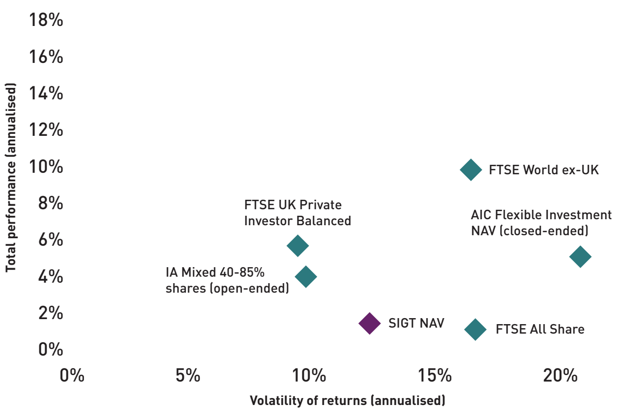
SENECA INVESTMENT MANAGERS | Multi-Asset Value Investing

Seneca Global Income & Growth Trust plc

Annual Report and Accounts
30 April 2020

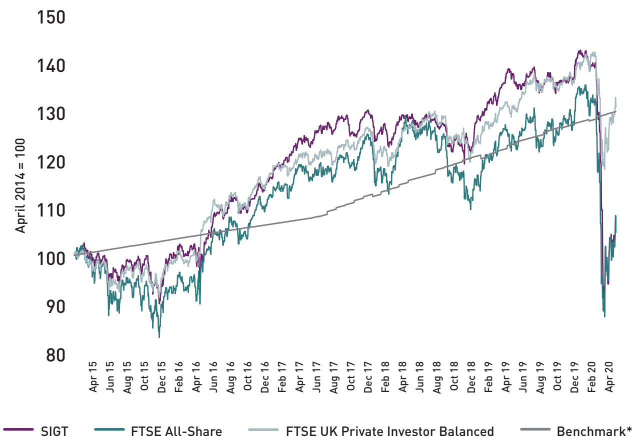
Seneca Global Income & Growth Trust plc

Total return and volatility for the five year period ended 30 April 2020



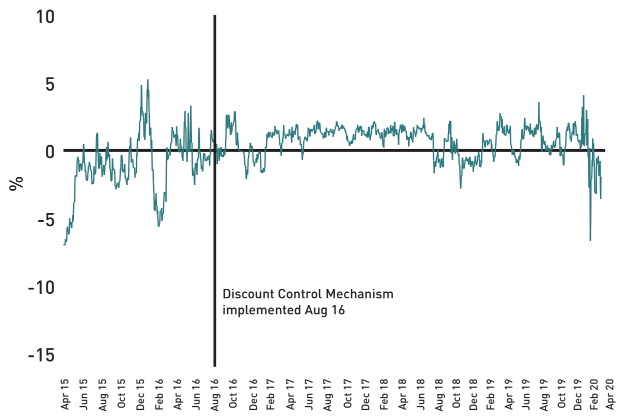
Source: FTSE Russell®/Morningstar/Seneca Investment Managers

Cumulative growth, NAV total return, GBP



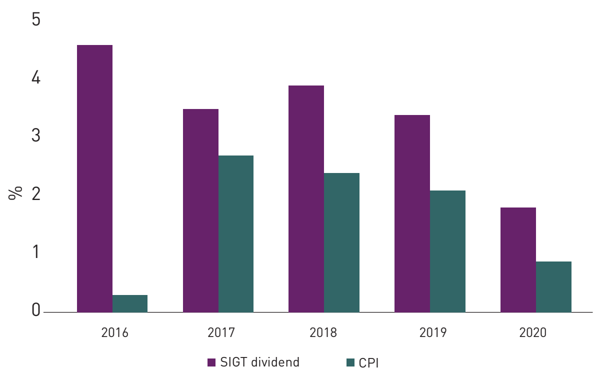
Source: FTSE Russell®/Seneca Investment Managers

Company premium/(discount)% (based on cum income NAV)



Source: Bloomberg

Dividend growth† vs CPI



Source: Bloomberg
† Financial year dividend

Total returns against comparator indices for periods to 30 April 2020

		Cumulative		
	1 Year	3 Year	5 Year	Since 18.01.2012†
SIGT NAV	-22.7	-11.7	6.5	56.1
SIGT share price	-23.9	-14.8	12.3	76.6
Benchmark	6.8	22.6	29.6	41.6
AIC Flexible Investment Sector	-6.1	4.4	27.1	55.6
FTSE UK Private Investor Balanced	-0.5	11.3	30.7	80.1
FTSE All-Share	-16.6	-7.6	4.8	51.3
FTSE All-World Ex UK	-0.4	20.0	58.6	147.8
FTSE Gilts All-Stocks	15.0	17.7	32.7	48.4

Source: FTSE Russell®/Morningstar/Seneca Investment Managers

* The benchmark return is calculated using a blended return based on the benchmark of CPI +6% from 7 July 2017 and previously of LIBOR GBP +3%.
† Date of change of investment policy

Seneca Global Income & Growth Trust plc

Our objective

Over a typical investment cycle†, the Company will seek to achieve a total return of at least CPI plus 6% per annum after costs with low volatility, and with the aim of growing the aggregate annual dividends at least in line with inflation, through the application of a Multi-Asset Investment Policy.

† The Manager defines a typical investment cycle as one which spans 5-10 years, and in which returns from various asset classes are generally in line with their very long-term averages.

This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Directors' current view and on information known to them at the date of this document. Nothing should be construed as a profit forecast.

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Financial Highlights

Performance

Percentage total return	1 year	Since 18.01.2012††
Share price^	-23.9%	+76.6%
Net asset value^	-22.7%	+56.1%
Benchmark†	+6.8%	+41.6%

	30 April 2020	30 April 2019	Change
Total assets* (£'000)	70,516	91,940	-23.3%
Total equity Shareholders' funds (net assets) (£'000)	63,516	84,940	-25.2%
Share price (mid market)	130.50p	178.25p	-26.8%
Net asset value per share (cum income)	133.10p	179.08p	-25.7%
(Discount)/premium^	(2.0)%	(0.5)%	
Actual gearing^	10.2%	3.3%	
Potential gearing^	11.0%	8.2%	
Ongoing charges ratio^	1.51%	1.47%	
Dividends and earnings			
Revenue return per share	6.79p	7.50p	-9.5%
Dividends per share	6.72p	6.60p	+1.8%
Revenue reserves (£'000)	2,005	1,983	+1.1%

Quarterly dividends	Rate	Xd date	Record date	Payment date
Fourth interim 2019/20	1.68p	28 May 2020	29 May 2020	19 June 2020
Third interim 2019/20	1.68p	27 February 2020	28 February 2020	20 March 2020
Second interim 2019/20	1.68p	28 November 2019	29 November 2019	20 December 2019
First interim 2019/20	1.68p	5 September 2019	6 September 2019	27 September 2019
Total	**6.72p**			
Fourth interim 2018/19	1.68p	30 May 2019	31 May 2019	21 June 2019
Third interim 2018/19	1.64p	28 February 2019	1 March 2019	22 March 2019
Second interim 2018/19	1.64p	29 November 2018	30 November 2018	21 December 2018
First interim 2018/19	1.64p	6 September 2018	7 September 2018	28 September 2018
Total	**6.60p**			

† The benchmark return is calculated using a blended return based on the benchmark of CPI +6% from 7 July 2017 and previously of LIBOR GBP +3%.
†† Date of change to the current investment policy.
^ Alternative Performance Measure – full details can be found on pages 52 and 53.
* A glossary of terms can be found on pages 52 and 53.

Chairman's Statement

Highlights

- Net asset value total return -22.7% vs benchmark +6.8%
- Share price total return -23.9%
- Annual volatility 20.6% vs 25.0% for the FTSE All-Share Index†
- Dividends for the year increased by 1.8% vs inflation, as measured by the CPI, of 0.8%
- Yield of 5.1% based on the year-end share price and the current quarterly dividend rate
- Quarterly dividend rate to be maintained but to be re-evaluated once the impact of COVID-19 on portfolio companies' dividends becomes clearer
- Discount Control Mechanism - issuance £5.14m; buy-backs £3.76m
- Shares traded very closely around net asset value throughout the period

† Source: FTSE Russell®/Morningstar/Seneca Investment Managers.

Introduction

This is one of the most complex and challenging periods we have witnessed in our lifetimes, and undoubtedly the most difficult year on which I have reported.

The outbreak of COVID-19 has, in effect, divided the year into two distinct periods. Before the global impact of COVID-19, Seneca Global Income & Growth Trust plc ('SIGT' or 'the Company') had been performing reasonably well. The portfolio responded positively to the Conservative Party's election victory in December, and indeed to Brexit finally happening at the end of January. It is fair to say, however, that there were concerns about the UK's trading relationships after the end of the transition period and we were prepared for some volatility. These concerns remain in the background and one day they will once again be at the forefront of our thoughts; what a relief that might be.

The world is now a very different place. Perhaps governments, commentators and investors around the world should have been more alert to the dangers of a global pandemic. It was not until the last week in February that financial markets really reacted, despite evidence before then that the virus was deadly and was spreading rapidly.

It is against this challenging and volatile backdrop that we are reporting disappointing results for SIGT this year. However, consistent with the Company's investment objective (judged over a 'typical investment cycle'), the Board believes that returns are better judged over longer periods than just one 12 month period. Until recently such analysis showed SIGT in a good light in that it had more than met its objective and beaten its benchmark. It also compares favourably over most periods with the range of comparator indices noted below.

Seneca Investment Managers Limited ('SIML' or 'the Manager') and our service providers have resilient business continuity systems which are working well. We are all seeing many changes in the way we have to work and we will therefore need to adapt our AGM this year, details of which are later in this report.

Performance

SIGT generated a net asset value ('NAV') total return per share for the year of -22.7%, which compared with the benchmark return of +6.8%. The Company's NAV total return over the year also lagged a range of comparator indices whose returns were: FTSE All-Share -16.6%, FTSE All-World ex-UK -0.4%, FTSE UK Private Investor Balanced -0.5%, and FTSE Actuaries UK Conventional Gilts All-Stocks +15.0%. The AIC Flexible Investment Sector unweighted average NAV total return was -6.1% for the year. Since the year-end SIGT's NAV had increased by 6.9% to close of business on 11 June 2020, a very short period but encouraging nevertheless.

When so many lives and livelihoods are being ruined by COVID-19, it might seem rather trivial to be worrying about investment performance. But that is, of course, the Board and Manager's primary responsibility and a key concern for Shareholders. Over four weeks or so from late February to late March, SIGT's NAV fell by 37%, a little more than the decline in the UK stockmarket. Since then, and to SIGT's year-end, the NAV recovered by 21%, although this is still an overall decline of 24% (from late February to the year-end). The damage done to the Company's performance record by these four weeks is clear but the Board and Manager are confident that the portfolio's recovery potential is significant.

The main factor that negatively affected performance during the four weeks alluded to above was SIGT's Value Investing style. This style factor, which has been consistently applied by the Manager for many years, dramatically underperformed the Growth Investing style in all the main investment markets of the world during these weeks. The Manager's Review later in this Annual Report provides greater analysis and explanation of the year's performance.

Dividends

The Company will pay a fourth interim dividend of 1.68 pence per share (on 19 June 2020), which, when added to the three preceding interim dividends, produces total dividends of 6.72 pence per share for the year to 30 April 2020, an increase of 1.8% on the previous year's 6.60 pence. Inflation over the year to 30 April 2020, as measured by the CPI, was 0.8%.

With the announcement of each quarterly dividend, the Board has, over the last few years, given an indication of what the current or next financial year's quarterly dividend rate will be (typically no less than the one announced) but always caveated with the phrase 'barring unforeseen circumstances'. The impact of the COVID-19 pandemic certainly qualifies as 'unforeseen circumstances'.

At a time of great hardship and stress for many Shareholders, the Board believes it is right to do what it can to help Shareholders through this extraordinary period. One of the great strengths of investment trusts is their ability to pay dividends, if necessary or appropriate, out of historically accumulated revenue and other reserves. The Company is well endowed with distributable reserves and is comfortably able to sustain the current dividend rate, even if, as seems certain, for the year to April 2021 that means paying an uncovered dividend.

There are many listed companies being forced, or deciding it is prudent, to cut, suspend or cancel their dividends. It remains to be seen how long these actions or policies will last and what level of dividends such companies will distribute in due course. Once this is clearer, the Board will evaluate an appropriate level for the Company's dividend. Until then, it is the Board's intention, barring further unforeseen circumstances, that it will maintain the quarterly dividend rate of 1.68 pence per share, representing an annualised yield of 5.1% on the share price of 130.5 pence that prevailed at the year-end.

Discount Control Mechanism ('DCM')

The Company's DCM became fully effective from 1 August 2016, and during the year it issued 2,915,000 shares and bought back 2,626,000 shares, for a net issuance of 289,000 shares. The Board is delighted to have been able to demonstrate its commitment to the DCM by both issuing and buying back shares. The liquidity and lack of discount volatility that the DCM provides is, the Board believes, of real value to Shareholders. Since becoming fully effective, the operation of the DCM has resulted in a net issuance of 7,822,727 shares and, as shares are issued at a small premium and bought back at a small discount, the NAV of the Company has been enhanced by £144,487 after all applicable costs.

Gearing

Shortly after SIGT's year-end, the Board reduced the debt facility available to the Company, from the Royal Bank of Scotland, from £14m to £10m thereby saving some cost. Given the decrease in SIGT's net assets, the smaller facility can still have a significant gearing effect. Of the facility, £7m was drawn down during the year though the actual average net gearing level for the period was less than 5% of net assets as some of the drawn down facility was held in cash or similar. The undrawn element of the facility is in place largely to assist with the operation of the DCM, enabling gearing levels to be maintained when the DCM results in the issuance of new shares, and/or providing short-term working capital, if necessary, when shares are bought back.

Board composition

As previously announced, Ian Davis retired from the Board in November and I re-iterate our appreciation for his valuable contribution over 14 years of service. In March the Board was delighted to announce the appointment of Anne Gilding as a non-executive director (with effect from 16 June 2020) and we look forward to benefiting from her extensive knowledge and experience in marketing and communications. Over the last 25 years Anne has led the development of global communications, branding and marketing solutions for a broad range of companies including Impax Asset Management Group plc, BMO (formerly F&C), GAM, Vernalis Group plc and UBS. She is currently a senior adviser to Peregrine Communications and a non-executive director of Aberdeen New Thai Investment Trust plc.

COVID-19 operational impact

COVID-19 has made normal working practices unfeasible, however all our advisers and service providers have coped well with the restrictions that have been imposed. The management and running of SIGT has continued very much on a 'business as usual' basis - except that we are all working at a distance. I would like to thank all concerned for the extra effort this has required.

Annual General Meeting ('AGM')

This year's AGM will be held on Tuesday 21 July 2020. Due to restrictions imposed by the UK Government because of COVID-19, this year's AGM will have to follow an unusual format as Shareholders will not be permitted to attend, with attendance limited to the minimum number of Directors and officers sufficient to form a quorum. Shareholders are encouraged to vote by proxy and to ask any questions in advance (by email to the Company Secretary at cosec@patplc.co.uk) which will be answered on the Company's section of the Manager's website (https://senecaim.com/private-investors/investment-trust/). A video presentation will also be available on the Manager's website following the AGM.

Last year's AGM was held in London and all resolutions were passed by a majority of over 99% of shares voted. These resolutions included those that help with the effective management of the DCM specifically allowing the Company to issue shares on a non pre-emptive basis equivalent to 30% of its equity and to buy-back up to 14.99%.

As last year, the Board is asking Shareholders to approve two separate resolutions concerning the issue of shares. The first resolution seeks permission to issue 10%, and the second (extra) resolution seeks permission to issue up to a further 20% solely in connection with the DCM; for an aggregate of 30%. The Board believes this approach to seeking non pre-emption authorities is Shareholder friendly as it gives voice to any Shareholders who may be unhappy that the aggregate authority sought is higher than that recommended by corporate governance guidelines, whilst still allowing their approval for the more conventional 10% issuance.

There is also a resolution seeking approval to make a variation to the Investment Policy of the Company to allow for an additional asset allocation to 'defensive assets' of up to 20%. The Manager had been contemplating such an allocation prior to the impact of COVID-19 but was overtaken by the unexpected nature, speed and severity of the impact. However, that does not mean such an allocation has any less relevance in future as peaks and heady markets will happen again and the Board believes the additional ability for a Multi-Asset portfolio to have more defensive assets is appropriate. The resolution also seeks to update the permissible means of investing in the Company's asset classes. There is additional information on these matters in the Strategic Review.

Another resolution is a particularly technical one and relates to a resolution approved by Shareholders in 2008 which resulted from a Circular to Shareholders that sought to reduce the Company's share premium account and create a special reserve. The Circular only referred to using this special reserve to enable the buying back of shares by the Company even though, at the time, general company law had been changed to allow such reserves to be available for distribution, for example, by way of dividend. The resolution was approved by Shareholders but was general in nature and did not specify the use for the special reserve. The Company's legal advisers recommend a resolution be put to Shareholders making clear that the Company's special reserve can be used not only to fund share buy-backs but also distributions including by way of dividend. If this resolution is approved, the special reserve (£39.3m), as well as the realised capital reserves (£18.6m), will be available to supplement the Company's revenue reserves (£2.0m) in order to support SIGT's dividend policy.

The Board believes that all the resolutions are in the best interests of the Company and its Shareholders as a whole, and strongly recommends that Shareholders vote in favour of all of the resolutions as the Directors intend to do in respect of their own beneficial shareholdings of 290,402 shares.

Investment outlook

There is little doubt the health crises brought about by COVID-19 will pass. How much economic damage it will cause and how quickly recovery will emerge are much more difficult, if not impossible, to assess. Meantime, the Manager will maintain its Value Investing philosophy and discipline, applying it across asset classes, funds and individual companies. In their headlong rush to apparent safety and investments consistent with the Growth Investing style, many investors have eschewed Value Investing leading to extremes of valuation. The health crises will pass. The economy will recover. Value Investing will prove its worth. We will meet again.

Richard Ramsay
Chairman
15 June 2020

Manager's Review

Overview

The year under review saw the Company post an NAV (net asset value) total return of -22.7%. This is significantly behind the CPI +6% benchmark return of 6.8%. Our aim is to outperform this benchmark over a typical investment cycle. Returns will deviate significantly from the benchmark at various stages of the cycle and your Company is likely to significantly underperform this benchmark during periods of extreme equity market distress. The portfolio has been severely affected by the COVID-19 crisis and we discuss this in more detail in the performance section.

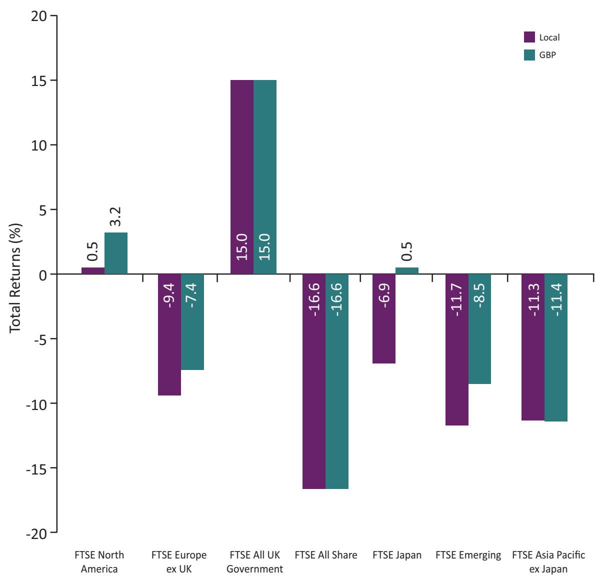
The past financial year has certainly been eventful. For the majority of 2019 markets were distracted by two major issues, Brexit and the US China trade deal. Negotiations were causing significant uncertainty but towards the end of 2019 there seemed to be clear progress on both fronts. The Conservative Party achieved a large majority in the UK General Election with Boris Johnson's intention to "get Brexit done" and the US and China had agreed the terms of a phase one trade agreement. We had been expecting economies to start to peak and potentially enter a recessionary environment within a couple of years and had been reducing equity holdings to accommodate this. Most economies were still not showing signs of stress with unemployment rates remaining at extreme lows. However, one indicator we did see was the inversion of the US yield curve in the middle of 2019. This has been a fairly reliable indicator of a looming recession and this time, more by coincidence with COVID-19, it has proved 'correct' again.

The first indications of COVID-19 related problems emerged in January via videos circulating of packed healthcare facilities in Wuhan, China, and stories of an unknown virus. Markets remained largely unaffected with most indices posting anaemic gains or modest losses. Markets viewed this as a local problem within China that was being managed by the authorities. There was some concern about supply chain disruption but nothing more serious than that. The turning point was the last week in February as Europe started to see a surge in cases particularly in a hotspot in Northern Italy. Italy would implement a lockdown for a few towns in the North some days later but it was now clear that this was a serious and dangerous global issue and markets went into freefall.

Since then markets and economies have become a mirror image of their pre-crisis highs. A record-breaking bull market quickly reversed with some of the largest and quickest falls in living memory. The UK equity market's Q1 returns by 23 March were the lowest quarterly returns since 1720 (this is not a typing error!). We also saw some of the largest one-day market falls in S&P 500 history during March as the index fell by 12% in a single day. Demand for oil collapsed as the Saudis and Russians flooded the market with supply, causing the oil price to move into negative territory for some futures contracts as traders desperately tried to offload their exposure before the effective delivery dates of their oil. Unemployment has moved from historic lows to record highs in a number of economies. Central banks have slashed interest rates. Governments have announced record breaking stimulus packages. These developments highlight that this is not a normal situation we are witnessing. Rather, it is an extreme 'black swan' event.

History suggests that it pays to be patient and not panic when extreme events occur. The closest scenario to the current crisis would be the Spanish Flu pandemic of 1917/18. The Dow Jones fell 33% during that crisis and, by the virus's peak, this market had already begun to recover. These painful market corrections tend to be followed by strong markets. Black Monday (1987) caused UK stocks to fall 34% in a few months but was followed by a bull market that lasted over a decade. The global financial crisis in 2008 was also followed by a decade long bull market. Another virus-related crisis was SARS in 2003. This caused Asia ex-Japan stocks to fall 12% between January and April 2003 only to produce annualised returns of 36% over the next three years. Despite the prospects for a recovery, there will be a number of businesses in the market that will fail in the next few weeks and months. We have been monitoring your Company's investments closely to ensure their balance sheets can withstand a prolonged lockdown. Every crisis is different, but markets do recover and patience is key to ride through the volatility and take advantage of the valuation opportunities that are created.

Major financial market total returns
for the 12 month period to 30 April 2020



Source: FTSE Russell®/Seneca Investment Managers. Total returns expressed in sterling and local currency.

Performance

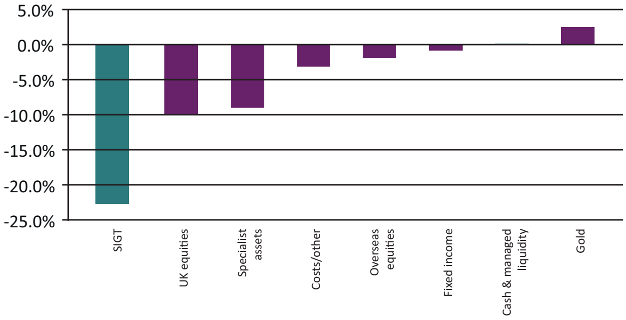
This has been a very difficult period for performance. For much of the period until the General Election, our UK equity holdings, predominantly domestically focused mid-cap stocks, suffered due to ongoing economic uncertainties around Brexit. In December the Conservative Party's election victory and a promise from Boris to "get Brexit done" resulted in the market starting to recognise the value of these positions. However, the key turning point was the end of February as markets realised that COVID-19 was rapidly becoming a serious global problem. In March many regions around the world imposed lockdowns. For those brief few weeks in March there were extreme levels of uncertainty. There were few places to hide with most asset valuations being trampled underfoot in a flight to safety which favoured only government bonds and the dollar. Since the low point on 23 March the market has gradually begun to recover as governments and central banks have intervened. There are still high levels of uncertainty and nothing can be taken for granted until there is some sort of solution, such as a reliable vaccine, but countries are taking gradual steps back to normality.

One important factor to highlight is the macro environment that we have been operating in and the impact that had on our investment style and structural bias within the portfolio. The Value Investing style has been underperforming for a number of years and the spread in valuations between 'value' and 'growth' was exceptionally wide prior to the crisis. The recent market moves have compounded that even further as the more growth areas of healthcare, technology and consumer staples have been the sectors that have essentially remained open for business during the lockdown and able to generate a more normalised cash flow. These sectors have performed well against all other parts of the market. Over the period 'value' has significantly underperformed 'growth'. To give some colour: in the UK, value stocks declined 25.8% over the year, whereas growth stocks retreated 2.4%. That is a difference of 23.4% and similar differences were seen in other markets, such as the US 23.2% and Europe 22.3%. These moves are shocking but understandable. Value stocks are heavily skewed towards cyclicality and discretionary consumer spending. Our style bias is consistent throughout the portfolio and this huge headwind for value style stocks has been a major driver of underperformance. In addition to this we have a meaningful allocation to investment trusts via our specialist assets allocation. These holdings offer income and the potential for capital growth and in more benign times offer some diversification to our equity exposure. During this crisis, the net asset values of many of these stocks have remained reasonably stable. However, due to the market turmoil, the share prices of these companies have become detached from the underlying assets and they have traded at significant discounts to their net asset values resulting in a higher correlation with equities. These discounts have begun to dissipate in recent weeks and we expect this trend to continue as market conditions begin to normalise.

Our investment style's headwind has been a negative influence on the portfolio over the year. At the time of writing many of our portfolio holdings are trading at very attractive valuations. The market's preference between Value Investing and Growth Investing moves in cycles and the past 10 years have been one of the longest and strongest periods for Growth Investing. The valuation dispersion between value and growth will not persist forever and we are confident that patience will be rewarded.

Contribution analysis by asset class

for the 12 month period to 30 April 2020



Source: Seneca Investment Managers/StatPro Revolution

Contribution analysis by individual holdings

in the 12 month period to 30 April 2020

Top 5 contributors	Sector	Contribution
Investec Global Gold Fund	Gold	+1.54%
Invesco Physical Gold ETC	Gold	+0.82%
Ultra Electronics	UK equities	+0.30%
Polypipe	UK equities	+0.21%
Assura	Property	+0.20%

Bottom 5 contributors	Sector	Contribution
Schroder UK Public Private Trust	Private equity	-1.24%
Ediston Property Investment Company	Property	-1.25%
Purplebricks Group	UK equities	-1.27%
Doric Nimrod Air Two	Specialist financial	-1.38%
Fair Oaks Income	Specialist financial	-1.44%

Source: Seneca Investment Managers/StatPro Revolution. Private equity, property and specialist financial are components of specialist assets.

Our exposure to gold was positive with positions both in physical gold and a gold mining fund. The positive returns for UK equities Ultra Electronics and Polypipe are because we reached our valuation targets on those stocks and exited the positions prior to the crisis.

Schroder UK Public Private Trust, formerly Woodford Patient Capital Trust, was a detractor to performance. After the liquidity crisis caused by redemptions in the flagship Woodford equity funds, the trust began trading at a widened discount to NAV. The NAV has also fallen significantly as the carrying valuations of various unquoted stocks have been lowered. The trust has now been handed over to an experienced team at Schroders. We believe the new manager can extract value from the current holdings and introduce some promising new investments. Furthermore, three of the trust's largest holdings (Oxford Nanopore, Benevolent AI and Rutherford Health) are highly active in the fight against COVID-19. This should ultimately increase confidence in the portfolio and begin to close the discount.

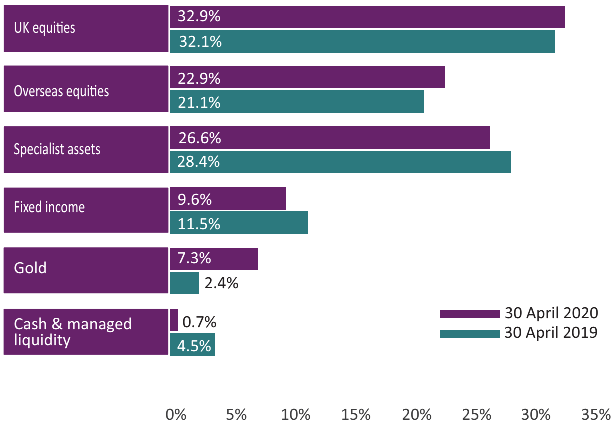
Fair Oaks is an investment company exposed to leveraged loans in the US. This holding has been a significant contributor to income in recent years, but it is exposed to the riskier end of the loans market so performance tends to suffer at times of stress. The manager of Fair Oaks has acted with caution and suspended the dividend to keep the trust's investments capitalised during the crisis. We believe that now would be the worst time to sell this type of exposure. We have seen the volatility in this asset class through previous crises and the management team have demonstrated a consistent ability to add value in the downturns by capitalising on lower valuations. We are expecting a similar recovery in this cycle although there will be some volatility and we expect the loan default rate to increase significantly.

Asset allocation

Although your Company has a Multi-Asset portfolio, its strategic asset allocation is somewhat more equity oriented than many other trusts in its peer group. The strategic asset allocation was weighted as follows at 30 April 2020: 35% in UK equities, 25% in overseas equities, 25% in specialist assets, and 15% in fixed income. Gold is not in our strategic asset allocation but we had built up a position of 7.3%, from 2.4% last year, for its defensive properties. While the investment in the gold miners fund mentioned earlier is categorised, rightly, as an equity holding and the physical gold vehicle is in the Company's liquidity exposure, if Shareholders approve the change of investment policy at the AGM, these holdings will be reallocated to the defensive assets category. Accordingly, for ease of reference, we have shown gold as a separate asset class in this review and in the portfolio information on pages 11 to 12.

Portfolio asset allocation

comparison between 30 April 2019 and 30 April 2020 (actual positions)



Source: Seneca Investment Managers. All figures are expressed as a percentage of total investments plus cash.

Over the period, the portfolio's total equity exposure increased slightly from 53.2% to 55.8%. As equity markets declined more than other asset classes we have been identifying a number of compelling equity investment opportunities at significantly depressed valuations.

UK equities

The period has seen a number of changes to our UK equity allocation with three stocks exiting the portfolio and three new names entering. Among the stocks exited was AJ Bell, one of our oldest holdings, held originally as a private equity position which listed via an IPO in December 2018. We sold half our shares in the IPO which also restricted us from selling any more stock for six months. Once this period was complete, we began gradually reducing the position and exited later in the year.

We also sold Ultra Electronics and Polypipe. Both stocks performed very well in 2019 and moved to our valuation targets. Polypipe rose from an 8x EV/EBITDA to 12x with a 10-year average of 9.5x. We took our profits and re-allocated the capital across the portfolio. The same rationale applied to the sale of Ultra Electronics which reached 10x EV/EBITDA.

We initiated three new UK holdings: Purplebricks, Origin Enterprises and dotdigital. Purplebricks is an online estate agency and despite launching only a few years ago is now one of the UK's best-known estate agency brands. The business is essentially a technology disruptor applying an online model to keep costs low which allows them to offer lower fees than the traditional estate agencies. Prior to our ownership, the company was originally priced like a technology disruptor (the share price reached 500p) as the business sought to grow in the US, Canada and Australia. Given the US in particular has a dramatically different real estate market than the UK the US business was loss making as was the Australian business. The share price drifted back significantly as Purplebricks exited the US and Australian businesses to focus on the profitable UK and Canadian businesses. The company has a new senior management team who are all veterans of online businesses such as Just Eat and Moneysupermarket.com. We believe the business is focussed on the right markets and has the right people to take advantage of technology to really push the online model and increase market share. We see considerable upside from here.

Another addition made in March 2020 is Origin Enterprises. This is an agricultural services group specialising in helping farmers to optimise their crop yields and economic returns. The lowest performing 10% of fields typically yield 45% less than the average and Origin can help address this efficiency differential. They offer crop marketing, crop protection, fertilisers, horticulture services, soil analysis and drainage solutions. The client base is mainly in the UK and Ireland but also Continental Europe and Latin America. The business has recently had consecutive profit warnings, mainly due to bad weather, which has damaged the share price. We like the company and have followed it for some time. Following further research we felt this short-term weakness was an excellent entry point.

Our final new addition is dotdigital. This business operates in the rapidly growing digital marketing space. Spending in this area is expected to grow from $3.8 billion globally to $25 billion by 2027. 70% of consumers now shop over various media formats. dotdigital's platform allows businesses to automate communication with consumers across multiple channels including email and social media such as WhatsApp or Facebook, online chat and SMS. The platform is used by more than 65,000 marketers in over 110 countries. It sent over 19 billion messages in 2019.

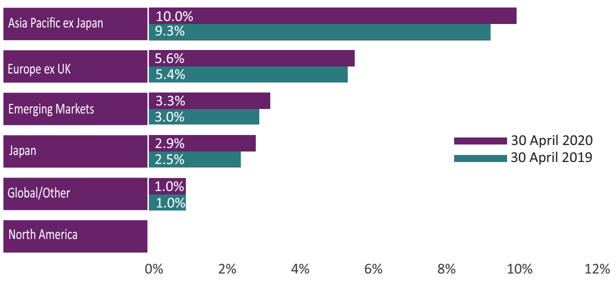
Overseas equities

We continue to seek managers that have a clear and consistent value driven approach with high levels of conviction in their portfolios. The managers of the funds we invest in are benchmark agnostic and focus on getting their best ideas rather than holding the large index stocks. Some of the funds in SIGT's portfolio have limited capacity to grow their AUM, but these managers will typically close their funds to new investors rather than breach self-imposed capacity limits. This is important as we believe many funds become too large and can lose the flexibility to invest across the market cap spectrum, dealing costs increase and it takes more time to buy and sell stocks.

We have made only one change to our stable of overseas equity funds. In September we exited CC Japan Income & Growth Trust and switched into Morant Wright Fuji Yield Fund. Morant Wright is an investment boutique that has been solely managing Japanese equities since 1999. They have six experienced fund managers that have spent their careers managing Asian equities. They seek good quality businesses or franchises trading on low valuations.

The chart on the next page outlines the movement in allocations. The slight increase in weightings across most allocations is down to performance rather than a tactical move. Overseas markets did not fall as much as UK equities (in the first quarter of 2020) and our overseas investments benefited from sterling devaluing against most major currencies.

Movement in overseas equity allocations
over the 12-month period to 30 April 2020



Source: Seneca Investment Managers. All figures are expressed as a percentage of gross assets.

Specialist assets

We sold two positions during the period. We exited SME Credit Realisation Fund (formerly known as Funding Circle SME Income Fund). The company made loans to SMEs via the Funding Circle platform. The modelled loss rate was 2% per annum but during 2019 the actual loss rate began to increase. In addition, contrary to our expectations, the company's loan book began to differ from that of the underlying platform. We were unhappy with the levels of transparency when addressing these issues and decided to exit the position. The second position we exited was Primary Health Properties. The company purchases and builds GP surgeries and healthcare centres. In 2019 it merged with one of its competitors and the shares re-rated significantly, returning almost 40% in 2019 and trading at a premium to NAV of 44% by December. As value investors we felt that this was a suitable exit valuation.

We also introduced two new stocks to the portfolio. The first is LXi REIT which has a focus on property with long-term leases (20+ years). The portfolio is well diversified across industrial, healthcare, supermarket, leisure and car park assets.

The second new addition is Syncona. Syncona seeks to build a diversified portfolio of 15-20 companies in 'innovative areas of healthcare'. This is achieved by founding companies with strategic ownership, often out of universities and research institutions, and by holding the company beyond the point where venture capital would traditionally seek an exit. It has delivered an IRR of 44% since 2012 and can demonstrate the success of its approach with the recent sales of two of its investments, Nightstar and Blue Earth, for £600m with IRRs of 72% and 87% respectively. Syncona currently has over £196m in cash which ensures it can fund its companies for the foreseeable future and take advantage of opportunities that may arise.

Fixed income

We did not add any new funds to our fixed income holdings over the year. In the last month of the period we decreased our exposure to these assets to take advantage of the fall in equities and increase our exposure. We reduced our exposure to Royal London Short Duration Global High Yield Bond Fund and exited Royal London Sterling Extra Yield Bond Fund to fund this re-allocation.

Outlook

We have for some time communicated our view that we were late in the cycle and expected a downturn in 2020 or 2021. However, we were expecting a downturn rather than a pandemic induced global lockdown.

In simple terms we have a health crisis that is causing an economic crisis. The economic environment will continue to struggle until the health crisis is overcome. At the time of writing the medical side of this crisis seems to have peaked and the pressure on health systems is declining. However, a vaccine is still in the testing phase and there is still the risk of a second wave. Only once there is a degree of certainty on the health crisis can the economic damage then be accurately measured and the path to recovery effectively plotted.

This creates an extremely broad set of potential scenarios. The best option would be that we have now passed the peak of the health crisis and the initial phase of reducing the lockdown rules continues at a steady pace without a spike in new cases. Were such moves to be accompanied by the development of a reliable vaccine and antibody test, the health crisis would effectively be at an end. This would imply more of a V shaped recovery with unemployment levels sharply decreasing as life returns to some sort of normality. The opposite of this would be that a vaccine cannot be found or takes years to be safely developed. We may have to live with persistent social distancing measures that increase and decrease alongside the reproductive rate of the virus. Many industries and businesses would be crippled by this and we could enter a global depression. These scenarios are massively different but convincing arguments can be put forward for both. Reality will probably lie somewhere between the two and we would veer closer to the more positive scenario. It is not unreasonable to expect the successful implementation of a vaccine next year. The recovery is likely to be gradual, or as the media might have it, an 'upward sloping l', 'square root' or 'Nike swoosh' shaped recovery.

Assuming anything but the worst of scenarios, at times of peak fear, such as we have recently seen, assets can be significantly mis-priced and we strongly believe this is what happened, particularly towards the end of March. Many cyclical stocks were priced almost for bankruptcy. We believe that investors' angst will ease and money will move from government bonds back towards equity markets. From a currency perspective the 'risk off' currencies may depreciate slightly and we will potentially see sterling rise against the dollar after hitting a thirty-five year low. Cyclical stocks will begin to generate profits again which will slowly rise as consumer behaviour begins to normalise, and the more traditional performance relationship between mid-cap and large-cap stocks will re-assert itself.

After one of the most challenging periods for global markets in living memory, we are confident that the investment style headwind, alluded to earlier, of 'value' versus 'growth', to turn decisively to 'value' which, in turn, will assist the portfolio's performance.

Seneca Investment Managers Limited

15 June 2020

Ten Largest Holdings

	Valuation 2019 £'000	Purchases £'000	(Sales) £'000	Appreciation/ (depreciation) £'000	Valuation 2020 £'000
Royal London Short Duration Global High Yield Bond Fund [A]	6,360	977	(3,275)	(593)	3,469
CIM Dividend Income Fund [A]	3,721	-	-	(526)	3,195
Investec Global Gold Fund [A]	1,268	723	-	1,116	3,107
iShares Core FTSE 100 UCITS ETF	-	3,474	-	(567)	2,907
Goodhart Partners Horizon Fund HMG Global Emerging Markets Equity Fund [A]	2,716	-	-	(402)	2,314
Samarang Asian Prosperity Fund [A]	2,833	-	-	(530)	2,303
Morant Wright Fuji Yield Fund [A]	-	2,377	-	(293)	2,084
Invesco Physical Gold ETC [B]	910	2,294	(1,749)	624	2,079
Hipgnosis Songs Fund	1,324	778	(133)	3	1,972
Absalon Emerging Markets Corporate Debt Fund [A]	-	1,810	-	21	1,831

[A] Open-ended.

[B] Exchange-traded commodity.

At 30 April 2020 these investments totalled £25,261,000 or 35.73% of the portfolio (including cash).

Investment Portfolio
As at 30 April 2020

Name	Sector	Asset class	Valuation £'000	%
Royal London Short Duration Global High Yield Bond Fund [A]	Unit trusts & OEICS	Fixed income	3,469	4.91
CIM Dividend Income Fund [A]	Unit trusts & OEICS	Overseas equities	3,195	4.52
Investec Global Gold Fund [A]	Unit trusts & OEICS	Gold	3,107	4.39
iShares Core FTSE 100 UCITS ETF	Exchange-traded fund	UK equities	2,907	4.11
Goodhart Partners Horizon Fund HMG Global Emerging Markets Equity Fund [A]	Unit trusts & OEICS	Overseas equities	2,314	3.27
Samarang Asian Prosperity Fund [A]	Unit trusts & OEICS	Overseas equities	2,303	3.26
Morant Wright Fuji Yield Fund [A]	Unit trusts & OEICS	Overseas equities	2,084	2.95
Invesco Physical Gold ETC [B]	Exchange-traded fund	Gold	2,079	2.94
Hipgnosis Songs Fund	Investment companies	Specialist assets	1,972	2.79
Absalon Emerging Markets Corporate Debt Fund [A]	Unit trusts & OEICS	Fixed income	1,831	2.59
Top ten investments			**25,261**	**35.73**
Liontrust European Enhanced Income Fund [A]	Unit trusts & OEICS	Overseas equities	1,719	2.43
Merian Chrysalis Investment Trust	Investment companies	Specialist assets	1,654	2.34
Sequoia Economic Infrastructure Income Fund	Investment companies	Specialist assets	1,637	2.32
Babcock International	Support services	UK equities	1,623	2.30
Prusik Asian Equity Income Fund [A]	Unit trusts & OEICS	Overseas equities	1,615	2.28
OneSavings Bank	General financial	UK equities	1,593	2.25
TwentyFour Select Monthly Income Fund	Investment companies	Fixed income	1,480	2.09
Clinigen Group	Support services	UK equities	1,480	2.09
Legal & General	Life insurance	UK equities	1,422	2.01
BT Group	Fixed line telecoms	UK equities	1,329	1.88
Top twenty investments			**40,813**	**57.72**
International Public Partnerships	Investment companies	Specialist assets	1,296	1.83
Halfords Group	General retailers	UK equities	1,294	1.83
Invesco Perpetual European Equity Income Fund [A]	Unit trusts & OEICS	Overseas equities	1,275	1.80
RM Secured Direct Lending	Investment companies	Specialist assets	1,274	1.80
UK Mortgages	Investment companies	Specialist assets	1,227	1.74
Morgan Advanced Materials	Electronic & electrical equipment	UK equities	1,169	1.65
The PRS REIT	UK REIT	Specialist assets	1,165	1.65
Arrow Global Group	General financial	UK equities	1,126	1.59
Phoenix Group Holdings	Life insurance	UK equities	1,110	1.57
AEW UK REIT	UK REIT	Specialist assets	1,106	1.56
Top thirty investments			**52,855**	**74.74**

Name	Sector	Asset class	Valuation £'000	%
Ediston Property Investment Company	UK REIT	Specialist assets	1,073	1.52
Essentra	Support services	UK equities	1,073	1.52
Vistry Group	Household goods	UK equities	1,030	1.46
European Assets Trust	Investment companies	Overseas equities	983	1.39
Fair Oaks Income	Investment companies	Specialist assets	961	1.36
Origin Enterprises	Food producers	UK equities	935	1.32
Marston's	Travel & leisure	UK equities	927	1.31
Schroder UK Public Private Trust	Investment companies	Specialist assets	911	1.29
National Express	Travel & leisure	UK equities	901	1.27
Marks & Spencer	General retailers	UK equities	806	1.14
Top forty investments			**62,455**	**88.32**
Doric Nimrod Air Two	Investment companies	Specialist assets	759	1.07
Purplebricks Group	Support services	UK equities	735	1.04
BlackRock World Mining Trust	Investment companies	Overseas equities	696	0.98
Britvic	Beverages	UK equities	641	0.91
LXi REIT	UK REIT	Specialist assets	612	0.87
Syncona	Investment companies	Specialist assets	584	0.83
LondonMetric Property	UK REIT	Specialist assets	563	0.80
Senior Engineering	Aerospace & defence	UK equities	558	0.79
JLEN Environmental Assets Group	Investment companies	Specialist assets	506	0.71
Doric Nimrod Air Three	Investment companies	Specialist assets	501	0.71
Top fifty investments			**68,610**	**97.03**
Greencoat UK Wind	Investment companies	Specialist assets	446	0.63
Kier Group	Construction & materials	UK equities	440	0.62
DP Aircraft I	Investment companies	Specialist assets	287	0.41
dotdigital Group	Support services	UK equities	174	0.25
Assura	UK REIT	Specialist assets	137	0.19
Blue Capital Global Reinsurance Fund [C]	Investment companies	Specialist assets	71	0.10
Assured Fund	Unit trusts & OEICS	Specialist assets	21	0.03
Total investments			**70,186**	**99.26**
Cash			524	0.74
Total investments plus cash			**70,710**	**100.00**

[A] Open-ended.

[B] Exchange-traded commodity.

[C] In liquidation/delisted.

Classification of Assets

As at 30 April	2020 %	2019 %
UK equities	32.9	32.1
Overseas equities	22.9	21.1
Fixed income	9.6	11.5
Specialist assets	26.6	28.4
Gold	7.3	2.4
Cash and managed liquidity	0.7	4.5
	100.0	**100.0**

Figures are expressed as a percentage of total investments plus cash.

Analysis of Assets

As at 30 April	2020 Valuation £'000	2020 %	2019 Valuation £'000	2019 %
Listed	47,182	66.7	62,148	67.8
Open-ended	22,933	32.5	27,860	30.4
Delisted	71	0.1	217	0.2
Total investments	**70,186**	**99.3**	**90,225**	**98.4**
Cash	524	0.7	1,421	1.6
Total investments plus cash	**70,710**	**100.0**	**91,646**	**100.0**

Strategic Review

Introduction

This review is a part of the Strategic Report which is designed to provide information about the Company's business and how the Directors promote the success of the Company. This review should be read in conjunction with the Financial Highlights on page 2, the Chairman's Statement on pages 3 to 5 and the Manager's Review on pages 6 to 9, which give a detailed review of the investment activities for the year and the outlook for the future.

Business model and strategy

The business model and strategy of the Company is described below.

Investment policy

The Company's current investment policy is detailed below. As explained in the Chairman's Statement, the Board is seeking Shareholder approval at this year's Annual General Meeting to vary the policy to include an additional Asset Allocation to 'defensive assets' of up to 20%. Examples of defensive assets are gold (physical and miners), short equity exchange-traded funds (ETFs), uncorrelated strategies, managed futures and government bonds. Further information on defensive assets is included in the Multi-Asset Value Investing section below and in the Glossary of Terms on pages 52 to 53. The proposed variations to the policy would also allow the Company to use derivatives for efficient portfolio management (as defined by the FCA and expanded in the Glossary of Terms on page 52) and seeks to update the permissible means of investing in the asset classes. The full text of the revised investment policy is on page 54 and is subject to Shareholder approval.

The asset classes included in the Company's portfolio are UK and overseas equities, fixed income securities and specialist assets. The Company's Manager aims to add value through both strategic and tactical asset allocation within a range for each asset class. The asset allocation ranges, which are calculated at the time of any relevant investment based on the Company's gross assets, are as follows:

	Asset allocation range
UK equities	15 - 60
Overseas equities	10 - 40
Total equities	25 - 85
Fixed income	0 - 40
Specialist assets	0 - 50

Exposure to UK equities is achieved by investing directly or, with the Board's prior approval, through specialist collective investment schemes and products managed by third parties or (where it is more efficient for, and at no greater cost to, the Company than investing directly) through collective investment schemes and products managed by the Company's Manager. In the case of overseas equities, exposure is achieved through the use of specialist collective investment schemes and products or, with the Board's prior approval, by investing directly. Fixed income investments may be made either directly or through collective investment schemes and products. Ordinarily, exposure to specialist assets is achieved through investing in specialist collective investment schemes and products.

The Company will not invest more than 7.5% of gross assets in any individual direct equity or fixed income investment or more than 10% of gross assets in any specialist collective investment scheme or product.

The Company will not invest more than 7.5% of gross assets in unquoted securities and will not hold more than 25% of its gross assets in cash.

The Company may borrow to gear returns when the Board believes it is in Shareholders' interests to do so. The Company's borrowing policy allows gearing up to 25% of the Company's net assets. The Company's current credit facilities comprise a £10.0m revolving loan facility of which £7.0m was drawn down as at 30 April 2020 (equivalent to 11.0% of its net assets). Further details of the revolving loan facility are in note 11 to the financial statements. The Board believes these levels are appropriate for the Company at the present time.

The limits referred to in the investment policy are measured at the time of investment or drawdown of borrowings.

Multi-Asset Value Investing

The starting point for all of SIML's client portfolios is to determine what their specific long-term, or strategic asset allocation ('SAA') should be, given the investment return and risk objectives. This represents how a particular client should be positioned in various asset classes, on average, over time.

In order to determine what the SAA should be for a particular client given its objectives, SIML assesses what it thinks the likely long-term returns will be for the various asset classes and sub-asset classes. To a great extent, SIML assumes that future long-term real returns (i.e. inflation adjusted) will be similar to historic long-term real returns. While there may well be reasons why real returns in the future could be slightly above or below their history, SIML thinks that it makes most sense to assume that they will be in line with those of the past. This approach is applied to all asset classes and sub-asset classes, although for those that do not have a long history, a little more conjecture is required. However, the long-term assumptions are robust and well-founded.

Armed with these long-term real return estimates for the various asset classes, SIML constructs a SAA such that it provides good diversification as well as a substantial part of the investment return objective. SIML reviews this SAA periodically, and unless there is a very good reason why the long-term real return estimate for a particular asset class should change, it remains fixed.

SIML seeks to add value in relation to the returns generated by these SAAs through tactical asset allocation (i.e. varying the asset allocations from SAAs for periods of time), security selection and third party fund selection. Client portfolios divide into five parts: UK equities, overseas equities, fixed income securities, specialist assets, and defensive assets. By investing across diverse asset types, SIML aims to take advantage of a wide range of investment opportunities and reduce the risk profile of the client's portfolio.

The inclusion of defensive assets in the Company's portfolio is subject to Shareholder approval at the upcoming AGM. This allocation would allow investment in assets that have low or negatively correlated returns to equity markets. It is proposed that gold (both physical and miners) be part of this allocation, though SIML has already been investing in gold for SIGT. Gold's role as a hedge against risk averse markets is well established. As previously mentioned, other examples of the types of defensive assets that may be invested in would include short equity exchange-traded funds (ETFs), uncorrelated strategies, managed futures, and government bonds. For more information refer to the Glossary of Terms on pages 52 and 53.

At present, SIML invests directly in UK equities with a focus on midsized companies. In overseas equities, it typically invests in third party funds. In fixed income, it invests mostly in third party investment funds, although has the scope to invest directly when the Manager believes that appropriate. Specialist assets, unlike fixed income or equities, is a very heterogeneous asset class, constituting as it does various types of investment, and arguably should not be considered an asset class at all. Many of the specialist assets tend to be listed closed-ended fund structures, such as real estate investment trusts ('REITS'), private equity funds, specialist financial funds and infrastructure funds, where underlying assets are illiquid and do not lend themselves to being owned in open-ended vehicles.

There exists an enormous body of work that documents longer term predictabilities in markets. With respect to the performance of fixed income and equity markets, many of these relate to the business cycle. The evidence shows that high dividend yielding stocks tend to produce above-normal returns and that is often explained, not by them being higher risk, but by them being out of favour. Lower yielding stocks may be ones that have generated a lot of investor interest unjustifiably and thus are prone to a setback.

SIML seeks to put to use on behalf of clients much of the work that has been done over the decades with respect to understanding asset prices. Many of the findings relate future returns to some measure of present value, whether dividends and earnings in the case of equities or real interest rates in the case of fixed income securities. SIML endeavours to identify some measure of intrinsic value across all the assets in which it invests. This value driven approach can, SIML believes, deliver both superior long-term returns and a defensive element to investments which, at a very fundamental level, are 'cheap' at the time of acquisition. This is the essence of SIML's 'Value Investing' style.

Promoting the success of the Company

How the Board meets its obligations under Section 172 of the Companies Act

The Board is required to describe to the Company's Shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year under section 172(1) of the Companies Act 2006. This statement provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long-term consequences of decisions and the need to foster relationships with all stakeholders.

The purpose of the Company and role of the Board

The purpose of the Company is to act as a vehicle to provide, over time, financial returns (both income and capital) to its Shareholders. Investment trusts, such as the Company, are long-term investment vehicles and are typically externally managed, have no employees and are overseen by an independent non-executive Board of Directors.

The Board, which currently comprises three independent non-executive Directors, with the number increasing to four following the publication of this Annual Report, has a broad range of skills and experience across all major functions that affect the Company. The Board retains responsibility for taking all decisions relating to the Company's investment objective and policy, gearing, corporate governance and strategy, and for monitoring the performance of the Company's service providers.

The Company's main stakeholders are its Shareholders, Manager, service providers and debt provider. The Manager also engages extensively with the investee companies, particularly on performance and corporate governance issues.

How the Board engages with stakeholders

The Board considers its stakeholders at Board meetings and receives feedback on the Manager's interactions with them.

Stakeholder	How we engage
Shareholders	Shareholders are key stakeholders and the Board places great importance on communication with them. The Board welcomes all Shareholders' views and aims to act fairly between all Shareholders. The Company's share register is retail investor dominated and includes wealth managers and private client brokers who represent private investors. The Manager and the Company's broker meet regularly with current and prospective Shareholders to discuss the Company and its performance. The Manager also engages with investor platforms and research companies to identify how best to communicate with the retail investor community. Shareholder feedback is discussed by the Directors at Board meetings. Regular updates are provided to Shareholders through the Annual Report, Half Yearly Report, monthly factsheets, company announcements, including daily net asset value announcements, and the Company's website. The Company's AGM normally provides a forum, both formal and informal, for Shareholders to meet and discuss issues with the Directors and Manager. The Board ordinarily encourages as many Shareholders as possible to attend the AGM and to provide feedback on the Company. However, as a result of COVID-19, this year's AGM will have to take a different format. Details are included in the Chairman's Statement on page 4.

Stakeholder	How we engage
Manager	The Manager's Review on pages 6 to 9 details the key investment decisions taken during the year. The Manager has continued to manage the Company's assets in accordance with the mandate provided by Shareholders, with the oversight of the Board. The Board reviews regularly the Company's performance against its investment objective and undertakes an annual strategy review to ensure that the Company is positioned well for the future. The Board receives presentations from the Manager at every Board meeting to help it exercise effective oversight of the Manager and the Company's strategy. The Board, through the Management Engagement Committee, formally reviews the performance of the Manager at least annually.
Service providers	The Board seeks to maintain constructive relationships with the Company's suppliers, either directly or through the Manager, with regular communications and meetings. A key relationship is with PATAC, who provide AIFM, company secretarial and fund administration services, as well as operating the DCM. The Board conducts an annual review of the performance and terms and conditions of appointment of the Company's main service providers to ensure they are performing in line with Board expectations and providing value for money.
Debt provider	On behalf of the Board, the Manager maintains a positive working relationship with the Royal Bank of Scotland, the provider of the Company's revolving loan facility, and provides regular updates on business activity and compliance with its loan covenants.

Specific examples of stakeholder consideration during the year

The Board is always mindful of its responsibilities to the stakeholders of the Company and this forms part of every Board decision.

COVID-19

Since the COVID-19 crisis emerged in early 2020, there has been increased interaction with the Manager, PATAC and other agents to the Company to ensure that the Company has sufficient resilience in its portfolio and in its operational structure to meet the challenged circumstances, which has proved to be the case.

Management of the portfolio

The Manager's Review on pages 6 to 9 details the key investment decisions taken during the year. The overall shape and structure of the investment portfolio is an important factor in delivering the Company's stated investment objective. As explained in more detail on page 22, during the year, the Management Engagement Committee decided that the continuing appointment of the Manager was in the best interests of Shareholders.

As explained in the Chairman's Statement and the Investment Policy section above, the Board is recommending a variation to the Company's investment policy for Shareholder approval at the upcoming AGM. The Board believes this change will be of long-term benefit to Shareholders as it gives the Manager additional flexibility to manage the risk profile of the Company's portfolio in challenging markets.

Discount Control Mechanism ('DCM')

During the year the Company issued 2,915,000 Ordinary shares and bought back 2,626,000 Ordinary shares through the operation of the DCM. The shares were issued at a premium to the NAV and bought back at a discount to NAV, thereby providing a small accretion to the NAV per share. The Board believes the operation of the DCM is very important for Shareholders as it provides liquidity and lack of discount volatility.

Loan facility

The Board has recently reduced the Company's loan facility with the Royal Bank of Scotland from £14m to £10m, which will save some cost.

Board composition

The Board has continued to progress its succession plans during the year. Ian Davis retired on 28 November 2019 and the Board announced the appointment of Anne Gilding as an independent non-executive Director effective from 16 June 2020. Further details are provided in the Chairman's Statement. The Board believes that Shareholders' interests are best served by ensuring a smooth and orderly refreshment of the Board with experienced candidates, whilst maintaining a small, but focussed, independent Board.

Principal risks and uncertainties and risk mitigation

Risks are inherent in the investment process, but it is important that their nature and magnitude are understood so that risks, particularly those which the Company does not wish to take, can be identified and either avoided or controlled. The Board has carried out a robust assessment of the principal and emerging risks facing the Company, including those that threaten its business model, future performance, solvency or liquidity. The Board has established a detailed framework of the key risks that the business is exposed to, with associated policies and processes devised to mitigate or manage those risks.

Pandemic risk: The COVID-19 pandemic has brought unprecedented challenges to the world and its rapid development has delivered an abrupt shock to the global economy. Since the start of 2020, the pandemic has moved quickly from being an emerging risk of the Company to the principal risk. The Company is exposed to market risk, with volatile and falling markets brought about by the pandemic, as well as investment and earnings risks surrounding the companies in the portfolio, such as reduced demand, reduced turnover and supply chain breakdown. SIML continues to review carefully the composition of the Company's portfolio and to discuss this with the Board on a regular basis. Operationally, COVID-19 is also affecting the suppliers of services to the Company, including SIML and other key service providers. This represents a risk to the Company and the Board is reviewing regularly the mitigation measures which have been put in place to maintain operational resilience and their effectiveness. Working from home arrangements have been implemented by the Company's service providers where appropriate and government guidance is being followed. To date services have continued to be supplied as normal.

In addition to the pandemic risk referred to above, the principal risks faced by the Company, which have not changed during the course of the year, are set out below.

Investment and strategy risk: The Board is responsible for deciding the investment strategy to fulfil the Company's objectives and monitoring the performance of SIML. Inappropriate strategy, including asset class, country and sector allocation, stock selection and the use of gearing, could lead to poor returns for Shareholders. To manage this risk the Board requires SIML to provide an explanation of significant stock selection decisions and the rationale for the composition of the investment portfolio at each Board meeting, when gearing levels are also reviewed. The Board monitors the spread of investments to ensure that it is adequate to minimise the risk associated with particular asset classes, countries or factors specific to particular sectors. SIML also provides the Board and Shareholders with monthly factsheets.

Market risk: The Company's assets consist principally of listed equities and fixed income securities and its greatest risks are in consequence market related. In addition to ordinary movements in the prices of the Company's investments and the loss that the Company might suffer through holding investments in the face of negative market movements, the Company's use of gearing necessarily amplifies this risk. The Board seeks to mitigate this risk through the processes described in the paragraph above, monitoring the implementation and results of the investment process with SIML.

Financial risk: The Company's investment activities expose it to a variety of financial risks that include market price risk, foreign currency risk, interest rate risk and liquidity and credit risk. Further details of these risks and the ways in which they are managed are disclosed in note 16 of the financial statements.

Earnings and dividend risk: The earnings that underpin the amount of dividends declared and future dividend growth are generated by the Company's underlying portfolio. Fluctuations in earnings resulting from changes to the underlying portfolio or changes in the tax treatment of the dividends or interest received by the Company could reduce the level of dividends received by Shareholders. The Board monitors and manages this risk by considering detailed income forecasts prepared by SIML and the Company Secretary at each Board meeting and when the quarterly dividends are declared.

Operational and cyber risk: The Company relies upon the services provided by third parties and is reliant on the control systems of SIML, as Manager, PATAC, as AIFM, Company Secretary and Administrator, and the Company's other service providers. The security and/or maintenance of, inter alia, the Company's assets, dealing and settlement procedures, and accounting records depend on the effective operation of these systems, including controls to address cyber risk. These are regularly tested and monitored and are reported on at each Board meeting. An internal control report, which includes an assessment of risks, together with the procedures to mitigate such risks, is prepared by the Company Secretary and reviewed by the Audit Committee at least once a year. The Custodian, J.P. Morgan Chase Bank N.A., produces an internal control report every six months which is reviewed by its auditors and gives assurance regarding the effective operation of controls. A summary of this report is reviewed by the Audit Committee.

Regulatory risk: The breach of regulatory rules could lead to a suspension of the Company's stock exchange listing or financial penalties. Breach of sections 1158 to 1159 of the Corporation Tax Act 2010 could lead to the Company being subject to tax on chargeable gains. The Company Secretary monitors the Company's compliance with the rules of the FCA and sections 1158 to 1159 of the Corporation Tax Act 2010. Compliance with the principal rules is reviewed by the Directors at each Board meeting.

Key man risk: In order to reduce key man risk, SIML operates a team approach to fund management, with each member of the four strong highly experienced investment team contributing to the performance of the Company through their research specialisations.

Going concern

The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. This review included consideration of the Company's current investment objective (see page 1), its principal risks and uncertainties, in particular those relating to COVID-19 (see pages 16 and 17), its capital and debt management (see note 17 to the financial statements), the nature of its portfolio and its income and expenditure projections.

The Company's investments consist mainly of readily realisable securities which can be sold to maintain adequate cash balances to meet expected cash flows, including debt servicing. The Board has set limits for borrowing and regularly reviews the level of gearing and compliance with banking covenants, including sensitivities around the levels at which covenants may be breached. The Company's loan facility with the Royal Bank of Scotland is due to expire on 31 October 2020 and it is the Board's current intention to seek to renew the facility on acceptable terms. However, should these terms not be forthcoming, any outstanding borrowings will be repaid through the proceeds of investment sales.

The Board also has regard to ongoing investor interest in the continuation of the Company, looking specifically at feedback from meetings and conversations with Shareholders by the Company's advisers, and the operation of the DCM, which the Directors believe enhances the Company's appeal to investors.

Based on their assessment and considerations, the Directors believe that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for at least 12 months from the date of this report, meeting liabilities when they fall due. The Directors have, therefore, concluded that they should continue to prepare the financial statements on a going concern basis and the financial statements have been prepared accordingly.

The Company's viability

The Directors have assessed the prospects of the Company over a three-year period from the date that this Annual Report is due to be approved by Shareholders. This period was selected as it is considered a reasonable time horizon to consider the continuing viability of the Company and a suitable period over which to measure the performance of the Company against its benchmark. The three-year period is consistent with the planning horizon used by the Company in managing its activities.

In their assessment of the viability of the Company, the Directors have considered the following factors:

- The principal risks and uncertainties detailed on pages 16 to 17 and the mitigating controls in place, including the ongoing impact of COVID-19 and the Company's operational resilience.
- The Company's investment objective and its ongoing relevance in the current environment.
- The effectiveness of the DCM.
- Income and expenditure projections.
- The effect of any significant future falls in investment values on the ability to repay and re-negotiate borrowings and retain investors.
- The liquidity of the portfolio, which is principally invested in readily realisable, listed securities which could be sold to meet funding requirements if necessary.

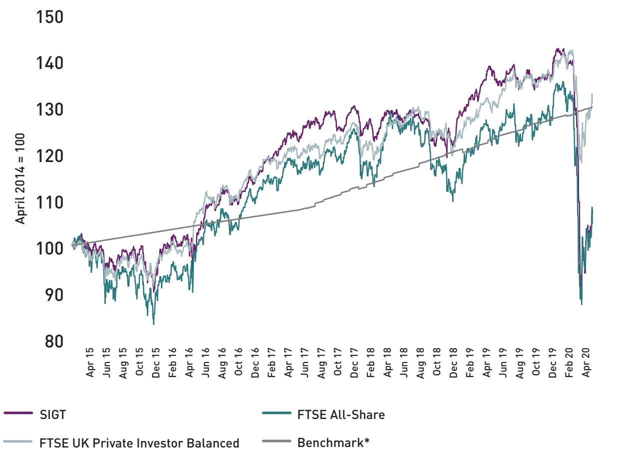
Based on the results of their analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to the AGM in 2023.

Performance measurement and key performance indicators

The Board uses a number of performance measures to assess the Company's success in meeting its objectives. More information on the key performance indicators is noted in the Chairman's Statement on pages 3 and 4. The key performance indicators are as follows:

- **Performance measured against the benchmark and relevant indices**
  The Board reviews and compares, at each meeting, the performance of the portfolio as well as the net asset value total return† and share price total return† for the Company and its benchmark and relevant indices.

Cumulative growth, NAV and share price total return, GBP

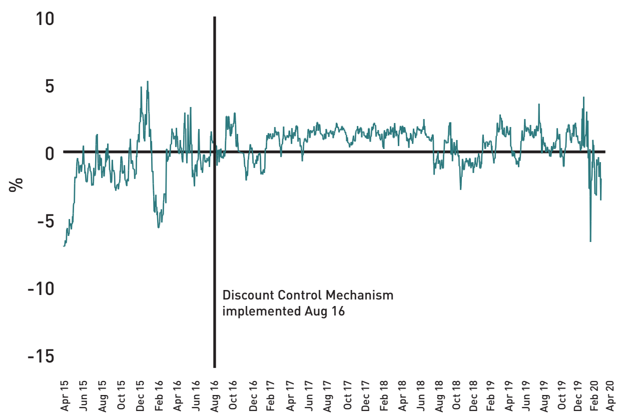


*The benchmark return is calculated using a blended return based on the benchmark of CPI +6% from 7 July 2017 and previously of LIBOR GBP +3%.

Sources: FTSE Russell®/Seneca Investment Managers.

- **Premium/(discount) to net asset value ('NAV')†**
  At each Board meeting, the Board monitors the level of the Company's premium/(discount) to NAV. The Company publishes a NAV per share figure on a daily basis, through the official newswire of the London Stock Exchange.

Company premium/(discount) % (based on cum income NAV)



Sources: Bloomberg

- **Revenue earnings and dividends per share**
  The Board reviews a revenue forecast on a quarterly basis to determine the quarterly dividend and considers dividend growth against CPI.

- **Ongoing charges†**
  The ongoing charges are a measure of the total expenses incurred by the Company expressed as a percentage of the average Shareholders' funds over the year. The Board regularly reviews the ongoing charges and monitors all Company expenses.

† Alternative Performance Measure – further details can be found on pages 52 and 53.

Environmental, Social and Governance policy

The Directors recognise that their first duty is to act in the best financial interests of the Company's Shareholders and to achieve good financial returns against acceptable levels of risk, in accordance with the objectives of the Company.

In asking the Manager to deliver against these objectives, they have also requested that the Manager take into account the broader environmental and social issues of companies within the Company's portfolio, acknowledging that companies failing to manage these issues adequately run a long-term risk to the sustainability of their businesses.

More specifically, they expect companies to demonstrate strong governance, effective management of their stakeholder relationships and responsible management and mitigation of environmental and social impacts.

The Company is an investment trust with no employees. Therefore, the Company has no direct employee, social or environmental responsibilities.

At 30 April 2020 there were two male Directors and one female Director, increasing to two male and two female Directors on 16 June 2020. As the Company has no employees, it does not require to report further on gender diversity.

By order of the Board
PATAC Limited
Company Secretary
15 June 2020

Your Board

The Directors, all of whom are non-executive and independent of the Manager, supervise the management of Seneca Global Income & Growth Trust plc and represent the interests of Shareholders.

Richard Alexander McGregor Ramsay

Independent Non-Executive Chairman

Length of service: 7 years 2 months. Appointed a Director on 2 April 2013 and Chairman on 3 September 2013

Experience: Formerly an investment banker with considerable experience of the investment trust sector gained as a Managing Director at Barclays de Zoete Wedd and a director at Intelli Corporate Finance. His experience also covers the fund management sector as a director with Ivory & Sime, the leisure sector as finance director at Aberdeen Football Club, the energy sector as a managing director at Ofgem and the public sector as a director at the Shareholder Executive. He is currently chairman of Northcourt, a recent start¬up in the financial services sector, and is also a director of JLEN Environmental Assets Group Limited.

Last re-elected to the Board: 16 July 2019

Committee membership: Audit Committee, Management Engagement Committee, Nomination Committee

Remuneration: £32,000 per annum

All other public directorships: John Laing Environmental Assets Group Limited

Shared Directorships with any other Trust Directors: None

Shareholding in the Company: 150,402 Ordinary shares

James Russell McCulloch

Senior Independent Non-Executive Director and Chairman of the Nomination Committee

Length of service: 5 years 5 months. Appointed a Director on 2 January 2015

Experience: Previously Executive Chairman of Speirs & Jeffrey Ltd with over 30 years' experience in private client investment and portfolio management. He was formerly a chartered FCSI having previously qualified as a Chartered Accountant with Coopers & Lybrand. Mr McCulloch is a member of the Institute of Chartered Accountants of Scotland.

Last re-elected to the Board: 16 July 2019

Committee membership: Audit Committee, Management Engagement Committee, Nomination Committee

Remuneration: £25,000 per annum

All other public company directorships: None

Shared Directorships with any other Trust Directors: None

Shareholding in Company: 120,000 Ordinary shares

Susan (Sue) Patricia Inglis

Independent Non-Executive Director and Chairman of the Audit Committee

Length of service: 1 year 3 months. Appointed a Director on 1 March 2019

Experience: Previously Managing Director – Corporate Finance in the Investment Companies teams at Cantor Fitzgerald Europe (2012-2018) and Canaccord Genuity (2009-2012) with over 30 years' experience advising investment companies and financial institutions. She is a qualified lawyer and was a partner and head of the funds and financial services group at Shepherd & Wedderburn, a leading Scottish law firm. In 1999 she was a founding partner of Intelli Corporate Finance, an advisory boutique firm focusing on the asset management and investment company sectors, which was acquired by Canaccord Genuity in 2009. Sue is currently the Chairman of The Bankers Investment Trust PLC and a non-executive director of several other listed investment trusts and companies.

Committee membership: Audit Committee, Management Engagement Committee, Nomination Committee

Remuneration: £27,000 per annum

All other public directorships: The Bankers Investment Trust PLC, Baillie Gifford US Growth Trust plc, BMO Managed Portfolio Trust PLC and NextEnergy Solar Fund Limited.

Shared Directorships with any other Trust Directors: None

Shareholding in the Company: 20,000 Ordinary shares

Anne Sarah Gilding

Independent Non-Executive Director

Length of service: Appointment effective from 16 June 2020

Experience: Over the last 25 years Anne has led the development of global communications, branding and marketing solutions for a broad range of companies including Impax Asset Management Group plc, BMO (formerly F&C), GAM, Vernalis Group plc and UBS. She is currently a senior adviser to Peregrine Communications and a non-executive director of Aberdeen New Thai Investment Trust plc.

Committee membership: Audit Committee, Management Engagement Committee, Nomination Committee (all effective from 16 June 2020)

Remuneration: £24,000 per annum

All other public directorships: Aberdeen New Thai Investment Trust plc.

Shared Directorships with any other Trust Directors: None

Shareholding in the Company: 8,000 Ordinary shares

Investment Manager

Seneca Investment Managers Limited ('SIML')

SIML is based in Liverpool with a national client base. Investors range from discretionary private client managers and personal investors through to financial advisers and institutions such as pension funds and charities. The firm specialises in Multi-Asset Investing.

Where SIML differs from other providers of multi-asset investment products is in its distinctive 'value' based approach. This means the firm prides itself on the ability to identify and invest where there is both quality and unrecognised value.

SIML creates portfolios which combine shares in companies (equities) with fixed income investment vehicles (bonds or debts) and a wide range of specialist and defensive assets. It gains exposure to these areas either through open and closed ended third party funds or, as in the case in the UK, directly in listed companies. SIML believes its 'Multi-Asset Value Investing' approach gives it the edge in delivering the right outcomes for its investors over an investment cycle.

SIML has a team of four highly experienced investment professionals. Further directors and staff focus on management, marketing, compliance and operational roles, whilst SIML benefits from the involvement of a strong team of non-executive directors, all with extensive experience of investment businesses. Together the team holds a substantial minority share in the business, and has significant personal investments in the funds it manages.

SIML adopts a team approach to fund management. Each member of the investment team specialises in a particular area of research: asset allocation, UK equities, overseas equities, fixed income, specialist assets and defensive assets. Research ideas, all of which must exhibit 'value' characteristics, are subject to a strict process of team approval before inclusion in portfolios. Two team members are assigned an oversight role on each portfolio, so as to ensure the implementation of approved research ideas, and for purposes of cash flow and income management.

SIML has a heritage stretching back to 2002 when it established two multi-asset unit trusts – now open-ended investment companies (OEICs) – closely followed by what is now called Seneca Global Income & Growth Trust plc, your Company. In addition, SIML manages segregated accounts for institutional investors.

Gary Moglione – overseas equity and bond fund research specialist

Gary joined SIML in April 2018 and is responsible for third party fund selection alongside Tom Delic. He has worked in the investment industry since 1999 with a major portion of this specialising in fund selection both on a fund of funds basis and a multi-manager basis.

Gary has previously worked as a fund manager for Royal Liver Asset Managers where he managed two of its multi-manager funds (UK Equity and Global Equity). He then joined the multi-asset team at Pioneer Investment Management (later to be taken over by Amundi Asset Management) to manage equity assets in its fund of funds range.

Gary is responsible for the overall portfolio oversight of the Company.

Mark Wright – UK equity research specialist

Mark is responsible for UK equity research across SIML. Mark began his career at SIML in 2006 after graduating from the University of York with a BSc degree in Economics.

Mark is a CFA Charter holder and an accredited member of the CFA Institute.

Richard Parfect – specialist assets research specialist

Richard applies SIML's value driven approach to his specific focus on specialist assets.

Richard is a Fellow of the CISI and was a founder of what is now SIML in 2002. He previously worked as a UK equity analyst at Merseyside Pension Fund and started his career at Neilson Cobbold.

Richard assists Gary with the overall portfolio oversight of the Company.

Tom Delic – overseas equity and bond fund research specialist

Tom is responsible for SIML's third party fund selection alongside Gary Moglione. He has worked in the investment industry since 2009 after graduating from the University of Liverpool with a first class degree in Mathematics with Finance.

He began his career as an investment analyst for Royal Liver Asset Managers and joined SIML in October 2011.

Directors' Report

The Directors present their Report and the audited financial statements for the year ended 30 April 2020.

Principal activity

The business of the Company is that of an investment trust investing in a diversified portfolio principally comprising UK and overseas equities, fixed income and specialist assets. The Company seeks to take advantage of a wide range of investment opportunities and reduce the risk profile of the Company's portfolio.

Status

The Company is registered as a public limited company, is an investment company as defined by section 833 of the Companies Act 2006 and is registered in England and Wales with registered number 03173591. The Company is also a member of the Association of Investment Companies ('AIC').

The Company carries on business as an investment trust and has been approved as such by HM Revenue and Customs.

The Company manages its affairs so as to be a qualifying investment for inclusion in an Individual Savings Account ('ISA') and it is the Directors' intention that the Company should continue to do so.

Revenue and dividends

The revenue profit for the year after expenses, interest and taxation was £3,322,000 (2019: £3,583,000), equivalent to a return of 6.79p per share (2019: 7.50p). Three interim dividends of 1.68p were paid during the year and a fourth interim dividend of 1.68p will be paid on 19 June 2020 to holders on the register at the close of business on 28 May 2020, making a total distribution for the year of 6.72p (2019: 6.60p).

Share capital

The issued share capital at 30 April 2020 consisted of 47,719,088 Ordinary shares of 25p each and there were 1,882,000 Ordinary shares held in treasury. As at the last practicable date of 12 June 2020 the issued share capital consisted of 46,529,588 Ordinary shares of 25p each and 3,071,500 shares were held in treasury. At general meetings of the Company, each holder of Ordinary shares, excluding treasury shares, is entitled to one vote on a show of hands and, on a poll, to one vote for every Ordinary share held.

Companies Act 2006, Section 992

The following further information is disclosed in accordance with the above:

- the Company's capital structure is summarised above;
- details of the substantial Shareholders in the Company are listed on page 22;
- the rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are summarised below;
- amendment of the Company's Articles of Association and powers to issue non pre-emptively or buy-back the Company's shares require a special resolution to be passed by Shareholders;
- there are: no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a takeover bid; and
- there are no agreements between the Company and its Directors concerning compensation for loss of office.

Directors

Details of the current Directors of the Company are shown on page 19.

Ian Davis retired on 28 November 2019 and Anne Gilding has been appointed with effect from 16 June 2020.

The Articles of Association require Directors to offer themselves for re-election at least once every three years. The Board has resolved that all the Directors will retire and offer themselves for re-election on an annual basis, believing this to be best practice. New Directors will offer themselves for election at the Annual General Meeting immediately following their appointment.

No Director has a service contract with the Company. No Directors were interested in any contracts with the Company.

Directors' indemnities

As at the date of this report, indemnities are in place between the Company and each of its Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his or her role as a Director of the Company. The Directors are also indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred, provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

A copy of each deed of indemnity is available for inspection at the Company's registered office during normal business hours and will be available for inspection at the AGM.

Management of conflicts of interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest, as required by the Companies Act 2006. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his or her connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential or actual conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

Substantial interests

To the best of the Company's knowledge at 30 April 2020 the only persons known to the Company who, directly or indirectly, were interested in 3% or more of the Company's issued share capital were as follows:

Shareholder	Number of shares held	% held
Hargreaves Lansdown	5,263,376	11.0
Interactive Investor	5,177,450	10.8
EFG Harris Allday	4,728,882	9.9
AJ Bell	3,827,749	8.0
Rathbones	2,716,675	5.7
Hedley	2,343,332	4.9
Charles Stanley	1,980,014	4.1
Brewin Dolphin	1,768,173	3.7
Alington Ruthin	1,743,597	3.7
Transact	1,615,526	3.4
Philip J Milton	1,533,799	3.2

All of the above Shareholders are platforms, wealth managers or stockbrokers.

Since 30 April 2020, there have been no changes notified to the Company.

Directors and staff of SIML (and their families) own 1.94m shares in the Company representing 3.9% of the Company's issued share capital as at 30 April 2020.

Management and management fees

SIML provides investment management services to the Company. A summary of the agreement between the Company, the AIFM and the Manager in respect of investment management services provided is given in note 3 to the financial statements.

The Management Engagement Committee has reviewed the appropriateness of the Manager's appointment. In carrying out its review, the Committee considered the past investment performance of the Company and the capability and resources of the Manager to deliver satisfactory investment performance. It also considered the length of the notice period of the management agreement and the fees payable to the Manager, together with the commitment of the Manager to the Company and the standard of other services provided, which include marketing and corporate development.

Following this review it is the Directors' opinion that the continuing appointment of the Manager, on the terms agreed, is in the interests of Shareholders as a whole.

Expense allocation policy

The Board carries out an annual review of the Company's expense allocation policy. Following a review in April 2020, it was determined that the policy of charging 50% of management fees and interest costs to capital and 50% to revenue should be changed to 70% to capital and 30% to revenue. This change reflects the Board's expectation of future long-term returns and became effective on 1 May 2020.

Directors' remuneration policy and report

The Directors' remuneration policy and report are detailed on pages 29 and 30.

Alternative Investment Fund Managers' Directive ('AIFMD')

The Company has appointed PATAC Limited as its Alternative Investment Fund Manager ('AIFM'). The AIFM has delegated the portfolio management activities relating to the Company to SIML pursuant to a delegation agreement between the Company, the AIFM and SIML. SIML absorbs the cost of the AIFM as part of its management fee.

The AIFMD requires the AIFM to appoint a depositary for each authorised investment fund it manages.The Company's appointed depository is J.P. Morgan Europe Limited (the 'Depositary'). The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments and monitoring the Company's compliance with investment and leverage limits. The Depositary has delegated the custody function to J.P. Morgan Chase Bank N.A.

Annual General Meeting

The Notice of Annual General Meeting is set out on pages 55 to 59.

Resolution 1 – Receipt and adoption of the audited accounts and associated reports
Resolution 1 asks Shareholders to receive and adopt the audited accounts for the year ended 30 April 2020 together with the associated reports of the Directors and auditor.

Resolution 2 and 3 – Approval of the Directors' remuneration report and policy
Resolution 2 asks Shareholders to approve the Directors' remuneration report for the year ended 30 April 2020 and resolution 3 asks Shareholders to approve the Directors' remuneration policy for the three year period to 30 April 2023. The report can be found on pages 29 to 30 and the policy is detailed on page 29.

Resolution 4 – Approval of dividend policy
The Company's current policy is to pay all of its dividend payments (four per annum) as interim dividends. This enables the fourth dividend payment to be made several weeks earlier than would be the case if that dividend were categorised as a final dividend and therefore have to wait for Shareholder approval at the AGM in July. This arrangement is made in the interests of Shareholders, enabling them to benefit from the earlier receipt of the fourth dividend. In accordance with the principles of good corporate governance, as there is no resolution to approve a final dividend at the AGM, resolution 4 seeks Shareholder approval for the Company's current dividend policy.

Resolutions 5 to 8 – Re-election and election of Directors
In line with best practice, each Director stands for re-election on an annual basis. Resolutions 5 to 7 relate to the re-election of Richard Ramsay, James McCulloch and Sue Inglis, all of whom served as Directors for the past year and offer themselves for re-election. Resolution 8 relates to the election of Anne Gilding, who will join the Board on 16 June 2020. Ms Gilding has extensive knowledge and experience in marketing and communications for a range of financial services companies.

The Directors have reviewed the proposed re-election or election of each of the Directors and are of the opinion that they bring a significant range of business, financial and management skills and experience to the Company and are independent in both character and judgement. Accordingly, the Board supports the Directors re-elections and election, as proposed by resolutions 5 to 8.

Directors' biographies are set out on page 19.

Resolutions 9 and 10 – Reappointment and remuneration of Auditor
The Company is required to appoint an auditor at each general meeting at which accounts are presented to Shareholders. Ernst & Young LLP has indicated its willingness to continue in office, accordingly, resolution 9 asks Shareholders to reappoint Ernst & Young LLP as auditor of the Company and resolution 10 asks Shareholders to authorise the Directors to fix the auditor's remuneration.

Resolutions 11, 12 and 13 – Directors' authority to allot shares
Resolution 11, if approved, will give the Directors a general authority to allot Ordinary shares up to an aggregate nominal amount of £3,877,465 (or such amount being equivalent to one-third of the aggregate nominal amount of the issued share capital of the Company, excluding treasury shares, on the date on which resolution 11 is passed). In line with corporate governance guidelines, resolution 12, if approved, will authorise the Directors to allot such Ordinary shares, or sell Ordinary shares held in treasury, up to an aggregate nominal amount of £1,163,239 (or such amount being equivalent to 10% of the aggregate nominal amount of the issued share capital of the Company, excluding treasury shares, on the date on which resolution 12 is passed) for cash without first offering such Ordinary shares to existing Shareholders pro rata to their existing shareholdings. In addition to this authority, resolution 13, if approved, will authorise the Directors to allot further Ordinary shares, or sell further Ordinary shares held in treasury, up to an aggregate nominal amount of £2,326,478 (or such amount being equivalent to 20% of the aggregate nominal amount of the issued share capital of the Company, excluding treasury shares, on the date on which resolution 13 is passed) for cash without first offering such Ordinary shares to existing Shareholders pro rata to their existing shareholdings. This additional authority will only be used to issue Ordinary shares, or sell treasury shares, in accordance with the Company's DCM.

These authorities will expire on 21 October 2021 or, if earlier, at the conclusion of the AGM of the Company to be held in 2021. No issue of Ordinary shares would be made pursuant to the authorities which would dilute the net asset value per Ordinary share of existing Shareholders.

As at 12 June 2020, the Company held 3,071,500 Ordinary shares in treasury.

Resolution 14 – Share buy-backs
Resolution 14 seeks Shareholder approval to renew the authority to purchase through the market up to 6,974,785 Ordinary shares or, if less, the number representing 14.99% of the Ordinary shares in issue (excluding treasury shares) on the date on which resolution 14 is passed (the 'Buyback Authority').

The Buyback Authority, if granted, will expire on 21 October 2021 or, if earlier, at the conclusion of the AGM of the Company to be held in 2021.

The price (excluding expenses) paid for an Ordinary share bought back pursuant to the Buyback Authority will not be: (a) less than its nominal value of 25p; or (b) more than the higher of (i) 5% above the average of the middle market values of the Ordinary shares for the five business days prior to the day the purchase is made and (ii) the higher of the price of the last independent trade and the highest current independent bid for any number of Ordinary shares on the trading venue on which the purchase is carried out.

The Buyback Authority will only be exercised at the Directors' discretion and is expected to be used principally to buy back Ordinary shares in accordance with the Company's DCM, details of which are set out on page 4 of the Annual Report. Any Ordinary shares bought back under the Buyback Authority may be held in treasury or cancelled.

Resolution 15 – Change to investment policy
Resolution 15 seeks Shareholder approval to vary the investment policy to include an additional asset allocation to defensive assets of up to 20% and to allow the Company to use derivatives for efficient portfolio management. Further details are included in the Chairman's Statement on page 4 and the Strategic Review on page 14. The full text of the revised policy is on page 54.

Resolution 16 – Special reserve
Resolution 16 is to enable the Company to use its special reserve to fund distributions, including share buy-backs and dividend distributions. Following Shareholder approval in 2008, the special reserve was created after a court approved cancellation of the Company's share premium account. The circular issued by the Company in respect of the share premium account cancellation only referred to the special reserve being used to fund share buy-backs. The circular did not specifically draw to Shareholders' attention that, once created following the approval of the court under The Companies (Reduction of Capital) Order 2008, the special reserve would be a distributable reserve from which distributions could be made to Shareholders, including by way of dividends. As that was not drawn to their attention before voting on the proposal in 2008, before using the special reserve other than for share buy-backs, the Directors wish to confirm that Shareholders are in fact content for the special reserve to be used for all purposes permitted by the Companies Act 2006 and The Companies (Reduction of Capital) Order 2008, including dividends.

Resolution 17 – Notice period for general meetings
Resolution 17 is to allow the Company to hold general meetings (other than an AGM) on 14 clear days' notice. The notice period required by the Companies Act 2006 for general meetings of the Company is 21 clear days, unless Shareholders approve a shorter notice period, which cannot be less than 14 clear days, and the Company offers the facility for all Shareholders to vote by electronic means.

Annual General Meetings must always be held on at least 21 clear days' notice. It is intended that the flexibility offered by this resolution will only be used for time-sensitive, non-routine business and where merited in the interests of Shareholders as a whole. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

Recommendation

Your Board considers the passing of the resolutions to be proposed at the AGM to be in the best interests of the Company and its Shareholders as a whole. Accordingly, your Board unanimously recommends that Shareholders should vote in favour of the resolutions as it intends to do in respect of its own beneficial shareholding of 290,402 Ordinary shares.

As a result of the restrictions on attendance at this year's AGM, Shareholders are encouraged to vote by proxy and to ask any questions in advance (by email to cosec@patplc.co.uk).

Financial instruments

The Company's financial instruments comprise its investment portfolio, cash balances, bank debt and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. Financial instruments recognised at fair value are shown in the fair value hierarchy in note 18 to the financial statements. The financial risk management objectives and policies arising from the Company's financial instruments and the exposure to risk are disclosed in note 16 to the financial statements. Details of the Company's bank facility are contained in note 11 to the financial statements.

Greenhouse gas emissions

All of the Company's activities are outsourced to third parties. As such it does not have any physical assets, property, employees or operations of its own and does not produce any material greenhouse gas or other emissions.

Criminal Finances Act 2017

The Company has a zero tolerance policy towards the criminal facilitation of evasion.

Statement regarding Annual Report

Following a detailed review of the Annual Report by the Audit Committee, the Directors consider that taken as a whole it is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy. In reaching this conclusion, the Directors have assumed that the reader of the Annual Report and Accounts would have a reasonable level of knowledge of the investment industry in general and investment trusts in particular.

Disclosure of information to the Auditor

The Directors confirm that, so far as each of them are aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the 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 auditor is aware of that information.

21 Walker Street
Edinburgh
EH3 7HX

By order of the Board
PATAC Limited
Company Secretary
15 June 2020

Statement of Corporate Governance

Introduction

Corporate governance is the process by which the Board seeks to look after Shareholder interests and protect and enhance Shareholder value. Shareholders hold the Directors responsible for the stewardship of the Company.

The Board has considered the principles and provisions of the Association of Investment Trusts' Code of Corporate Governance ('AIC Code'). The AIC Code is endorsed by the Financial Reporting Council and adapts the principles and provisions set out in the UK Corporate Governance Code to make them relevant to investment companies as well as incorporating the relevant provisions of the UK Corporate Governance Code.

The Board believes that the AIC Code provides the most appropriate governance framework for the Company. Accordingly, the Company reports against the principles and provisions of the AIC Code. The February 2019 edition of the AIC Code is applicable to the year under review and can be found at www.theaic.co.uk.

By reporting against the AIC Code, the Board is meeting its obligations in relation to the UK Corporate Governance Code (and associated disclosure requirements under the FCA's Listing Rule 9.8.6R) and, accordingly, the Company does not need to report further on issues contained in the UK Corporate Governance Code which are irrelevant to it.

Application of the AIC Code

Operation of the Board

The Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. The Board sets the Company's values and objectives and ensures that its obligations to Shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

The Board undertakes a regular review of the Manager's culture, policies and practices to ensure that they are aligned with the values of the Company. It also reviews the Company's service providers to satisfy itself that they maintain policies and practices consistent with good risk management, compliance and regulatory frameworks and deliver a value for money service.

The Board meets five times a year on a formal basis and on an ad-hoc basis as required. The primary focus at the regular Board meetings is a review of investment performance and associated matters, including asset allocation, marketing and investor relations and regulatory and industry issues. In advance of each meeting, the Directors receive a comprehensive set of papers, including the Manager's review and performance reports, revenue projections and expense budgets, updates on marketing activities and investor relations, regulatory reports and documents on any other specific matters of importance. Key representatives of the Manager attend each Board meeting, enabling the Directors to probe on matters of concern and seek clarification on any issues.

Audit Committee

The Report of the Audit Committee is contained on pages 27 and 28.

Management Engagement Committee

A separate Management Engagement Committee, which is chaired by Richard Ramsay and comprises the full Board, has been established. The Management Engagement Committee reviews annually matters concerning the management agreement which exists between the Company, the AIFM and the Manager. Further information on the Manager is set out on page 20 and details of the management agreement are shown in note 3 to the financial statements.

Nomination Committee

Appointments to the Board of Directors are considered by the Nomination Committee which is chaired by James McCulloch and comprises the full Board. The Nomination Committee considers a broad range of skills and experience when seeking potential candidates, including diversity. External search consultants may be used to assist in the appointment of new Directors should it be considered expedient.

During the year, the Nomination Committee carried out a search for a new Director. Cornforth Consulting, an external agency with no connection to the Company, was engaged to put forward candidates for interview. The Committee determined that a new Director with marketing and communications experience would be a very useful addition to the Board and Cornforth was provided with a brief to identify a diverse range of candidates, including some with these particular skills. Following a far reaching candidate review and interview process, it was decided to appoint Anne Gilding to the Board, effective from 16 June 2020. Anne has extensive experience in the marketing and communications and was best qualified to compliment the existing balance of skills and experience on the Board.

Directors' meetings

The following table shows the number of formal Board and Committee meetings held during the year and the number attended by each Director (with eligibility to attend in brackets):

	Board meetings	Audit Committee meetings	Management Engagement Committee meetings	Nomination Committee meetings
Richard Ramsay	5 (5)	2 (2)	2 (2)	4 (4)
James McCulloch	5 (5)	2 (2)	2 (2)	4 (4)
Sue Inglis	5 (5)	2 (2)	2 (2)	4 (4)
Ian Davis *	4 (4)	2 (2)	2 (2)	4 (4)

*Ian Davis retired on 28 November 2019.

Directors independence

The Board currently consists of a non-executive Chairman and two non-executive Directors, increasing to three non-executive Directors on 16 June 2020. All Directors are considered by the Board to be independent of the Manager and free of any material relationship with the Manager. Each Director has the requisite level and range of business and financial experience which enables the Board to provide clear and effective leadership and proper governance of the Company. James McCulloch has been identified as the Senior Independent Director, to whom any concerns can be conveyed by the other Directors.

Tenure

Directors are subject to election by Shareholders at the Annual General Meeting following their appointment and, thereafter, are subject to retirement and re-election on an annual basis. In addition, the appointment of each Director is reviewed by the other members of the Board each year. Directors are not, therefore, subject to automatic re-appointment. Directors are not appointed for specific terms. The Board is conscious of the benefits of continuity on the Board and believes that retaining Directors with sufficient experience of the Company is of great benefit to Shareholders. The Chairman and Directors would generally be expected to serve a term of nine years. However, a flexible approach to tenure has been adopted and that period may be extended in certain circumstances to facilitate continuity and effective succession planning, whilst still ensuring regular refreshment and diversity on the Board.

Board diversity

The Board recognises the importance of diversity including gender, ethnicity and background, and is committed to ensuring that a wide range of knowledge, experience, skills and cognitive diversity are represented on the Board.

The Board does not consider it appropriate to establish diversity targets or quotas but considers diversity, in its broadest sense, as an important factor in its succession planning and recruitment process, and is committed to appointing and retaining the most appropriate and well qualified individuals.

Induction and training

New Directors appointed to the Board are provided with an induction programme which is tailored to the particular circumstances of the appointee. Regular briefings are provided during the year on industry and regulatory matters and the Directors receive other relevant training as required.

Performance evaluation

The Board has put in place necessary procedures to conduct, on an annual basis, an appraisal of the Chairman of the Board as well as a performance evaluation of the Board as a whole, the individual Directors and the Board Committees. The process involves consideration of completed questionnaires tailored to suit the nature of the Company and discussion of the points arising amongst the Directors.

The Board has reviewed the Chairman's and Directors' other commitments and is satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company. The Board has reviewed the proposed re-elections and is of the opinion that each Director brings a significant range of business, financial and management skills and experience to the Company and the Board supports their re-election. The annual evaluation of the Board and the Directors has been completed and the Directors have concluded that the Board continues to function effectively and, individually, the Directors remain independent and there are no relationships or circumstances which are likely to affect the judgement of the Directors.

Stewardship

The Board has delegated responsibility for actively monitoring the activities of investee companies to the Manager. The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the investee company, and for attending company meetings. The Manager, in the absence of explicit instruction from the Board, is empowered to use discretion in the exercise of the Company's voting rights in respect of investee companies. The underlying aim of exercising such voting rights is to protect the return from an investment. The Manager's policy is to assess each voting opportunity individually and to vote only in cases where it is believed that the Company's best interests need to be protected. The Board also receives from the Manager regular reports on the exercise by the Manager of the Company's voting rights.

Relations with Shareholders

The Directors place a great deal of importance on communication with Shareholders. The Annual Report and Accounts are widely distributed to other parties who have an interest in the Company's performance. Shareholders may obtain up to date information on the Company through the Manager's website at www.senecaim.com.

A regular dialogue is maintained with the Company's institutional Shareholders and with private client asset and wealth managers. This is principally carried out through the Manager. Reference to significant holdings in the Company's Ordinary shares can be found under 'Substantial Interests' on page 22.

The Notice of the Annual General Meeting included within the Annual Report and Accounts is sent out at least 20 working days in advance of the meeting. All Shareholders have the opportunity to put questions to the Board or Manager. The Company Secretary is available to answer general Shareholder queries at any time throughout the year.

21 Walker Street
Edinburgh
EH3 7HX

By order of the Board
PATAC Limited
Company Secretary
15 June 2020

Report of the Audit Committee

Composition of the Audit Committee

An Audit Committee has been established and comprises three non-executive Directors, Sue Inglis (Chairman), James McCulloch and Richard Ramsay. Anne Gilding will join the Audit Committee on 16 June 2020 following her appointment as a Director. Sue Inglis has recent and relevant financial experience and the Audit Committee as a whole has competence relevant to the investment trust sector. The Chairman of the Board is a member of the Committee to enable him to be kept fully informed of any issues which may arise. The Terms of Reference of the Audit Committee are reviewed and re-assessed for their adequacy on an annual basis and are disclosed on the Company's website. Further copies are available on request.

Role of the Audit Committee

A summary of the Committee's main audit review functions is shown below:

- to review and monitor the internal control systems and risk management systems on which the Company is reliant;
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the interim and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager and Administrator;
- to meet with the external auditor, Ernst & Young LLP ('EY') to review their proposed audit programme of work and their findings. The Audit Committee shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the external auditor to supply non-audit services;
- to review an annual statement from the Manager and Administrator detailing the arrangements in place whereby the staff of the Manager and of the Administrator may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor; and,
- to monitor and review annually the external auditor's independence, objectivity, effectiveness, resources and qualification.

Annual Report and financial statements

The Board of Directors are responsible for preparing the Annual Report and financial statements. The Audit Committee advises the Board on the form and content of the Annual Report and financial statements, any issues which may arise and any specific areas which require judgement. The Audit Committee considered certain significant issues during the year. These are noted in the table on page 28.

Auditor

As part of its review of the scope and results of the audit, during the year the Audit Committee considered and approved EY's plan for the audit of the financial statements for the year ended 30 April 2020. At the conclusion of the audit EY did not highlight any issues to the Audit Committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. EY issued an unqualified audit opinion which is included on pages 32 to 37.

In relation to the provision of non-audit services by the auditor it has been agreed that all non-audit work to be carried out by the auditor must be approved in advance by the Audit Committee and any special projects must also be approved in advance. EY did not carry out any non-audit work nor did they receive any fees for non-audit services during the year (2019: £nil).

As part of the review of auditor independence and effectiveness, EY has confirmed that it is independent of the Company and has complied with relevant auditing standards. In evaluating EY, the Audit Committee has taken into consideration the standing, skills and experience of the firm and the audit team. EY has been the Company's auditor since 1997. The Company is not required to change its auditor until after the audit in respect of the year ending 30 April 2024. The Audit Committee, from direct observation and enquiry of the Manager and Administrator, remains satisfied that EY continues to provide effective independent challenge in carrying out its responsibilities. Following professional guidelines, the audit principal rotates after five years. The current audit principal, James Beszant, is in the second year of his appointment. On the basis of this assessment, the Audit Committee has recommended the continuing appointment of EY to the Board. EY's performance will continue to be reviewed annually taking into account all relevant guidance and best practice.

In relation to the Annual Report and financial statements the following significant issues were considered by the Committee:

Significant issue	How the issue was addressed
Accuracy of portfolio valuation and existence of investments	Actively traded investments are valued using stock exchange prices provided by third party pricing vendors. Unquoted investments are valued using primary valuation techniques (as set out on page 42) and are reviewed by the Committee at each meeting. Existence of investments is verified through custodian reconciliations.
Mis-statement of income	Income received is accounted for in line with the Company's accounting policy (as set out on page 42) and is reviewed by the Committee at each meeting, including allocation of special dividends.
Comfort over internal controls	The Committee receives regular reports on internal controls from the Manager and the AIFM and has access to the relevant personnel at the Manager and the AIFM who have a responsibility for risk management.
COVID-19	The Committee considered the impact of COVID-19 on the Company's system of internal controls and received regular updates from the Manager and other key service providers on mitigation measures put in place to ensure operational resilience.

All of the above were satisfactorily addressed through consideration of reports provided by and discussed with the Manager.

Internal controls

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. In accordance with the Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' (the 'FRC guidance') the Board confirms that there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and is regularly reviewed by the Board and accords with the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal controls. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed. The significant risks faced by the Company are as follows:

- financial;
- operational and cyber; and
- compliance.

The key components designed to provide effective internal controls are outlined below:

- PATAC as Company Secretary and Administrator together with the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Manager as appropriate;
- PATAC as AIFM operates a risk policy which covers the risks associated with the management of the portfolio. The adequacy and effectiveness of this is reviewed at least annually, including the risk management processes and systems and limits for each risk area. The AIFM reports regularly to the Board.
- as a matter of course the Manager's compliance department continually reviews the Manager's operations and reports to the Board on a quarterly basis;
- written agreements are in place which specifically define the roles and responsibilities of the Manager, Administrator and other third party service providers; and

The Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place at the Manager and the AIFM, has decided to place reliance on the Manager's and the AIFM's systems and internal control procedures.

At its June meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 30 April 2020 by considering documentation from the Manager and the Administrator, including the compliance function, and taking account of events since 30 April 2020. The Committee determined that the internal controls were operating effectively and as expected and the results of the assessment were then reported to the Board at the following Board meeting.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against mis-statement and loss.

The principal risks and uncertainties affecting the Company are disclosed on pages 16 and 17.

Sue Inglis
Chair of Audit Committee
15 June 2020

Directors' Remuneration Report

Introduction

As the Company has no employees and all of the Directors are non-executive, the Board has not established a separate Remuneration Committee. The Board as a whole fulfils the role of the Remuneration Committee and determines the level of remuneration paid to individual Directors within the parameters of the remuneration policy.

The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is shown below.

The Board has prepared this report in accordance with the requirements of section 421 of the Companies Act 2006. By law, the Company's auditors are required to audit certain of the disclosures provided in this report. Where disclosures have been audited they are indicated as such. An ordinary resolution for the approval of this report will be put to the Shareholders at the forthcoming Annual General Meeting.

Remuneration policy

It is the Company's policy to determine the level of Directors' fees having regard to the level of fees payable to non-executive directors in the industry generally and of investment trusts that are similar in size and complexity as the Company, the time committed by the Directors to the Company's affairs and the additional responsibilities of the Chairmen of the Board and the Audit and Nomination Committees. The policy was approved by Shareholders at the AGM in 2017 and there have been no changes to the policy since that date. The policy will be put to Shareholders for approval at the forthcoming AGM and continue for the three year period ending 30 April 2023.

The Company's Articles of Association set a maximum aggregate limit for fees payable to the Directors in a financial year. The current limit, approved by Shareholders at the AGM in 2019, is £150,000 per annum, with an annual uplift to reflect the change in the Consumer Price Index.

As disclosed in the last year's Annual Report, and following the approval of the new annual limit at last year's AGM, the Directors fees from 1 August 2019 were set as follows: Chairman £32,000 (previously £24,500), Audit Committee Chairman £27,000 (previously £22,000), Nomination Committee Chairman £25,000 (previously £20,000) and Director £24,000 (previously £20,000). The new rates reflect the current responsibilities and commitment of the Directors and ensure the Company continues to be able to attract high-calibre individuals in the future.

No Director has a service contract with the Company. Letters of appointment are in place under which the Directors are appointed to the Board subject, inter alia, to reappointment in accordance with the Articles of Association.

The Directors have not had any interests in contractual arrangements with the Company either during the period or subsequently.

No Director past or present has any entitlement to pensions and the Company has not awarded any share options or long-term performance incentives to any of the Directors.

Annual report on Directors' remuneration

Directors' emoluments (audited)

The Directors who served in the year received the following fees:

	2020 £	2019 £
Richard Ramsay	30,125	24,500
James McCulloch	23,750	20,000
Sue Inglis	24,000	3,333
Ian Davis*	14,500	22,000
Totals	**92,375**	**69,833**

* Retired 28 November 2019.

The amounts paid by the Company to the Directors were for services as non-executive Directors.

Relative importance of spend on pay

The table below shows the actual expenditure during the year in relation to Directors' remuneration, other expenses and Shareholder distributions:

	2020 £'000	2019 £'000	Change %
Aggregate Directors' remuneration*	92	70	+31.4
Management and other expenses	1,389	1,332	+4.3
Dividends paid to Shareholders	3,300	3,140	+5.1

* The increase in Directors' fees reflects the changes to the number of Directors and the increase in the fee rates, which had fallen well behind market rates and were rebased to reflect the current responsibilities and commitments of the Directors and to ensure the Company can continue to attract high-calibre individuals in the future. This was detailed in last year's Annual Report and Shareholders approved the increase in the annual Directors' remuneration limit to accommodate this change.

Directors' shareholdings (audited)

The Directors who held office at the year-end and their interests in the Ordinary shares of the Company were as follows:

	At 30 April 2020 Ordinary shares	At 30 April 2019 Ordinary shares
Richard Ramsay	150,402	133,014
James McCulloch	120,000	95,000
Sue Inglis	20,000	-
Ian Davis+	N/A	92,796

+ Retired 28 November 2019.

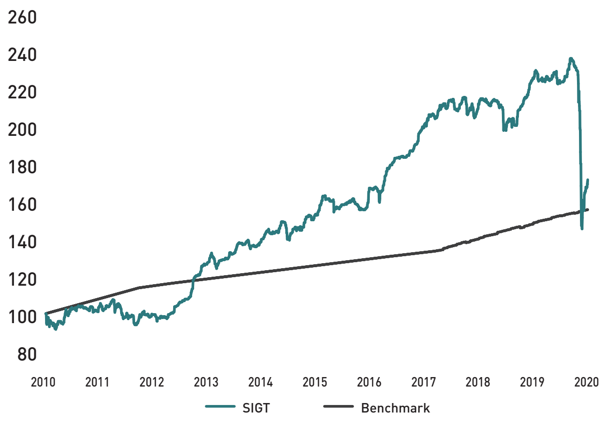
Anne Gilding, who has been appointed as a Director effective from 16 June 2020, purchased 8,000 Ordinary shares on 8 April 2020.

There have been no other changes in the Directors' interests in the shares of the Company between 30 April 2020 and 12 June 2020.

Company performance

The chart shown below illustrates, for the ten financial years ended 30 April 2020, the total Shareholder return for a holding in the Company's shares as compared to the notional annualised return of 8% from 1 May 2010 to 18 January 2012, 3 month LIBOR plus 3% from 18 January 2012 to 6 July 2017 and CPI plus 6% from 7 July 2017 to 30 April 2020, each being the Company's benchmark for the relevant period.

Share price total return



Source: Seneca Investment Managers/Bloomberg

Voting at Annual General Meeting

At the Company's last Annual General Meeting, held on 16 July 2019, Shareholders approved the Directors' Remuneration Report in respect of the year ended 30 April 2019. 99.8% of votes were in favour of the resolution, 0.1% were against, while 0.1% abstained. At the Annual General Meeting on 6 July 2017, Shareholders approved the Directors' Remuneration Policy in respect of the three year period ended 30 April 2020. 92.9% of votes were in favour of the resolution, 0.2% were against and 6.9% abstained.

Ordinary resolutions for the approval of this Directors' Remuneration Report and the Directors' Remuneration Policy will be put to Shareholders' votes at the forthcoming Annual General Meeting.

By order of the Board
PATAC Limited
Company Secretary
15 June 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they present a true and fair view and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006, where applicable. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations. The financial statements are published on **www.senecaim.com** which is a website maintained by the Company's Manager. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- that, in the opinion of the Directors, the Annual Report and Accounts taken as a whole is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

For Seneca Global Income & Growth Trust plc
Richard Ramsay
Chairman
15 June 2020

Independent Auditor's Report

to the Members of Seneca Global Income & Growth Trust plc

Opinion

We have audited the financial statements of Seneca Global Income and Growth Trust plc (the 'Company') for the year ended 30 April 2020 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 April 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to principal risks, going concern and viability statement

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

- the disclosures in the annual report set out on pages 16 and 17 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 16 in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on page 17 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 17 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition including classification of special dividends as revenue or capital items in the income statement. • Impact of COVID-19. • Risk of incorrect valuation and/or defective title of the investment portfolio.
Materiality	• Overall materiality of £0.64m which represents 1% of shareholders' funds.

Key audit matters

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

We re-assessed the risks determined at the planning stage of the audit and, due to the uncertainty in global markets caused by the COVID-19 pandemic, we revised our risk assessment to include the Key Audit Matter 'Impact of COVID-19'. Our other Key Audit Matters are unchanged.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition including classification of special dividends as revenue or capital items in the income statement (as described on page 28 in the Report of the Audit Committee and as per the accounting policy set out on page 42). The total income received for the year to 30 April 2020 was £4.29m (2019: £4.51m), consisting of dividend income from investments and distributions from collective investment schemes. The income receivable by the Company during the year directly affects the Company's revenue return. There is a risk of incomplete or inaccurate recognition of income through the failure to recognise proper income entitlements or applying an inappropriate accounting treatment. Special dividends represent dividends paid by investee companies that are additional to the normal or expected dividend cycle for that company. In accordance with the AIC SORP, special dividends can be included within either the revenue or capital columns of the Income Statement, depending on the commercial circumstances behind the payments. The Directors are required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital'. As such, there is a manual and judgemental element in allocating special dividends between revenue and capital.	**We have performed the following procedures:** We performed walkthrough procedures to gain an understanding of the Administrators processes and controls surrounding revenue recognition and in the case of special dividends to evaluate the design and implementation of controls. We agreed a sample of dividends received from the Company's income reports to the corresponding announcement made by the investee company. We recalculated the dividend income by multiplying the investment holdings at the XD date by the dividend rate as agreed to an external source. Where applicable, we also agreed the exchange rates to an external source. We confirmed that the cash received as shown on bank statements was consistent with the recalculated amount. We agreed a sample of distributions from underlying collective investment schemes received from the Company's income reports to external third party sources. We recalculated the distribution income by multiplying the investment holdings at the XD date by the distribution rate as agreed to an external source. Where applicable, we also agreed the exchange rates to an external source. We confirmed that the cash received as shown on bank statements was consistent with the recalculated amount. We agreed a sample of investee company dividend announcements from an independent data vendor to the income recorded by the Company to test completeness of the income recorded. For all dividends accrued at the year end, we inspected the investee company announcements to assess whether the obligation arose prior to 30 April 2020. We agreed the dividend rate to corresponding announcements made by the investee company. We recalculated the dividend amount receivable and confirmed this was consistent with cash received, where relevant, as shown on post year end bank statements. We enquired of the Administrator as to whether any special dividends had been declared by an investee company during the year. The Administrator confirmed there had been none. To test this assertion, we inspected the Company's income and capital reports and used independent data sources to identify special dividends received or accrued in excess of our testing threshold. No special dividends have been identified.	**The results of our procedures are:** Based on our testing we are satisfied that income is complete and, in the case of special dividends, appropriately recognised as revenue or capital.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impact of COVID-19 (as described in the financial statements on page 16). The COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets, but as of the date of our audit opinion, the full extent of the future impact remains uncertain. The COVID-19 pandemic and resultant uncertainties had the most significant impact on our audit in the following areas: **Going concern:** There is increased risk due to the degree of uncertainty in the assumptions underlying management's assessment of future prospects, including the impact of COVID-19 on the Company continuing to meet its stated investment objective. **Revenue recognition:** There is a risk that revenue could be incorrectly stated in the event dividends accrued at the year-end on underlying investments are subsequently cancelled. **Financial statement disclosures:** There is a risk that the potential impact or risks resultant from COVID-19 on the Company are not adequately described in the financial statements.	**Going concern:** We have inspected Management's assessment of going concern, which includes consideration of the impact of COVID-19, the ability to repay the Company's debt facility, and base and downside revenue forecasts. We have agreed the inputs into the forecasts to the Company's financial statements and terms of the debt agreements and recalculated the results of the forecasts. We assessed the liquidity of the portfolio and the ability of the Company to sell investments where necessary to fund the payment of expenses and repayment of the debt facility. We have confirmed through enquiry with the Company Secretary, Management and the Board that they are in regular contact with key service providers and that business continuity plans are in place with no significant deterioration of service experienced. We have reviewed the minutes of the board meetings where an update on service providers was provided and enquired of the Company Secretary about the procedures implemented for any issues arising. **Revenue recognition:** We agreed cash receipts for those accrued dividends paid up to the date of this report to post year end bank statements. **Financial statements disclosures:** We reviewed the disclosures contained within the Annual Report and Financial Statements.	Based on the procedures performed, we are satisfied that the Directors have appropriately considered the impact of COVID-19 on the going concern assessment and revenue recognition and that adequate disclosures have been presented in the financial statements.
Incorrect valuation and/or defective title of the investment portfolio (as described on page 28 in the Report of the Audit Committee and as per the accounting policy set out on page 42). The valuation of the investment portfolio at 30 April 2020 was £70.19m (2019: £90.23m) consisting primarily of quoted equities and OEICs with an aggregate value of £70.09m (2019: £89.84m), unquoted OEICs of £0.02m (2019: £0.17m), and unquoted and delisted securities of £0.07m (2019: £0.22m). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing or a failure to maintain proper legal title of the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is determined by reference to bid value or the last traded price depending on the convention of the exchange on which the investment is listed. Fair value of investments in OEICs is determined by reference to bid price for dual priced funds or single price for single priced funds. Unlisted investments (with a collective market value of £93k as at 30 April 2020) are valued at fair value by the Directors following a detailed review and challenge of the valuations proposed by the Manager. The unlisted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ("IPEV").	**We performed the following procedures:** We performed walkthrough procedures to gain an understanding of the Manager's and Administrator's processes and controls over investment valuation and legal title for the Company's investments. For all listed investments in the portfolio we compared the market values and exchange rates applied at 30 April 2020 to an independent pricing vendor. For unlisted investments in the portfolio we have confirmed with the Administrator that there were no changes in the valuation methodology from last year. Unlisted investments were below our testing threshold. We inspected the price exception and stale pricing reports to identify any unexpected price movements or stale prices in investments held as at the year-end. No unexpected price movements or stale prices have been identified. We assessed the liquidity of the investment portfolio through analysing the monthly average trading volumes of the investments in the last month of the year as well as the first month after the year-end. We noted no issues on the liquidity of the Trust's investment portfolio. We agreed the Company's title to all investments as at 30 April 2020 to an independent confirmation received from the Company's Depositary.	**The results of our procedures are:** Based on our testing we are satisfied that the investment portfolio has been appropriately valued and that the existence has been confirmed.

An overview of the scope of our audit

Tailoring the scope

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

Our application of materiality

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

Materiality

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

We determined materiality for the Company to be £0.64m (2019: £0.85m) which is 1% of shareholders' funds. We believe that shareholders' funds provide us with materiality aligned to the key measure of the Company's performance.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2019: 75%) of our planning materiality, namely £0.48m (2019: £0.64m).

Given the importance of the distinction between revenue and capital for the Company, we have also applied a separate testing threshold for the revenue column of the Income Statement of £0.17m (2019: £0.18m) being 5% of the net revenue return on ordinary activities before taxation .

Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.03m (2019: £0.04m) which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

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

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

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

We have nothing to report in this regard.

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

- **Fair, balanced and understandable set out on page 31** – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting set out on pages 27 and 28** – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 25** – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 31, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, Companies Act 2006, AIC SORP, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of the Company's documented policies and procedures
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate revenue recognition through incorrect classification of special dividends between revenue and capital. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- We were appointed as auditors by the Company and signed an engagement letter prior to our audit of the financial statements for the period ending 30 April 1997 and subsequent financial periods. Our appointment was subsequently ratified at the first annual general meeting of the Company held on 12 August 1997.
- Our total uninterrupted period of engagement is twenty-three years, covering the years ending 30 April 1997 to 30 April 2020.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

James Beszant

(Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 June 2020

Income Statement

		Year ended 30 April 2020			Year ended 30 April 2019		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
(Losses)/gains on investments	9	-	(22,362)	(22,362)	-	3,071	3,071
Currency losses		-	(7)	(7)	-	-	-
Income	2	4,288	-	4,288	4,510	-	4,510
Investment management fee	3	(332)	(332)	(664)	(326)	(326)	(652)
Administrative expenses	4	(543)	-	(543)	(498)	-	(498)
(Loss)/profit before finance costs and taxation		3,413	(22,701)	(19,288)	3,686	2,745	6,431
Finance costs	5	(91)	(91)	(182)	(91)	(91)	(182)
(Loss)/profit before taxation		3,322	(22,792)	(19,470)	3,595	2,654	6,249
Taxation	6	-	-	-	(12)	1	(11)
(Loss)/profit for year/total comprehensive income		**3,322**	**(22,792)**	**(19,470)**	**3,583**	**2,655**	**6,238**
Return per share (pence)	8	**6.79**	**(46.57)**	**(39.78)**	**7.50**	**5.55**	**13.05**

The total column of this statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.
All revenue and capital items in the above statement derive from continuing operations.
No operations were acquired or discontinued in the year.
The accompanying notes are an integral part of the financial statements.

Balance Sheet

	Notes	As at 30 April 2020 £'000	As at 30 April 2019 £'000
Fixed assets			
Investments at fair value through profit or loss	9	70,186	90,225
Current assets			
Debtors and prepayments	10	921	596
Cash		524	1,421
		1,445	2,017
Creditors: amounts falling due within one year	11		
Bank loan		(7,000)	(7,000)
Other creditors		(1,115)	(302)
		(8,115)	(7,302)
Net current liabilities		(6,670)	(5,285)
Net assets		**63,516**	**84,940**
Capital and reserves			
Called-up share capital	12	12,400	12,309
Share premium account		16,104	15,312
Special reserve		39,287	38,824
Capital redemption reserve		2,099	2,099
Capital reserve – unrealised	13	(27,008)	3,200
Capital reserve – realised	13	18,629	11,213
Revenue reserve		2,005	1,983
Equity Shareholders' funds		**63,516**	**84,940**
Net asset value per share (pence)	15	133.10	179.08

The financial statements were approved by the Board of Directors and authorised for issue on 15 June 2020 and were signed on its behalf by:

Richard Ramsay
Chairman

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Equity

For the year ended 30 April 2020	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve – unrealised £'000	Capital reserve – realised £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2019	12,309	15,312	38,824	2,099	3,200	11,213	1,983	84,940
Total comprehensive income	-	-	-	-	(30,208)	7,416	3,322	(19,470)
Dividends paid (see note 7)	-	-	-	-	-	-	(3,300)	(3,300)
Discount control costs	-	(36)	-	-	-	-	-	(36)
Shares bought back into treasury	-	-	(3,759)	-	-	-	-	(3,759)
Shares issued from treasury	-	276	4,222	-	-	-	-	4,498
New shares issued	91	552	-	-	-	-	-	643
Balance at 30 April 2020	**12,400**	**16,104**	**39,287**	**2,099**	**(27,008)**	**18,629**	**2,005**	**63,516**

For the year ended 30 April 2019	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve – unrealised £'000	Capital reserve – realised £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2018	11,905	12,942	41,783	2,099	4,088	7,670	1,540	82,027
Total comprehensive income	-	-	-	-	(888)	3,543	3,583	6,238
Dividends paid (see note 7)	-	-	-	-	-	-	(3,140)	(3,140)
Discount control costs	-	(66)	-	-	-	-	-	(66)
Shares bought back into treasury	-	-	(3,775)	-	-	-	-	(3,775)
Shares issued from treasury	-	40	816	-	-	-	-	856
New shares issued	404	2,396	-	-	-	-	-	2,800
Balance at 30 April 2019	**12,309**	**15,312**	**38,824**	**2,099**	**3,200**	**11,213**	**1,983**	**84,940**

The revenue reserve and capital reserve – realised represent the amount of the Company's reserves distributable by way of dividend. Subject to Shareholder approval at the 2020 AGM, the special reserve will also be available for distribution by way of dividend.
The capital reserve has been split between realised and unrealised on the Balance Sheet and the Statement of Changes in Equity to distinguish between the element of the reserve that is distributable (realised) and the element of the reserve that is not distributable (unrealised).
The accompanying notes are an integral part of the financial statements.

Cash Flow Statement

	Notes	Year ended 30 April 2020 £'000	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000	Year ended 30 April 2019 £'000
Net return before finance costs and taxation			(19,288)		6,431
Adjustments for:					
Losses/(gains) on investments			22,362		(3,071)
Exchange movements			7		-
Income			(4,288)		(4,510)
Income received			4,401		4,500
Loan interest paid			(173)		(167)
Tax paid			-		(14)
Increase in other debtors			(6)		(14)
Increase in other creditors			60		7
Net cash inflow from operating activities			**3,075**		**3,162**
Investing activities					
Purchases of investments		(34,895)		(33,603)	
Sales of investments		32,677		28,514	
Net cash outflow from investing activities			**(2,218)**		**(5,089)**
Financing activities					
Proceeds of issue of shares		5,105		3,590	
Cost of share buybacks		(3,552)		(3,775)	
Equity dividends paid		(3,300)		(3,140)	
Net cash outflow from financing activities			**(1,747)**		**(3,325)**
Decrease in cash	19		(890)		(5,252)
Exchange movements			(7)		-
Opening balance			1,421		6,673
Closing balance			**524**		**1,421**

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

1 Accounting Policies

(a) Basis of preparation and going concern

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on the assumption that approval as an investment trust will continue. The financial statements have been prepared on a going concern basis under the historic cost convention, as modified by the revaluation of investments held at fair value through profit and loss. The Directors have a reasonable expectation that the Company has enough resources to continue in operational existence for the foreseeable future. The Directors considered the impact of the COVID-19 pandemic and the impact this may have on the Company, in particular noting that, in addition to its net current assets, the Company holds a portfolio of largely liquid assets that, if required, can be sold to maintain adequate cash balances to meet expected cash flows, including debt servicing. The Directors are satisfied that the contingency plans and working arrangements of the key service providers are sustainable. Therefore, the going concern basis has been adopted in preparing the Company's Financial Statements.

Statement of estimation uncertainty – in the application of the Company's accounting policies, the Board is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not always readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may vary from these estimates. Except for the valuation of unquoted investment holdings, there have been no significant judgements, estimates or assumptions for the year.

(b) Investments

Investments have been designated upon initial recognition as fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured at fair value. Subsequent to initial recognition, investments continue to be valued at fair value. For listed investments, this is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange. Investments in collective investment schemes have been valued at bid price for dual priced funds or single price for single priced funds. Unquoted investments are valued by the Directors using International Private Equity and Venture Capital Valuation ('IPEV') guidelines, such as earnings multiples, recent transactions and net assets, which equate to their fair values. Gains and losses arising from changes in fair value are included in net profit or loss for the year as a capital item in the Income Statement. The Company has chosen to apply FRS 102 sections 11 and 12 for the recognition and measurements of financial assets and liabilities.

(c) Income

Income from investments (other than special dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex dividend. Special dividends are credited to capital or revenue, according to the circumstances. Interest receivable on short-term deposits is treated on an accruals basis.

(d) Expenses

All expenses are accounted for on an accrual basis. Expenses are charged to revenue within the Income Statement except as follows:

- transaction costs on the acquisition or disposal of investments are charged to capital; and
- expenses are charged to capital where a connection with the maintenance or enhancement of the value of investments can be demonstrated. In this respect the investment management fee and loan interest relating to the bank facility have been allocated 50% to capital and 50% to revenue within the Income Statement.

As from 1 May 2020, the investment management fee and loan interest on the bank facility will be allocated 70% to capital and 30% to revenue. This new allocation, which does not require a prior year adjustment or represent a post balance sheet event, reflects the current assessment of the estimated split of future long-term returns from capital and revenue.

(e) Financial assets and liabilities

All financial assets and liabilities are recognised in the financial statements at fair value, with loans valued at amortised cost.

(f) Reserves

Revenue reserve – the net revenue for the year is transferred to the revenue reserve and dividends paid are deducted from the revenue reserve.

Capital reserves – capital expenses, gains or losses on realisation of investments and changes in fair values of investments are transferred to the capital reserves.

Special reserve – this is a distributable reserve used to fund market purchases of the Company's own shares and, subject to Shareholder approval at the 2020 AGM, will also be available to fund dividend distributions.

Share premium account – this represents the surplus of subscription monies after expenses over the nominal value of the issued share capital.

Capital redemption reserve – the nominal value of the shares bought back and cancelled are transferred to the capital redemption reserve.

(g) Taxation

The tax effect of different items of income/gains and expenditure/losses is allocated between revenue and capital on the same basis as the particular item to which it relates, under the marginal method, using the Company's effective rate of tax.

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided on all timing differences which have originated but not reversed by the balance sheet date. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in future against which the deferred tax asset can be offset. Due to the Company's status as an investment trust company, 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.

(h) Foreign currency

Transactions involving foreign currencies are converted to sterling, being the Company's functional currency, at the rate ruling at the date of the transaction. Translation of all monetary assets and liabilities and non-monetary assets held at fair value is at the year-end exchange rate. Differences arising from translation are treated as a gain or loss to capital or revenue within the Income Statement depending upon the nature of the gain or loss.

(i) Interest bearing borrowings

All interest bearing borrowings are initially recognised at cost, being fair value of the consideration received. After initial recognition, all interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any loan arrangement costs.

(j) Business segment

The Directors are of the opinion that the Company is engaged in the single business of investing in equities, collective investment products and other investments.

2 Income

	2020 £'000	2019 £'000
Income from investments		
UK franked income	2,283	2,706
UK unfranked dividend income	615	659
Overseas dividends	1,390	1,145
Total income	**4,288**	**4,510**

3 Investment management fee

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	332	332	664	326	326	652

The Company's investment manager is Seneca Investment Managers Limited ('SIML'). The management fee payable is calculated by reference to the Company's market capitalisation, at a rate of 0.9% per annum on market capitalisation up to £50m and 0.65% per annum on market capitalisation above this figure. The Company has appointed PATAC Limited as its AIFM. The AIFM has delegated the portfolio management activities relating to the Company to SIML pursuant to a delegation agreement between the Company, the AIFM and SIML. SIML absorbs the costs of the AIFM as part of its management fee. The agreement is terminable by either party on 12 months' notice. In the event that the agreement is terminated on less than 12 months notice, SIML is entitled to payment in lieu of such notice.

The fee was chargeable 50% to capital and 50% to revenue within the Income Statement for the years ended 30 April 2020 and 30 April 2019, reflecting the estimated split of future long-term returns between capital and revenue. Following a review in April 2020, the split was changed to 70% to capital and 30% to revenue, effective from 1 May 2020, reflecting the Board's current estimate of the split of future long-term returns between capital and revenue.

The balance due to SIML at the year-end was £42,000 (2019: £52,000).

4 Administrative expenses

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Administration and company secretarial fees	126	-	126	117	-	117
Directors' fees	92	-	92	70	-	70
Printing and stationery	17	-	17	16	-	16
Auditor's remuneration:						
- audit (inclusive of VAT)	42	-	42	29	-	29
Other	266	-	266	266	-	266
	543	**-**	**543**	**498**	-	**498**

The Company has an agreement with PATAC Limited ('PATAC') for the provision of administration and Company secretarial services.

Up to 31 July 2019, PATAC was entitled to a fixed fee of £110,000 per annum (index-linked). From 1 August 2020, PATAC is entitled to a fixed fee of £100,000 per annum (index-linked) plus 0.1% on net assets of £50m-£100m, 0.03% on net assets of £100m-£250m, 0.02% on net assets of £250m-£1,000m and 0.01% on net assets above £1,000m.

The agreement is terminable by either party on three months' notice. The balance due to PATAC at the year-end was £29,000 (2019 - £nil).

5 Finance costs

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
On bank loans	91	91	182	91	91	182

Finance costs relate to interest charged on the revolving loan facility, details of which are disclosed in note 11.

6 Taxation

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
(a) Analysis of charge for the year						
Total tax charge/(credit)	-	-	-	12	(1)	11

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Net profit/(loss) on ordinary activities before taxation	**3,322**	**(22,792)**	**(19,470)**	**3,595**	**2,654**	**6,249**
Corporation tax at 19.00% (2018 - 19.00%)	631	(4,330)	(3,699)	683	504	1,187
Effects of:						
Non-taxable UK dividends	(376)	-	(376)	(464)	-	(464)
Non-taxable overseas dividends	(264)	-	(264)	(217)	-	(217)
Overseas tax	-	-	-	11	-	11
Movement in unutilised management expenses	9	80	89	(1)	78	77
(Losses)/gains on investments not taxable	-	4,250	4,250	-	(583)	(583)
Total tax payable	**-**	**-**	**-**	**12**	**(1)**	**11**

(c) Factors that may affect future tax changes

There was no provision for deferred taxation made for either this year or the previous year. The Company has not recognised a deferred tax asset of £1,358,000 (2019 - £1,135,000) arising as a result of non-trading deficits and eligible unrelieved foreign tax. These deficits will only be utilised if the Company has profits chargeable to corporation tax in future accounting periods. Due to the nature of the Company, it is considered unlikely that it will generate such profits and therefore no deferred tax asset has been recognised.

7 Dividends

Amounts recognised as distributions to equity holders for the year ended 30 April:

	2020 £'000	2019 £'000
Fourth interim dividend for 2019 - 1.68p (2018 - 1.64p)	813	788
First interim dividend for 2020 - 1.68p (2019 - 1.64p)	827	807
Second interim dividend for 2020 - 1.68p (2019 - 1.64p)	828	775
Third interim dividend for 2020 - 1.68p (2019 - 1.68p)	832	770
	3,300	**3,140**

A fourth interim dividend has been declared for the year of 1.68p (2019 - 1.68p) per share, amounting to £787,000 (2019 - £813,000). There is no final dividend proposed for the year (2019 - nil).

We set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of sections 1158-1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £3,322,000 (2019 - £3,583,000).

	2020 £'000	2019 £'000
Fourth interim dividend for 2020 - 1.68p (2019 - 1.68p)	787	813
Third interim dividend for 2020 - 1.68p (2019 - 1.64p)	832	770
Second interim dividend for 2020 - 1.68p (2019 - 1.64p)	828	775
First interim dividend for 2020 - 1.68p (2019 - 1.64p)	827	807
	3,274	**3,165**

8 Return per Ordinary share

The return per Ordinary share is based on the following figures:

		2020			2019	
	Revenue p	Capital p	Total p	Revenue p	Capital p	Total p
	6.79	(46.57)	(39.78)	7.50	5.55	13.05

The revenue return per Ordinary share is calculated on net revenue on ordinary activities after taxation for the year of £3,322,000 (2019 - £3,583,000) and on 48,937,757 (2019 - 47,785,623) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The capital return per Ordinary share is calculated on net capital loss for the year of £22,792,000 (2019 - profit of £2,655,000) and on 48,937,757 (2019 - 47,785,623) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The total return per Ordinary share is calculated on total losses for the year of £19,470,000 (2019 - gains of £6,238,000) and on 48,937,757 (2019 - 47,785,623) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

9 Investments

		2020 £'000	2019 £'000
Fair value through profit or loss:			
Opening book cost		87,025	78,047
Opening fair value gains on investments held		3,200	4,088
Opening valuation		90,225	82,135
Movements in year:			
Purchases at cost		35,446	33,533
Sales	- proceeds	(33,123)	(28,514)
	- gains on sales	7,846	3,959
Movement in fair value of investments held		(30,208)	(888)
Closing fair value of investments held		**70,186**	**90,225**
Closing book cost		97,194	87,025
Closing fair value (losses)/gains on investments held		(27,008)	3,200
Closing fair value of investments held		**70,186**	**90,225**

(Losses)/gains on investments	**2020 £'000**	**2019 £'000**
Gains on sales	7,846	3,959
Decrease in fair value of investments held	(30,208)	(888)
(Losses)/gains on investments	**(22,362)**	**3,071**

Transaction costs

During the year expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains/(losses) on investments in the Income Statement. The total costs were as follows:

	2020 £'000	**2019 £'000**
Purchases	80	48
Sales	19	74
	99	**122**

10 Debtors: amounts falling due within one year

	2020 £'000	**2019 £'000**
Dividends and interest receivable	422	535
Due from brokers	446	-
Prepayments and other debtors	53	61
	921	**596**

None of the above amounts are past their due date or impaired (2019: nil).

11 Creditors: amounts falling due within one year	2020 £'000	2019 £'000
Bank loan	7,000	7,000
Due to brokers	861	108
Interest payable	3	8
Other creditors	251	186
	8,115	**7,302**

The Company has a £10,000,000 (2019: £14,000,000) revolving loan facility in place with Royal Bank of Scotland plc which expires in October 2020. The facility was reduced from £14,000,000 to £10,000,000 on 14 May 2020. At 30 April 2020 £7,000,000 had been drawn down at an all-in fixed rate of 1.78288% until 31 October 2020. At 30 April 2019 £7,000,000 had been drawn down at an all-in fixed rate of 2.04188% until 31 October 2019. The terms of the revolving loan, including interest rate, are agreed at each draw down. The facility can be cancelled at any time without cost to the Company.

As at 30 April 2020 there was a commitment fee of £8,000 (2019 - £8,000) payable to the Royal Bank of Scotland on the undrawn bank loan facility.

12 Called-up share capital	2020 £'000	2019 £'000
Called-up, allotted and fully paid		
47,719,088 (2019 - 47,430,088) Ordinary shares of 25p each in issue	11,930	11,858
1,882,000 (2019 - 1,806,273) Ordinary shares of 25p each held in treasury	470	451
49,601,088 (2019 - 49,236,361) Ordinary shares of 25p each	12,400	12,309

The Ordinary shares carry the right to receive any dividends and have one vote per Ordinary share. There are no restrictions on the voting rights of the shares or on the transfer of the shares.

During the year to 30 April 2020 the Company repurchased 2,626,000 Ordinary shares (2019: 2,506,273) at a total cost of £3,759,000 (2019: £3,775,000), all of which were placed in treasury.

During the year to 30 April 2020 the Company re-issued 2,550,273 Ordinary shares (2019: 500,000) from treasury for cash proceeds totalling £4,498,000 (2019: £856,000).

During the year to 30 April 2020 there were 364,727 (2019 - 1,615,000) new Ordinary shares of 25p each issued by the Company for cash proceeds totalling £643,000 (2019 - £2,800,000).

The costs of the operation of the Discount Control Mechanism of £36,000 (2019 - £66,000) have been charged against the premium on shares issued.

13 Capital reserve	2020 Unrealised £'000	2020 Realised £'000	2019 Unrealised £'000	2019 Realised £'000
Balance brought forward	3,200	11,213	4,088	7,670
Movement in fair value (losses)/gains	(30,208)	7,846	(888)	3,959
Exchange losses	-	(7)	-	-
Expenses allocated to capital reserves	-	(423)	-	(417)
Taxation	-	-	-	1
Balance carried forward	**(27,008)**	**18,629**	**3,200**	**11,213**

14 Commitments and contingencies

As at 30 April 2020 there were no contingent liabilities (2019 - nil).

15 Net asset value per share

	2020	2019
Net assets attributable	£63,516,000	£84,940,000
Number of Ordinary shares in issue	47,719,088	47,430,088
Net asset value per Ordinary share	133.10p	179.08p

16 Risk management, financial assets and liabilities

The Company's financial instruments comprise:

- Equities, bonds and collective investment schemes that are held in accordance with the Company's investment objective, which is set out on page 1 of this report;
- Term loans, the main purpose of which is to raise finance for the Company's operations;
- Cash and liquid resources that arise directly from the Company's operations; and
- Other short-term debtors and creditors.

The main risks arising from the Company's financial instruments are market risk, interest rate risk, credit risk, liquidity risk and foreign currency risk. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the inception of the Company.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not considered to be significant as the Company's assets comprise of mainly readily realisable securities, which can be sold to meet funding commitments if necessary. The maturity profile is disclosed below.

Market risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

To mitigate the risk the Board's investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined financial, market and sector analysis, with the emphasis on long-term investments. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy.

A list of the investments held by the Company at 30 April 2020 is shown in the 'Investment Portfolio' table on pages 11 and 12. All investments are stated at fair value.

If market prices of quoted securities at the Balance Sheet date had been 20% (2019 - 10%) higher or lower while all other variables remained constant, the return attributable to Shareholders for the year ended 30 April 2020 would have increased/decreased by £14,203,000 (2019 - increase/decrease of £9,001,000) and equity reserves would have increased/decreased by the same amount.

Market risk includes interest rate risk, foreign currency risk and other price risk.

Interest rate risk

Financial assets

Prices of bonds and prices of the underlying holdings of third party debt funds are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the government's fiscal position, short-term interest rates and international market comparisons. The Manager takes all these factors into account when making any investment decisions as well as considering the financial standing of the potential investee company.

Financial liabilities

The Company may finance some or all of its operations through the use of a loan facility. The Board sets borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis.

Maturity profile

The maturity profile of the Company's floating rate financial assets and liabilities at 30 April 2020 and 30 April 2019 was as follows:

At 30 April 2020	Within 1 year £'000	Within 1-5 years £'000	More than 5 years £'000	Total £'000
Floating rate				
Bank loan	(7,062)	-	-	(7,062)
Cash	524	-	-	524

Details of the Company's loan is shown in note 11.

At 30 April 2019	Within 1 year £'000	Within 1-5 years £'000	More than 5 years £'000	Total £'000
Floating rate				
Bank loan	(7,072)	-	-	(7,072)
Cash	1,421	-	-	1,421

Other debtors and other creditors at 30 April 2020 and 30 April 2019 have no interest rate and are all receivable or payable within one year.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for floating interest investments and borrowings at the Balance Sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of investments that have floating rates.

If interest rates had been 100 basis points higher or lower respectively and all other variables were held constant, the Company's:

– Profit before tax for the year ended 30 April 2020 would decrease/increase by £65,000 (2019 - £56,000). This is mainly attributable to the Company's exposure to interest rates on its borrowings and cash balances. These positions have been calculated based on cash balance and borrowing positions at each year-end.

– Profit before tax for the year ended 30 April 2020 would increase/decrease by £287,000 (2019 - £174,000). This is mainly attributable to the Company's exposure to interest rates on its third party managed debt funds, which are both fixed and variable rate vehicles. This is based on assumptions of modified duration on third party funds held.

In the opinion of the Directors, the above sensitivity analyses are not necessarily representative of the year as a whole, since the level of exposure changes frequently as part of the interest rate risk management process used to meet the Company's objectives. The risk parameters used will fluctuate depending on the current market perception.

Foreign currency risk

The income and capital value of the Company's investments are mainly denominated in sterling; therefore, the Company is not subject to any material risk of currency movements and therefore no sensitivity analysis is presented in this regard. At the year-end the Company held the following investments denominated in foreign currencies:

	2020		2019	
	Currency '000	Sterling equivalent £'000	Currency '000	Sterling equivalent £'000
Euro	1,074	935	175	150
US	2,486	1,974	4,727	3,628

At the year-end the Company held foreign currency cash balances with the sterling equivalent of £nil (2019 - £nil).

Other price risk

Other price risks (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets and the stock selection process, as detailed on pages 14 and 15, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The vast majority of investments held by the Company are listed on various stock exchanges worldwide.

Credit risk

Credit risk represents the failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not considered significant, and is managed as follows:

– investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker;

– the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports by the Administrator on a daily basis. In addition, the Administrator carries out a stock reconciliation to the Custodian's records on a weekly basis to ensure discrepancies are picked up on a timely basis. The Manager's Compliance department carries out periodic reviews of the Custodian's operations and reports its findings to the Manager's Risk Management Committee; and

– cash is held only with reputable banks with high quality external credit ratings.

None of the Company's financial assets are secured by collateral or other credit enhancements.

The carrying amounts of financial assets exposed to credit risk, namely receivables and cash, best represents the maximum credit risk exposure at the Balance Sheet date, hence no separate disclosure is required.

17 Capital management policies and procedures

The Company's capital management objectives are:

– to ensure that the Company will be able to continue as a going concern; and

– to maximise the income and capital return to its equity Shareholders through an appropriate balance of equity capital and debt. The Board normally seeks to limit gearing to 20% of net assets.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed should be retained.

Capital management	2020 £'000	2019 £'000
Debt		
Bank loan	7,000	7,000
Equity		
Equity share capital	12,400	12,309
Retained earnings and other reserves	51,116	72,631
	63,516	84,940
Debt as a % of net assets	11.0	8.24

The Company considers the above headings to be the capital that it manages.

18 Fair value hierarchy

Financial Reporting Standard 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

– Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

– Level 2: inputs other than quoted prices included within Level 1 that are either observable (i.e. developed using market data) for the asset or liability, either directly or indirectly; and

– Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The financial assets and liabilities measured at fair value in the Balance Sheet are grouped into the fair value hierarchy at 30 April as follows:

Financial assets at fair value through profit or loss	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	2020 Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	2019 Total £'000
Quoted equities	a)	47,182	-	-	47,182	62,148	-	-	62,148
Unit trusts and OEICs	a)	22,912	-	21	22,933	27,687	-	173	27,860
Delisted equities	b)	-	-	71	71	-	-	217	217
Net fair value		**70,094**	**-**	**92**	**70,186**	**89,835**	-	**390**	**90,225**

(a) Quoted investments

Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges and the fair value of these investments has been determined by reference to their quoted bid prices at the reporting date. The fair value for unit trusts and OEICs included in Level 1 has been determined based on prices published by the relevant fund manager. Those unit trusts and OEICs included within Level 1 are quoted in an active market. The fair value for unit trusts and OEICS in Level 3 has been determined based on prices published by the relevant fund manager with the application of an illiquidity discount.

(b) Delisted investments

The fair value of the Company's investments in unquoted stocks have been determined by reference to primary valuation techniques described in note 1(b).

During the year to 30 April 2019, Blue Capital Reinsurance Fund went into liquidation and delisted from the London Stock Exchange. As a result, this investment transferred from Level 1 to Level 3 last year. The fair value has been determined based on the current value of the fund, as provided by the relevant fund manager, with the application of a liquidation discount.

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	Delisted equities £'000	Unit trusts and OEICs £'000	Total £'000
Opening balance	217	173	390
Purchases	-	-	-
Sales	(201)	(192)	(393)
Transfers	-	-	-
Total gains/(losses) on investments in the Income Statement:			
- on assets sold	-	192	192
- on assets held at the end of the year	55	(152)	(97)
Closing balance	**71**	**21**	**92**

19 Analysis of changes in net debt

	30 April 2019 £'000	Cash flows £'000	Exchange movements £'000	30 April 2020 £'000
Cash or cash equivalents				
Cash	1,421	(890)	(7)	524
Borrowings				
Debt due within one year	(7,000)	-	-	(7,000)
Total	**(5,579)**	**(890)**	**(7)**	**(6,476)**

20 Related parties

The Directors of the Company receive fees for their services. James McCulloch's fees are paid to J3 Capital Limited. Further details are provided in the Directors' Remuneration Report on pages 29 and 30.

Unaudited financial information
Alternative Investment Fund Managers' Directive (AIFMD)

In accordance with the AIFMD, information in relation to the Company's AIFM, PATAC Limited, is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy and the numerical remuneration disclosures in respect of the relevant financial reporting period (year ended 30 April 2020) are available from PATAC on request.

The Company's maximum and actual leverage levels at 30 April 2020 are shown below:

	Gross method	Commitment method
Maximum limit	200%	200%
Actual	111%	111%

Glossary of Terms and Alternative Performance Measures

The Alternative Performance Measures ('APMs') detailed below are used by the Board to assess the Company's performance against a range of criteria and are viewed as particularly relevant to an investment trust. Other terms detailed below are for reference.

Actual gearing (APM)

The difference between total assets (as below), less all cash and liquidity fund investments, and Shareholders' funds, expressed as a percentage of Shareholders' funds.

DCM

A discount control mechanism ('DCM') is a process that seeks to ensure a company's shares trade at close to net asset value, in normal market conditions, through a combination of share buy-backs and share issues. A DCM creates liquidity in the shares and reduces discount volatility.

(Discount)/premium (APM)

The amount by which the share price is lower or higher than the net asset value per share, expressed as a percentage of the net asset value per share.

			2020	2019
NAV per share	a		133.10p	179.08p
Share price	b		130.50p	178.25p
(Discount)/Premium	c	c=(b-a)/a	(2.0)%	(0.5)%

Dividend yield (APM)

The annual dividend expressed as a percentage of the share price.

EV/EBITDA

Enterprise value/earnings before interest, taxes, depreciation and amortisation, which is a popular valuation multiple used in the finance industry to measure the value of a company. It is often used in conjunction with, or as an alternative to the price/earnings ratio, to determine the fair market value of a company.

Efficient portfolio management

The use of derivatives for one or more of the following purposes: reduction of risk; reduction of costs; and/or generation of additional capital or income within the Company's existing risk parameters.

Net Asset Value (NAV)

The value of total assets less liabilities. Liabilities for this purpose includes current and long-term liabilities. To calculate the net asset value per Ordinary share the net asset value is divided by the number of shares in issue.

NAV total return (APM)

The increase/(decrease) in net asset value per share plus the dividends paid in the period, which are assumed to be reinvested at the time that the share price is quoted ex-dividend.

	2020	2019
Opening NAV per share	179.08p	172.25p
(Decrease)/increase in NAV per share	(45.98)p	6.83p
Closing NAV per share	133.10p	179.08p
% Change in NAV	-25.7%	4.0%
Impact of reinvested dividends	3.0%	3.6%
NAV total return	-22.7%	7.6%

Managed futures

Investment strategies that take long or short positions in highly liquid futures contracts in a wide list of asset classes. The return profile tends to have low correlation to equity markets.

Ongoing charges (APM)

Operating costs incurred in the reporting period, calculated as a percentage of average net assets in that year. Operating costs exclude costs suffered within underlying investee funds, costs of buying and selling investments, interest costs, taxation and the direct costs of buying back or issuing Ordinary shares.

	2020 £'000	2019 £'000
Investment management fee	664	652
Other operating expenses	579	535
Ongoing charges	1,243	1,187
Average net assets	82,221	80,721
Ongoing charges ratio	1.51%	1.47%

Potential gearing (APM)

The difference between total assets (as below) and Shareholders' funds expressed as a percentage of Shareholders' funds.

Prior Charges

The name given to all borrowings including debentures, loan and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.

Share price total return (APM)

The increase/(decrease) in share price plus the dividends paid in the period, which are assumed to be reinvested at the time that the share price is quoted ex-dividend.

	2020	2019
Opening share price	178.25p	174.75p
(Decrease)/increase in share price	(47.75)p	3.50p
Closing NAV share price	130.50p	178.25p
% Change in share price	-26.8%	2.0%
Impact of reinvested dividends	2.9%	4.0%
Share price total return	-23.9%	6.0%

Short equity ETF

An exchange-traded fund that uses various derivatives to profit from a decline in the value of an underlying equity benchmark. These products may use leverage. For example, a 2x leveraged short ETF aims to deliver a 4% return if the underlying index declines 2% (excluding fees and commissions).

Total assets

Total assets less current liabilities (excluding prior charges as defined above).

Treasury shares

Ordinary shares that have been repurchased by the Company but not yet cancelled. These shares are held in a treasury account and remain part of the Company's share capital.

Uncorrelated strategies

Investment strategies that typically do not behave in the same way as equities. They will utilise long and short positions in a variety of asset classes.

Revised Investment Policy

Subject to Shareholder approval at the Annual General Meeting on 21 July 2020

The asset classes included in the Company's portfolio are UK and overseas equities, fixed income securities, specialist assets, and defensive assets. Further detail of each asset class is provided below. The Company's Manager aims to add value through both strategic and tactical asset allocations within a range for each asset class. The asset allocation ranges are as follows:

	Asset allocation range %
UK equities	15 - 60
Overseas equities	10 - 40
Total equities	25 - 85
Fixed income	0 - 40
Specialist assets	0 - 50
Defensive assets	0 - 20

Asset class descriptions (these are for general guidance only and do not exclude other investments):

- UK and overseas equities – companies listed on any recognised stock exchange throughout the world.
- Fixed income securities – government and corporate bonds, inflation-linked securities, emerging market debt, and high yield bonds.
- Specialist assets – infrastructure, property, private equity, and specialist financials.
- Defensive assets – gold (physical and miners), short equity exchange-traded funds (ETFs), uncorrelated strategies, managed futures, and government bonds.

Exposure to specialist assets will ordinarily be through specialist collective investment products ('funds') managed by third parties. Exposure to other asset classes may be achieved by investing directly or through funds. With the Board's prior approval, any exposure may also be gained through funds managed by the Company's Manager.

The Company may use derivatives for efficient portfolio management.

The Company will not invest more than 7.5% of gross assets in any individual direct equity, any individual security related to another asset class or any physical asset, or more than 10% of gross assets in any fund.

The Company will not invest more than 7.5% of gross assets in unlisted securities and will not hold more than 25% of its gross assets in cash.

The Company may borrow to gear the Company's returns when the Board believes it is in Shareholders' interests to do so. The Company's borrowing policy allows gearing up to 25% of the Company's net assets.

The asset allocation ranges and limits referred to in the Investment Policy are measured at the time of investment or drawdown of borrowings.

Notice of Annual General Meeting

Notice is hereby given that the twenty fourth Annual General Meeting of Seneca Global Income & Growth Trust plc will be held on Tuesday 21 July 2020 at 12.30 p.m. at the offices of PATAC Limited, 21 Walker Street, Edinburgh EH3 7HX, for the purposes of transacting the following business:

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. That the reports of the Directors and auditor and the audited financial statements for the year ended 30 April 2020 be received and adopted.
2. That the Directors' Remuneration Report for the year ended 30 April 2020 be approved.
3. That the Directors' Remuneration Policy for the three year period to 30 April 2023 be approved.
4. That the Company's dividend policy as set out on page 22 of the Annual Report and Accounts for the year ended 30 April 2020 be and is hereby approved.
5. That Richard Ramsay, who retires annually, be re-elected as a Director.
6. That James McCulloch, who retires annually, be re-elected as a Director.
7. That Sue Inglis, who retires annually, be re-elected as a Director.
8. That Anne Gilding be elected as a Director.
9. That Ernst & Young LLP be reappointed as auditor of the Company.
10. That the Directors be authorised to determine the remuneration of the auditor.
11. That, in substitution for any pre-existing authority to allot or grant rights to subscribe for or to convert any security into shares in the Company, but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company ('**relevant securities**') up to an aggregate nominal amount of £3,877,465 (or such amount being equivalent to one third of the aggregate nominal amount of the issued share capital of the Company, excluding any treasury shares, at the date of passing of this resolution), such authority to expire on 21 October 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority, and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider and, if thought fit, pass the following resolutions as special resolutions:

12. That, subject to the passing of resolution 11, the Directors be and they are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the '**Act**') to allot equity securities (as defined in section 560 of the Act) pursuant to the authority granted by resolution 11 above or by way of the sale of shares from treasury, for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that the power conferred by this resolution shall be limited to the allotment of equity securities or the sale of treasury shares having a nominal amount not exceeding £1,163,239 (or such amount being equivalent to 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this resolution). Unless previously varied, revoked or renewed, the power hereby conferred shall expire on 21 October 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, before the expiry of any power contained in this resolution, make an offer or agreement which would or might require equity securities to be allotted or treasury shares sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such an offer or agreement as if the power conferred hereby had not expired.
13. That, subject to the passing of resolution 11 and in addition to the authority granted in resolution 12, the Directors be and they are hereby empowered pursuant to section 570 and 573 of the Companies Act 2006 (the '**Act**') to allot further equity securities (as defined in section 560 of the Act) pursuant to the authority granted by resolution 11 above or by way of the sale of shares from treasury, for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that the power conferred by this resolution shall be limited to the allotment of further equity securities or the sale of treasury shares in connection with the Company's Discount Control Mechanism and having a nominal amount not exceeding £2,326,478 (or such amount being equivalent to 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this resolution). Unless previously varied, revoked or renewed, the power hereby conferred shall expire on 21 October 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, before the expiry of any power contained in this resolution, make an offer or agreement which would or might require equity securities to be allotted or treasury shares sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

14. That the Company be and it is hereby authorised in accordance with section 701 of the Companies Act 2006 (the '**Act**') to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary shares (either for retention as treasury shares for future resale or transfer or for cancellation) provided that:

    (a) the maximum number of Ordinary shares authorised to be purchased shall be 6,974,785 or, if less, the number representing 14.99% of the number of the Ordinary shares in issue (excluding treasury shares) at the date on which this resolution is passed;

    (b) the minimum price which may be paid for an Ordinary share shall be 25 pence;

    (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall not be more than the higher of:

        (i) 5% above the average of the market value of an Ordinary share for the five business days immediately preceding the date of purchase; and

        (ii) the higher of the price of the last independent trade and the highest current independent bid for any number of Ordinary shares on the trading venue on which the purchase is carried out; and

    (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 21 October 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary shares under such authority which will or might be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

15. That the proposed investment policy set out on page 54 of the Annual Report and Accounts for the year ended 30 April 2020, a copy of which has been produced to the meeting and signed by the Chairman for the purposes of identification, be and is hereby adopted as the investment policy of the Company to the exclusion of all previous investment policies of the Company.

16. That the special reserve be available as distributable profits to be used for all purposes permitted by the Companies Act 2006 and The Companies (Reduction of Share Capital) Order 2008.

17. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board
PATAC Limited
Company Secretary
15 June 2020

Registered Office
Level 13
Broadgate Tower
20 Primrose Street
London EC2A 2EW

Notes:

1. Website

Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at www.senecaim.com.

2. Entitlement to vote

Only Shareholders registered in the Company's register of Shareholders at 6.30 p.m. on 17 July 2020 (or, if the AGM is adjourned, at 6.30 p.m. on the day two business days prior to the adjourned meeting, excluding non-working days) shall be entitled to vote at the AGM in respect of the number of Ordinary shares registered in their name at that time. Changes to entries on the register of Shareholders after 6.30 p.m. on 17 July 2020 (or, if the AGM is adjourned, at 6.30 p.m. on the day two business days prior to the date of the adjourned meeting, excluding non-working days) shall be disregarded in determining the rights of any person to vote at the AGM.

3. Attending the AGM

Given the risks posed by the spread of COVID-19 and in accordance with the provisions of the Articles of Association and Government guidance including Stay at Home measures in place as at the date of this Notice, attendance in person at the AGM may not be possible. If law or Government guidance so requires at the time of the AGM, the Chairman of the AGM will limit, in his or her sole discretion, the number of individuals in attendance at the AGM. If the current Stay at Home measures are in place at the time of the AGM, such attendance will be limited to two persons. Should the Government guidance change and the Stay at Home measures be relaxed by the time of the AGM, the Company may still impose entry restrictions on certain persons wishing to attend the AGM in order to secure the orderly and proper conduct of the AGM.

4. Appointment and revocation of proxies

4.1 A Shareholder at the time set out in note 2 above is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy does not need to be a member of the Company but must attend the AGM to represent the Shareholder. A proxy may only be appointed using the procedures set out in these notes and the notes on the Form of Proxy.

4.2 A Shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary shares. A Shareholder cannot appoint more than one proxy to exercise rights attached to the same Ordinary shares. If a Shareholder wishes to appoint more than one proxy, they should contact the Company's registrar, Equiniti Limited (the '**Registrar**'), on telephone number 0371 384 2411 or +44 121 415 7047 for International callers. Lines open 9.00 a.m. to 5.00 p.m., Monday to Friday (excluding public holidays in England and Wales).

4.3 If a Shareholder wishes a proxy to speak on their behalf at the AGM, the Shareholder will need to appoint their own choice of proxy (not the chairman of the AGM) and give their instructions directly to them. Such an appointment can be made using the Form of Proxy, electronically at www.sharevote.co.uk or through CREST.

4.4 A Shareholder may instruct their proxy to abstain from voting on a particular resolution to be considered at the AGM by marking the 'Vote Withheld' option in relation to that particular resolution when appointing their proxy. It should be noted that a vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of the proportion of votes 'For' or 'Against' that particular resolution.

4.5 A Shareholder who wishes to change their proxy instruction must submit a new appointment of proxy in accordance with notes 5 to 8 (as appropriate) below. If a Shareholder requires another hard-copy Form of Proxy to enable them to change their proxy instruction, they should contact the Registrar on either of the telephone numbers set out in note 4.2 above.

4.6 In order to revoke a proxy instruction, a Shareholder must inform the Company by sending a hard-copy notice clearly stating their revocation of their proxy instruction to the Registrar, FREEPOST RTHJ-CLLL-KBKU, Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 8LU. In the case of a Shareholder that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. The revocation notice must be received by the Registrar not later than 12.30 p.m. on 17 July 2020.

4.7 Appointment of a proxy will not preclude a Shareholder from attending the AGM and voting in person.

4.8 A person who is not a Shareholder but has been nominated by a Shareholder to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 10 below.

5. Appointment of proxy using hard-copy Form of Proxy

The notes on the Form of Proxy explain how to direct a proxy how to vote, or abstain from voting, on the resolutions. To appoint a proxy using the Form of Proxy, the Form of Proxy must be completed and signed and sent or delivered to the Registrar, FREEPOST RTHJ-CLLL-KBKU, Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 8LU, so as to be received by the Registrar by not later than 12.30 p.m. on 17 July 2020. In the case of a Shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

6. Appointment of proxy online

You may, if you wish, register the appointment of a proxy or voting instruction for the meeting by logging onto www.sharevote.co.uk. You will need to use the series of numbers made up of your Voting ID, Task ID and Shareholder Reference Number printed on your Form of Proxy. Full details of the procedure are given on the website. The proxy appointment and/or voting instructions must be received by the Registrar not later than 12.30 p.m. on 17 July 2020. Please note that any electronic communication sent to the Registrar that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the AGM is governed by the Registrar's conditions of use set out on the website, www.sharevote.co.uk, and may be read by logging onto the site.

7. Appointment of proxy through CREST

7.1 CREST members who wish to appoint a proxy or proxies for the AGM by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be reviewed at www.euroclear.com. 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.

7.2 In order for a proxy appointment made via CREST to be valid, the appropriate CREST message (a '**CREST Proxy Instruction**') must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Registrar (ID RA19) by not later than 12.30 p.m. on 17 July 2020. 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 Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

7.3 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 their 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.

7.4 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.

8. Appointment of proxies by joint Shareholders

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 Company's register of Shareholders in respect of the joint holding (the first named being the most senior).

9. Corporate representatives

Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a Shareholder provided that no more than one corporate representative exercises powers over the same Ordinary share(s).

10. Nominated Persons

10.1 A person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a '**Nominated Person**'): (i) may have a right under an agreement between the Nominated Person and the Shareholder who has nominated them to have information rights (the '**Relevant Member**') to be appointed or to have someone else appointed as a proxy for the AGM; and (ii) if they either do not have such a right or, if they have such a right but do not wish to exercise it, may have a right under an agreement between them and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. A Nominated Person's main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, their custodian or broker) and they should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

10.2 The rights of Shareholders to attend the AGM and to appoint proxies set out in notes 2 and 4 above do not apply directly to a Nominated Person.

11. Website publication of audit concerns

Pursuant to Chapter 5 of Part 16 of the Companies Act (sections 527 to 531), where requested by (a) Shareholder(s) meeting the qualification criteria set out in note 12 below, the Company must publish on its website a statement setting out any matter that such Shareholder(s) propose(s) to raise at the AGM relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM. Where the Company is required to publish such a statement: (i) it may not require the Shareholder(s) making the request to pay any expenses incurred by the Company in complying with the request; (ii) it must forward the statement to the Company's auditor no later than the time the statement is made available on the Company's website; and (iii) the statement may be dealt with as part of the business of the AGM.

The request: (a) may be in hard copy form or in electronic form (see note 13 below); (b) must be either set out the statement in full or, if supporting a statement sent by another Shareholder, clearly identify the statement which is being supported; (c) must be authenticated by the person or persons making it (see note 13 below); and (d) must be received by the Company at least one week before the AGM.

12. Shareholders' qualification criteria

In order to be able to exercise the Shareholders' right to require the Company to publish audit concerns (see note 11 above) the relevant request must be made by: (i) (a) Shareholder(s) having a right to vote at the AGM and holding at least 5% of the total voting rights of the Company; or (ii) at least 100 Shareholders having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital.

13. Submission of hard copy and electronic requests

Where (a) Shareholder(s) wish(es) to request the Company to publish audit concerns (see note 11 above) such request be must be made in accordance with one of the following ways: (i) a hard copy request which is signed by the Shareholder(s), states their full name(s) and address(es) and is sent to the Company Secretary, PATAC Limited, 21 Walker Street, Edinburgh EH3 7HX; or (ii) a request which states 'SIGT - AGM' in the subject line of the e-mail and the full name(s) and address(es) of the Shareholder(s) and is sent to cosec@patplc.co.uk.

14. Questions at the AGM

Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the AGM put by a Shareholder attending the AGM unless: (i) answering the question would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (ii) the answer has already been given on the Company's website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

As a result of restrictions on attendance at this year's AGM, Shareholders are invited to submit questions in advance by email to the Company Secretary at cosec@patplc.co.uk. Answers will be posted on the Company's section of the Manager's website immediately following the time of the AGM.

15. Total voting rights
At 12 June 2020, the Company's issued share capital comprised 49,601,088 Ordinary shares, 3,071,500 of which were held in treasury. Each Ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company at 12 June 2020 was 46,529,588.

16. Disclosure obligations
Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the chairman of the AGM as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the FCA's Disclosure Guidance and Transparency Rules.

17. Communication
Any electronic address provided either in this notice of AGM or any related documents (including the Form of Proxy) to communicate with the Company may not be used for any purposes other than those expressly stated.

18. Documents on display
Copies of the Directors' letters of appointment will be available for inspection at the place of the AGM from at least 15 minutes prior to the AGM until the end of the AGM.

Corporate Information

Directors

Richard A M Ramsay, Chairman
James R McCulloch
Susan P Inglis
Anne S Gilding (from 16 June 2020)

Registered Office

Level 13
Broadgate Tower
20 Primrose Street
London EC2A 2EW
Company Registration Number: 03173591

Investment Manager or Manager

Seneca Investment Managers Limited
Tenth Floor
Horton House
Exchange Flags
Liverpool L2 3YL

Alternative Investment Fund Manager, Company Secretary and Administrator

PATAC Limited
21 Walker Street
Edinburgh EH3 7HX

Registrar

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Shareholder helpline **0371 384 2411**
Shareview dealing helpline **0345 603 7037**
Textel/Hard of hearing line **0371 384 2255**
International helpline **+44 121 415 7047**

Lines open 9.00 a.m. to 5.00 p.m., Monday to Friday (excluding public holidays in England and Wales).

Website **www.senecaim.com**

Data Protection

The Company is committed to ensuring the privacy of any personal data provided to it. Details of the privacy policy can be found on the website www.senecaim.com

Corporate Broker

Peel Hunt LLP
Moor House
120 London Wall
London EC2Y 5ET

Auditor

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Bankers

The Royal Bank of Scotland PLC
24-25 St Andrew Square
Edinburgh EH2 1AF

Custodian Bankers

J.P. Morgan Chase Bank N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Depositary

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP

Solicitors

Dickson Minto WS
16 Charlotte Square
Edinburgh EH2 4DF

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