporate balance sheets are generally strong which should lead to a combination of higher levels of capital spending, M&A activity, share buy backs and increased dividend payouts. In the long term, fundamentals drive the direction of markets but the short term is determined by the on-off nature of risk appetite. This continues to cause significant and rapid shifts in share prices. Volatility in markets is likely to remain a key factor for some time as global economic recovery continues to be sporadic. Investing under an income mandate requires natural patience, as positions are retained in order to collect the dividend. It is important to retain valid convictions in the knowledge that high quality companies may be subject to market volatility temporarily, but will ultimately be correctly valued on fundamentals.

Finally, we also manage a small non-core realisation portfolio. This portfolio consists of small-cap and early stage investments that were initiated between 2005 and 2008. The objective is to maximise the amount and speed of capital return by seeking to exit these positions, although by nature the positions are illiquid. A number of partial or full realisations were made during the year.

As at 30 September 2010 the value of the non-core realisation portfolio was £7.5m. This represents less than 5% of the Company's Total Assets and is expected to reduce over time as further liquidations are achieved.

Javelin Capital Global Equity Strategies Fund

In late September 2010 a $31m (£20m) investment was made as seed capital into the first flagship product to be launched by Javelin Capital LLP. The fund is managed by an investment team of experienced portfolio managers and will have a range of long-short equity strategies which include Fundamental, Systematic and Tactical approaches. Using proprietary models, the team will analyse and judge which strategy is most appropriate for different regions and sectors. The strategies are expected to be uncorrelated or negatively correlated to each other and hence the combination within the fund should result in lower volatility and reduced risk. By seeding this fund, the Company is not only assisting its new asset management business in gaining traction in a competitive market, but also expects to benefit from lower risk capital growth in otherwise volatile equity markets.

As at 30 September 2010, the value of this holding was $31m (£19.7m) representing 13% of the Company's Total Assets.

Majedie Asset Management

Majedie Asset Management (MAM) was launched in 2002 using finance provided by the Company, which retains a 30% equity interest. The business has grown to approximately £5bn in assets under management, predominantly long – only UK equity mandates for institutional clients.

Its market leading investment performance record has been recognised by the loyalty of its clients and the number of high profile industry accolades that it continues to receive. It remains well financed and highly profitable. During the year, £6.2m was received in dividend income from MAM, including a £5.4m special dividend in December 2009.

In addition, the Company entered into positive and constructive discussions with MAM, which resulted in a new shareholders agreement which more appropriately reflects the business that MAM has become. Changes include an increase in the minimum dividend payout ratio and a provision for all current shareholders, on a pari passu basis, to provide an incentive for MAM staff to share in the success of that company through an Employee Benefit Trust.

Notwithstanding the £5.4m special dividend income received during the year, the Board has decided to retain its valuation of the Company's holding at £30m, representing almost 20% of the Company's Total Assets.

Javelin Capital LLP

The Company launched Javelin Capital LLP, a long-short and long-only equity boutique, on 1 September 2010. £4.5m has been invested by the Company to finance the start-up, initial operating costs and regulatory capital. The business plan envisages that this will be substantially repaid over three years. Javelin Capital is now focussed on gaining assets under management upon which Javelin Capital's business plan is predicated. The Company holds an initial equity participation of 70% whilst a 30% interest is held by partners and staff. Full details were disclosed in the announcement made on 1 September 2010 that can be read on the Company's website.

Launching Javelin Capital LLP should enable the Company's annual cost base to reduce as all staff have transferred to Javelin Capital LLP. The assets of the Company continue to be managed by the same team, albeit as members of Javelin Capital LLP under an arms-length management agreement. As Javelin Capital LLP attracts external assets, an additional source of return should be generated for Majedie.

As mentioned previously the first product, the Javelin Capital Global Equity Strategies Fund, was launched in September 2010 and seed capital was invested by the Company. We are encouraged by the initial performance of the fund which is a key requirement for success. Further long-short and long-only products are planned to be launched in due course.

Investment Manager's Report

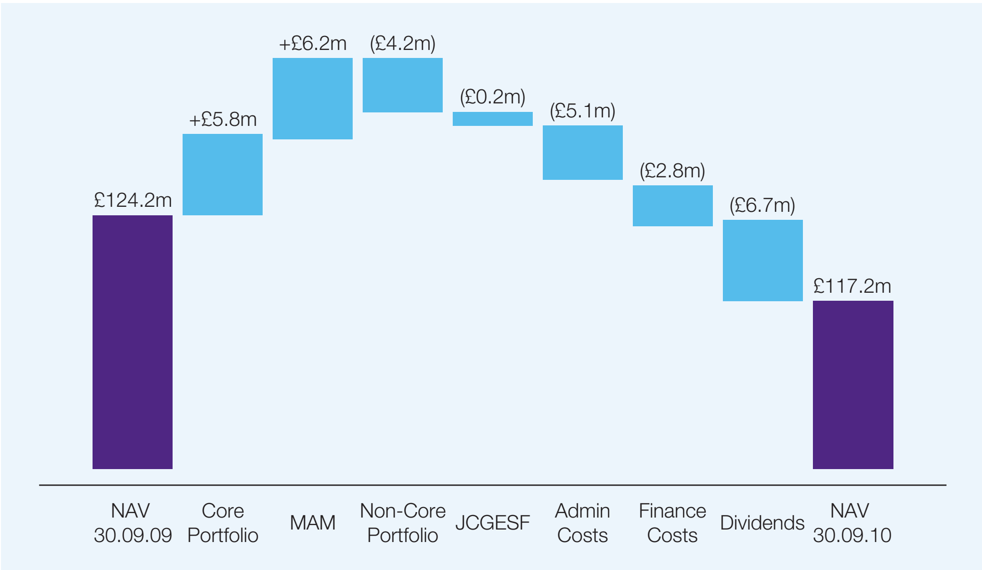
As at 30 September 2010 the net assets in Javelin Capital LLP have been included in the Consolidated Report & Accounts at £2.1m, representing 2% of the Company's Total Assets. This represents the original investment less start-up costs and losses incurred to date and is in accordance with consolidation accounting rules.

In the Company accounts the value of the investment in Javelin Capital LLP has been valued by the Board at cost, being £4.5m.

Development of Net Asset Value

The chart below demonstrates the Net Asset Value development of the Company during the year to 30 September 2010. In aggregate, the NAV has fallen by £7.0m having generated an investment return of £7.6m, incurred total expenses of £7.9m and distributed £6.7m in dividends.

The Core Portfolio contributed £5.8m through a combination of dividend income and capital appreciation, dividends worth £6.2m were received from our holding in Majedie Asset Management, whilst the Non-Core Realisation Portfolio lost £4.2m in value. The Javelin Capital Global Equity Strategies Fund (JCGESF) retained its value in its base currency but was impacted by £0.2m due to the translation effect of adverse currency movements. Total expenses during the period were £7.9m of which Administration Costs were £5.1m and Finance Costs were £2.8m. Administration Costs include the recognition of £2.4m incurred by Javelin Capital LLP during its start-up phase. Total dividends of £6.7m (13.00p per share) were paid during the year including a special dividend of 2.50p that was paid in March 2010.



Nick Rundle Investment Director
Javelin Capital LLP
24 November 2010

Asset Distribution

at 30 September 2010

Classification of Assets	United Kingdom %	North America %	Continental Europe %	Pacific Basin %	Total 2010 %	Total 2009 %
Oil & Gas Producers	8.1	0.4	0.6		9.1	12.0
Oil Equipment & Services		0.6			0.6	1.0
Oil & Gas	**8.1**	**1.0**	**0.6**		**9.7**	**13.0**
Chemicals			0.5		0.5	0.9
Mining	5.2				5.2	4.2
Basic Materials	**5.2**		**0.5**		**5.7**	**5.1**
Construction & Materials	0.8			0.4	1.2	0.9
Aerospace & Defence	1.0	0.4			1.4	4.4
General Industrials	0.2	0.3			0.5	0.9
Industrial Engineering	1.2	0.6	0.7		2.5	0.4
Industrial Metals & Mining			0.3		0.3	0.4
Industrial Transportation	0.3				0.3	1.0
Support Services	2.3				2.3	0.9
Industrials	**5.8**	**1.3**	**1.0**	**0.4**	**8.5**	**8.9**
Automobiles & Parts				0.6	0.6	0.8
Beverages	0.5	0.6			1.1	0.6
Food Producers	1.1			0.3	1.4	2.9
Leisure Goods				0.4	0.4	0.2
Tobacco	0.4	0.5			0.9	0.5
Consumer Goods	**2.0**	**1.1**		**1.3**	**4.4**	**5.0**
Health Care, Equipment & Services	0.1				0.1	0.2
Pharmaceuticals & Biotechnology	2.7	1.0	1.2		4.9	5.0
Health Care	**2.8**	**1.0**	**1.2**		**5.0**	**5.2**
Food & Drug Retailers	0.8				0.8	0.3
General Retailers	1.1	0.9			2.0	0.6
Leisure Goods	0.7		0.4		1.1	0.5
Media	1.8				1.8	1.8
Travel & Leisure						1.2
Consumer Services	**4.4**	**0.9**	**0.4**		**5.7**	**4.4**
Fixed Line Telecommunications		0.6			0.6	1.7
Mobile Telecommunications	2.9		0.6	0.8	4.3	4.0
Telecommunications	**2.9**	**0.6**	**0.6**	**0.8**	**4.9**	**5.7**
Electricity	1.2				1.2	2.5
Gas, Water & Multi Utilities	0.5			0.4	0.9	1.4
Utilities	**1.7**			**0.4**	**2.1**	**3.9**
Banks	4.8	1.0		0.9	6.7	8.9
Non Life Insurance/Assurance	0.3				0.3	
Life Insurance/Assurance	2.2				2.2	2.8
Real Estate	0.8				0.8	1.0
General Financial	0.3				0.3	1.2
Equity Investment Instruments	0.4		13.1	0.3	13.8	0.5
Debt Investment Instruments						1.0
Financials	**8.8**	**1.0**	**13.1**	**1.2**	**24.1**	**15.4**
Software & Computer Services		1.0			1.0	1.3
Technology & Hardware Equipment	0.9	0.6		0.6	2.1	2.5
Technology	**0.9**	**1.6**		**0.6**	**3.1**	**3.8**
Unlisted/Fixed Interest	**22.7**	**0.3**	**0.2**		**23.2**	**22.8**
Total Equities	**65.3**	**8.8**	**17.6**	**4.7**	**96.4**	**93.2**
Total Non-current Assets	**65.3**	**8.8**	**17.6**	**4.7**	**96.4**	**93.2**
Cash	**3.6**				**3.6**	**6.8**
% Total at 30 September 2010	**68.9**	**8.8**	**17.6**	**4.7**	**100.0**	**100.0**

The fund analysis on pages 13 and 14 comprises the fixed asset investments of £145,423,000 and cash (as adjusted for amounts due to/from brokers for settlement) of £234,000.

Unlisted/Fixed Interest investments comprise an amount of £30,000,000 in respect of the investment in Majedie Asset Management, £558,000 in unlisted fixed interest investments and £4,330,000 in respect of equity investments in various companies. Suspended stocks have been analysed in their listed sectors.

Twenty Largest UK Investments

at 30 September 2010

Company	2010 Market Value £000	2010 % of Fund	2009 Market Value £000	2009 % of Fund
Majedie Asset Management	30,000	19.9	30,000	19.0
HSBC	5,644	3.7	8,926	5.6
Royal Dutch Shell ‘B’	5,385	3.6	5,208	3.3
GlaxoSmithKline	4,014	2.7	4,303	2.7
Vodafone	4,006	2.7	4,557	2.9
BP	3,850	2.6	7,189	4.5
Rio Tinto	3,163	2.1	2,645	1.7
Vostok Energy	2,906	1.9	2,863	1.8
BHP Billiton	2,835	1.9	3,775	2.4
Aviva	1,855	1.2	2,241	1.4
BG Group	1,846	1.2	2,163	1.4
Antofagasta*	1,792	1.2		
Unilever	1,657	1.1	2,400	1.5
Barclays	1,648	1.1	1,110	0.7
Legal & General*	1,501	1.0		
British Land	1,279	0.8	1,069	0.7
Charter International*	1,249	0.8		
Inchcape*	1,247	0.8		
Sainsbury (J)*	1,172	0.8		
BAE Systems	1,095	0.7	1,851	1.2
	78,144	51.8	80,300	50.8

*There is no comparative for the investments listed as they represent new holdings.

Ten Largest Overseas Investments

at 30 September 2010

Company	2010 Market Value £000	2010 % of Fund	2009 Market Value £000	2009 % of Fund
Javelin Global Equity Strategies (Ireland)*	19,738	13.1		
Sanofi-Aventis (France)	1,006	0.7	687	0.4
Telefonica (Spain)	975	0.6	1,292	0.8
Alstom (France)*	972	0.6		
Toyota (Japan)	932	0.6	1,240	0.8
Canon Inc. (Japan)	929	0.6	880	0.6
AT&T (USA)	907	0.6	843	0.5
Illinois Tools (USA)*	895	0.6		
Johnson & Johnson (USA)	884	0.6	951	0.6
Schlumberger (USA)	860	0.6	931	0.6
	28,098	18.6	6,824	4.3

*There is no comparative for the investments listed as they represent new holdings.

Valuation of Investments

Holdings valued over £100,000 at 30 September 2010

Company	Market Value £000	% of Fund
Oil & Gas		
Oil & Gas Producers		
BG Group	1,846	1.2%
BP	3,850	2.6%
ENI (Italy)	850	0.6%
Exxon Mobil (USA)	588	0.4%
Great Eastern	652	0.4%
Hydrodec Group	516	0.3%
Royal Dutch Shell 'B'	5,385	3.6%
Oil Equipment, Services & Distribution		
Schlumberger (USA)	860	0.6%
Automobiles		
Automobiles & Parts		
Toyota (Japan)	932	0.6%
Basic Materials		
Chemicals		
Bayer (Germany)	795	0.5%
Industrial Metals & Mining		
Arcelormittal (Netherlands)	523	0.3%
Mining		
Antofagasta	1,792	1.2%
BHP Billiton	2,835	1.9%
Rio Tinto	3,163	2.1%
Industrial Goods & Services		
Construction & Materials		
Ashley House	143	0.1%
Balfour Beatty	1,070	0.7%
China Railway Construction (Asia)	555	0.4%
Aerospace & Defence		
BAE Systems	1,095	0.7%
Lockheed Martin (USA)	678	0.4%
QED Occtech (Australia)	425	0.3%
Rolls Royce	453	0.3%
General Industrials		
Accsys Technologies	370	0.2%
Packaging Corporation (USA)	470	0.3%
Industrial Engineering		
Alstom (France)	972	0.6%
Charter International	1,249	0.8%
Illinois Tools (USA)	895	0.6%
IMI	576	0.4%
Industrial Transportation		
Capital Lease Aviation	422	0.3%
Support Services		
Babcock	826	0.5%
Bunzl	759	0.5%
De La Rue	528	0.3%
G4S	891	0.6%
Healthcare Locums	512	0.3%
Consumer Goods		
Beverages		
Britvic	728	0.5%
Coca-Cola (USA)	836	0.6%
Food Producers		
Chaoda Modern Agriculture (Asia)	394	0.3%
Unilever	1,657	1.1%
Real Estate Investment Trusts		
British Land	1,279	0.8%
Leisure Goods		
Nintendo (Japan)	600	0.4%
Tobacco		
Altria (USA)	800	0.5%
Imperial Tobacco	664	0.4%
Health Care		
Pharmaceuticals & Biotechnology		
Bristol-Myers Squib (USA)	688	0.5%
GlaxoSmithKline	4,014	2.7%
Johnson & Johnson (USA)	884	0.6%
Roche (Switzerland)	828	0.5%
Sanofi-Aventis (France)	1,006	0.7%
Consumer Services		
Food & Drug Retailers		
Sainsbury (J)	1,172	0.8%
General Retailers		
Best Buy Co (USA)	700	0.5%
HMV	384	0.3%
Home Depot (USA)	643	0.4%
Inchcape	1,247	0.8%
Media		
United Business Media	944	0.6%
Vivendi (France)	590	0.4%
Travel & Leisure		
Compass	928	0.6%
Enterprise Inns	268	0.2%
Thomas Cook	773	0.5%
Whitbread	731	0.5%
Telecommunications		
Fixed Line Telecommunications		
AT&T (USA)	907	0.6%
Telefonica (Spain)	975	0.6%

Valuation of Investments

Company	Market Value £000	% of Fund
Mobile Telecommunications		
2 Ergo	327	0.2%
China Mobile (Asia)	688	0.5%
Phillipine Long Distance (Asia)	491	0.3%
Vodafone	4,006	2.7%
Utilities		
Electricity		
International Power	582	0.4%
KSK Power Venture	530	0.4%
Scottish & Southern Energy	749	0.5%
Gas, Water & Multi Utilities		
Guangdong Investments (Asia)	395	0.3%
National Grid	594	0.4%
Financials		
Banks		
Barclays	1,648	1.1%
China Construction Bank (Asia)	723	0.5%
DBS Group Holdings (Asia)	577	0.4%
HSBC	5,644	3.7%
JP Morgan Chase (USA)	785	0.5%
Wells Fargo (USA)	796	0.5%
Non Life Insurance		
Beazley	520	0.3%
Life Insurance		
Aviva	1,855	1.2%
Legal & General	1,501	1.0%
General Financial		
London Capital	390	0.3%
Equity Investment Instruments		
Javelin Global Equity Strategies (Ireland)	19,738	13.1%
Juridica Investments	469	0.3%
Non-Equity Investment Instruments		
Ishares Asia Trust (Asia)	412	0.3%
Technology		
Software & Computer Services		
BMC Software (USA)	745	0.5%
Microsoft Corp (USA)	815	0.5%
Technology & Hardware Equipment		
Acer	662	0.4%
Canon Inc (Japan)	929	0.6%
Hewlett Packard (USA)	801	0.5%
Pace	522	0.3%
Toumaz	244	0.2%
Unlisted Investments		
AOI Medical	152	0.1%
Buried Hill Energy (USA)	216	0.1%
Celadon Mining	175	0.1%
Diamond Wood China	231	0.2%
Majedie Asset Management	30,000	19.9%
Microsaic Systems	122	0.1%
Mitra Energy	400	0.3%
Vostok Energy	2,906	1.9%
Unlisted Fixed Interest Investments		
Providence Resources 12% (Ireland)	260	0.2%
Stratic Energy 8.75% (USA)	238	0.2%

Board of Directors

Andrew J Adcock (57)* MA Chairman

Mr Adcock is managing partner of Brompton Asset Management LLP and is also a non-executive director of F&C Global Smaller Companies PLC and a Trustee of the Samuel Courtauld Trust. He was Vice Chairman, Citigroup Corporate Finance until his retirement in 2009. Previously he was a Partner for three years at Lazards LLC which followed ten years at BZW as the Managing Director of De Zoete & Bevan Limited. He was appointed a director of Majedie on 1 April 2008 and is the Chairman of the PLC Board, Management Engagement Committee and Nomination Committee, and a member of the Remuneration and Audit Committees.

Hubert V Reid (70)* Deputy Chairman

Senior Independent Director

Mr Reid is Chairman of Enterprise Inns plc and of Midas Income & Growth Trust PLC and senior independent director of Michael Page International PLC. He was previously Managing Director and then Chairman of the Boddington Group plc and a non-executive director and then Chairman of Ibstock PLC, Bryant Group plc and of Royal London Insurance Group. He was appointed a director of Majedie in January 1999 and is Chairman of the Remuneration and Audit Committees and a member of the Nomination and Management Engagement Committees.

J William M Barlow BA (46)*

In 1991 he joined Skandia Asset Management Limited as an equity portfolio manager and was also Managing Director of DnB Asset Management (UK) Limited from 2002 until 2004. He currently works for Newedge Group (UK Branch), which is a Prime Broker for Hedge Funds that is a 50/50 joint venture between Societe Generale and Credit Agricole. He is a non-executive director of Aintree Racecourse Company Limited. He was appointed to the Board in July 1999 and is a member of the Nomination and Management Engagement Committees.

Gerry P Aherne (64)

Gerry Aherne spent 16 years with Schroder Investment Management, as Investment Director up to 2002. He is currently Chief Executive of Javelin Capital LLP and a non-executive director of Henderson Global Investors plc, where he is Chairman of the Remuneration Committee. He is also a non-executive director of Electric & General Investment Trust plc and Mecom Group plc. He was appointed a non executive director of Majedie in May 2006 and became an executive director from November 2009. He is also a director of Majedie Portfolio Management Limited.

Paul D Gadd (45)*

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

Chris Arnheim (50)*

CJ Arnheim was appointed as a director of the Company on 1 January 2010. Mr Arnheim has worked as a solicitor in private practice for 25 years, and during the period 1998-2009 was the Company's primary external corporate legal adviser. From 1996, his law firm became associated with Pricewaterhouse (now PricewaterhouseCoopers ("PwC")), and grew rapidly as part of its global legal network. In 2003, after serving as senior and managing partner of the PwC UK law firm, as well as in various global management positions, he left to establish a new practice, specialising in corporate finance for financial services businesses. He is a member of the Nomination and Management Engagement Committees.

* Non-executive.

Directors' Report

The directors submit their report and the accounts for the year ended 30 September 2010.

Introduction

The Directors' Report includes the Business Review and Corporate Governance Statement, which can be found on pages 18 to 23 and pages 24 to 27 respectively and the Report on Directors' Remuneration on pages 28 to 30. A review of the developments during the year and of the changing nature of the Company is contained in the Chairman's statement and should be read in conjunction with the Directors' Report.

Principal Activity and Status

The Company is a public limited company and an investment company under Section 833 of the Companies Act 2006. It operates as an investment trust and is not a close company.

The Company has received written confirmation from HM Revenue & Customs that it was an approved investment trust for taxation purposes under Section 1158/9 of the Corporation Tax Act 2010 (formerly Section 842 of the Income and Corporation Taxes Act 1988) in respect of the year ended 30 September 2009.

In the opinion of the directors the Company has subsequently directed its affairs so as to enable it to continue to qualify for such approval and the Company will continue to request formally written confirmation of investment trust status each year.

Results and Dividend

Consolidated net revenue return before taxation amounted to £6,287,000 (2009: £4,325,000). The directors recommend a final ordinary dividend of 6.3p per ordinary share, payable on 26 January 2011 to shareholders on the register at the close of business on 7 January 2011. Together with the interim dividend of 4.2p per share paid on 30 June 2010, and the special interim dividend of 2.5p per share paid on 8 March 2010, this makes a total distribution of 13.0p per share in respect of the financial year (2009: 10.5p per share).

Directors

The present directors of the Company are listed on page 15.

HS Barlow retired as a director at the conclusion of the Annual General Meeting held on 20 January 2010. P D Gadd and C J Arnheim were appointed directors of the Company on 1 October 2009 and 1 January 2010, respectively.

The Combined Code on Corporate Governance requires Directors who are directors/partners of the Company's Investment Manager to stand for annual re-election. Accordingly Mr GP Aherne, the Chief Executive and a partner of Javelin Capital LLP, will stand for re-election at the forthcoming Annual General Meeting. In accordance with the principles of the UK Corporate Governance Code, Mr HV Reid and Mr JWM Barlow have agreed to submit themselves for annual re-election having served on the Board for over nine years. The Board believes that independence is not compromised by length of service and that experience and continuity can add to the strength of the Board. The Board believes that the performance of Mr GP Aherne, Mr HV Reid and Mr JWM Barlow continues to be effective, that they demonstrate commitment to their roles and have a range of business, financial and asset management skills and experience relevant to the direction and control of the Company. Notwithstanding that Mr HV Reid and Mr JWM Barlow will have served on the Board for over nine years, their fellow directors consider that they continue to make a valuable contribution and to exercise their judgement and express their opinions in an independent manner.

The continuing directors recommend that shareholders vote in favour of the re-election of Mr GP Aherne, Mr HV Reid and Mr JWM Barlow.

Directors' Interests

Beneficial interests in ordinary shares as at:

	30 September 2010	1 October 2009
A J Adcock	20,000	20,000
G P Aherne	22,825	9,335
J W M Barlow	676,083	1,520,137
H V Reid	33,214	33,214

P D Gadd and C J Arnheim have no beneficial interest in the shares of the Company.

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

	30 September 2010	1 October 2009
J W M Barlow	1,897,165	2,166,990

There have been no changes to any of the above holdings between 30 September 2010 and the date of this report.

With the exception of Mr GP Aherne, Chief Executive and a partner of Javelin Capital LLP, which provides services under the Management and Administration Services agreements, 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

At the date of this report the Company has been notified of the following substantial holdings in shares carrying voting rights:

H S Barlow – beneficial	15,017,619	28.59%
– non-beneficial	613,084	1.17%
The AXA Group	7,103,119	13.52%
M H D Barlow – beneficial	2,714,078	5.17%
– non-beneficial	1,367,750	2.60%
Sir J K Barlow – beneficial	2,499,642	4.76%
– non-beneficial	869,086	1.65%
G B Barlow	1,860,270	3.54%
Miss A E Barlow	1,784,948	3.40%
J W M Barlow – beneficial	676,083	1.29%
– non-beneficia	1,897,165	3.61%

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

Annual General Meeting

The Annual General Meeting will be held on 19 January 2011 at 11.30am. The notice convening the Annual General Meeting is set out on pages 75 to 79.

Purchase of own shares

During the year ended 30 September 2010 the Company did not make any purchases of its own shares for cancellation (2009: nil).

However, the directors consider it desirable that the Company be authorised to make such purchases and accordingly shareholder approval is sought at the Annual General Meeting to renew the authority of the Company to exercise the power contained in its Articles of Association to make market purchases of its own shares. The maximum number of shares which may be purchased under this authority is 7,873,947 being 14.99% of the issued share capital. Any shares so purchased will be cancelled. The restrictions on such purchases, (including minimum and maximum prices), are outlined in the Notice of Meeting on page 75.

The authority will be used where the Directors consider it to be in the best interest of shareholders.

Disclosure of Information to Auditors

As far as each of the directors are aware:

- there is no relevant audit information of which the Company's Auditors are unaware; and

- they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

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

Auditors

Ernst & Young LLP were re-appointed as Auditors on 20 January 2010. Ernst & Young LLP have indicated their willingness to continue in office and a resolution will be proposed at the Annual General Meeting to re-appoint them as Auditors.

Going Concern

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

By Order of the Board
Capita Sinclair Henderson Limited
Company Secretary
24 November 2010

Business Review

The Business Review forms part of the Directors' Report.

Introduction

The purpose of the Business Review is to provide a review of the business of the Company by:

- analysing development and performance using appropriate Key Performance Indicators ("KPIs");
- outlining the principal risks and uncertainties affecting the Company;
- describing how the Company manages these risks;
- setting out the Company's environmental, social and ethical policy;
- providing information about persons with whom the Company has contractual or other arrangements which are essential to the business of the Company;
- outlining the main trends and factors likely to affect the future development, performance and position of the Company's business; and
- explaining the future business plans of the Company.

The current year has seen the Company change from a self managed investment trust to an externally managed trust with the appointment of a manager, in common with most other investment trusts. This occurred on 31 August 2010 when Javelin Capital LLP, a related party, was appointed as investment manager and general administrator. The Board has elected to treat Javelin Capital on an arms length basis, even though it is a subsidiary, for reporting and disclosure purposes.

Regulatory and Competitive Environment

The Company is an investment trust and is listed on the London Stock Exchange. It is subject to United Kingdom and European legislation and regulations including UK company law, International Financial Reporting Standards, Listing, Prospectus and Disclosure and Transparency Rules, taxation law and the Company's own Articles of Association. The directors are charged with ensuring that the Company complies with its objectives as well as these regulations.

Under the Companies Act 2006, Section 833, the Company is defined as an investment company. As such, it analyses its Statement of Comprehensive Income between profits available for distribution by way of dividends and capital profits. The financial statements, starting on page 34, report on these profits, the changes in equity, the balance sheet position and the cash flows in the current and prior financial period. This is in compliance with current International Financial Reporting Standards, supplemented by the Revised Statement of Recommended Practice for Investment Trust Companies and Venture Capital Trusts (SORP) issued in January 2009. The principal accounting policies of the Company are set out in note 1 to the accounts on pages 44 to 48. The Auditors' opinion on the financial statements, which is unqualified, appears on pages 32 and 33.

In addition to the annual and half-yearly results and Interim Management Statements, the Company makes weekly net asset value (NAV) announcements via an authorised Stock Exchange regulatory information service. The Company also reports to shareholders on performance against benchmark, corporate governance and investment activities.

The directors meet with larger shareholders outside the Annual General Meeting as appropriate. Meetings are also held with investment trust analysts and stockbroking firms. The Company has three investor savings schemes which provide shareholders with cost effective and convenient ways of investing. Communication of up-to-date information is provided through the website at www.majedie.co.uk.

At least one shareholders' meeting is held in each year in January to allow shareholders to vote on the appointment of directors and the Auditors, the payment of dividends, authority for share buybacks and any other special business. The business of the next such shareholders' meeting, being the Annual General Meeting, scheduled for 19 January 2011 is set out on page 75.

The Company is subject to corporation tax on its net revenue profits but is exempt from corporation tax on capital gains, provided it complies at all times with Sections 1158 to 1162 of the Corporation Tax Act 2010 (previously, Section 842 of the Income and Corporation Taxes Act 1988). These sections broadly require that:

- the Company's revenue (including dividend and interest receipts but excluding profits on the sale of shares and securities) should be derived wholly or mainly from shares and securities;
- the Company must not retain in respect of any accounting period more than 15% of its income from shares and securities;
- no holding in a company should represent more than 15% by value of the Company's investments in shares and securities unless the holding was acquired previously and the value has risen to exceed the 15% limit; and
- realised profits on the sale of shares and securities may not be distributed by way of dividend.

Compliance with these rules is proved annually in retrospect to HM Revenue and Customs (HMRC). HMRC approval of the Company as an investment trust is granted 'subject to there being no subsequent enquiry under corporation tax self-assessment'. Such approval has been received in respect of all relevant years up to and including the year ended 30 September 2009, since when the Company has continued to comply with these rules.

Capital Structure

As part of its corporate governance the Board keeps under review the capital structure of the Company. At 30 September 2010 the Company had a nominal issued share capital of £5,252,800, comprising 52,528,000 ordinary shares of 10p each, carrying one vote each. The Board seeks each year to renew the authority of the Company to make market purchases of its own shares. However, the Board is only likely to use such authority in special circumstances. In general the directors believe that the discount to net assets will be reduced sustainably over the long term by the creation of value through the development of the business.

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

The Board is responsible for setting the overall gearing range within which the Investment Manager may operate.

There are: no restrictions on voting rights; no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a takeover bid.

Principal Risks

The principal risks and the Company's policies for managing these risks and the policy and practices with regard to financial instruments are summarised below and in note 25 to the accounts.

The Company has a range of equity investments including substantial investments in two unlisted asset management businesses, large cap global equities and a new investment in a global equities absolute return fund. The major risk for the Company remains, investment risk, primarily market risk.

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

Under the terms of the Management Agreement the Investment Manager manages the Company's assets. The core portfolio is managed with various specific limits for individual stocks and market sectors which are employed to restrict risk levels. The level of portfolio risk in the core portfolio is assessed in relation to the benchmark utilising various portfolio risk management tools. It should be noted that whilst we have a benchmark in the core portfolio, the portfolio is constructed independently and can be significantly different. Therefore the core portfolio can experience periods of volatility over the short term. Also the level of risk at a net asset value level increases with gearing. In certain circumstances cash balances may be raised to reduce the effective level of gearing. This would result in a lower level of risk in absolute terms.

Other risks faced by the Company include the following:

i. Strategy Risk:
an inappropriate investment strategy could result in poor returns for shareholders and a widening of the discount of the share price to the NAV per share. The Board regularly reviews strategy with the Investment Manager in relation to a range of issues including the allocation of assets between geographic regions and industrial sectors, level and effect of gearing and currency exposure;

ii. Business Risk:
inappropriate management or controls in either Majedie Asset Management and/or Javelin Capital LLP could result in financial loss, reputational risk and regulatory censure. The Group has representation on both entities' governing boards to monitor business, financial performance and operations;

iii. Compliance Risk:
failure to comply with regulations could result in the Company losing its listing and/or being subjected to corporation tax on its capital gains. The Board receives and reviews regular reports from the fund administrator on its controls in place to prevent non-compliance of the Company with rules and regulations. The Board also receives regular investment listings and income forecasts as part of its monitoring of compliance with Sections 1158 to 1162 of the Corporation Tax Act 2010;

iv. Operational Risk:
Inadequate financial controls and failure by an outsourced supplier to perform to the required standard could result in misappropriation of assets, loss of income and debtor receipts and mis-reporting of NAVs. The Board regularly reviews statements on internal controls and procedures and subjects the books and records of the Company to an external annual audit. The Board has representation on the governing board of Javelin Capital LLP who will also monitor the performance of other outsourced service providers. The financial risks are set out in more detail in note 25 on pages 63 to 70; and

The systems in place to manage the Company's internal controls are described further in the Corporate Governance Statement on page 24.

Management of Assets and Shareholder Value

The Company invests around the world in markets, sectors and companies that the Board and Investment Manager believe will generate long term growth in capital and income for shareholders. The Company now manages its assets by allocating resources to the following major groups:

- Core portfolio;
- Funds managed by Javelin Capital LLP;
- MAM; and
- Javelin Capital LLP.

The Board believe that the groups will enable a spread of risk and deliver a higher quality of earnings. The Investment Manager manages the core portfolio by analysing potential and current investments against a range of parameters. Many potential investments are considered each year. Investment risks are spread through holding a range of securities across a range of sectors and countries.

In respect of funds managed by Javelin Capital LLP, the Company currently invests in the Javelin Capital Global Equity Strategies Fund which employs an approach that involves a range of strategies, analysis and algorithms. Investment risks are managed by having a spread of investments, a range of strategies and sophisticated risk management techniques.

Finally the Company has significant investments in Majedie Asset Management Limited and Javelin Capital LLP, both asset management businesses. The Board believes that these investments provide or will provide a valuable source of future return. The Board has representation on both entities' governing boards in order to monitor and control strategy and financial performance.

The Board reviews the investment performance of the Company against a range of measures relevant to each group.

Performance Highlights

The Board uses the following Key Performance Indicators (KPIs) to help assess progress against the Company's objectives. The KPIs are commented on and displayed in graphical form within the Chairman's Statement on pages 5 to 7 and Investment Manager's Report on pages 8 to 10.

- NAV total return and total shareholder return.

- Investment group portfolio return: see the chart on page 10.

- Share price discount: The level of the discount at the end of the financial year calculated with debt at par was 15.0% and was lower than at the start of the year.

- Net Asset Value performance
  The Company's Net Asset Value has decreased by 5.7% in the year to 30 September 2010, compared with a decrease of 19.5% over the same period to 30 September 2009. The net assets decreased by £7 million to £117.2 million. The performance of the Net Asset Value is expanded within the Chairman's statement.

- Total expense ratio
  The total expense ratio of the Company for the year ended 30 September 2010 was 2.4% (2009: 2.1%).

- Annual dividend growth
  Annual dividend growth has seen an increase in the total distribution of 23.8% in respect of the financial year ended 30 September 2010 (2009: Nil%). Further details regarding the results and dividends can be found in the Chairman's Statement on page 5.

Total Return Philosophy & Dividend Policy

The directors believe that investment returns will be maximised if a total return policy is followed whereby the Investment Manager pursues the best opportunities. The Company has a comparatively high level of revenue reserves for the investment trust sector. At £26m, the revenue reserves represent more than four times the current annual core dividend distribution. The strength of these reserves will from time to time assist in underpinning our progressive dividend policy in years when the income from the portfolio is insufficient to cover completely the annual distribution.

The policy aims to increase the dividend over the longer term by more than the rate of inflation and this has been achieved over the last nineteen years. Over the last ten years the average annual growth of the core dividend (excluding special dividends) has been 3.2%.

Corporate Social Responsibility

In common with many investment trust companies, the Company has no direct impact on the environment. When considering its day-to-day operations, the Company aims to conduct itself responsibly, ethically and fairly.

The Company has appointed Javelin Capital LLP to manage its portfolio of investments. Javelin has been tasked with managing the portfolio, and its operations, with a view to achieving the Company's investment objective and in doing so takes account of social, environmental and ethical factors, where appropriate.

Costs

The Company's expense ratio over net assets is 2.4% which compares with the investment trust sector average of 1.6% The Company operating costs have decreased from £2.9m to £2.2m (excluding £0.6m of Javelin Capital setup costs) this year but the ratio has been negatively impacted by the lower average asset base in the current period. The Board pays close attention to cost control and the current situation is referred to further in the Chairman's Statement on page 5.

Material Contracts

- Javelin Capital LLP

  i. LLP Agreement
  The investment in Javelin Capital LLP is in accordance with the terms of a Limited Liability Partnership Agreement dated 31 August 2010. The terms include:

  - The Company will provide up to a £4.5 million partners' capital contribution. This will attract interest at a commercial rate, until it is repaid from future Javelin Capital LLP profits. This repayment has priority over other distributions from residual profits. Further capital can be provided at the Company's discretion.

  - The Company initially has a 70% interest in Javelin Capital LLP with the other partners and employees holding the remaining 30%. On achieving certain pre-set financial targets the Company will reduce its interest to ultimately 51%.

- The agreement provides for bonuses which are determined in a formulaic manner. Performance fees are shared between the Company, partners and employees on a time dependent sliding scale based on the fund. Annual bonuses depend on Javelin Capital profitability but the bonus pool will be determined on the basis that total staff costs equal 55% of revenues.

- The agreement is not for a fixed term and can be terminated by members resolution.

- The Board has representation on the Javelin Capital Management Board (Javelin governance is outlined in the Corporate Governance Statement on page 26), including the appointment of the Chairman. This includes certain control, meeting and voting rights. The agreement also provides for the requirement to obtain Majedie approval in a variety of areas including anything considered a restricted matter. The Board can appoint or remove the Managing Partner/Chief Executive who has day to day operational control and also must approve his remuneration.

- In the event of a sale proposed by the Company the agreement includes drag along provisions including certain pre-emption rights to the other partners.

There are also two side letters that relate to the LLP Agreement which provide for a possible change in control rights and provide for the liability of partners in respect of their capital and current account balances.

ii. Management and Administration Services Agreements

The Board has appointed Javelin Capital LLP as its investment manager and general administrator. The terms of the appointment are defined under a Management Agreement and Administration Services Agreement dated 31 August 2010. The agreement divides the Company's investments into distinct portfolios which are the core portfolio, non-core portfolio, MAM, Javelin Capital Funds and the Treasury account. The fees payable under the Management Agreement are detailed below:

Fund/Portfolio	Management* Fee	Performance† Fee
Core Portfolio***	0.70% p.a.	10%
Treasury Account	0.70% p.a.	NIL
MAM	NIL	NIL**
Javelin Capital Global Equity Strategies Fund#	1.25% p.a.	20%‡

* The management fee is on a sliding scale ranging from 0.7% p.a. to 0.4% p.a. based on the combined value of the core and non-core realisation portfolios.

† The performance fee is based on outperformance against the benchmark on a rolling three year basis.

The Javelin Capital Global Equity Strategies Fund is a sub-fund of Javelin Capital Strategies plc, which is an Irish Qualifying Investment Fund listed on the Irish Stock Exchange. This is the first fund managed by Javelin Capital LLP and further sub-funds can be launched in due course.

** The agreements provide for a fee of £60,000 per annum in respect of MAM duties.

‡ The fees are as set in the supplement to the fund prospectus for the Javelin Capital Global Equity Strategies Fund. The performance fee entitlement only occurs once the hurdle has been exceeded and is calculated on a high water mark basis using an equalisation method.

*** The non-core realisation portfolio attracts a management fee of 0.70% p.a. and no performance fee.

The Management Agreement entitles either party to terminate the arrangement with six months' notice after an initial period of three years. Additionally the Company can terminate the Manager's appointment in respect of a distinct portfolio if the performance of that portfolio falls below a nominated benchmark. The Administration Services Agreement delegated, to Javelin Capital LLP, various rights to enable it to act as general administrator. Fees payable under the Administration Services Agreement are capped at £265,000 per annum with fees agreed on a cost only basis. The Administration Services Agreement may be terminated on three months' notice.

iii. Contribution and Transfer Agreement
Under this agreement the Company agreed to transfer to Javelin Capital LLP the majority of its business and the use of certain assets. However some assets will remain with the Company.

iv. Intra Group Asset Lease Agreement
The asset lease agreement with Javelin Capital Services Limited identifies certain assets to be leased to and used by Javelin. Javelin will pay a lease charge equal to the depreciation suffered by the Company on those assets. The agreement provides for these assets to be transferred to Javelin at a future date at net book value.

- Capita Sinclair Henderson Ltd
  The Board has appointed Capita Sinclair Henderson Ltd (trading as Capita Financial Group – Specialist Fund Services) to act as Company Secretary and undertake certain administration services. The terms of Capita Sinclair Henderson Ltd's appointment are defined under a secretarial and administration services agreement dated 17 November 2000. The agreement entitles either party to terminate the arrangement with twelve months' notice.

Policy on Payment of Suppliers

It is the Company's policy to settle all investment transactions in accordance with the terms and conditions of the relevant market in which it operates. All other expenses are paid on a timely basis in the ordinary course of business.

At 30 September 2010 the Company had four days of suppliers' invoices outstanding in respect of trade creditors (2009: four days).

Majedie Asset Management Limited

In 2002 the Company established a new fund management subsidiary specialising in UK equities: Majedie Asset Management, which was launched in March 2003. Having started with a 70% shareholding, the Company now retains a 30% interest. The relevant developments during the year are referred to in the Investment Manager's Report on page 9 and further referred to in note 13 on pages 56 and 57.

Javelin Capital LLP

After a substantial start-up process to ensure that the appropriate systems, processes and controls were in place and following regulatory approval and the completion of the relevant legal agreements, Javelin Capital LLP commenced operations on 1 September 2010. On that date Javelin Capital assumed responsibility for managing the Company's investments and provide general administration services. All previous Majedie employees transferred to Javelin Capital under the new arrangements.

On 20 September 2010 the Company also invested £20m into the Javelin Capital Global Equity Strategies fund, the first fund launch by Javelin Capital LLP. The characteristics of this investment are detailed in the Investment Manager's Report section.

The Company has provided £4.5m in operational and regulatory capital for Javelin Capital LLP and has an initial 70% ownership. This will fall to 51% if the partnership achieves certain preset financial targets. The Chairman's Statement on page 6 and additionally note 14 to the accounts on page 58 provides further information.

Corporate Governance Statement

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

This section of the annual report describes how Majedie Investments has applied the principles of section 1 of the UK Corporate Governance Code (the "Code "), as required by the Financial Services Authority (FSA). A copy of the Code can be found at www.frc.org.uk. The Board considers that the Company has complied with the provisions of the Code throughout the year ended 30 September 2010 except as set out below.

The Company

It is first relevant to consider the special nature of Majedie Investments compared with other listed investment trust companies in relation to matters of corporate governance. The Company has until 31 August 2010 been self managed. From that date it has appointed Javelin Capital LLP to manage its investments and administration. In complying with the more detailed aspects of best corporate governance practice, the Board takes into account that the Company is a listed investment trust and the Barlow family as a whole owns about 55% of the shares in issue.

Although the family shareholding in total is significant, there are a number of individual family members and trusts represented by many separate shareholdings. The principal objective of the Board of directors continues to be to maximise total shareholder return for all shareholders.

Board and Directors

The Company's Board of directors is responsible for the overall stewardship of the Company, including corporate strategy, corporate governance, risk and controls assessment, overall investment policy, asset allocation and gearing limits. Its composition satisfies the requirements of the Code and is composed of an independent Chairman, four non-executive directors and Mr G P Aherne who became an executive director on 24 November 2009. Biographical details of the directors are shown on page 15.

Messrs Adcock, Gadd and Reid are considered to be independent as defined by the Code but the Board considers that all directors exercise their judgements in an independent manner.

Mr HV Reid is the Senior Independent Director and chairs the Audit and Remuneration Committees.

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

During the year ended 30 September 2010 seven Board meetings were held and additionally two Audit Committee meetings, one Nomination Committee meeting and three Remuneration Committee meetings. Attendance at these Board and Committee meetings was as follows:

Director	Board	Audit	Nomination	Remuneration
A J Adcock	7	2	1	3
G P Aherne	7	n/a	1	n/a
C J Arnheim	5	n/a	n/a	n/a
J W M Barlow	7	n/a	1	n/a
P D Gadd	6	2	n/a	2
H V Reid	7	2	1	3
H S Barlow	3	n/a	1	n/a

The Board has undertaken a formal and rigorous evaluation of its own performance through the circulation of a comprehensive questionnaire. Having discussed the results it concluded that the Board and its Committees continue to function effectively and that the Chairman's and directors' other commitments are such that all directors are capable of devoting sufficient time to the Company.

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

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

Committees

The Board has established the following Committees:

- The Audit Committee comprises: Hubert Reid (Chairman), Paul Gadd and Andrew Adcock. Gerry Aherne, Chris Arnheim and William Barlow and representatives of the Auditors are invited to attend meetings of the Committee. The Board has agreed the terms of reference for the Audit Committee which meets at least twice a year. In particular during the year the Committee has reviewed the Group's financial statements to ensure they are prepared to a high standard and comply with all the relevant legislation and guidelines where appropriate.

  The Audit Committee is responsible for monitoring the integrity of the financial statements of the Company, reviewing the Company's internal financial controls and risk management systems, making recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment and terms of engagement of the external auditor, monitoring the external auditor's independence and developing and implementing a policy on the engagement of the external auditor to supply non-audit services.

  The Audit Committee has considered the independence and objectivity of the Auditors. It has informed the Board that it is satisfied in these respects and considers that Ernst & Young LLP has fulfilled its obligations to the Company and its Shareholders.

- The Nomination Committee comprises Andrew Adcock (Chairman) and the non-executive directors. It considers appointments to the Board of directors in the context of the requirements of the business, its need to have a balanced and effective Board and succession planning. The Committee may use external search consultants to assist with recruitment to the Board.

  The Company's Articles of Association require a director appointed during the year to retire and seek election by shareholders at the next Annual General Meeting and all directors must seek re-election at least every three years. All directors are appointed for a fixed term of three years after election or re-election by shareholders at a general meeting. Towards the end of each fixed term the Nomination Committee and the Board will consider whether to renew a particular appointment.

  The Nomination Committee met three times during the year to consider the appointment of Mr Chris Arnheim, the Board's succession plan and the reappointment of Directors due to stand for re-election at the Company's Annual General Meeting. It decided to recommend the re-appointment of Messrs Aherne, Barlow and Reid on the basis that they continue to make valuable contributions and to exercise their judgement and express their opinions in an independent manner. Having considered the Board's succession plan and the balance of skills, knowledge and experience of existing Directors the Committee has engaged an external consultant to identify potential external candidates one of whom will join the Board in a non-executive capacity. At the date of this Statement, no appointment to the Board had been agreed.

- The Remuneration Committee comprises: Hubert Reid (Chairman), Andrew Adcock and Paul Gadd. Gerry Aherne, Chris Arnheim and William Barlow are invited to attend and participate in the relevant meetings. Further details on the work of the Remuneration Committee is included in the Report on Directors' Remuneration on pages 28 to 30.

- Management Engagement Committee. The Management Engagement Committee was established on 14 October 2010 and comprises; Andrew Adcock (Chairman), Chris Arnheim, William Barlow, Paul Gadd and Hubert Reid. The Board has agreed terms of reference of the Committee which will meet at least once a year to consider the performance of the Investment Manager, the terms of the Investment Manager's engagement and to consider annually the continued appointment of the Investment Manager. As Javelin Capital LLP was only appointed on 31 August 2010, the Board believe it is too early for the Committee to meet to consider its performance.

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

Conflicts of Interest

On 1 October 2008 it became a statutory requirement that a director must avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests (a situational conflict). The Company's Articles of Association were amended at the last Annual General Meeting to give the directors authority to approve such situations, where appropriate.

Corporate Governance Statement

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

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

A register of conflicts is maintained by the Secretary and is reviewed at each Board meeting, to ensure that any authorised conflicts remain appropriate. Directors are required to confirm at these meetings whether there has been any change to their position.

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

Relations with Shareholders

Members of the Board and the Investment Manager hold meetings with the Company's principal shareholders and prospective investors to develop an understanding of the views of shareholders and to discuss the Company's strategy and financial and investment performance. Any issues raised by shareholders are reported to the full Board. Shareholders are encouraged to attend the Annual General Meeting and to participate in proceedings. Shareholders wishing to contact the directors to raise specific issues can do so directly or by writing to the Company Secretary.

In the annual report each year the directors seek to provide shareholders with information in sufficient detail to allow them to obtain a reasonable understanding of recent developments affecting the business and the prospects for the Company in the year ahead. The Business Review on pages 18 to 23 provides additional further information.

The Company has three investor savings schemes which provide shareholders with cost effective and convenient ways of investing. Communication of up-to-date information is provided through the website at www.majedie.co.uk.

Institutional Voting – Use of Voting Rights

The Investment Manager, in the absence of explicit instructions from the Board, is empowered to exercise discretion in the use of the Company's voting rights.

Policy for non-audit services

The Board monitors the Company's relationship with its external auditor with a view to ensuring that the external auditor does not provide non-audit services that have the potential to impair or appear to impair the independence of their audit role. The Board has agreed that, from time to time it may be appropriate and cost effective for the external auditor to provide services relating to tax compliance and tax planning but other services should only be provided where alternative providers do not exist or where it is cost effective or in the Group's interest for the external auditors to provide such services.

The Management Board of Javelin Capital LLP, upon which the Company has representation, provides a similar oversight in respect of non-audit services provided by the external auditor to the Javelin Group. Any areas of concern are raised with the Board of the Company.

Controls of third party providers

The Board regularly reviews the performance of the companies providing services to the Company and considers regular reports providing assurances from those companies that appropriate controls are in place to mitigate risks relating to services undertaken on behalf of the Company. The Board also seeks assurances that service providers have 'whistle blowing' procedures in place to enable their staff to raise concerns about possible improprieties in a confidential manner.

Javelin Capital LLP

In respect of the arrangements involving Javelin Capital LLP, as detailed on pages 6, 9, 21 to 23, 27 and 29, Mr GP Aherne, who by virtue of being a director of the Company and a partner of Javelin Capital LLP, is considered to be a related party under the UKLA's Listing Rules.

The Board has representation on the Management Board of Javelin Capital and under the terms of the LLP Agreement is able to require amendments to systems and controls if required, and the ability to change the Managing Partner/Chief Executive and also must approve his remuneration.

Javelin Capital LLP governance is comprised of:

- Management Board
  The Management Board meets monthly and is comprised of Company representatives and other partners. Other employees and partners are invited to attend meetings as required.

- Risk Committee
  The Risk Committee will meet at least twice a year under terms of reference agreed by the Management Board. The Committee will control risk guidelines, product approval and the firms' control environment, and undertake audit committee responsibilities.

- Investment Committee
  The investment Committee will provide an independent review to investment processes and products in light of the external environment. It will include external investment professionals and will meet on an ad-hoc basis.

Internal Control Review

The directors acknowledge that they are responsible for the systems of internal control relating to the Company and its subsidiaries and for reviewing the effectiveness of those systems. An ongoing process has been in existence for some time to identify, evaluate and manage risks faced by Group companies. Key procedures are also in place to provide effective financial control over the Group's operations.

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

Risk assessment and the review of internal controls are undertaken by the Board in the context of the Company's overall investment objective. The review covers business strategy, investment management, operational, compliance and financial risks facing the Company and its subsidiaries. In arriving at its judgement of the nature of the risks facing Group companies, the Board has considered the Group's operations in the light of the following factors:

– the nature and extent of risks which it regards as acceptable to bear within the overall business objective;

– the likelihood of such risks becoming a reality; and

– the Investment Manager's ability to reduce the incidence and impact of risk on performance and the relevant controls.

Given the nature of the activities of the Company and the fact that certain key functions are sub-contracted to third party service provider organisations, the directors have reviewed the controls operating and have obtained information from key third party suppliers regarding the relevant controls operated by them.

The Company does not have an internal audit function, as required under provision C.3.5. of the UK Corporate Governance Code. Having recently considered this matter the directors are of the opinion that there is no need at the present time for the Company to have an internal audit function since there are considered to be adequate checks and balances. In particular the Investment Management and certain administrative functions are undertaken by Javelin Capital LLP. Fund administration, accounting and company secretarial functions of the Company are performed by Capita Sinclair Henderson Limited trading as Capita Financial Group – Specialist Fund Services. Custody is outsourced to RBC Dexia Investor Services Trust.

In accordance with the guidance of the Financial Reporting Council: "Internal Control: Revised Guidance for Directors on the Combined 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.

Ernst & Young LLP are the Auditors of the Company, the Group and subsidiary companies. The Board believes that auditor objectivity is safeguarded, for two main reasons. First the extent of non-audit work carried out by Ernst & Young LLP is limited and flows naturally from the firm's role as Auditor to the Group. Capita Sinclair Henderson Limited advises the Company on corporation tax computations and submissions to HM Revenue & Customs. Ernst & Young LLP may provide taxation advice to the Group from time to time on various issues and in particular each year reviews the work carried out by Capita Sinclair Henderson Limited and reviews the relevant taxation issues at the time of the audit of the annual report.

Secondly, Ernst & Young LLP has provided information on its independence policy and the safeguards and procedures it has developed to counter perceived threats to its objectivity. It also confirms that it is independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit is not impaired.

Report on Directors' Remuneration

This report has been prepared in accordance with the Companies Act 2006. The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to the directors' remuneration. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved.

The Act requires the auditors to report to the Company's members on certain parts of the report on directors' remuneration and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Companies Act 2006. The report has therefore been divided into separate sections for audited and unaudited information.

UNAUDITED SECTION

Remuneration Committee

During the year to 30 September 2010, the Committee comprised solely non-executive directors – being Hubert Reid, Andrew Adcock and Paul Gadd. Gerry Aherne stood down from the Committee on 15 October 2009 and was replaced as Chairman by Hubert Reid on 1 October 2009. Paul Gadd was appointed to the Committee on 15 October 2009 and William Barlow and Chris Arnheim are invited to attend meetings.

The Company Secretary, Capita Sinclair Henderson Limited, act as Secretary to the Committee and its terms of reference are available on request or may be obtained from the Company website.

The Role of the Committee and Policies on Directors' Remuneration

The role of the Committee is to establish Board policy in respect of terms of appointment and the remuneration of the Chairman and each director.

Additionally during the year before the launch of Javelin Capital LLP, the Committee was responsible for the terms of employment including remuneration packages for employees. The process and procedures adopted are aligned with those followed for the directors.

The Committee seeks to encourage the enhancement of the Company's performance and to ensure that remuneration packages offered are competitive and designed to attract, retain and motivate directors of the right calibre. In setting both the policy related to, and levels of, remuneration and benefits for directors, the Committee takes account of market data and independent professional advice.

Following the launch of Javelin Capital LLP and in accordance with the terms of the LLP agreement the Committee has certain responsibilities in respect of the remuneration of Javelin Capital Chief Executive, Mr GP Aherne. These are outlined in the separate section for Javelin Capital LLP.

Remuneration Policy

The Board's policy is that the remuneration of non-executive directors should reflect the responsibilities and time commitment of individual directors, and is determined with reference to other organisations and appointments.

The Committee reviewed directors' remuneration in November 2010 and agreed to retain the Chairman's fee at £75,000 per annum, basic non-executive directors' fees at £27,000 per annum with additional fees of £3,000 per annum applying to each of the Chairman of the Audit and Remuneration Committees and the Senior Independent Director. A further supplement of £6,000 per annum, as detailed in the Javelin Capital section is payable to directors who represent the Company on the Javelin Capital Management Board. Mr GP Aherne was appointed to an executive role from 24 November 2009 with his remuneration unchanged at £160,000 per annum.

On 31 August 2010, upon execution of the Javelin Capital LLP agreement, Mr GP Aherne became Chief Executive and a partner of Javelin Capital LLP. The Committee agreed to award Mr GP Aherne a one-off payment of £100,000 upon the launch of Javelin Capital LLP, which was to be paid by Javelin Capital LLP. As a partner of Javelin Capital LLP, Mr GP Aherne received no fees as Executive Director of the Company but receives remuneration as detailed in the separate section on Javelin Capital.

Directors' fees (excluding any special duties fees) are, under the Company's articles of association, subject to a limit of £250,000 per annum. Non-executive directors are entitled to claim out of pocket expenses, if any, incurred in carrying out their duties but are not eligible for bonuses, pension benefits, share options or long term incentive schemes. No director has a service contract, rather there is a memoranda of terms, with Mr GP Aherne being subject to the terms of the Javelin Capital LLP agreement. The terms of the directors appointment include an initial 3 year duration period, a one month notice period by either party and no termination or loss of office payments.

The Committee has given full consideration to the principles of good governance of the UK Corporate Governance Code and the Board has accepted the Committee's recommendations without amendment.

Javelin Capital LLP ("Javelin Capital")

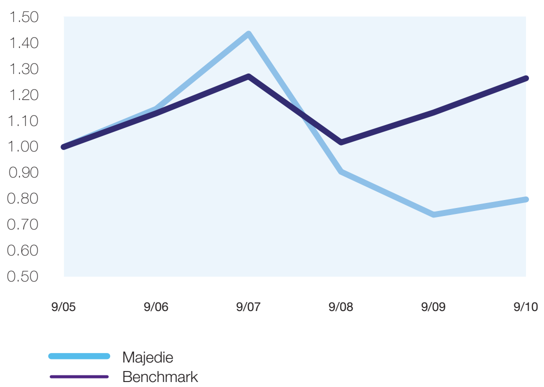
Javelin Capital, a Limited Liability Partnership of which the Company is a partner, was incorporated on 12 October 2009 and after regulatory and legal aspects were finalised commenced operations on 1 September 2010.

As a partner, the Board can appoint representatives to attend the monthly Javelin Capital Management Board meetings. Directors attending the management board meetings, with the exception of the Chairman of the Board, will be paid an additional £6,000 per annum, based upon a fee of £500 per meeting. The Limited Liability Partnership ('LLP') Agreement provides for up to three directors to represent the Company on the Management Board and requires at least one director to be present at each meeting. Additionally the Chairman of the Management Board shall be a Company representative.

As a partner of Javelin, Mr GP Aherne is eligible to receive remuneration in accordance with the terms of the LLP Agreement. This comprises a monthly drawing entitlement, currently £160,000 per annum, and performance related remuneration dependent on the future profitability and performance of Javelin Capital. The LLP Agreement provides that certain aspects of the remuneration of the Javelin Capital partners is subject to the approval of the Company representatives on the Management Board. The LLP agreement also provides that Mr GP Aherne's remuneration is subject to approval of the Committee.

Performance

The graph below compares the total shareholder return on a hypothetical portfolio constructed according to the following benchmark equity index over the last five years. The benchmark is 70% FTSE All-Share Index and 30% FTSE World ex UK Index (Sterling) and has been chosen has a comparator for the purpose of this graph since it is the Company's formal benchmark.



TOTAL SHAREHOLDER RETURN V BENCHMARK
5 YEARS TO 30 SEPTEMBER 2010 (REBASED)

AUDITED SECTION

Directors' Remuneration

The remuneration of the directors for the year ended 30 September 2010 was as follows:

	Salary £000	Basic fees £000	Additional fees £000	Special Duties fees £000	Total 2010 £000	Total 2009 £000
Non-executive directors						
H S Barlow†	–	15	–	–	15	48
A J Adcock	–	60	1	–	61	30
H V Reid	–	27	8	–	35	30
J W M Barlow	–	27	–	–	27	27
P D Gadd	–	27	–	–	27	–
C J Arnheim*	–	20	–	–	20	–
G P Aherne#	–	–	–	24	24	147
Executive director						
G P Aherne#	123	–	–	–	123	–
	123	**176**	**9**	**24**	**332**	**282**

† Mr H S Barlow retired as Chairman on 20 January 2010 and was succeeded by Mr A J Adcock.

* Mr C J Arnheim was appointed to the Board on 1 January 2010.

Mr G P Aherne was appointed Executive Director on 24 November 2009. In addition to the amounts shown above, as a partner of Javelin Capital LLP he receives a drawing entitlement of £160,000 per annum, paid monthly, which commenced from 1 September 2010 and received a one-off payment of £100,000 upon the launch of Javelin Capital LLP. From 1 September 2010 he remains an executive director of the Company but receives no remuneration for this role.

Approval

The Report on Directors' Remuneration on pages 28 to 30 was approved by the Board on 24 November 2010.

On behalf of the Board

H V Reid Chairman of the Remuneration Committee

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year which present fairly the financial position of the Company and of the Group and the financial performance and cash flows of the Company and of the Group for that period. In preparing these 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;

- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

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

The Directors, to the best of their knowledge, state that:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and results of the Company and the Group; and

- the Chairman's Statement and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the Group together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board of Directors
Andrew J Adcock Chairman
24 November 2010

We have audited the financial statements of Majedie Investments PLC for the year ended 30 September 2010 which comprise the Consolidated and Company Statements of Comprehensive Income, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 September 2010 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Report on Directors' Remuneration to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Report on Directors' Remuneration 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.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 17, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Ratan Engineer (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
London
24 November 2010

Notes:

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

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2010

	Notes	2010 Revenue return £000	2010 Capital return £000	2010 Total £000	2009 Revenue return £000	2009 Capital return £000	2009 Total £000
Investments							
Losses on investments at fair value through profit or loss	13		(2,361)	(2,361)		(23,723)	(23,723)
Net investment result			(2,361)	(2,361)		(23,723)	(23,723)
Income							
Income from investments	3	10,011		10,011	6,409		6,409
Other income	3	82		82	125		125
Total income		10,093		10,093	6,534		6,534
Expenses							
Administration expenses	5	(3,105)	(2,017)	(5,122)	(1,507)	(1,359)	(2,866)
Return before finance costs and taxation		6,988	(4,378)	2,610	5,027	(25,082)	(20,055)
Finance costs	8	(701)	(2,101)	(2,802)	(702)	(2,100)	(2,802)
Net return before taxation		6,287	(6,479)	(192)	4,325	(27,182)	(22,857)
Taxation	9	(131)		(131)	(92)		(92)
Net return after taxation for the year		6,156	(6,479)	(323)	4,233	(27,182)	(22,949)
Return per ordinary share:		pence	pence	pence	pence	pence	pence
Basic and diluted	11	11.8	(12.4)	(0.6)	8.1	(52.3)	(44.2)

The total column of this statement is the Consolidated Statement of Comprehensive Income of the Group prepared in accordance with International Financial Reporting Standards (IFRS). The supplementary revenue return and capital return columns are prepared under guidance published by the Association of Investment Companies (AIC).

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The notes on pages 44 to 73 form part of these accounts.

Company Statement of Comprehensive Income

for the year ended 30 September 2010

	Notes	2010 Revenue return £000	2010 Capital return £000	2010 Total £000	2009 Revenue return £000	2009 Capital return £000	2009 Total £000
Investments							
Losses on investments at fair value through profit or loss	13		(2,361)	(2,361)		(23,723)	(23,723)
Net investment result			(2,361)	(2,361)		(23,723)	(23,723)
Income							
Income from investments	3	10,011		10,011	6,409		6,409
Other income	3	130		130	125		125
Total income		10,141		10,141	6,534		6,534
Expenses							
Investment Management fees	4	(34)	(44)	(78)			
Administration expenses	5	(1,038)	(1,735)	(2,773)	(1,507)	(1,359)	(2,866)
Return before finance costs and taxation		9,069	(4,140)	4,929	5,027	(25,082)	(20,055)
Finance costs	8	(701)	(2,101)	(2,802)	(702)	(2,100)	(2,802)
Net return before taxation		8,368	(6,241)	2,127	4,325	(27,182)	(22,857)
Taxation	9	(131)		(131)	(92)		(92)
Net return after taxation for the year		8,237	(6,241)	1,996	4,233	(27,182)	(22,949)
Return per ordinary share:		pence	pence	pence	pence	pence	pence
Basic and diluted	11	15.8	(12.0)	3.8	8.1	(52.3)	(44.2)

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

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The notes on pages 44 to 73 form part of these accounts.

Consolidated Statement of Changes in Equity

for the year ended 30 September 2010

	Notes	Share capital £000	Share premium £000	Capital redemption reserve £000	Share options reserve £000
Year ended 30 September 2010					
As at 30 September 2009		5,253	785	56	(284)
Net loss for the year					
Share options expense	24				64
Dividends declared and paid in year	10				
As at 30 September 2010		5,253	785	56	(220)
Year ended 30 September 2009					
As at 30 September 2008		5,253	785	56	291
Net loss for the year					
Share options expense	24				251
Dividends declared and paid in year	10				
Own shares (sold)/purchased by Employee Incentive Trust (EIT)					(826)
As at 30 September 2009		5,253	785	56	(284)

The notes on pages 44 to 73 form part of these accounts.

	Capital reserve £000	Revenue reserve £000	Own shares reserve £000	Total £000
	93,424	26,649	(1,702)	124,181
	(6,479)	6,156		(323)
				64
		(6,763)		(6,763)
	86,945	26,042	(1,702)	117,159
	120,606	29,047	(2,573)	153,465
	(27,182)	4,233		(22,949)
				251
		(6,631)		(6,631)
			871	45
	93,424	26,649	(1,702)	124,181

Company Statement of Changes in Equity

for the year ended 30 September 2010

	Notes	Share capital £000	Share premium £000	Capital redemption reserve £000
Year ended 30 September 2010				
As at 30 September 2009		5,253	785	56
Net profit for the year				
Share options expense	24			
Dividends declared and paid in year	10			
As at 30 September 2010		5,253	785	56
Year ended 30 September 2009				
As at 30 September 2008		5,253	785	56
Net loss for the year				
Share options expense	24			
Dividends declared and paid in year	10			
Own shares (sold)/purchased by Employee Incentive Trust (EIT)				
As at 30 September 2009		5,253	785	56

The notes on pages 44 to 73 form part of these accounts.

Share options reserve £000	Capital reserve £000	Revenue reserve £000	Own shares reserve £000	Total £000
(284)	93,702	26,369	(1,702)	124,179
	(6,241)	8,237		1,996
64				64
		(6,763)		(6,763)
(220)	87,461	27,843	(1,702)	119,476
291	120,884	28,767	(2,573)	153,463
	(27,182)	4,233		(22,949)
251				251
		(6,631)		(6,631)
(826)			871	45
(284)	93,702	26,369	(1,702)	124,179

Consolidated Balance Sheet

as at 30 September 2010

	Notes	2010 £000	2009 £000
Non-current assets			
Property and equipment	12	531	224
Investments at fair value through profit or loss	13	145,423	147,291
		145,954	147,515
Current assets			
Trade and other receivables	15	1,691	1,897
Cash and cash equivalents	16	5,538	12,384
		7,229	14,281
Total assets		153,183	161,796
Current liabilities			
Trade and other payables	17	(2,243)	(3,853)
Total assets less current liabilities		150,940	157,943
Non-current liabilities			
Debentures	17	(33,781)	(33,762)
Total liabilities		(36,024)	(37,615)
Net assets		117,159	124,181
Represented by:			
Ordinary share capital	18	5,253	5,253
Share premium		785	785
Capital redemption reserve		56	56
Share options reserve		(220)	(284)
Capital reserve		86,945	93,424
Revenue reserve		26,042	26,649
Own shares reserve	19	(1,702)	(1,702)
Equity Shareholders' Funds		117,159	124,181
Net asset value per share		pence	pence
Basic and fully diluted	20	225.2	238.7

Approved by the Board of Majedie Investments PLC and authorised for issue on 24 November 2010.

Andrew J Adcock
Hubert V Reid
Directors

The notes on pages 44 to 73 form part of these accounts.

Company Balance Sheet

as at 30 September 2010

	Notes	2010 £000	2009 £000
Non-current assets			
Property and equipment	12	221	224
Investments at fair value through profit or loss	13	145,423	147,291
Investment in subsidiaries	14	4,671	161
		150,315	147,676
Current assets			
Trade and other receivables	15	1,676	1,986
Cash and cash equivalents	16	3,057	12,131
		4,733	14,117
Total assets		155,048	161,793
Current liabilities			
Trade and other payables	17	(1,791)	(3,852)
Total assets less current liabilities		153,257	157,941
Non-current liabilities			
Debentures	17	(33,781)	(33,762)
Total liabilities		(35,572)	(37,614)
Net assets		119,476	124,179
Represented by:			
Ordinary share capital	18	5,253	5,253
Share premium		785	785
Capital redemption reserve		56	56
Share options reserve		(220)	(284)
Capital reserve		87,461	93,702
Revenue reserve		27,843	26,369
Own shares reserve	19	(1,702)	(1,702)
Equity Shareholders' Funds		119,476	124,179

Approved by the Board of Majedie Investments PLC and authorised for issue on 24 November 2010.

Andrew J Adcock
Hubert V Reid
Directors

The notes on pages 44 to 73 form part of these accounts.

Consolidated Cash Flow Statement

for the year ended 30 September 2010

	Notes	2010 £000	2009 £000
Net cash flow from operating activities			
Consolidated net return before taxation		(192)	(22,857)
Adjustments for:			
Losses on investments	13	2,361	23,723
Dividends reinvested		(45)	(132)
Share based remuneration		64	251
Depreciation		84	58
Purchases of investments		(57,963)	(57,427)
Sales of investments		55,741	67,202
		50	10,818
Finance costs		2,802	2,802
Operating cashflows before movements in working capital		2,852	13,620
Increase in trade and other payables		410	241
(Increase)/decrease in trade and other receivables		(18)	96
Net cash inflow from operating activities before tax		3,244	13,957
Tax recovered		10	2
Tax on unfranked income		(163)	(106)
Net cash inflow from operating activities		3,091	13,853
Investing activities			
Purchases of tangible assets		(420)	(234)
Disposals of tangible assets		29	
Net cash outflow from investing activities		(391)	(234)
Financing activities			
Interest paid		(2,783)	(2,783)
Dividends paid		(6,763)	(6,631)
Exercise of options on own shares			44
Net cash outflow from financing activities		(9,546)	(9,370)
(Decrease)/increase in cash and cash equivalents for year	21	(6,846)	4,249
Cash and cash equivalents at start of year		12,384	8,135
Cash and cash equivalents at end of year		5,538	12,384

The notes on pages 44 to 73 form part of these accounts.

Company Cash Flow Statement

for the year ended 30 September 2010

	Notes	2010 £000	2009 £000
Net cash flow from operating activities			
Company net return before taxation		2,127	(22,857)
Adjustments for:			
Losses on investments	13	2,361	23,723
Dividends reinvested		(45)	(132)
Share based remuneration		64	251
Depreciation		64	58
Purchases of investments		(57,963)	(57,427)
Sales of investments		55,741	67,202
		2,349	10,818
Finance costs		2,802	2,802
Operating cashflows before movements in working capital		5,151	13,620
(Decrease)/increase in trade and other payables		(41)	437
Decrease in trade and other receivables		86	112
Net cash inflow from operating activities before tax		5,196	14,169
Tax recovered		10	2
Tax on unfranked income		(163)	(106)
Net cash inflow from operating activities		5,043	14,065
Investing activities			
Purchases of tangible assets		(90)	(282)
Disposals of tangible assets		29	
Purchases of subsidiaries		(4,510)	
Net cash outflow from investing activities		(4,571)	(282)
Financing activities			
Interest paid		(2,783)	(2,783)
Dividends paid		(6,763)	(6,631)
Exercise of options on own shares			44
Net cash outflow from financing activities		(9,546)	(9,370)
(Decrease)/increase in cash and cash equivalents for year	21	(9,074)	4,413
Cash and cash equivalents at start of year		12,131	7,718
Cash and cash equivalents at end of year		3,057	12,131

The notes on pages 44 to 73 form part of these accounts.

Notes to the Accounts

General Information

Majedie Investments PLC is a company incorporated in England under the Companies Act 2006. The Company is registered as a public limited company and is an investment company as defined by Section 833 of the Companies Act 2006. The address of the registered office is given on page 81. The nature of the Group's operations and its principal activities are set out in the Business Review on pages 18 to 23 and in note 2 on page 48.

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

International Accounting Standards (IAS/IFRSs)		Effective date
IFRS 1	Amendments to IFRS 1 – Additional Exemptions for First-time Adopters	1 January 2010
IFRS 1	Amendments to IFRS 1 – Limited Exemption from Comparative IFRS 7 disclosures	1 July 2010
IFRS 2	Amendments to IFRS 2 – Group Cash settled Share-based Payment Transactions	1 January 2010
IFRS 9	Financial Instruments: Classification & Measurement	1 January 2013
IAS 24	Related Party Disclosures (revised)	1 January 2011

The directors anticipate that the adoption of the above Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

1 Accounting Policies

The accounts on pages 34 to 73 comprise the audited results of the Company and its subsidiaries for the year ended 30 September 2010, and are presented in pounds sterling rounded to the nearest thousand, as this is the functional currency in which the Group and Company transactions are undertaken.

Accounting Policies under International Financial Reporting Standards

Basis of Accounting

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

Where presentational guidance set out in the Statement of Recommended Practice (SORP) regarding the Financial Statements of Investment Trust Companies and Venture Capital Trusts issued by the Association of Investment Companies in January 2009 is not inconsistent with the requirements of IFRSs, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP. All the companies' activities are continuing.

The principal accounting policies adopted are set out as follows:

Basis of Consolidation

The Consolidated Accounts incorporate the accounts of the Company and entities controlled by the Company (its subsidiaries) made up to 30 September each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during this year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or disposal as appropriate. All Group entities have the same year end date.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interest of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover losses.

1 Accounting Policies continued

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

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

Presentation of Statement of Comprehensive Income

In order to reflect better the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. In accordance with the Company's status as a UK investment company under section 833 of the Companies Act 2006, net capital returns may not be distributed by way of dividend. Additionally the net revenue is the measure that the directors believe to be appropriate in assessing the Company's compliance with certain requirements set out in section 1158 of the Corporation Tax Act 2010.

Foreign Currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items 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. Non-monetary items that are measured in terms of historical cost in the foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Segmental Reporting

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

Income

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

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

1 Accounting Policies continued

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

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

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

Finance Costs
75% of finance costs arising from the debenture stocks are allocated to capital at a constant rate on the carrying amount of the debt; 25% of the finance costs are charged on the same basis to the revenue account. Premiums payable on early repurchase of debenture stock are charged 100% to capital.

Share Based Payments
The Group has applied the requirements of IFRS 2: Share-based Payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 October 2004.

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

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the marginal basis. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Statement of Comprehensive Income, then no tax relief is transferred to the capital return column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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

1 Accounting Policies continued

Property and Equipment

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

Leasing

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

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

Investments Held at Fair Value Through Profit or Loss

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

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

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

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

Where no reliable fair value can be estimated for such instruments, they are carried at cost subject to any provision for impairment.

Investment in Subsidiaries

In its separate financial statements the Company recognises its investment in subsidiaries at cost, less any permanent diminution or if they are investment vehicles they are valued at fair value.

Financial Instruments

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

Derivative Financial Instruments

The Group does not enter into derivative contracts for the purpose of hedging risks on its investment portfolio as it is a long term investor. The Group does, however, receive or purchase warrants on shares which are classified as equity instruments under IAS 32. These equity instrument derivatives are recognised at fair value on the date the contract is entered into and are subsequently re-valued at their fair value.

Changes in the fair value of derivative financial instruments are recognised as they arise in the Statement of Comprehensive Income.

Trade Receivables

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

1 Accounting Policies continued

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 an insignificant risk of changes in value.

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

Debentures
All debentures are recorded at proceeds received, net of direct issue costs and held at amortised cost with the interest expense being recognised on an effective yield basis.

Trade Payables
Trade payables are not interest bearing and are stated at their fair value.

Reserves
Gains and losses on the sale of investments and investment holding gains and losses are accounted for in the capital reserve.

Own Shares
Own shares held under option are accounted for in accordance with IFRS 2: Share-based Payments. This requires that the consideration paid for own shares held be presented as a deduction from shareholders' funds, and not recognised as an asset.

Use of estimates
The preparation of financial statements requires the Group to make estimates and assumptions that affect items reported in the Balance Sheets and Statement of Comprehensive Income and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on management's best knowledge of current facts, circumstances and to, some extent, future events and actions, actual results ultimately may differ from those estimates, possibly significantly. The only estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to the valuation of unquoted investments. These are valued in accordance with the policies as set out on page 47. At the year end, unquoted investments represent 29.8% of net assets.

2 Business segments

For management purposes, the Group is currently organised into the following two principal activities:

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

The Company operates as an investment trust company and its portfolio contains investments in companies listed in a number of countries. Geographical information about the portfolio is provided on pages 11 to 14 and exposure to different currencies is disclosed in note 25 on pages 63 and 64.

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

2 Business Segments continued

Group	For the year ended 30 September 2010 Investing activities £000	Investment management and advisory services £000	Eliminations £000	Total £000	For the year ended 30 September 2009 Investing activities £000	Investment management and advisory services £000	Eliminations £000	Total £000
Income from investment management services								
Other operating and investment income	10,091	2		10,093	6,534			6,534
Intra-group income	50	92	(142)					
	10,141	94	(142)	10,093	6,534			6,534
Performance shares and options fair value charge	(64)			(64)	(251)			(251)
Other administrative costs	(2,054)	(2,356)		(4,410)	(2,538)			(2,538)
Intra-group expenses	(85)	(25)	110					
Other operating expenses	(648)			(648)	(77)			(77)
	(2,851)	(2,381)	110	(5,122)	(2,866)			(2,866)
Operating profit/(loss)	7,290	(2,287)	(32)	4,971	3,668			3,668
Finance costs	(2,802)			(2,802)	(2,802)			(2,802)
Intra-group finance costs		(25)	25					
Gains/(losses) on fair value through profit and loss	(2,361)			(2,361)	(23,723)			(23,723)
Profit/(loss) before tax	2,127	(2,312)	(7)	(192)	(22,857)			(22,857)
Dividends	(6,763)			(6,763)	(5,462)			(5,462)
Total assets	150,241	2,942		153,183	161,796			161,796
Total liabilities	(35,571)	(453)		(36,024)	(37,615)			(37,615)
Intra-group assets/(liabilities)	4,801	(4,801)						
Net assets	119,471	(2,312)		117,159	124,181			124,181

3 Income

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Income from investments				
Franked investment income†	8,778	5,539	8,778	5,539
UK unfranked investment income	21	11	21	11
Overseas dividends	1,156	800	1,156	800
Fixed interest and convertible bonds	56	59	56	59
	10,011	6,409	10,011	6,409

† Includes MAM special dividend income of £5,400,000 (2009: £1,359,000).

3 Income continued

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Other income				
Deposit interest	44	95	43	95
Other interest			25	
Sundry income	38	30	62	30
	82	125	130	125
Total income	10,093	6,534	10,141	6,534
Total income comprises:				
Dividends	9,955	6,350	9,955	6,350
Fixed interest	56	59	56	59
Interest	44	95	68	95
Other income	38	30	62	30
	10,093	6,534	10,141	6,534
Income from investments				
Listed UK	2,618	3,644	2,618	3,644
Listed overseas	1,156	800	1,156	800
Unlisted	6,237	1,965	6,237	1,965
	10,011	6,409	10,011	6,409

4 Management Fees – Company

	2010 Revenue return £000	2010 Capital return £000	2010 Total £000	2009 Revenue return £000	2009 Capital return £000	2009 Total £000
Investment management	14	44	58			
Administration	20		20			
	34	44	78			

A summary of the terms of the management agreement with Javelin Capital LLP is given in the Directors' Report on pages 21 and 22. At 30 September 2010, an amount of £58,000 was outstanding for payment of investment management fees when due (2009: £nil) and outstanding administration fees of £20,000 (2009: £nil).

The Manager is also entitled to a performance fee in accordance with the provisions of the management agreement, the calculation of which is also described in the Directors' Report on page 22. No performance fee is due in respect of the year ended 30 September 2010 (2009: £nil).

5 Administration Expenses

	Group 2010 £000		Group 2009 £000		Company 2010 £000		Company 2009 £000	
Staff costs – note 7	851		1,165		768		1,165	
Other staff costs and directors' fees	232		314		232		314	
Advisers' costs	498		410		444		410	
Relocation costs			128				128	
Information costs	129		146		82		146	
Establishment costs	132		113		113		113	
Operating lease rentals – premises	132		139		132		139	
Depreciation on tangible assets	84		58		64		58	
Auditors' remuneration (see below)	66		59		52		56	
Pre start-up costs	2,516				627			
Other expenses	482		334		259		337	
		5,122		2,866		2,773		2,866

Pre start-up costs of £2,516,000 relate to costs incurred by Javelin Capital LLP prior to 1 September 2010. These costs comprise staff costs of £1,085,000; IT costs of £320,000; Advisors costs of £400,000, other costs of £84,000 and set up costs of £627,000.

A charge of £1,390,000 (2009: £nil) to capital and an equivalent credit to revenue has been made in the Group and a charge of £1,167,000 (2009: £1,359,000) in the Company has been made to recognise the accounting policy of charging 75% of direct investment management expenses to capital.

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

	Group 2010 £000		Group 2009 £000		Company 2010 £000		Company 2009 £000	
Audit services								
– statutory audit	60		53		46		50	
Other non-audit services	6		6		6		6	
		66		59		52		56

6 Directors' Emoluments – Company

	2010 £000		2009 £000	
Salaries and fees	332		282	
Bonuses				
Pension contributions				
Other benefits				
		332		282

The Report on Directors' Remuneration on pages 28 to 30 explains the Company's policy on remuneration for directors for the year. It also provides further details of directors' remuneration.

7 Staff Costs including Executive Directors

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Salaries and other payments	684	724	607	724
Social security costs	73	126	67	126
Pension contributions	30	64	30	64
Share based remuneration – note 24	64	251	64	251
	851	1,165	768	1,165

	Group 2010 Number	Group 2009 Number	Company 2010 Number	Company 2009 Number
Average number of employees: Management and office staff	17	5	7	5

8 Finance Costs – Group and Company

	2010 Revenue return £000	2010 Capital return £000	2010 Total £000	2009 Revenue return £000	2009 Capital return £000	2009 Total £000
Interest on 9.5% debenture stock 2020	321	962	1,283	321	962	1,283
Interest on 7.25% debenture stock 2025	375	1,125	1,500	375	1,126	1,501
Amortisation of expenses associated with debenture issue	5	14	19	6	12	18
	701	2,101	2,802	702	2,100	2,802

Further details of the debenture stocks in issue are provided in note 17.

9 Taxation

Analysis of tax charge – Group and Company

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Tax on overseas dividends	131	92	131	92

Reconciliation of tax charge:
The current taxation for the year is higher than the standard rate of corporation tax in the UK (28%), (2009: 28%). The differences are explained below:

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Net return before taxation	(192)	(22,857)	2,127	(22,857)
Taxation at UK Corporation Tax rate of 28% (2009: 28%)	(54)	(6,400)	595	(6,400)

9 Taxation continued

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Effects of:				
– UK dividends which are not taxable	(2,455)	(1,551)	(2,455)	(1,551)
– foreign dividends which are not taxable	(302)	(102)	(302)	(102)
– losses on investments which are not taxable	661	6,643	661	6,643
– expenses charged to capital reserve		(231)		(231)
– expenses not deductible for tax purposes	221	107	227	
– excess expenses for current year	1,929	1,550	1,274	1,550
– group relief surrendered				107
– overseas taxation which is not recoverable	131	92	131	92
– offset relief for foreign WHT		(16)		(16)
Actual current tax charge	131	92	131	92

Group

After claiming relief against accrued income taxable on receipt, the Group has unrelieved excess expenses of £54,432,000 (2009: £47,543,000). It is not yet certain that the Group will generate sufficient taxable income in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

Company

After claiming relief against accrued income taxable on receipt, the Company has unrelieved excess expenses of £52,093,000 (2009: £47,543,000). It is not yet certain that the Company will generate sufficient taxable income in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

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

10 Dividends – Group and Company

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

	2010 £000	2009 £000
2008 Special dividend of 2.25p paid on 28 January 2009		1,170
2008 Final dividend of 6.30p paid on 28 January 2009		3,276
2009 Interim dividend of 4.20p paid on 30 June 2009		2,185
2009 Final dividend of 6.30p paid on 27 January 2010	3,277	
2010 Special dividend of 2.50p paid on 8 March 2010	1,301	
2010 Interim dividend of 4.20p paid on 30 June 2010	2,185	
	6,763	6,631

10 Dividends – Group and Company continued

	2010 £000		2009 £000	
Proposed final dividend for the year ended 30 September 2010 of 6.30p (2009: final dividend of 6.30p) per ordinary share	3,277		3,277	
		3,277		3,277

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

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

	2010 £000		2009 £000	
Interim dividend for the year ended 30 September 2010 of 4.20p (2009: 4.20p) per ordinary share	2,185		2,185	
Proposed final dividend for the year ended 30 September 2010 of 6.30p (2009: 6.30p) per ordinary share	3,277		3,277	
Special dividend for the year ended 30 September 2010 of 2.50p (2009: nil p) per ordinary share	1,301			
		6,763		5,462

11 Return per Ordinary Share – Group and Company

Basic return per ordinary share is based on 52,022,510 (2009: 51,973,767) ordinary shares, being the weighted average number of shares in issue having adjusted for the shares held by the Employee Incentive Trust referred to in note 19. Basic returns per ordinary share are based on the net return after taxation attributable to equity shareholders. There is no dilution to the basic return per ordinary share shown for the years ended 30 September 2010 and 2009 since the share options referred to in note 19 would, if exercised, be satisfied by the shares already held by the Employee Incentive Trust.

Group	2010 £000		2009 £000	
Basic and diluted revenue returns are based on net revenue after taxation of:	6,156		4,233	
Basic and diluted capital returns are based on net capital return of:	(6,479)		(27,182)	
Basic and diluted total returns are based on return of:		(323)		(22,949)

Company	2010 £000		2009 £000	
Basic and diluted revenue returns are based on net revenue after taxation of:	8,237		4,233	
Basic and diluted capital returns are based on net capital return of:	(6,241)		(27,182)	
Basic and diluted total returns are based on return of:		1,996		(22,949)

12 Property and Equipment – Group

	Leasehold Improvements £000	Office Equipment £000	Total £000
Cost:			
At 30 September 2009	171	329	500
Additions		420	420
Disposals		(255)	(255)
At 30 September 2010	171	494	665
Depreciation:			
At 30 September 2009	6	270	276
Charge for year	17	67	84
Disposals		(226)	(226)
At 30 September 2010	23	111	134
Net book value:			
At 30 September 2010	148	383	531
At 30 September 2009	165	59	224

12 Property and Equipment continued – Company

	Leasehold Improvements £000	Office Equipment £000	Total £000
Cost:			
At 30 September 2009	171	329	500
Additions		90	90
Disposals		(255)	(255)
At 30 September 2010	171	164	335
Depreciation:			
At 30 September 2009	6	270	276
Charge for year	17	47	64
Disposals		(226)	(226)
At 30 September 2010	23	91	114
Net book value:			
At 30 September 2010	148	73	221
At 30 September 2009	165	59	224

13 Investments at Fair Value Through Profit or Loss – Group and Company

	2010 Listed £000	2010 Unlisted £000	2010 Total £000	2009 Listed £000	2009 Unlisted £000	2009 Total £000
Opening cost at beginning of year	104,461	13,450	117,911	169,975	9,971	179,946
Gains/(losses) at beginning of year	6,796	22,584	29,380	(21,638)	20,673	(965)
Opening fair value at beginning of year	111,257	36,034	147,291	148,337	30,644	178,981
Purchases at cost	55,988		55,988	58,826	50	58,876
Sales – proceeds	(55,401)	(94)	(55,495)	(66,843)		(66,843)
Gains/(losses) on sales	5,903	(107)	5,796	(54,068)		(54,068)
(Decrease)/increase in investment holding gains	(6,427)	(1,730)	(8,157)	28,434	1,911	30,345
Adjustments for listing/delisting during financial year	(785)	785		(3,429)	3,429	
Closing fair value at end of year	110,535	34,888	145,423	111,257	36,034	147,291
Closing cost at end of year	110,166	14,034	124,200	104,461	13,450	117,911
Gains at end of year	369	20,854	21,223	6,796	22,584	29,380
Closing fair value at end of year	110,535	34,888	145,423	111,257	36,034	147,291

Unlisted investments include an amount of £4,330,000 in 22 various companies, £30,000,000 for our investment in MAM as detailed on page 57 and £558,000 (2009: £569,000) of loan or convertible notes that pay a fixed rate of interest. The valuation of investments on pages 13 and 14 includes 10 unlisted investments of over £100,000 (including MAM).

During the year the Company incurred transaction costs amounting to £296,000 (2009: £374,000) of which £186,000 (2009: £243,000) related to the purchases of investments and £110,000 (2009: £131,000) related to the sales of investments. These amounts are included in losses on investments at fair value through profit or loss, as disclosed in the Consolidated and Company Statement of Comprehensive Income.

The composition of the investment return is analysed below:

	2010 £000		2009 £000	
Net gains/(loss) on investments	5,796		(54,068)	
(Decrease)/increase in holding gains on investments	(8,157)		30,345	
		(2,361)		(23,723)

Substantial Share Interests

The Company has a number of investee company holdings where its investment is greater than 3% of any class of capital in those companies. Those that are considered material (excluding MAM which is disclosed separately below) in the context of these accounts are shown below:

	Fair Value £000	% of Class Held
Javelin Global Equity Strategies Fund	19,738	100.000
Capital Lease Aviation	422	3.195

13 Investments at Fair Value Through Profit or Loss – Group and Company continued

The Company has provided seed capital to the Javelin Capital Global Equity Strategies Fund. The fund is being actively marketed to potential external investors and it is forecast that the Company's interest will reduce significantly in the future. The Company does not exercise significant influence over the operating and financial policies of the above companies which are therefore not considered to be associated companies.

Majedie Asset Management

The Company has maintained a 30% equity shareholding in MAM, which provides investment management and advisory services relating to UK equities.

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

	2010 £000	2010 £000	2009 £000	2009 £000
Deemed cost of investment	1,207		1,207	
Holding gains	28,793		28,793	
Fair value at 30 September		30,000		30,000

The carrying value of MAM in the 30 September 2010 Consolidated Financial Statements is its fair value as assessed at 30 September 2010. The above valuation exercise was carried out by the Board in accordance with the Company's accounting policy for the valuation of unlisted investments. The approach adopted involved the consideration of earnings for the 2010 and the 2011 financial years, the inclusion of estimated performance fee income on a discounted basis, the application of a relevant market-based multiple to earnings and an overall illiquidity discount.

The results of MAM for the year ended 30 September 2010 show a net profit after taxation of £14,399,000 (2009: £14,222,000) and shareholders' funds of £18,192,000 (2009: £25,945,000). In accordance with the review of the treatment of the investment in MAM these results are not consolidated in the Group's results but are incorporated into the directors' valuation of the fair value of MAM as detailed above.

14 Investment in Subsidiaries – Company

Company	2010 £000	2010 £000	2009 £000	2009 £000
Cost:				
At beginning of year	1,000		1,002	
Additions	4,510			
Disposals			(2)	
At end of year		5,510		1,000
Impairment:				
At beginning of year	(839)		(808)	
Impairment in year			(31)	
At end of year		(839)		(839)
Valuation at end of year		4,671		161

All operating subsidiaries are held at cost, less any permanent diminution, unless considered to be an investment and then held at fair value.

14 Investment in Subsidiaries – Company

a) Subsidiary undertakings at 30 September 2010

Company and business	Country of Registration Incorporation and Operation	Number and class of shares held by group	Group Holding	Capital Reserves at 30.09.10 £000	Profit after tax for the year ended 30.09.10 £000
Majedie Porftolio Management Limited – Majedie share plan manager, authorised and regulated by the FSA	UK	1,000,000 Ordinary shares	100%	162	
Majedie Unit Trust – Unauthorised unit trust to receive Javelin Capital income	UK	10,000 Units	100%	10	
Javelin Capital LLP – Asset Management	UK	70% interest	70%	2,120	(2,308)
Javelin Capital Services Limited – Administration Services	UK	100 Ordinary shares	70%		
Javelin Capital Fund Management Limited – Asset Management	Ireland	125,000 Ordinary shares	70%	118	(7)
Javelin Capital EBT – Employee Benefit Trust	Guernsey	£200 Trust capital	70%		

Javelin Capital Services Limited, Javelin Capital Fund Management Limited and the Javelin Capital EBT are all wholly owned subsidiaries of Javelin Capital LLP.

b) Minority Interest

In accordance with the Company's accounting policies and the income and loss recognition provisions of the Limited Liability Partner Agreement for Javelin Capital LLP there is no minority interest to be recognised in the Consolidated Statement of Comprehensive Income or Balance Sheet.

15 Trade and Other Receivables

	Group 2010 £000		Group 2009 £000		Company 2010 £000		Company 2009 £000	
Sales for future settlement	832		1,078		832		1,078	
Payments in advance	451		435		36		434	
Dividends receivable	346		343		346		343	
Accrued income	17		18		17		18	
Taxation recoverable	45		23		45		23	
Amounts due from subsidiary undertakings					400		90	
		1,691		1,897		1,676		1,986

16 Cash and Cash Equivalents

	Group 2010 £000		Group 2009 £000		Company 2010 £000		Company 2009 £000	
Deposits	4,903		11,830		2,686		11,856	
Other balances	635		554		371		275	
		5,538		12,384		3,057		12,131

17 Trade and Other Payables

Amounts falling due within one year:

	Group 2010 £000		Group 2009 £000		Company 2010 £000		Company 2009 £000	
Purchases for future settlement	598		2,618		598		2,618	
Accrued expenses	449		590		522		589	
Other creditors	1,196		645		671		645	
		2,243		3,853		1,791		3,852

Amounts falling due after more than one year:

	Group 2010 £000		Group 2009 £000		Company 2010 £000		Company 2009 £000	
£13.5m (2009: £13.5m) 9.5% debenture stock 2020	13,384		13,376		13,384		13,376	
£20.7m (2009: £20.7m) 7.25% debenture stock 2025	20,397		20,386		20,397		20,386	
		33,781		33,762		33,781		33,762

Both debenture stocks are secured by a floating charge over the Company's assets. Expenses associated with the issue of debenture stocks were deducted from the gross proceeds and are being accounted for, at a constant rate, the effect of which is immaterially different to applying the effective interest rate method, over the life of the debentures. Further details on interest and the amortisation of issue expenses are provided in note 8.

18 Called Up Share Capital

	2010 £000	2009 £000
Allotted and fully paid at 30 September:		
52,528,000 (2009: 52,528,000) ordinary shares of 10p each	5,253	5,253

There are 505,490 (2009: 505,490) ordinary shares of 10p each held by the Employee Incentive Trust. See note 19.

Ordinary shares carry one vote each on a poll.

19 Own Shares – Group and Company

The total number of options outstanding at the date of this report is 309,080 under the LTIP and the total shareholding of the Trust is 505,490 ordinary shares. The shares will be held by the Trust until the relevant options are exercised or until they lapse. They are presented on the Balance Sheet as a deduction from shareholders' funds, in accordance with the policy detailed in note 1.

	Number of Shares	Own Shares Reserve £000
As at 30 September 2009	505,490	(1,702)
Net movements		
As at 30 September 2010	505,490	(1,702)

20 Net Asset Value

The consolidated net asset value per share has been calculated based on equity shareholders' funds of £117,159,000 (2009: £124,181,000) and on 52,022,510 (2009: 52,022,510) ordinary shares, being the shares in issue at the year end having deducted the number of shares held by the EIT.

21 Analysis of Changes in Net Debt

Group	At 30 September 2009 £000	Cash Flows £000	Non Cash Items £000	At 30 September 2010 £000
Cash at bank	12,384	(6,846)		5,538
Debt due after one year	(33,762)		(19)	(33,781)
	(21,378)	(6,846)	(19)	(28,243)

Company	At 30 September 2009 £000	Cash Flows £000	Non Cash Items £000	At 30 September 2010 £000
Cash at bank	12,131	(9,074)		3,057
Debt due after one year	(33,762)		(19)	(33,781)
	(21,631)	(9,074)	(19)	(30,724)

22 Operating Lease Commitments

The Group has a 10 year non-cancellable operating lease (with a break clause in 5 years) in respect of premises, including a rent free period. The rent free element has been apportioned over the lease up to the date of the break clause. The Group has an annual commitment at 30 September 2010 under the new lease of £145,000 (2009: £145,000). This operating lease commitment is disclosed in the table below:

Expiry Date	2010 £000	2009 £000
Within one year	145	121
Between one and two years	145	145
Between two and three years	145	145
Between three and four years	35	145
Five years and above		35
	470	591

23 Financial Commitments

At 30 September 2010 the Group had no financial commitments which had not been accrued for (2009: none).

24 Share-based Payments

The Group currently operates one share-based payment scheme being the 2006 Long Term Incentive Plan (LTIP) which in turn has two sections relating to TSR-based Awards and Matching Awards. The previous scheme, the Discretionary Share Option Scheme 2000, closed during the year. With the introduction of Javelin Capital LLP and resultant employee transfers from the Company no further awards will be made under the LTIP. Javelin Capital LLP does not operate any share-based payment schemes.

Discretionary Share Option Scheme 2000

The remaining options under the scheme lapsed during the year and the scheme was closed.

Long Term Incentive Plan: TSR-based Awards

Awards of restricted shares up to a maximum value of one year's salary have performance conditions based on total shareholder return in relation to two separate performance conditions over a period of five years. The performance conditions contain higher and lower thresholds that determine the extent of the vesting of the award.

Long Term Incentive Plan: Matching Awards

Executive directors and senior executives receive a certain percentage of their overall bonus for the year in deferred shares. The shares granted according to these matching awards only vest once the executive has completed three years' further service. There are no other performance conditions.

	2010					
	Discretionary Share Option Scheme 2000		TSR-based Awards		Matching Awards	
	No. of Options	Weighted Average Exercise Price (p)	No. of Options	Weighted Average Exercise Price (p)	No. of Options	Weighted Average Exercise Price (p)
Outstanding at 1 October 2009	106,656	330.03	166,427	0.0	17,071	0.0
During the year:						
Awarded			112,721	0.0		
Forfeited						
Exercised						
Expired	(106,656)	330.03				
Increase in awards due to dividends paid			12,120	0.0	741	0.0
Outstanding at 30 September 2010			291,268	0.0	17,812	0.0
Exercisable at 30 September 2010						

24 Share-based Payments continued

	2009					
	Discretionary Share Option Scheme 2000		TSR-based Awards		Matching Awards	
	No. of Options	Weighted Average Exercise Price (p)	No. of Options	Weighted Average Exercise Price (p)	No. of Options	Weighted Average Exercise Price (p)
Outstanding at 1 October 2008	255,803	330.09	369,394	0.0	213,085	0.0
During the year:						
Awarded			106,207	0.0		
Forfeited						
Exercised			(30,925)	0.0	(197,272)	0.0
Expired	(149,147)	330.14	(290,498)	0.0		
Increase in awards due to dividends paid			12,249	0.0	1,258	0.0
Outstanding at 30 September 2009	106,656	330.03	166,427	0.0	17,071	0.0
Exercisable at 30 September 2009						

The aggregate estimated fair value of the 112,721 TSR-based awards on 8 December 2009, being the date on which the awards were granted was £154,000 (2009: £51,000 relating to the aggregate estimated fair value of 106,207 options granted on 4 December 2008).

There were no matching awards granted in 2010 or in 2009.

During the year 106,656 share options lapsed in accordance with the leaving agreement for a former director.

The awards outstanding at 30 September 2010 had a weighted average remaining contractual life of 3.4 years and 0.13 years in respect of the TSR-based Awards and Matching Awards respectively (2009: 0.2 years for the Discretionary Share Options Scheme 2000 and then 3.9 years and 2.1 years respectively).

Awards and options are usually forfeited if the employee leaves employment before vesting.

The following table lists the assumptions and weighted average inputs used in the Black Scholes model for share awards granted in the year:

	2010 TSR-based Awards	2009 TSR-based Awards
Weighted Average share price	200.0p	162.5p
Weighted Average exercise price	0.0p	0.0p
Expected Volatility	34.0%	33.0%
Expected Life	5 yrs	5 yrs
Risk Free rate	2.5%	3.0%
Expected dividends	5.25%	6.5%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the last three years. The expected life used in the model had been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

For the year ended 30 September 2010, the Company recognised a total share options expense of £64,000 (2009: £251,000 including a one-off vesting charge of £191,000) relating to share-based payment transactions in the year ended 30 September 2010.

25 Financial Instruments and Risk Profile

As an investment trust, the Company invests in securities for the long term in order to achieve its investment objective as stated on page 1. Accordingly it is the Board's policy that no trading in investments or other financial instruments be undertaken. The Group's financial instruments comprise its investment portfolio – see note 13, cash balances, debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income, and the debenture loans used to finance its operations. The Company is unlikely to use derivatives for hedging purposes and then only in exceptional circumstances with the specific prior approval of the Board.

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

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

Market Risk

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

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

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

Foreign Currency Risk

Exposure to foreign currency risk arises through investments in securities listed on overseas stock markets. A proportion of the net assets of the Group are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be materially affected by currency movements. The Group's exposure to foreign currencies through its investments in overseas securities as at 30 September 2010 was £51,717,000 (2009: £37,026,000).

The Investment Manager monitors the Group's exposure to foreign currencies and the Board receives reports on a regular basis. In making investment decisions the Investment Manager is mindful of the Group's benchmark allocation to foreign currencies but takes independent positions based on a long term view on the relative strengths and weaknesses of currencies. Additionally the currency of investment is not the only relevant factor considered as many portfolio investment companies are global in scope and nature. The Group does not normally hedge against foreign currency movements.

25 Financial Instruments and Risk Profile continued

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

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Monetary exposures				
UK sterling	5,538	12,384	3,057	12,131
Non-monetary exposures				
US dollar	37,173	18,804	37,173	18,804
Euro	6,579	8,940	6,579	8,940
Hong Kong dollar	3,167	2,021	3,167	2,021
Swiss franc	828	1,623	828	1,623
Singapore dollar	578	735	578	735
Phillipine peso	491		491	
Japanese yen	2,476	4,376	2,476	4,376
Australian dollar	425	526	425	526
UK sterling	95,928	112,387	100,274	112,637
	147,645	149,412	151,991	149,662
Total assets	153,183	161,796	155,048	161,793
Liabilities				
Monetary exposures				
UK sterling	(33,781)	(33,762)	(33,781)	(33,762)
Non-monetary exposures				
UK sterling	(2,243)	(3,853)	(1,791)	(3,852)
	(36,024)	(37,615)	(35,572)	(37,614)
Net assets	117,159	124,181	119,476	124,179

Sensitivity analysis

A 5% increase in sterling at 30 September 2010 against the relevant foreign currencies, with all other variables held constant, would have had the effect of reducing the Group and Company's net assets and total return by £2,586,000 (2009: £1,851,000). A 5% decrease in sterling would have had the equal and opposite effect.

Interest Rate Risk

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

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

25 Financial Instruments and Risk Profile continued

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

	Group 2010 £000		Group 2009 £000		Company 2010 £000		Company 2009 £000	
Floating rate financial assets								
UK sterling	5,538		12,384		7,557		12,131	
Fixed rate financial assets								
As referred to in note 13	558		569		558		569	
Financial assets not carrying interest	147,087		148,843		146,933		149,093	
Total assets		153,183		161,796		155,048		161,793
Fixed rate financial liabilities								
UK sterling	(33,781)		(33,762)		(33,781)		(33,762)	
Financial liabilities not carrying interest UK sterling	(2,243)		(3,853)		(1,791)		(3,852)	
Total liabilities		(36,024)		(37,615)		(35,572)		(37,614)
Net assets		117,159		124,181		119,476		124,179

Floating rate financial assets usually comprise cash on deposit which is repayable on demand and receive a rate of interest based on the base rates in force over the period. The Company balance includes the £4.5m investment in Javelin Capital LLP which receives a commercial rate of interest from 31 August 2010 until full repayment occurs in accordance with the terms of the LLP Agreement. Fixed rate financial assets comprise convertible bonds or loan notes. The fixed rate financial liabilities comprise the Group and Company's debentures totalling £34.2m nominal. They pay a weighted average rate of interest of 8.1% per annum and mature in 2020 (£13.5m) and 2025 (£20.7m).

Sensitivity analysis

Movements in interest rates would not have had a significant direct impact on net assets or total return but could indirectly, have a material, but unquantifiable impact on the investments held.

Other Price Risk

Exposure to market price risk is significant and comprises mainly movements in the market prices and hence value of the Company's listed equity investments which are disclosed in note 13 on page 56. The Group also has unlisted investments which are indirectly impacted by movements in listed equity prices and related variables. The Board sets an overall investment strategy to achieve a spread of investments across sectors and regions in order to reduce risk. Investments are considered independently of the Company's benchmark which may result in volatility in the short term. The Board receives reports on the investment portfolio, performance and volatility on a regular basis in order to ensure that the investment portfolio is in accordance with current strategy.

Sensitivity analysis

A 5% increase in listed equity valuations at 30 September 2010 would have increased total assets and total return by £5,527,000 (2009: £5,563,000). A 5% decrease in listed equity valuations would have had the equal but opposite effect.

25 Financial Instruments and Risk Profile continued

Credit Risk

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

- The Company's listed investments are held on its behalf by RBC Dexia Investor Services Trust, the Company's custodian which if it became bankrupt or insolvent could cause the Company's rights with respect to securities held to be delayed. The Company receives regular internal control reports from the Custodian which are reviewed by Management and reported to the Board;
- Investment transactions are undertaken by the Investment Manager with a number of approved brokers in the ordinary course of business. All new brokers are reviewed by the Investment Manager for credit worthiness and added to an approved brokers list if not considered to be a credit risk;
- Cash is held at banks that are considered to be reputable and high quality. Cash balances are spread across a range of banks to reduce concentration risk;
- Where the Company makes an investment in a loan or other security with credit risk, that credit risk is assessed and considered as part of the investment decision making process by the Investment Manager. The Board receives regular reports on the composition of the investment portfolio.

Credit Risk Exposure

At 30 September 2010, Group cash balances total £5,538,000 (2009: £12,384,000), Group debtors and prepayments total £1,691,000 (2009: £1,897,000). Company cash balances total £3,057,000 (2009: £12,131,000), Company debtors and prepayments total £1,676,000 (2009: £1,986,000). Also included within the Company's investment portfolio are a number of convertible notes or loan notes designated at fair value through profit or loss. The total value of these notes are £558,000 (2009: £569,000). One loan note with a cost of £422,000 is currently impaired and has been written down to £nil. The minimum exposure to credit risk during the year was £16,373,000 (Company: £16,210,000) and the maximum exposure was £7,787,000 (Company: £5,290,000).

Liquidity Risk

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

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities and other quoted securities that are readily realisable. The Board has various limits in respect of how much of the Company's resources can be invested in any one company. The unlisted investments in the portfolio are subject to liquidity risk but such investments are subject to limits set by the Board and liquidity risk is taken into account by the directors when arriving at their valuation.

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

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

Undiscounted cash flows Group 2010	Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 3 years £000	Due 3 years and beyond £000	Total £000
9.5% debenture stock 2020				13,500	13,500
7.25% debenture stock 2025				20,700	20,700
Interest on financial liabilities	2,783	2,783	2,783	26,433	34,782
Trade payable and other liabilities (excluding social security and sundry taxes)	2,243				2,243
	5,026	2,783	2,783	60,633	71,225

25 Financial Instruments and Risk Profile continued

Undiscounted cash flows Group 2009	Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 3 years £000	Due 3 years and beyond £000	Total £000
9.5% debenture stock 2020				13,500	13,500
7.25% debenture stock 2025				20,700	20,700
Interest on financial liabilities	2,783	2,783	2,783	29,216	37,565
Trade payable and other liabilities (excluding social security and sundry taxes)	3,853				3,853
	6,636	2,783	2,783	63,416	75,618

Undiscounted cash flows Company 2010	Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 3 years £000	Due 3 years and beyond £000	Total £000
9.5% debenture stock 2020				13,500	13,500
7.25% debenture stock 2025				20,700	20,700
Interest on financial liabilities	2,783	2,783	2,783	26,433	34,782
Trade payable and other liabilities (excluding social security and sundry taxes)	1,791				1,791
	4,574	2,783	2,783	60,633	70,773

Undiscounted cash flows Company 2009	Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 3 years £000	Due 3 years and beyond £000	Total £000
9.5% debenture stock 2020				13,500	13,500
7.25% debenture stock 2025				20,700	20,700
Interest on financial liabilities	2,783	2,783	2,783	29,216	37,565
Trade payable and other liabilities (excluding social security and sundry taxes)	3,852				3,852
	6,635	2,783	2,783	63,416	75,617

Fair value of financial assets and liabilities

The Group's financial instruments at 30 September comprised the following:

Group	Book Value 2010 £000	Book Value 2009 £000	Fair Value 2010 £000	Fair Value 2009 £000
Financial assets				
Investment portfolio	145,423	147,291	145,423	147,291
Cash	5,538	12,384	5,538	12,384
Financial liabilities				
£13.5m (2009: £13.5m) 9.5% debenture stock 2020	13,384	13,376	17,532	16,462
£20.7m (2009: £20.7m) 7.25% debenture stock 2025	20,397	20,386	23,473	21,870

25 Financial Instruments and Risk Profile continued

Company	Book Value 2010 £000	Book Value 2009 £000	Fair Value 2010 £000	Fair Value 2009 £000
Financial assets				
Investment portfolio	145,423	147,291	145,423	147,291
Cash	3,057	12,131	3,057	12,131
Financial liabilities				
£13.5m (2009: £13.5m) 9.5% debenture stock 2020	13,384	13,376	17,532	16,462
£20.7m (2009: £20.7m) 7.25% debenture stock 2025	20,397	20,386	23,473	21,870

The investment portfolio has been valued in accordance with the accounting policy in note 1 to the accounts. Accordingly, book value equates to fair value. The fair value of the debenture stock is calculated using Discounted Cash Flow analysis and by reference to the redemption yields of a similar company's debt instrument, with an appropriate margin spread added.

Fair value hierarchy disclosures

The Group has adopted the amendment to IFRS 7, effective 1 January 2009. This requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following three levels:

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

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

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

  Level 2 inputs include the following:

  - quoted prices for similar (ie not identical) assets in active markets.
  - quoted prices for identical or similar assets or liabilities in markets that are not active. Characteristics of an inactive market include a significant decline in the volume and level of trading activity, the available prices vary significantly over time or among market participants or the prices are not current.
  - inputs other than quoted prices that are observable for the asset (for example, interest rates and yield curves observable at commonly quoted intervals).
  - inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (market-corroborated inputs).

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

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

25 Financial Instruments and Risk Profile continued

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

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

Financial Assets at fair value through profit or loss at 30 September 2010	Total £000	Level 1 £000	Level 2 £000	Level 3 £000
Group				
Equity investments	144,789	110,464		34,325
Convertible bonds	260			260
Convertible loan notes	298			298
Preference shares	76	71		5
	145,423	110,535		34,888

Financial Assets at fair value through profit or loss at 30 September 2010	Total £000	Level 1 £000	Level 2 £000	Level 3 £000
Company				
Equity investments	149,460	110,464		38,996
Convertible bonds	260			260
Convertible loan notes	298			298
Preference shares	76	71		5
	150,094	110,535		39,559

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

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

25 Financial Instruments and Risk Profile continued

The following table presents the movement in level 3 instruments for the period ended 30 September 2010:

Group	Total £000	Equity investments £000	Convertible bonds £000	Convertible loan notes £000	Preference shares £000
Opening balance	36,034	35,465	274	294	1
Purchases					
Transfers from Level 1	785	785			
Sales – proceeds	(94)	(94)			
Total (losses)/gains for the year included in the income statement	(1,837)	(1,831)	(14)	4	4
	34,888	34,325	260	298	5

Company	Total £000	Equity investments £000	Convertible bonds £000	Convertible loan notes £000	Preference shares £000
Opening balance	36,195	35,626	274	294	1
Purchases	4,510	4,510			
Transfers from Level 1	785	785			
Sales – proceeds	(94)	(94)			
Total (losses)/gains for the year included in the income statement	(1,837)	(1,831)	(14)	4	4
	39,559	38,996	260	298	5

Capital Management Policies and Procedures

The Group's capital management objectives are:

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

The Company's capital at 30 September comprises:

	2010 £000	2010 £000	2009 £000	2009 £000
Net debt				
Cash	(3,057)		(12,131)	
Debentures	33,781		33,762	
Sub total		30,724		21,631
Equity				
Equity share capital	5,253		5,253	
Retained earnings and other reserves	114,223		118,926	
Sub total		119,476		124,179
Net debt as a percentage of net assets		25.7%		17.4%

25 Financial Instruments and Risk Profile continued

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

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

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

The Company is subject to various externally imposed capital requirements:

- the debentures are not to exceed in aggregate 66⅔% of adjusted share capital and reserves in accordance with the respective Trust Deeds; and
- the Company has to comply with statutory requirements regarding minimum share capital and restriction tests relating to dividend distributions.

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

26 Derivative Financial Instruments

In the course of its investment activities the Company receives warrants on ordinary shares which provide exposure to companies on favourable terms. At 30 September 2010, the fair value of the Company's warrants, both listed and unlisted was £nil (2009: £nil).

Changes in the fair value of warrants amounting to £nil (2009: £18,000) have been debited to the Statement of Comprehensive Income in the year ended 30 September 2010.

27 Related Party Transactions

Javelin Capital

Javelin Capital LLP is a subsidiary of the Company and is consolidated into the Group accounts. On 31 August 2010 various agreements were signed in relation to the introduction of Javelin Capital LLP. Additionally and not on the same date certain other agreements were signed to give effect to the operational structure of the Javelin Capital group. The table below provides a summary of each respective agreement:

Agreement	Signatories/Parties	Nature of Agreement
LLP Agreement	Majedie Investment PLC; Majedie Unit Trust; Javelin Capital UK Limited; Javelin Capital EBT; Mr GP Aherne; Mr V Pina; Mr CJ Edge; Mr RJ Mace; Mr SP Asprey; Mr NR Rundle	As described in the directors' report
Management Agreement	Majedie Investments PLC; Javelin Capital LLP	As described in the directors' report
Administration Services Agreement	Majedie Investments PLC; Javelin Capital LLP	As described in the directors' report
Contribution and transfer Agreement	Majedie Investments PLC; Javelin Capital LLP	As described in the directors' report

27 Related Party Transactions continued

Agreement	Signatories/Parties	Nature of Agreement
Intra Group Asset Lease Agreement	Majedie Investments PLC; Javelin Capital Services Limited	As described in the directors' report
International Prime Brokerage Agreement	Javelin Capital Strategies plc; Morgan Stanley & Co International plc; BNP Paribas Securities Services, Dublin Branch	Appointment of Prime Broker to Javelin Capital Strategies plc "the fund company" (which is the Irish listed fund vehicle for the current fund managed by Javelin Capital LLP)
Prime Brokerage Agreement	Javelin Capital Strategies plc; Goldman Sachs International; Javelin Capital LLP; BNP Paribas Securities Services, Dublin Branch	Appointment of Prime Broker to Javelin Capital Strategies plc "the fund company" (which is the Irish listed fund vehicle for the current fund managed by Javelin Capital LLP)
Administration Agreement	Javelin Capital Strategies plc; Javelin Capital Fund Management Limited; BNP Paribas Fund Services Dublin Limited	Appointment of administrator to the fund company
Management Agreement	Javelin Capital Strategies plc; Javelin Capital Fund Management Limited	Appointment of manager to the fund company
Investment Management and Distribution Agreement	Javelin Capital LLP; Javelin Capital Fund Management Limited	Appointment of investment manager and distributor to the fund company

Javelin Capital Strategies plc is an Irish Stock Exchange listed Qualifying Investment Fund "the fund company". It currently has one sub-fund called the Javelin Capital Global Equity Strategies Fund whose investment manager is Javelin Capital LLP. Javelin Capital Fund Management Limited (JCFM), a wholly owned subsidiary of Javelin Capital LLP, acts as manager for the fund company.

For the year ended 30 September 2010 management and performance fees due to the manager amounted to £7,000 of which all was outstanding at year end (2009: nil).

On 23 September 2010 the Company made an investment of £20m into the Javelin Capital Global Equity Strategies Fund for an initial period of two years, subject to performance. This investment is subject to management and performance fees which totalled £7,000 and nil respectively for the period to 30 September 2010. At that time the full balance was outstanding (2009:£nil).

Before Javelin Capital LLP was operational the Company paid certain expenses or assets on its behalf. These were charged to JCS and amounted to £1,889,000 and as at year end £283,000 was outstanding (2009: nil).

As investment manager and general administrator for the Company, Javelin Capital LLP receives fees in accordance with the relevant agreements. As these only came into effect from 1 September when the agreements took effect, the total income accrued by Javelin Capital was £58,000 and £25,000 respectively, all of which was outstanding at year end (2009: nil).

The Company receives interest at a commercial rate on its investment in Javelin Capital LLP. Under the terms of the LLP Agreement this starts from 31 August 2010 and continues until it is fully repaid. During the period this was accrued as £25,000 all of which was outstanding at the year end (2009:nil).

27 Related Party Transactions continued

Mr Aherne is a partner in Javelin Capital LLP and a director of Javelin Capital Strategies plc and Javelin Capital Investments plc, which are both Irish listed fund companies (although Javelin Capital Investments plc is not yet trading) for funds that are or would be managed by Javelin Capital LLP. His only source of remuneration from the Group, as from 31 August 2010 is as a partner of Javelin Capital LLP, details of which are provided in the Report on Directors' Remuneration .

Mr Aherne has also made an investment of £50,000 in the Javelin Capital Global Equity Strategies Fund on terms available to staff, which are no more favourable than those received by the Company.

In addition to the LLP Agreement detailed above there are two side letters that relate to Javelin Capital LLP between the Company and the individual partners. The first relates to the potential ability to make changes to the relevant control rights under the LLP Agreement if the business is successful. The second is in respect of circumstances in which individual partner capital and current account balances are repaid.

The Company has paid certain start-up costs on behalf of the individual partners and as such the LLP Agreement provides for an additional profit share element of £385,000 to be awarded to the Company to recoup such costs in full.

The Company incurs certain costs on behalf of Majedie Portfolio Management Limited (MPM) for operating the Majedie Investments PLC Share Plan. These costs, net of any income in MPM, are recharged to MPM and for the year ended 30 September 2010 these totalled £35,000 (2009: £35,000) and as at year end a balance of £92,000 was outstanding at year end (2009: £91,000).

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

Majedie Asset Management (MAM)

MAM is accounted for as an investment in both the Company and Group accounts and is valued at fair value through profit or loss. During the year the Company received dividends from MAM of £6,181,000 of which none was outstanding at year end (2009: £1,906,000 and nil).

On 4 February 2010 the Company redeemed in full its B share investment in the Majedie Asset Management Tortoise Fund for proceeds totalling £1,646,000 and a gain over cost of £375,000. During the year no distributions were received and fees of £2,800 were incurred (2009: £23,000 and £81,000 respectively). There were no balances outstanding at year end (2009: nil). The Company has no other investments in any MAM funds.

Remuneration

The remuneration of the directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS24: Related Party Disclosures. Further information about the remuneration of individual directors is provided in the audited part of the Report on Directors Remuneration on pages 28 to 30.

	2010 £000		2009 £000	
Short term employee benefits	332		282	
Share-based payments				
		332		282

Ten Year Record

to 30 September 2010

Year End	Total† Assets £000	Share-holders' Funds £000	NAV Per Share Pence	Share Price Pence	Discount %	Earnings Pence	Net Dividend Pence	Actual Gearing Ratio %	Potential Gearing Ratio %	Total Company Costs Ratio %
2001	203,067	163,709	310.7*	242.5	21.95	7.73	7.90	19.40	24.10	0.96
2002	164,344	124,893	238.1*	187.5	21.25	9.97	8.15	18.30	31.70	1.56
2003	168,001	128,810	246.6*	198.0	19.71	7.52	8.45	17.09	30.57	1.67
2004	172,144	138,893	266.5*	227.5	14.63	5.25	8.75	14.51	24.25	1.36
2005	212,600	178,845	343.0*	303.5	11.52	8.94	9.05***	16.18	18.65	1.19
2006**	242,903	209,189	403.2*	338.3	16.09	12.45	9.50***	13.94	16.12	1.28
2007**	286,944	253,216	490.7*	413.3	15.77	13.60	14.50***	10.65	13.32	1.24
2008	187,209	153,465	296.5*	250.0	15.68	12.45	12.75***	16.69	21.99	1.61
2009	157,943	124,181	238.7*	189.8	20.51	8.14	10.50***	17.22	27.19	2.06
2010	150,940	117,159	225.2*	191.5	15.00	11.83	13.00***	18.26	28.83	2.36#

The Actual Gearing Ratio is calculated as total assets less cash, fixed interest assets and minority interest divided by shareholders' funds less own shares held, up to and including 2002. From 2003 onwards the Actual Gearing Ratio is calculated as total assets less cash, fixed interest assets and minority interest divided by shareholders' funds. The Potential Gearing Ratio is calculated as total assets less minority interest and own shares held divided by shareholders' funds less own shares held, up to and including 2002. From 2003 onwards the Potential Gearing Ratio is calculated as total assets less minority interest divided by shareholders' funds. The change in calculation in 2003 for both the Actual Gearing Ratio and the Potential Gearing Ratio is due to UITF Abstract 38: Accounting for ESOP Trusts.

* From 2001 onwards NAV Per Share figures have been calculated as described in note 20 on page 60.

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

*** Net dividends represent dividends that relate to the Company's financial year. Under IFRS dividends are not accrued until paid or approved.

† Represents total assets less current liabilities.

Excludes non-operating setup costs expensed in relation to Javelin Capital LLP.

Notice of Meeting

Notice is hereby given that the one hundredth Annual General Meeting of Majedie Investments PLC will be held at Pewterers' Hall, Oat Lane, London EC2V 7DE on Wednesday, 19 January 2011 at 11.30am 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 2010.
2. To receive the Report on Directors' Remuneration.
3. To declare a final dividend of 6.3p per share in respect of the year ended 30 September 2010.
4. To re-elect H V Reid as a director.
5. To re-elect J W M Barlow as a director.
6. To re-elect G P Aherne as a director.
7. To appoint Ernst & Young LLP as 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:

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

   (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 7,873,947, or if less, 14.99% of the number of shares in circulation immediately following the passing of this resolution;

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

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

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

      (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No.2233/2003);

   (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2012 or, if earlier, on the expiry of 18 months from the passing of this Resolution, unless such authority is renewed prior to such time; and

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

By order of the Board
Capita Sinclair Henderson Limited
Company Secretary
24 November 2010

Note 1
To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast) members must be entered on the Company's register of members at 6.00 pm on 17 January 2011 (or, in the event of any adjournment, 6.00 pm on the date which is two days (excluding weekends and bank holidays) before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Note 2
A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. To be effective, a copy of the enclosed personalised form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, not later than 48 hours before (excluding weekends and bank holidays) the time of the meeting or any adjustment thereof. The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands. On a vote by poll every member present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder. The termination of the authority of a person to act as proxy must be notified to the Company in writing.

To appoint more than one proxy, shareholders will need to complete a separate proxy form in relation to each appointment (you may photocopy the proxy form), stating clearly on each proxy form how many shares the proxy is appointed in relation to. A failure to specify the number of shares each proxy appointment relates to or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope.

Shareholders may cast a vote electronically rather than completing a hard copy proxy form. To do so, go to Computershare's URL: www.eproxyappointment.com where the following details, which can be found on your proxy card or in an email received from Computershare, will be required:

- *the meeting control number;*
- *your shareholder reference number; and*
- *your unique pin code.*

For the electronic proxy to be valid it must be received by Computershare no later than 11.30am on 17 January 2011.

Note 3
In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the register of members in respect of the joint holding (the first-named being the most senior).

Note 4
Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Note 2 above does not apply to a Nominated Person. The rights described in that Note can only be exercised by registered members of the Company.

Note 5
Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at 6.00 pm on 17 January 2011 shall be entitled to attend and vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at the that time. Changes to entries on the relevant register of members after 6.00 pm on 17 January 2011 ("the specified time") shall be disregarded in determining the rights of any person to attend or vote at the meeting. If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If, however, the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.

Note 6
CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual, which is available to download from the Euroclear website (www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

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

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

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

Note 7
As at the date of this Notice, the Company's issued share capital and total voting rights amounted to 52,528,000 ordinary shares carrying one vote each.

Note 8

In accordance with Section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:

a) to do so would:

(ii) interfere unduly with the preparation for the meeting, or

(ii) involve the disclosure of confidential information;

b) the answer has already been given on a website in the form of an answer to a question; or

c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Note 9

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

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

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

Note 10

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

Note 11

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

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

Note 13
A copy of this notice of Annual General Meeting is available on the Company's website: www.majedie.co.uk

Note 14
The terms and conditions of appointment of Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (except Saturdays and public holidays) until the date of the Meeting and at the place of the Meeting for a period of fifteen minutes prior to and during the Meeting. None of the Directors has a contract of service with the Company.

Note 15
You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than these expressly stated.

Majedie Savings Plans

Majedie Share Plan

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

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

There are no dealing charges and there is no annual management fee. Your lump sum or monthly payments will be used to buy as many shares as possible after deducting Government Stamp Duty, currently at the rate of 0.5%. On the sale of shares a fixed charge of £15 + VAT is levied.

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

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

** authorised and regulated by the Financial Services Authority*

Majedie Corporate ISA

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

ISAs provide the following benefits:

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

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

Shares may be purchased either by way of a lump sum payment or through regular monthly payments. The minimum lump sum investment is £500, while the minimum direct debit subscription is £50. The maximum investment permitted is now £10,200 for the 2010/11 tax year. Investments can be split between a cash ISA (up to a limit of £5,100) and a stocks and shares ISA (up to a limit of £10,200).

The Majedie Corporate ISA is provided in conjunction with Halifax Share Dealing (HSDL) who act as an HM Revenue & Customs Approved PEP and ISA Manager. For more information, an ISA booklet and/or an application form please contact the Majedie Corporate ISA Manager, Halifax Share Dealing Limited, Trinity Road, Halifax HX1 2RG (telephone: 0870 600 9966).

Majedie General PEP

Although you are no longer able to put new money into a PEP, your existing PEP investments remain sheltered from tax and can continue to grow. You may transfer an existing PEP from another manager to the Majedie General PEP.

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

Shareholder Information

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

Company Secretary
Capita Sinclair Henderson Limited
Trading as Capita Financial Group – Specialist Fund Services
Beaufort House
51 New North Road
Exeter EX4 4EP
Telephone: 01392 412122
Fax: 01392 253282

Investment Manager
Javelin Capital LLP
Tower 42
25 Old Broad Street
London EC2N 1HQ
Telephone: 020 7382 8170
Fax: 020 7374 4854
Email: info@javelincapital.com

Registrars
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 707 1159

Shareholders should notify all changes of name and address in writing to the Registrars. Shareholders may check details of their holdings, historical dividends, graphs and other data by accessing www.computershare.com.

Shareholders wishing to receive communications from the Registrars by email (including notification of the publication of the annual and interim reports) should register on-line at http://www-uk.computershare.com/investor. Shareholders will need their shareholder number, shown on their share certificate and dividend vouchers, in order to access both of the above services.

Auditors
Ernst & Young LLP
1 More London Place
London SE1 2AF

Stockbrokers
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

Key Dates in 2011

Ex-dividend date	5 January 2011
Record date	7 January 2011
Annual General Meeting	19 January 2011
2009/10 final dividend paid	26 January 2011
Interim results announcement	May
2010/11 interim dividend paid	29 June 2011
Financial year end	30 September
Final results announcement	November
Annual report mailed to shareholders	December

Website
www.majedie.co.uk

Share Price
The share price is quoted daily in The Times, Financial Times, The Daily Telegraph, The Independent and London Evening Standard. Shares may be bought through the Majedie Share Plan or Majedie Corporate ISA (details of which are set out on page 80). You may transfer an existing PEP to the Majedie General PEP (page 80). You may also purchase shares through an on-line dealing facility or via your stockbroker or bank.

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

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

Notes

Notes

WARNING TO SHAREHOLDERS - BOILER ROOM SCAMS

In recent years, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting **www.fsa.gov.uk/register/** and contacting the firm using the details on the register
- Report the matter to the FSA either by calling **0845 606 1234** or visiting **www.moneymadeclear.fsa.gov.uk**
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at **www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml**

Details of any share dealing facilities that the company endorses will be included in company mailings.

More detailed information on this or similar activity can be found on the CFEB website **www.moneymadeclear.fsa.gov.uk**

May 2010

Majedie Investments PLC

Tower 42
25 Old Broad Street
London EC2N 1HQ

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