



Financial Statements / Report on Remuneration Implementation

This Report is prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

A resolution to approve this Report on Remuneration Implementation will be proposed at the AGM of the Company to be held on 16 December 2021.

Statement from the Chairman

As the Company has no employees and the Board is comprised wholly of non-executive Directors, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole, at its discretion within an aggregate ceiling of £300,000 per annum. Each Director abstains from voting on their own individual remuneration.

During the year, the Board carried out a review of the level of Directors' fees in accordance with the Remuneration Policy. In the light of the uncertainties surrounding the COVID-19 pandemic, it was decided not to increase Directors' fees during the year. However, following the end of the period, the Board carried out a further review of the Directors' fees and considered the level of fees being paid to non-executive directors of investment trusts with assets of around £1bn as well as to the Company's peer group. This review concluded that the fees being paid to the Company's Directors were below the average. As a result, with effect from 1 April 2022, fees will be increased to £50,000 (previously £45,000) per annum for the Chairman and £32,000 (previously £29,000) per annum for other Directors. The additional fees payable to the Chairman of the Audit Committee and to the Senior Independent Director will remain unchanged, at £5,000 and £2,500 per annum respectively. Directors' fees were last increased on 1 April 2019.

The Board is satisfied that the changes to the remuneration of the Directors are compliant with the Directors' Remuneration Policy approved by shareholders at the AGM held on 19 December 2019.

There will be no significant change in the way that the approved Remuneration Policy will be implemented in the course of the next financial year.

Directors' Emoluments (audited information)

Directors are only entitled to fees at such rates as are determined by the Board from time to time and in accordance with the Directors' Remuneration Policy as approved by the shareholders.

None of the Directors has any entitlement to pensions or pension-related benefits, medical or life insurance schemes, share options, long-term incentive plans, or performance-related payments. No Director is entitled to any other monetary payment or any assets of the Company.

The Directors who served during the year received the following emoluments:

Single Total Figure Table (audited information)

Name of Director	Fees paid (£)		Taxable benefits (£)*		Total (£)		Percentage change ² %
	2021	2020	2021	2020	2021	2020	
Susan Noble	45,000	45,000	–	–	45,000	45,000	3.9
Anja Balfour	29,000	29,000	404	1,810	29,404	30,810	3.4
Neil Galloway ¹	2,417	–	–	–	2,417	–	–
Graham Kitchen	29,000	29,000	–	–	29,000	29,000	3.4
Nigel Rich	31,500	31,500	–	16	31,500	31,516	4.3
Calum Thomson	34,000	34,000	386	612	34,386	34,612	3.4
	170,917	168,500	790	2,438	171,707	170,938	

* Reimbursement of travel expenses.

¹ Appointed 1 September 2021.

² The average percentage change over the previous two financial years. Fees for Directors who were appointed or resigned during the year were calculated on a pro-rata basis, in order to provide a meaningful figure.

Accordingly the Single Total Figure table below does not include columns for any of these items or their monetary equivalents.

As the Company does not have a Chief Executive Officer or any executive Directors, there are no percentage increases to disclose in respect of their total remuneration, and it has not reported on those aspects of remuneration that relate to executive Directors.

Directors' & Officers' liability insurance is maintained and paid for by the Company on behalf of the Directors.

In line with market practice, the Company has agreed to indemnify the Directors in respect of costs, charges, losses, liabilities, damages and expenses, arising out of any claims or proposed claims made for negligence, default, breach of duty, breach of trust or otherwise, or relating to any application under Section 1157 of the Companies Act 2006, in connection with the performance of their duties as Directors of the Company. The indemnities would also provide financial support from the Company should the level of cover provided by the Directors' & Officers' liability insurance maintained by the Company be exhausted.

Voting at AGM

A binding Ordinary Resolution approving the Directors' Remuneration Policy was approved by shareholders at the AGM held on 19 December 2019 and a non-binding Ordinary Resolution adopting the Directors' Report on Remuneration Implementation for the year ended 30 September 2020 was approved by shareholders at the AGM held on 17 December 2020. The votes cast by proxy were as follows:

Remuneration Policy (AGM 2019)

For – % of votes cast	99.74%
Against – % of votes cast	0.15%
At Chairman's discretion – % of votes cast	0.11%
Total votes cast	44,140,907
Number of votes withheld	109,933

Report on Remuneration Implementation (AGM 2020)

For – % of votes cast	99.63%
Against – % of votes cast	0.29%
At Chairman's discretion – % of votes cast	0.08%
Total votes cast	36,987,210
Number of votes withheld	89,395

Sums Paid to Third Parties (audited information)

None of the fees referred to in the above table were paid to any third party in respect of the services provided by any of the Directors.

Other Benefits

Taxable benefits – Article 117 of the Company's Articles of Association provides that Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings.

Pensions related benefits – Article 118 permits the Company to provide pension or similar benefits for Directors and employees of the Company. However, no pension schemes or other similar arrangements have been established and no Director is entitled to any pension or similar benefits.

Share Price Total Return

The chart below illustrates the total shareholder return for a holding in the Company's shares, as compared to the MSCI All Country World ex-US Index (£ adjusted total return), which the Board has adopted as the measure for both the Company's performance and that of the Investment Manager for the year.

Ten years to 30 September 2021



Relative Importance of Spend on Pay

The table below shows the proportion of the Company's income spent on pay.

	2021	2020	Difference
Spend on Directors' fees*	£171,000	£168,500	1.5%
Management fee and other expenses	8,861,082	£7,592,205	16.71%
Distribution to shareholders:			
(a) dividends	£17,308,028	£22,293,412	(22.4)%
(b) share buyback	£32,638,401	£31,072,050	5.0%

* As the Company has no employees the total spend on remuneration comprises only the Directors' fees.

Note: the items listed in the table above are as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 ss.20 with the exception of the management fee and other expenses, which has been included because the Directors believe it will help shareholders' understanding of the relative importance of the spend on pay. The figures for this measure are the same as those shown in note 3 to the financial statements.

Statement of Directors' Shareholding and Share Interests (audited information)

Neither the Company's Articles of Association nor the Directors' Letters of Appointment require a Director to own shares in the Company. The interests of the Directors and their connected persons in the equity and debt securities of the Company at 30 September 2021 (or date of retirement if earlier or date of appointment, if later) are shown in the table below:

Director	Ordinary Shares	
	2021	2020
Susan Noble	13,665	13,665
Anja Balfour	7,300	7,300
Neil Galloway†	–	–
Graham Kitchen††	10,900*	9,000*
Nigel Rich	18,000**	18,000**
Calum Thomson	8,898	8,898

* Includes 3,450 held by Jane Kitchen as at 30 September 2021 (as at 30 September 2020: 2,500).

** Includes 3,000 held by Cynthia Rich.

† Appointed 1 September 2021.

†† Appointed 1 January 2019.

There have been no changes to Directors' interests between 30 September 2021 and the date of this Report.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Implementation summarises, as applicable, for the year to 30 September 2021:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions have been taken.

Susan Noble
Chairman

8 November 2021