

# **PERSONAL ASSETS TRUST PLC**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2015**

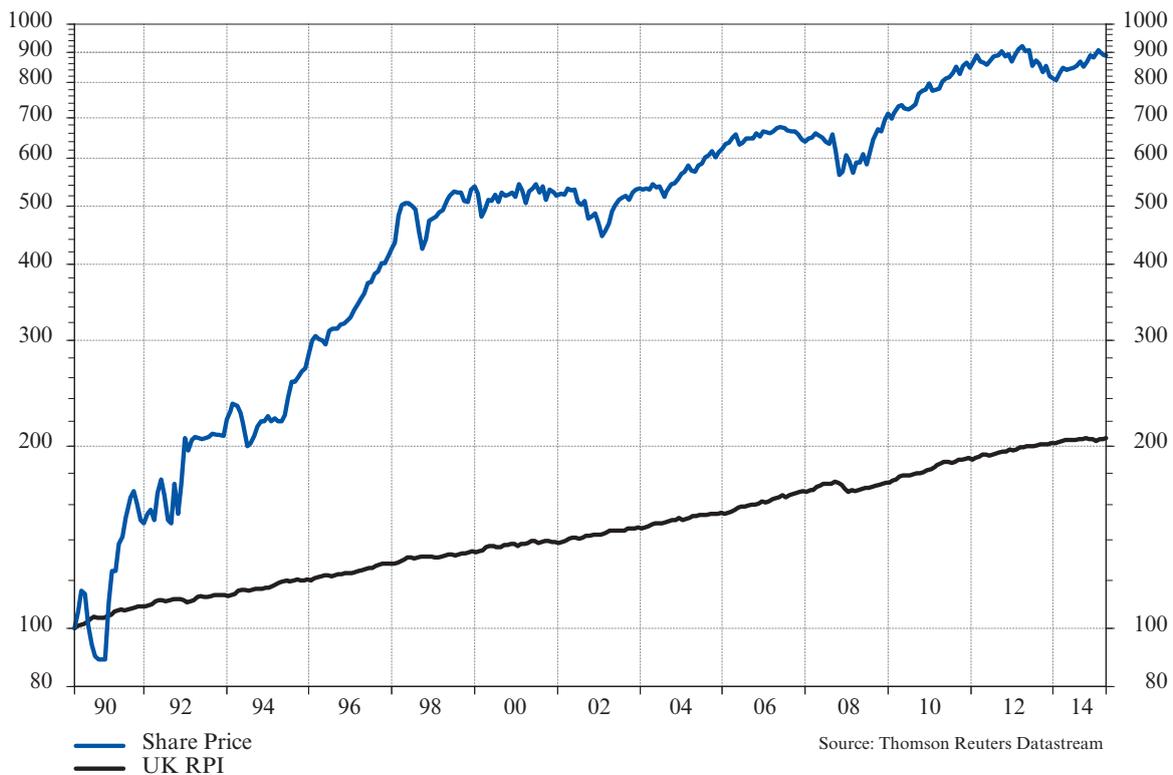


## ABOUT PERSONAL ASSETS

*Personal Assets is what its name implies. It is an investment trust run for private investors, who may often have committed to it a substantial proportion of their personal wealth. Its investment policy is to protect and increase (in that order) the value of shareholders' funds per share over the long term. It differs from other investment trusts in that its activities are defined not by any particular portfolio specialisation or investment method, but by a desire to satisfy the personal requirements of those who invest in it. This is reflected in the Board's statement that 'our specialisation will be our shareholders'. For further details of the Investment Policy please see the Strategic Report on pages 4-6.*

*The Company's policy is to ensure that its shares always trade at close to net asset value through a combination of share buybacks at a small discount to net asset value and the issue of new or Treasury shares at a small premium to net asset value where demand exceeds supply. This discount and premium control policy is enshrined in the Articles of Association of the Company.*

### SHARE PRICE PERFORMANCE VERSUS THE RPI SINCE 30 APRIL 1990



## KEY FEATURES

(ALL FIGURES AT 30 APRIL)

	2015	2014	2012	2010	2005	1990 <sup>(1)</sup>
Market Capitalisation	£611.3m	£570.0m	£470.4m	£236.0m	£152.2m	£5.9m
Shareholders' Funds	£609.7m	£573.2m	£463.5m	£233.8m	£149.8m	£8.5m
Shares Outstanding	1,742,956	1,717,447	1,380,659	815,281	677,185	149,313
Allocation of Portfolio						
Equities	40.1%	44.0%	50.0%	65.6%	64.6%	88.2%
US TIPS	17.0%	16.6%	22.1%	33.8%	–	–
UK Index-Linked Gilts	4.6%	4.6%	–	–	–	–
Gold Bullion	10.1%	10.7%	12.4%	9.7%	–	–
UK cash and cash equivalent	22.1%	19.2%	8.8%	(9.1%) <sup>(2)</sup>	(6.5%) <sup>(2)</sup>	11.8%
Overseas cash and cash equivalent	6.1%	4.9%	6.7%	–	41.9%	–
Share Price	£350.70	£331.90	£340.70	£289.50	£224.75	£39.50
NAV per Share	£349.83	£333.77	£335.69	£286.75	£221.26	£56.67
FTSE All-Share Index	3,760.06	3,619.83	2,984.67	2,863.35	2,397.05	1,043.16
Premium/(discount)	0.2%	(0.6%)	1.5%	1.0%	1.6%	(30.3%)
Earnings per Share	£3.65	£4.78	£7.23	£4.61	£3.41	£1.09
Dividend per Share	£5.60	£5.60	£5.55	£5.20	£3.40	£1.00

<sup>(1)</sup> Personal Assets Trust became self-managed in 1990.

<sup>(2)</sup> Negative percentages reflect holdings of FTSE 100 Futures.

	Percentage Changes				Since 1990 <sup>(1)</sup>
	1 Year	3 Years	5 Years	10 Years	
Share Price	5.7	2.9	21.1	56.0	787.8
NAV per Share	4.8	4.2	22.0	58.1	517.3
FTSE All-Share Index (“All-Share”)	3.9	26.0	31.3	56.9	260.4
Share Price relative to All-Share	1.7	(18.3)	(7.7)	(0.5)	146.3
Share Price Total Return	7.4	8.1	31.6	86.6	1,409.5
NAV per Share Total Return	6.5	9.5	32.7	89.4	877.2
All-Share Total Return	7.5	40.0	55.9	122.3	776.4
Share Price Total Return relative to All-Share Total Return	(0.1)	(22.8)	(15.6)	(16.1)	72.2
Inflation (RPI)	0.9	6.4	15.8	34.7	106.2

<sup>(1)</sup> Personal Assets Trust became self-managed in 1990.

## CHAIRMAN'S STATEMENT

Sebastian Lyon, our Investment Adviser, has noted in his Report on the opposite page that over the year to 30 April 2015 our net asset value per share ("NAV") rose by 4.8% compared to the increase of 3.9% in our comparator, the FTSE All-Share Index ("All-Share"), and in price terms we rose by 5.7% as we turned the 0.6% discount to NAV at which we sold on 30 April 2014 into an 0.2% premium. This was in keeping with the Board's undertaking, enshrined in our Articles of Association, that our shares will always trade at close to NAV through a combination of share buybacks at a small discount to NAV and the issue of new or Treasury shares at a small premium to NAV where demand exceeds supply. During the year the Company created no new shares but bought back 10,100 shares to be held in Treasury for a total consideration of £3.4 million and reissued 35,609 shares from Treasury for net proceeds of £12.3 million.

Our success over the past year in modestly outperforming the All-Share made a welcome change from the previous year, in which we not only underperformed the All-Share but also, uncharacteristically and to our chagrin, lost money in absolute terms. Over the three years and five years to 30 April 2015 our comparator performed strongly, up by 26.0% and 31.3% respectively. To those used to Personal Assets' typical underperformance of rising markets and outperformance of falling ones it will come as no surprise that while we made money over both three years and five years our share price gains of 2.9% and 21.1% respectively lagged our comparator, our three-year figures in particular (which suffered from the disappointing year to 30 April 2014 just referred to) helping us to understand how the Labour Party in Scotland must have felt on the morning after the General Election.

On a brighter note, our annual capital return over the 10 years to 30 April 2015, at 4.5% in price terms and 4.7% in NAV terms, has been little different from that of our comparator, at 4.6%, but was achieved in exchange for much lower volatility — the same destination reached by calmer and less stressful means. This accords with our objective, which I mentioned last year, of seeking to avoid capital loss and of taking on a level of risk which will usually be less than that of our comparator. The bottom chart on page 10 shows how over the 15 years since 30 April 2000 Personal Assets succeeded in outperforming the All-Share while being not only much less volatile than its comparator but also the least volatile of all the trusts in its peer group, the AIC Global Sector.

Last year we made a number of changes to the Annual Report and Accounts and this year we have made further radical alterations with the aim of clearing away clutter and making our published statements more accessible, intelligible and useful. Robin discusses the changes in detail in the accompanying Quarterly N<sup>o</sup> 76, but I can't resist mentioning here that we have succeeded in reducing the size of the Annual Report & Accounts from 50 pages to 33 without, we believe, sacrificing anything of interest or value.

At a General Meeting on 15 April 2015 shareholders voted to amend the Company's Articles of Association to permit the Company to distribute realised capital profits as dividend. The Board intends to use this new power to maintain the dividend at the present annual rate of £5.60 per share for the foreseeable future, thereby keeping faith with income-conscious shareholders without disadvantaging shareholders in general by restricting our investment flexibility or lowering portfolio quality and hence putting at risk capital protection and capital growth.

The Company's Zero Charge Investment Plan, established in 1991 as a service to shareholders, has been partly instrumental in the Company's growth over the years and by 30 April 2015 accounted for 24.6% of the Company's issued share capital with a total market value of £150 million. We believe that ISAs will be of increasing importance to individuals' financial planning in future years and so we have lowered the minimum subscription for Personal Assets ISAs to £5,000 annually, or £500 per month — the same as for the Single Investment Option and Monthly Investment Option within our Investment Plan. A spouse's ISA fund is now transferable on death to the remaining spouse and in the 2015 Budget the ISA maximum was increased to £15,240, which means that a married couple can now save £30,480 a year into a fund which will be wholly free of tax on income and capital gains.

**Hamish Buchan**

## INVESTMENT ADVISER'S REPORT

Over the year to 30 April 2015 the net asset value per share of Personal Assets rose by 4.8%, while our comparator, the FTSE All-Share Index, rose by 3.9%. In a benign year for markets we kept pace with their modest rise as equities held on to their strong gains of recent years, buoyed on an ever-rising tide of liquidity. But after six years of the devil's brew of zero interest rates and quantitative easing there is evidence that bubbles are forming.

William McChesney Martin, Chairman of the Federal Reserve 1951-70, famously said that his job was *'to take away the punchbowl just as the party gets going'*. In contrast to this, his successor between 1987 and 2006, Alan Greenspan, has asserted that central banks should concern themselves only with clearing up after crashes rather than trying to identify bubbles in advance. It is therefore ironic that his central bank successors have themselves arguably created the third bubble in 15 years following the dot com boom in 2000 and the housing boom in 2007. Like Greenspan, they are in no mood to identify it — but even if they were they would be as helpless as the Sorcerer's Apprentice to mop up the flood, since the enchanted broom labelled *'interest rates'* has lost all its bristles.

Today's bubbles are occurring both in risky assets, like Chinese equities, and in perceived 'safe' assets, like German government bonds. Shanghai-listed stocks are up over 100% during the past year, boosted by retail investors as margin financing has almost quadrupled from the equivalent of \$64bn to \$280bn in less than twelve months. Beijing Baofeng Technology, for instance, an online audio and video entertainment business, has risen 4,000% since it came to the market only two months ago. We have not seen such flights of fancy since 1999. But flights to safety look just as fanciful. Since 2010 conventional wisdom has held that we are on a path towards normalised interest rates, yet in Europe over the past year some official interest rates have even fallen below zero. In Switzerland and Denmark people are paid to take out mortgages and banks charge you to hold your cash. Savers looking to escape this *Alice in Wonderland* world may start hiding their notes under the mattress.

Our goal at Personal Assets is to avoid bubbles and preferably to ignore them. In one of the first conversations I had with Ian Rushbrook soon after the dot com bust back in 2003 he spoke of a fund manager whose investment trust had risen almost fivefold in the eight months to March 2000. Ian urged him to *'bank it!'*, such gains being by nature ephemeral. Alas! the trust subsequently fell by over 90% from its peak and was wound up, locking in a permanent capital loss for its shareholders.

Our practice when investing is always to try to cut the weeds and water the flowers, and over the year equity turnover was low at 7%. We uprooted two serial disappointers, Newmont Mining and Newcrest Mining, while bedding out some more Diageo, Philip Morris and Sage during lulls in their share prices. When picking stocks we like our holdings to pay us to own them and not vice versa, and we expect the three last named companies to continue to do just that. We took advantage of a dramatic improvement in trading to sell the Company's longstanding holding in Greggs, given the increasingly competitive nature of the food-on-the-go market.

The immediate outlook for risk-averse investors is very challenging. Prices today are predicated on interest rates staying permanently low (which cannot happen) while correlations between asset classes have moved closer to one, so diversification gives less protection. In the Bible (Ecclesiastes 11:2) Ecclesiastes the Preacher warns us, *'Divide your investments among many places, for you do not know what risks might lie ahead.'* Excellent advice as far as it goes, but the Preacher probably never encountered investments as closely correlated as they are today.

If interest rates stay close to zero, as seems likely in the near term, low absolute returns are also likely. Conversely, if interest rates start to rise then markets will be extremely vulnerable to a rising cost of capital. Personal Assets is in a strong position to exploit market falls as and when they occur. We do not, however, propose to be lured down a path of decreasing quality. Instead, we will avoid the seductive trap pointed out by Benjamin Graham, *'Observation over many years has taught us that the chief losses to investors come from the purchase of low-quality securities at times of good business conditions. The purchasers view the good current earnings as equivalent to "earning power" and assume that prosperity is equivalent to safety.'*

**Sebastian Lyon**

# STRATEGIC REPORT FOR THE YEAR TO 30 APRIL 2015

## INTRODUCTION

The report which follows is designed to provide shareholders with information about:

- the environment within which the Company operates;
- the Board's strategy for achieving its stated objectives;
- principal risks and risk management; *and*
- shareholders' returns measured against key performance indicators.

## PRINCIPAL ACTIVITY AND STATUS

The Company is incorporated in Scotland (registered number SC074582). It is an investment company as defined by Section 833 of the Companies Act 2006. It carries on the business of an investment trust and has been approved as such by HM Revenue & Customs.

The Company has a wholly owned subsidiary, incorporated in Scotland, Personal Assets Trust Administration Company Limited ("PATAC"), which provides secretarial and administrative services to the Company and three other investment trust companies. PATAC also provides Alternative Investment Fund Manager ("AIFM") and discount control services.

## INVESTMENT POLICY

The Company is an investment trust with the ability to invest globally. Its investment policy is to protect and increase (*in that order*) the value of shareholders' funds per share over the long term. While the Company uses the FTSE All-Share Index (the "All-Share") as its comparator for the purpose of monitoring performance and risk, the composition of the All-Share has no influence on investment decisions or the construction of the portfolio. As a result, the Company's investment performance is likely to diverge from that of the All-Share. Our definition of "risk" is fundamentally different from that commonly used by other global investment trusts and the industry at large (ours being "risk of losing money" rather than "volatility of returns relative to an index"). Taking this as our definition of risk, the Board will usually, although not invariably, prefer the Company's portfolio as a whole to have a lower level of risk than the All-Share.

The Company will invest in equities and fixed income securities and it may also hold cash and cash equivalents (which may, depending on circumstances, include gold). The Company may use derivatives as a way of increasing or reducing its investment exposure and to enhance and protect investment positions. The Company may also from time to time make use of currency hedging.

The Company has no predetermined maximum or minimum levels of exposure to asset classes, currencies or geographic areas but these exposures are reported to, and monitored by, the Board in order to ensure that adequate diversification is achieved. The Company's equity portfolio is typically concentrated in a short list of stocks and turnover tends to be low. No holding in an individual company will represent more than 10 per cent. by value of the Company's total assets at the time of acquisition.

The Company is prepared to make use of both gearing and liquidity, the former by using short-term borrowed funds or derivatives such as FTSE 100 Futures. The Company's gearing will not exceed 50 per cent. of shareholders' funds in aggregate. In exceptional circumstances, the Company's liquidity could be as high as 100 per cent. of shareholders' funds. These limits would not be exceeded without shareholder approval.

The Company may also invest in other investment trusts, especially as a way of gaining exposure to a region or industry in which the Company preferred not to invest directly. The Company's policy is not to invest more than 15 per cent. of its gross assets in other investment trusts and other listed investment companies.

An analysis of the investment portfolio at 30 April 2015 can be found on page 7.

# STRATEGIC REPORT FOR THE YEAR TO 30 APRIL 2015 (CONTINUED)

## BUSINESS MODEL AND STRATEGY FOR ACHIEVING OBJECTIVES

Personal Assets is run expressly for private investors. Its capital structure is the simplest possible for an investment trust, consisting only of Ordinary shares.

The Company is a self-managed investment trust run by its Board, which takes all major investment decisions collectively. At present all the Directors are male, although this is expected to change by the time of the AGM in July 2016 (see under Nomination Committee on page 27). In order to conform with the EU's Alternative Investment Fund Managers Directive (the "AIFMD") the Board appointed its subsidiary, Personal Assets Trust Administration Company Limited, with effect from 22 July 2014 as its AIFM. The day-to-day management of the portfolio has been delegated by the AIFM to Troy Asset Management Limited ("Troy"), the Investment Adviser, and is the responsibility of Sebastian Lyon, the Chief Executive of Troy, in particular.

The Directors, Sebastian Lyon and their respective families have substantial shareholdings in the Company (see below and pages 21 and 24) and those who run the Company therefore have a common interest with those who invest in it.

A review of the Company's returns during the financial year, the position of the Company at the year end and the outlook for the coming year are contained within the Chairman's Statement and Investment Adviser's Report on pages 2 and 3.

## INVESTMENT ADVISER

Troy provides investment advisory services to the Company.

During the year the Board has reviewed the appropriateness of the Investment Adviser's appointment. In carrying out its review the Board considered the investment performance of the Company since the appointment of Troy and the capability and resources of the Investment Adviser to deliver satisfactory investment performance. It also considered the length of the notice period of the investment advisory agreement and the fees payable to the Investment Adviser, details of which can be found in note 3 on page 16.

Following this review the Directors are confident of the Investment Adviser's ability to deliver satisfactory investment performance. It is therefore their opinion that the continuing appointment of the Investment Adviser, on the terms agreed, is in the interests of shareholders.

At 30 April 2015 Sebastian Lyon had an interest in 8,813 (2014: 5,612) shares of the Company.

## DIVIDEND POLICY

The Company aims to pay as high, secure and sustainable a dividend as is compatible with protecting and increasing the value of its shareholders' funds and maintaining its investment flexibility.

## DISCOUNT AND PREMIUM CONTROL POLICY

Investment trusts have long suffered from volatile discounts to net asset value. Sometimes, too, the shares of individual investment trusts may sell temporarily at a significant premium to net asset value. This can put those investing regularly through investment plans at a disadvantage, because they may find themselves buying shares at a sizeable premium which almost certainly will not be sustained and which will therefore have an adverse effect on the return from their investment.

In view of the disadvantages to shareholders of such discount and premium fluctuations, the Company's policy is to ensure that its shares always trade at close to net asset value through a combination of share buy-backs and the issue of new or Treasury shares at a small premium to net asset value where demand exceeds supply. This discount and premium control policy is enshrined in the Articles of Association of the Company.

# STRATEGIC REPORT FOR THE YEAR TO 30 APRIL 2015 (CONTINUED)

## PERFORMANCE

The Board assesses its performance in meeting the Company's objectives against the following Key Performance Indicators, details of which can be found in the Key Features on page 1 or, in the case of the volatility of the share price, on page 10 under the heading Volatility and Share Price Performance Since 30 April 2000:

- share price and net asset value per share against the FTSE All-Share Index over the long term whilst aiming to protect and increase (*in that order*) the value of shareholders' funds per share in accordance with the Company's investment objective;
- volatility of the share price compared to that of the FTSE All-Share Index and the other 24 trusts included within the Company's peer group, the AIC Global Sector; *and*
- the range and volatility of the discount or premium to net asset value at which the Company's shares trade, in order to ensure compliance with its discount and premium control policy enshrined in the Articles of Association of the Company.

## COMPETITIVE AND REGULATORY ENVIRONMENT

The Company is an investment trust quoted on the London Stock Exchange and is a member of the Association of Investment Companies ("AIC").

The Company operates so as to comply with Section 1158 of the Corporation Tax Act 2010, which allows it to be exempted from capital gains tax on investment gains.

In addition to publishing annual and interim accounts the Company announces net asset values per Ordinary share daily and provides more detailed statistical information on a monthly basis to the AIC in order to enable investors and brokers to compare its performance and other relevant information with those of its peer group, the AIC Global Sector.

The Company also publishes quarterly reports on subjects of investment interest to shareholders together with portfolio information and performance statistics.

## PRINCIPAL RISKS AND RISK MANAGEMENT

The Board believes that the principal risks to shareholders, which it seeks to mitigate through continual review of its investments and through shareholder communication, are events or developments which can affect the general level of share prices, including, for instance, inflation or deflation, economic recessions and movements in interest rates and currencies.

Other risks faced by the Company include breach of regulatory rules which could lead to suspension of the Company's Stock Exchange listing, financial penalties, or a qualified audit report. Breach of Section 1158 of the Corporation Tax Act 2010 could lead to the Company being subject to tax on capital gains. Details of the Company's financial risks are contained in the Notes to the Accounts on pages 15–20.

In the mitigation and management of these risks, the Board regularly monitors the investment environment and the management of the Company's investment portfolio, and applies the principles detailed in the guidance provided by the Financial Reporting Council. The Company's internal controls are described in more detail on page 28.

By Order of the Board

Steven K Davidson  
Secretary  
10 St Colme Street  
Edinburgh EH3 6AA

5 June 2015

## PORTFOLIO AT 30 APRIL 2015

Security	Country	Equity Sector	Shareholders' funds %	Valuation 30 April 2015 £'000	Bought/ (sold) £'000	Gain/ (loss) £'000
<b>Equities</b>						
BAT	UK	Tobacco	4.6	28,076	2,678	1,298
Philip Morris	USA	Tobacco	4.0	24,472	8,729	1,567
Nestlé	Switzerland	Food Producer	4.0	24,080	–	2,458
Coca-Cola	USA	Beverages	3.5	21,404	2,651	1,498
Microsoft	USA	Software	2.8	17,024	(7,127)	5,309
Sage Group	UK	Technology	2.6	15,510	(1,279)	2,540
Imperial Oil	Canada	Oil & Gas	2.5	15,431	–	(3,514)
Altria	USA	Tobacco	2.3	14,089	(3,028)	4,824
Dr Pepper Snapple	USA	Beverages	2.2	13,601	(6,455)	6,545
Becton Dickinson	USA	Pharmaceuticals	2.2	13,442	(6,206)	4,579
Colgate Palmolive	USA	Personal Products	2.0	12,401	–	1,109
Unilever	UK	Food Producer	1.8	11,149	–	864
GlaxoSmithKline	UK	Pharmaceuticals	1.6	9,533	(7,532)	(2,018)
American Express	USA	Financial Services	1.2	7,567	1,584	(237)
Diageo	UK	Beverages	1.2	7,409	2,153	(15)
Berkshire Hathaway	USA	Insurance	1.0	5,839	(7,787)	2,628
Agnico Eagle Mines	Canada	Mining	0.6	3,742	–	415
<b>Total Equities</b>			<b>40.1</b>	<b>244,769</b>	<b>(21,619)</b>	<b>29,850</b>
<b>US TIPS</b>	USA		17.0	103,863	–	8,951
<b>UK Index-Linked Gilts</b>	UK		4.6	28,219	–	1,582
<b>Gold Bullion</b>	–		10.1	61,600	–	413
<b>UK cash and cash equivalents</b>			22.1	134,441	n/a	n/a
<b>Overseas cash and cash equivalents</b>			6.1	36,853	n/a	n/a
<b>TOTAL PORTFOLIO</b>			<b>100.0</b>	<b>609,745</b>	<b>n/a</b>	<b>n/a</b>

## GEOGRAPHIC ANALYSIS OF INVESTMENTS AND CURRENCY EXPOSURE AT 30 APRIL 2015

	UK %	USA %	Singapore %	Canada %	Switzerland %	Total %
Equities	12	21	–	3	4	40
Index-Linked Securities	5	17	–	–	–	22
Gold Bullion	–	10	–	–	–	10
Cash and cash equivalents	22	1	5	–	–	28
<b>Total</b>	<b>39</b>	<b>49</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>100</b>
Net currency exposure %	69	19	5	3	4	100

## RECORD 1990-2015

Date	Share-holders' Funds	Shares Outstanding	Net asset value per share (£)	Share Price (£)	FTSE All-Share Index	Earnings per share <sup>(1)</sup> (£)	Dividend per share (£)	Dividend Growth (%)	Inflation (RPI) (%)
30 April 1990 <sup>(2)</sup>	8,462	149,313	56.67	39½	1,043.16	1.09	1.00	n/a	n/a
1991	9,006	149,313	60.32	48½	1,202.75	1.45	1.50	50.0	6.4
1992	10,589	149,313	70.92	66	1,282.75	1.67	1.60	6.7	4.3
1993	11,441	152,187	75.18	81½	1,388.88	2.52	1.80	12.5	1.3
1994	12,987	152,187	85.34	89½	1,580.44	2.12	1.95	8.3	2.6
1995	13,939	152,187	91.59	87	1,578.67	2.00	2.00	2.6	3.3
1996	19,473	169,173	115.11	118½	1,914.61	2.90	2.20	10.0	2.4
1997	27,865	208,114	133.89	141¼	2,135.31	3.01	2.30	4.5	2.4
1998	48,702	270,250	180.21	199½	2,788.99	3.57	2.45	6.5	4.0
1999	65,200	323,966	201.26	202½	3,028.40	3.67	2.55	4.1	1.6
2000	73,751	369,121	199.80	202	3,001.92	2.98	2.62½	2.9	3.0
2001	78,000	376,750	207.03	208½	2,869.04	3.27	2.70	2.9	1.8
2002	92,430	454,472	203.38	209½	2,512.04	3.88	2.80	3.7	1.5
2003	104,324	559,925	186.32	193¾	1,891.50	3.40	2.90	3.6	3.1
2004	134,770	641,253	210.17	214½	2,237.34	3.98	3.10	6.9	2.5
2005	149,834	677,185	221.26	224¾	2,397.05	3.41	3.40	9.7	3.2
2006	189,351	739,234	256.14	259¼	3,074.26	3.78	3.70	8.8	2.6
2007	192,416	726,921	264.70	266	3,355.60	4.95	4.10	10.8	4.5
2008	188,664	733,051	257.37	258¼	3,099.94	5.59	4.60	12.2	4.2
2009	171,132	745,231	229.64	233	2,173.06	5.34	5.00	8.7	(1.2)
2010	233,785	815,281	286.75	289½	2,863.35	4.61	5.20	4.0	5.3
2011	310,000	984,803	314.78	318	3,155.03	5.68	5.40	3.8	5.2
2012	463,473	1,380,659	335.69	340 <sup>7</sup> / <sub>10</sub>	2,984.67	7.23	5.55	2.8	3.5
2013	593,245	1,685,901	351.89	357	3,390.18	5.69	5.60	0.9	2.9
2014	573,237	1,717,447	333.77	331 <sup>9</sup> / <sub>10</sub>	3,619.83	4.78	5.60	0.0	2.5
<b>2015</b>	<b>609,745</b>	<b>1,742,956</b>	<b>349.83</b>	<b>350<sup>7</sup>/<sub>10</sub></b>	<b>3,760.06</b>	<b>3.65</b>	<b>5.60</b>	<b>0.0</b>	<b>0.9</b>

Compound growth rates per annum	(%)	(%)	(%)	(%)	(%)	(%)	(%)
3 Years	1.4	1.0	8.0	(20.4)	0.3	n/a	2.1
5 Years	4.1	3.9	5.6	(4.6)	1.5	n/a	3.0
10 Years	4.7	4.5	4.6	0.7	5.1	n/a	3.0
Since 30 April 1990	7.6	9.1	5.3	5.0	7.1	n/a	3.1

Shares outstanding and per share values have been adjusted for the 1 for 100 consolidation of Ordinary shares in January 1993.

<sup>(1)</sup> Based on the weighted average number of shares in issue during the year.

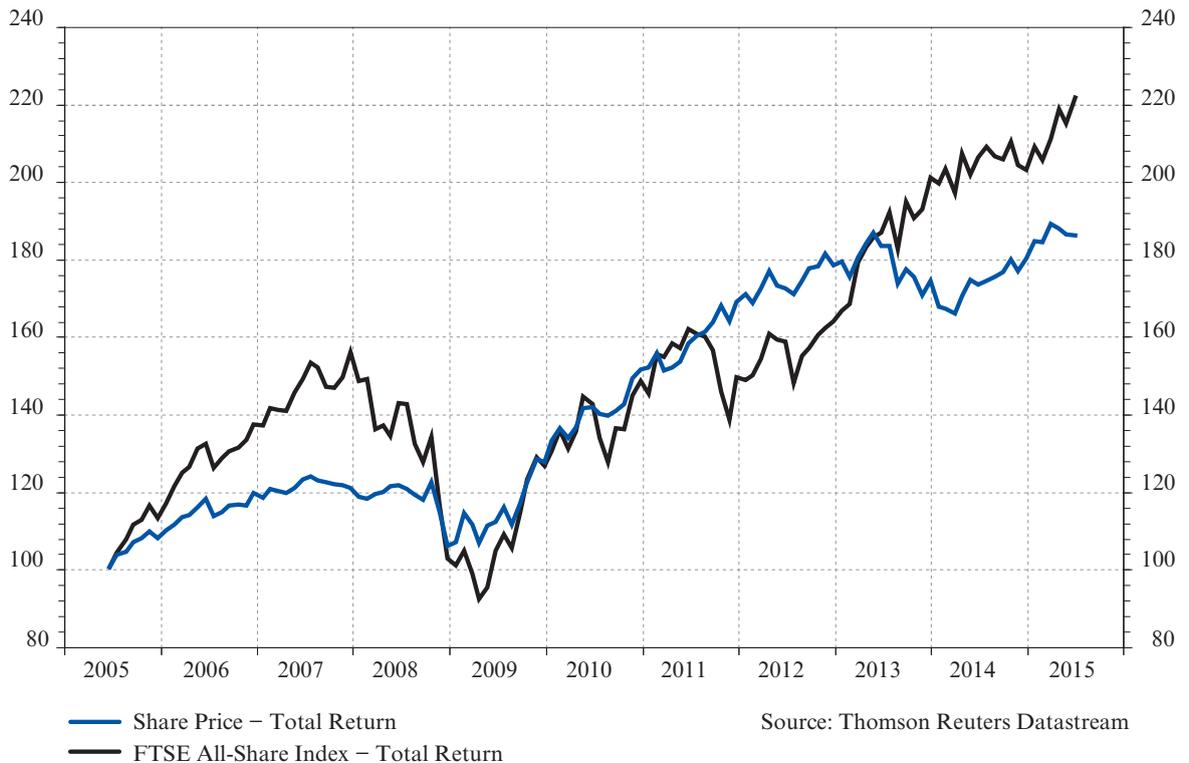
<sup>(2)</sup> Personal Assets Trust became self-managed in 1990.

# TEN YEAR PERFORMANCE

Share Price versus FTSE All-Share Index (based to 100)



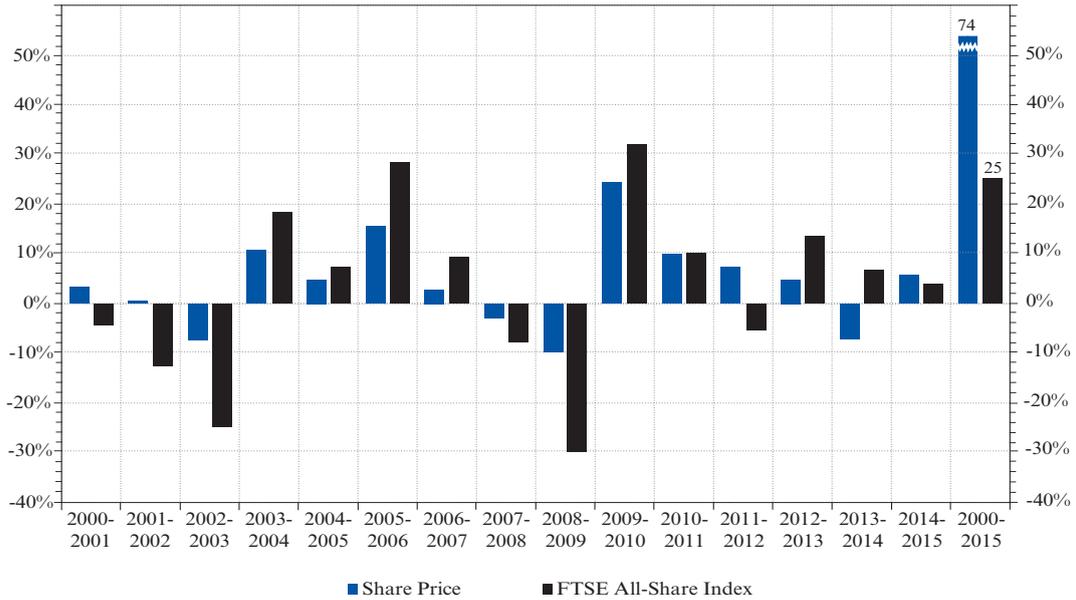
Share Price Total Return versus FTSE All-Share Index Total Return (based to 100)



## ANNUAL PERFORMANCE SINCE 30 APRIL 2000

**Note:** The first chart on this page is designed to show the share price volatility of Personal Assets compared to that of the FTSE All-Share Index. The chart shows how, with the exception of the 2013-2014 aberration, the Company's capital performance has tended to be less volatile than that of the All-Share but how, even taking 2013-2014 into account, the Company's long-term price gain of 74% since April 2000 has comfortably exceeded the All-Share's 25%.

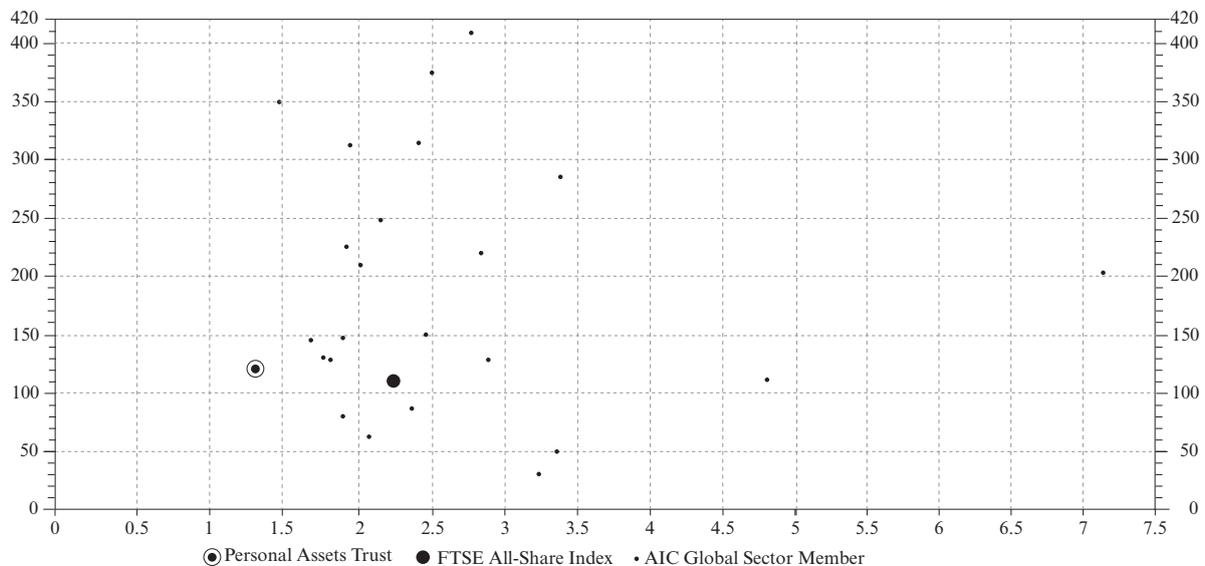
### Annual percentage change in Share Price and FTSE All-Share Index to 30 April



## VOLATILITY AND SHARE PRICE PERFORMANCE SINCE 30 APRIL 2000

**Note:** The Scatter Graph shows the performance of Personal Assets (black dot inside a circle) and the FTSE All-Share Index (large black dot) compared to that of the other 24 trusts included within the Company's peer group, the AIC Global Sector, in terms of share price (vertical axis) and monthly price volatility (horizontal axis) since 30 April 2000. Personal Assets, while outperforming the All-Share over the period, shows up as the least volatile of all the trusts.

### Volatility Compared to Peer Group since 30 April 2000



## GROUP INCOME STATEMENT

	Notes	Year ended 30 April 2015			Year ended 30 April 2014		
		Revenue	Capital	Total	Revenue	Capital	Total
		return	return		return	return	
	£'000	£'000	£'000	£'000	£'000	£'000	
Investment income	2	<b>9,278</b>	–	<b>9,278</b>	11,194	–	11,194
Other operating income	2	<b>530</b>	–	<b>530</b>	376	–	376
Gains/(losses) on investments held at fair value through profit or loss	8	–	<b>45,838</b>	<b>45,838</b>	–	(40,827)	(40,827)
Foreign exchange (losses)/gains		–	<b>(12,313)</b>	<b>(12,313)</b>	–	13,076	13,076
<b>Total income</b>		<b>9,808</b>	<b>33,525</b>	<b>43,333</b>	11,570	(27,751)	(16,181)
Expenses	3	<b>(2,892)</b>	<b>(2,626)</b>	<b>(5,518)</b>	(2,725)	(2,539)	(5,264)
<b>Profit/(loss) before taxation</b>		<b>6,916</b>	<b>30,899</b>	<b>37,815</b>	8,845	(30,290)	(21,445)
Taxation	5,6	<b>(575)</b>	–	<b>(575)</b>	(594)	–	(594)
<b>Profit/(loss) for the year</b>		<b>6,341</b>	<b>30,899</b>	<b>37,240</b>	8,251	(30,290)	(22,039)
<b>Return per share</b>		<b>£3.65</b>	<b>£17.79</b>	<b>£21.44</b>	£4.78	(£17.54)	(£12.76)

The “Profit/(loss) for the Year” is also the “Total Comprehensive Income for the Year”, as defined in IAS1 (revised), and no separate Statement of Comprehensive Income has been presented.

The “Total” column of this statement represents the Group’s Income Statement, prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The Revenue return and Capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

Return per share is calculated on 1,736,658 (2014: 1,727,421) shares, being the weighted average number in issue (excluding Treasury shares) during the year.

All items in the above statement derive from continuing operations.

The Notes to the Accounts on pages 15–20, including the accounting policies on pages 15 and 16, form part of these accounts.

## STATEMENTS OF FINANCIAL POSITION

		<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
		<b>30 April</b>	<b>30 April</b>	<b>30 April</b>	<b>30 April</b>
		<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
	Notes	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Non-current assets</b>					
Investments held at fair value through profit or loss	8	<b>593,945</b>	<b>594,326</b>	541,151	541,186
<b>Current assets</b>					
Financial assets	9	<b>6,743</b>	<b>6,743</b>	2,273	2,273
Receivables	9	<b>1,585</b>	<b>1,559</b>	1,500	1,450
Cash and cash equivalents		<b>15,844</b>	<b>15,457</b>	45,068	45,045
<b>Total assets</b>		<b>618,117</b>	<b>618,085</b>	589,992	589,954
<b>Current liabilities</b>					
Payables	10	<b>(8,372)</b>	<b>(8,340)</b>	(16,755)	(16,717)
<b>Net assets</b>		<b>609,745</b>	<b>609,745</b>	573,237	573,237
<b>Capital and reserves</b>					
Ordinary share capital	11	<b>21,845</b>	<b>21,845</b>	21,845	21,845
Share premium		<b>404,762</b>	<b>404,762</b>	404,089	404,089
Capital redemption reserve		<b>219</b>	<b>219</b>	219	219
Special reserve		<b>22,517</b>	<b>22,517</b>	22,517	22,517
Treasury share reserve		<b>(1,511)</b>	<b>(1,511)</b>	(9,770)	(9,770)
Capital reserve		<b>161,177</b>	<b>161,207</b>	130,278	130,303
Revenue reserve		<b>736</b>	<b>706</b>	4,059	4,034
<b>Total equity</b>		<b>609,745</b>	<b>609,745</b>	573,237	573,237
Shares in issue at year end		<b>1,742,956</b>	<b>1,742,956</b>	1,717,447	1,717,447
Net asset value per Ordinary share		<b>£349.83</b>	<b>£349.83</b>	£333.77	£333.77

The financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf on 5 June 2015 by:

Hamish N Buchan  
Chairman

The Notes to the Accounts on pages 15–20, including the accounting policies on pages 15 and 16, form part of these accounts.

## GROUP AND COMPANY STATEMENTS OF CHANGES IN EQUITY<sup>(1)</sup>

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Capital reserve <sup>(2)</sup> £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 30 April 2015</b>								
Balance at 30 April 2014	21,845	404,089	219	22,517	(9,770)	130,278	4,059	573,237
Profit for the year	–	–	–	–	–	30,899	6,341	37,240
Ordinary dividends paid	–	–	–	–	–	–	(9,664)	(9,664)
Reissue of Ordinary shares	–	673	–	–	11,633	–	–	12,306
Buybacks of Ordinary shares	–	–	–	–	(3,374)	–	–	(3,374)
<b>Balance at 30 April 2015</b>	<b>21,845</b>	<b>404,762</b>	<b>219</b>	<b>22,517</b>	<b>(1,511)</b>	<b>161,177</b>	<b>736</b>	<b>609,745</b>

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 30 April 2014</b>								
Balance at 30 April 2013	21,074	383,380	219	22,517	–	160,568	5,487	593,245
Loss for the year	–	–	–	–	–	(30,290)	8,251	(22,039)
Ordinary dividends paid	–	–	–	–	–	–	(9,679)	(9,679)
Issue and reissue of Ordinary shares	771	20,709	–	–	2,547	–	–	24,027
Buybacks of Ordinary shares	–	–	–	–	(12,317)	–	–	(12,317)
<b>Balance at 30 April 2014</b>	<b>21,845</b>	<b>404,089</b>	<b>219</b>	<b>22,517</b>	<b>(9,770)</b>	<b>130,278</b>	<b>4,059</b>	<b>573,237</b>

<sup>(1)</sup> The Company's reserves are the same as the Group's other than the Capital Reserve, which is £161,207,000 (2014: £130,303,000), and the Revenue Reserve, which is £706,000 (2014: £4,034,000). The differences relate to the profit generated by the Company's subsidiary.

<sup>(2)</sup> The Group and Company Capital reserve at 30 April 2015 includes realised capital reserves of £64,416,000 (2014: £81,947,000).

**Share premium.** The Share Premium represents the difference between the nominal value of new Ordinary shares issued and the consideration the Company receives for these shares.

**Capital redemption reserve.** The Capital Redemption Reserve represents the nominal value of Ordinary shares bought back for cancellation since authority to do this was first obtained at a General Meeting in April 1999.

**Special reserve.** The cost of any shares bought back for cancellation is deducted from the Special Reserve, which is a distributable reserve and was created from the Share Premium Account, also following a General Meeting in April 1999.

**Treasury share reserve.** The net cost of any shares bought back to be held in Treasury.

**Capital reserve.** Gains and losses on the realisation of investments, gains and losses on the realisation of FTSE 100 Future contracts, realised exchange differences of a capital nature and returns of capital are accounted for in this Reserve. Increases and decreases in the valuation of investments held at the year end, unrealised gains and losses on FTSE 100 Future contracts and unrealised exchange differences of a capital nature are also accounted for in this Reserve.

**Revenue reserve.** Any surplus/deficit arising from the revenue profit/loss for the year is taken to/from this Reserve.

The Notes to the Accounts on pages 15–20, including the accounting policies on pages 15 and 16, form part of these accounts.

## CASH FLOW STATEMENTS

	Group 30 April 2015 £'000	Company 30 April 2015 £'000	Group 30 April 2014 £'000	Company 30 April 2014 £'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before taxation	37,815	37,809	(21,445)	(21,449)
(Gains)/losses on investments	(46,462)	(46,462)	38,759	38,759
Foreign exchange differences at fair value through profit or loss	12,313	12,313	(13,076)	(13,076)
Operating cash flow before movements in working capital	3,666	3,660	4,238	4,234
(Increase)/decrease in other receivables	(69)	(93)	(10)	31
Increase/(decrease) in other payables	85	91	(25)	(25)
Net cash from operating activities before taxation	3,682	3,658	4,203	4,240
Taxation	(591)	(591)	(745)	(745)
Net cash inflow from operating activities	3,091	3,067	3,458	3,495
<b>Investing activities</b>				
Purchase of investments – equity shares	(19,564)	(19,904)	(30,382)	(30,382)
Purchase of investments – fixed interest and other investments	(463,877)	(463,877)	(434,797)	(434,797)
Disposal of investments – equity shares	60,754	60,754	35,447	35,447
Disposal of investments – fixed interest and other investments	407,887	407,887	442,159	442,159
Net cash (outflow)/inflow from investing activities	(14,800)	(15,140)	12,427	12,427
<b>Financing activities</b>				
Equity dividends paid	(9,664)	(9,664)	(9,679)	(9,679)
Issue of Ordinary shares	–	–	22,012	22,012
Cost of issue of Ordinary shares	–	–	(1)	(1)
Cost of share buybacks	(3,374)	(3,374)	(12,317)	(12,317)
Reissue of Ordinary shares from Treasury	12,306	12,306	2,633	2,633
Net cash (outflow)/inflow from financing activities	(732)	(732)	2,648	2,648
(Decrease)/increase in cash and cash equivalents	(12,441)	(12,805)	18,533	18,570
Cash and cash equivalents at the start of the year	45,068	45,045	9,306	9,246
Effect of foreign exchange rate changes	(16,783)	(16,783)	17,229	17,229
Cash and cash equivalents at the end of the year	15,844	15,457	45,068	45,045
Net cash inflow from operating activities includes the following:				
Dividends received	7,556	7,556	8,017	8,017
Interest received	1,119	1,119	1,144	1,144

The Notes to the Accounts on pages 15–20, including the accounting policies on pages 15 and 16, form part of these accounts.

# NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). These comprise standards and interpretations approved by the International Accounting Standards Board (“IASB”), together with such interpretations by the International Accounting Standards and Standing Interpretations Committee as have been approved by the IASB and still remain in effect, to the extent that these have been adopted by the European Union.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£’000) except where otherwise indicated.

The principal accounting policies adopted are set out below. Where the presentational guidance set out in the Statement of Recommended Practice (the “SORP”) for investment trusts issued by the Association of Investment Companies (the “AIC”) in November 2014 is consistent with the requirements of IFRSs, the Directors have sought to prepare the financial statements on a basis compliant with the recommendation of the SORP.

A number of new standards, including IFRS 9 Financial Instruments, have been issued but are not effective for this accounting period. These have not been adopted early and the Group does not consider that the future adoption of any new standards, in the form currently available, will have any material impact on the financial statements as presented.

### BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries) made up to 30 April each year. Control is achieved if, and only if, the Group has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. The subsidiary is not considered an investment entity in the context of IFRS 10. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The Company has availed itself of the relief from showing an Income Statement for the parent company, granted under Section 408 of the Companies Act 2006. The profit of the Company for the year ended 30 April 2015 was £37,240,000.

### PRESENTATION OF INCOME STATEMENT

In order better to reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement.

### INCOME

Dividends are recognised as income when the shareholders’ right to receive payment has been established, normally the ex-dividend date.

Dividends receivable on equity shares where no ex-dividend date is quoted are recognised when the Company’s right to receive payment is established.

Where the Company has received its dividends in the form of additional shares rather than cash, the cash equivalent of the additional shares is recognised as income.

Dividends from overseas companies are shown gross of withholding tax.

Fixed interest returns on non-equity securities are recognised on a time apportionment basis so as to reflect the effective yield on the investment.

Interest income and other income is accounted for on an accruals basis.

### EXPENSES

All expenses are accounted for on an accruals basis. Expenses are charged to revenue except those incurred in the maintenance and enhancement of the Company’s assets and taking account of the expected long term returns, as follows:

Investment advisory fees have been allocated 35 per cent. to revenue and 65 per cent. to capital.

Transaction costs incurred on the acquisition or disposal of investments are expensed to capital.

### TAXATION

In accordance with the SORP, the marginal rate of tax is applied to taxable net revenue.

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

### INVESTMENTS

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract the terms of which require delivery within a period of time established by the market concerned, and are measured at fair value being the consideration payable or receivable.

Investments are designated in terms of IFRSs as “investments held at fair value through profit or loss”, and are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Investments in unit trusts or OEICs are valued at the closing price released by the relevant investment manager. The subsidiary is held at net asset value adjusted as necessary to represent the best estimate of fair value.

# NOTES TO THE ACCOUNTS (CONTINUED)

## 1. ACCOUNTING POLICIES (CONTINUED)

### FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the actual exchange rate at the date of the transaction. Monetary assets denominated in foreign currencies at the year end are reported at fair value by using the rate of exchange prevailing at the year end. The currencies to which the Company was exposed were Australian Dollars, Canadian Dollars, Singapore Dollars, Swiss Francs and US Dollars. The exchange rates applying against Sterling at 30 April were as follows:

	2015	2014
Australian Dollar	1.9412	1.8153
Canadian Dollar	1.8534	1.8486
Singapore Dollar	2.0307	2.1147
Swiss Franc	1.4310	1.4854
US Dollar	1.5349	1.6870

Forward currency contracts are classified as investments held at fair value through profit or loss and are reported at fair value at the year end by using the rates of exchange prevailing at the year end. The forward rate of exchange of US Dollars to Sterling at 30 April 2015 was 1.53437 (2014: 1.68636). Any gain or loss arising from a movement in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the income statement as a revenue or capital item depending on the nature of the gain or loss.

### CASH AND CASH EQUIVALENTS

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

### FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities and equity instruments are recorded at the proceeds received, net of issue costs.

2. INCOME	2015	2014
	£'000	£'000
<b>Income from investments</b>		
Franked investment income	2,930	3,535
Fixed interest securities	1,633	3,135
Overseas dividends	4,715	4,524
	<b>9,278</b>	11,194
<b>Other operating income</b>		
Deposit interest	136	71
Other income <sup>(1)</sup>	394	305
<b>Total income</b>	<b>9,808</b>	11,570

<sup>(1)</sup> Income generated by Personal Assets Trust Administration Company Limited for secretarial, administrative, AIFM and discount control services provided to other investment trust companies.

## 3. EXPENSES

	2015	2015	2015	2014	2014	2014
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investment advisory fee <sup>(1)</sup>	1,414	2,626	4,040	1,367	2,539	3,906
Staff costs	691	–	691	637	–	637
Directors' fees	95	–	95	94	–	94
Auditors' remuneration for:						
– audit	19	–	19	17	–	17
– tax compliance	9	–	9	11	–	11
Other expenses	664	–	664	599	–	599
	<b>2,892</b>	<b>2,626</b>	<b>5,518</b>	2,725	2,539	5,264

<sup>(1)</sup> The Company appointed its subsidiary Personal Assets Trust Administration Company Limited as its AIFM with effect from 22 July 2014. The entering into a new AIFMD compliant management agreement with the AIFM entailed the termination of the Company's previous investment advisory agreement with its Investment Adviser, Troy Asset Management Limited ("Troy"). With effect from 22 July 2014, however, the AIFM delegated the portfolio advisory activities relating to the Company back to Troy pursuant to a delegation agreement and Troy continue to provide portfolio advisory services to the Company as before. The investment advisory agreement between the Company, the AIFM and Troy is on the same commercial terms as the previous investment advisory agreement, save that Troy will make a contribution towards the costs of the services provided by the AIFM. The agreement between the Company, the AIFM and Troy is on a rolling six month basis. The fee payable to the Investment Adviser pursuant to the delegation agreement, which is based on the Company's shareholders' funds, is: 0.5 per cent. on the first £100 million; 0.625 per cent. on the next £50 million; 0.75 per cent. between £150 million and £500 million; and 0.625 per cent. thereafter, payable quarterly in arrears. In the year to 30 April 2015 the total cost amounted to £4,040,000 (2014: £3,906,000). An amount of £1,031,250 was payable to the Investment Adviser at the year end (2014: £974,000). No compensation is payable to the Investment Adviser in the event of termination of the contract over and above payment in respect of the required six months' notice. The contract is also terminable summarily by either party in the event of: material breach by the other party; the occurrence of certain events suggesting the insolvency of the other party or relating to the winding up of the other party; or the negligence, wilful default or fraud of the other party.

Details of the Company's ongoing charges can be found at [www.patplc.co.uk](http://www.patplc.co.uk). The Ongoing Charges Ratio for the year ended 30 April 2015 was 0.87 per cent. (2014: 0.86 per cent.).

## 4. DIRECTORS' REMUNERATION AND EMPLOYEE COSTS

	2015	2014
	£'000	£'000
Directors' fees and salaries	288	284
Other salaries	384	350
Pension contributions <sup>(1)</sup>	44	28
Employer's national insurance	77	76
	<b>793</b>	738

<sup>(1)</sup> Personal Assets Trust Administration Company Limited operates a defined contribution scheme for its employees. The Company has agreed to pay contributions up to 13<sup>1</sup>/<sub>3</sub> per cent. of employees' salaries. There are no pension arrangements for Directors or employees of Personal Assets.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 4. DIRECTORS' REMUNERATION AND EMPLOYEE COSTS (CONTINUED)

Details of the highest paid Director can be found in the Directors' Remuneration Report on pages 24 and 25. Excluding the Directors, there were five employees during the year ended 30 April 2015 and four employees during the year ended 30 April 2014.

### 5. TAX ON ORDINARY ACTIVITIES

	2015 £'000	2014 £'000
Foreign tax suffered	575	594

The deferred tax asset of £1,640,000 (2014: £1,007,000) in respect of unutilised expenses at 30 April 2015 has not been recognised as it is uncertain that there will be taxable profits from which the future reversal of the deferred tax asset could be deducted.

### 6. FACTORS AFFECTING TAX CHARGE FOR YEAR

The tax charge for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £'000	2014 £'000
Profit/(loss) before tax	37,815	(21,445)
Corporation tax at standard rate of 20.92 per cent. (2014: 22.83 per cent.)	7,911	(4,896)
<b>Effects of:</b>		
Capital gains not subject to taxation	(7,013)	6,336
Investment income not subject to taxation	(1,599)	(1,840)
Excess of expenses over chargeable income	701	400
Withholding tax suffered	721	745
Recovery of foreign tax suffered	(146)	(151)
<b>Total tax charge (note 5)</b>	<b>575</b>	<b>594</b>

### 7. DIVIDENDS

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity holders in the year ended 30 April 2015:		
First interim dividend of £1.40 (2014: £1.40) per Ordinary share	2,392	2,403
Second interim dividend of £1.40 (2014: £1.40) per Ordinary share	2,413	2,439
Third interim dividend of £1.40 (2014: £1.40) per Ordinary share	2,419	2,444
Fourth interim dividend of £1.40 (2014: £1.40) per Ordinary share	2,440	2,393
	<b>9,664</b>	<b>9,679</b>

### 8. INVESTMENTS – GROUP AND COMPANY

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Investments listed on a recognised investment exchange	593,945	593,945	541,151	541,151
Subsidiary undertaking ("Sub")	–	381	–	35
	<b>593,945</b>	<b>594,326</b>	<b>541,151</b>	<b>541,186</b>

	Listed UK £'000	Listed Overseas £'000	Total £'000	Sub £'000
Opening book cost	141,997	353,094	495,091	10
Opening unrealised appreciation	24,622	21,438	46,060	25
<b>Opening valuation</b>	<b>166,619</b>	<b>374,532</b>	<b>541,151</b>	<b>35</b>

#### Movements in the year

Purchases at cost	333,725	141,248	474,973	340
Effective yield adjustment <sup>(1)</sup>	274	350	624	–
Sales proceeds	(286,009)	(182,632)	(468,641)	–
Sales – realised gains/(losses) on sales	2,526	(647)	1,879	–
Unrealised profit on the fair value of investments during the year	1,721	42,238	43,959	6
<b>Total movement during the year</b>	<b>52,237</b>	<b>557</b>	<b>52,794</b>	<b>346</b>
<b>Closing valuation</b>	<b>218,856</b>	<b>375,089</b>	<b>593,945</b>	<b>381</b>

<sup>(1)</sup> See Income section of Accounting Policies for a fuller description.

	Listed UK £'000	Listed Overseas £'000	Total £'000	Sub £'000
Closing book cost	192,513	311,413	503,926	350
Closing unrealised appreciation	26,343	63,676	90,019	31
	<b>218,856</b>	<b>375,089</b>	<b>593,945</b>	<b>381</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 8. INVESTMENTS – GROUP AND COMPANY (CONTINUED)

	2015	2014
	£'000	£'000
Represented by:		
Equities	244,769	252,393
US TIPS	103,863	94,912
UK Index-Linked Gilts	28,219	26,637
Gold Bullion	61,600	61,187
UK cash equivalents	118,961	62,179
Overseas cash equivalents	36,533	43,843
	<b>593,945</b>	541,151
Realised gains on sales	1,879	2,540
Unrealised gain/(loss) on the fair value of investments during the year	43,959	(43,367)
Gains/(losses) on investments	45,838	(40,827)

The valuation of the Company's subsidiary is eliminated on consolidation.

#### Transaction costs

During the year the Company incurred transaction costs of £53,594 (2014: £71,962) on the purchase of investments and £61,558 (2014: £52,196) on the sale of investments.

### 9. CURRENT ASSETS

	Group	Company	Group	Company
	2015	2015	2014	2014
	£'000	£'000	£'000	£'000
<b>Financial Assets</b>				
Fair value of forward currency contract	6,743	6,743	2,273	2,273
<b>Receivables</b>				
Prepayments and accrued income	1,243	1,243	1,134	1,134
Tax receivable	303	303	287	287
Due from subsidiary	–	–	–	7
Other receivables	39	13	79	22
	<b>1,585</b>	<b>1,559</b>	1,500	1,450

### 10. CURRENT LIABILITIES

	Group	Company	Group	Company
	2015	2015	2014	2014
	£'000	£'000	£'000	£'000
<b>Payables</b>				
Due to brokers	7,125	7,125	15,593	15,593
Due to subsidiary	–	20	–	–
Other payables	1,247	1,195	1,162	1,124
	<b>8,372</b>	<b>8,340</b>	16,755	16,717

### 11. CALLED-UP SHARE CAPITAL

	Number	£'000
Allotted, called-up and fully paid Ordinary shares of £12.50 each:		
Balance at 30 April 2014	1,747,584	21,845
Balance at 30 April 2015	<b>1,747,584</b>	<b>21,845</b>

### 11. CALLED-UP SHARE CAPITAL (CONTINUED)

Of the above shares in issue the movements in the Ordinary shares held in Treasury are as follows:

	Number	£'000
Balance at 30 April 2014	30,137	377
Shares purchased during the year	10,100	126
Shares re-issued during the year	(35,609)	(445)
Balance at 30 April 2015	<b>4,628</b>	<b>58</b>

### 12. BUSINESS SEGMENT

The Directors are of the opinion that the Company is engaged in the single business of investing in equity shares, fixed interest securities and other investments.

### 13. FINANCIAL INSTRUMENTS

The Group holds investments in listed companies and fixed interest securities, holds cash balances and has receivables and payables. It may from time to time also invest in FTSE 100 Futures and enter into forward currency contracts. Cash balances are held for future investment and forward currency contracts are used to manage the exchange risk of holding foreign investments. Further information is given in the Strategic Report for the Year to 30 April 2015 on pages 4–6.

The fair value of the financial assets and liabilities of the Group at 30 April 2015 is not different from their carrying value in the financial statements.

The Group is exposed to various types of risk that are associated with financial instruments. The most important types are credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk.

The Board reviews and agrees policies for managing its risk exposures. These policies are summarised below and have remained unchanged for the year under review.

#### Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group.

The Group's principal financial assets are investments, cash balances and other receivables, which represent the Group's maximum exposure to credit risk in relation to financial assets. The Group did not have any exposure to any financial assets which were passed due or impaired at the year end (2014: none).

The Group is exposed to potential failure by counterparties to deliver securities for which the Group has paid, or to pay for securities which the Group has delivered. A list of pre-approved counterparties used in such transactions is maintained and regularly reviewed by the Group, and transactions must be settled on a basis of delivery against payment. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. Risk relating to unsettled transactions is considered to be small because of the short settlement period involved and the credit quality of the brokers used.

All of the assets of the Group, other than cash deposits and receivables, are held by J.P. Morgan Chase Bank N.A., the Group's custodian, acting as a delegate of J.P. Morgan Europe Limited who were appointed as the Company's Depository with effect from 22 July 2014.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 13. FINANCIAL INSTRUMENTS (CONTINUED)

Bankruptcy or insolvency of the custodian might cause the Group's rights with respect to the securities held by the custodian to be delayed or limited. The Board monitors the Group's risk by reviewing the custodian's internal control reports on a regular basis.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings, rated A or higher, assigned by international credit rating agencies. Bankruptcy or insolvency of such financial institutions might cause the Group's ability to access cash placed on deposit to be delayed or limited. The Group has no concentration of credit risk and exposure is spread among counterparties.

#### Market Price Risk

The fair value of equity and other financial securities held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues including the market perception of future risks. The Company's strategy for the management of market price risk is driven by the Company's investment policy as outlined within the Strategic Report on pages 4-6. The Board sets policies for managing this risk and meets regularly to review full, timely and relevant information on investment performance and financial results. The management of market price risk is part of the fund management process and is fundamental to equity investment. The portfolio is managed with an awareness of the effects of adverse price movements in equity markets with an objective of maximising overall returns to shareholders. Investment and portfolio performance are discussed in more detail in the Investment Adviser's Report and the investment portfolio is set out on page 7.

Any changes in market conditions will directly affect the profit or loss reported through the Income Statement. For instance, a 30 per cent. increase in the value of the equity exposure at 30 April 2015 would have increased net return and net assets for the year by £73,431,000 (2014: a 30 per cent. increase in the value of the equity exposure would have increased net return by £75,718,000). A decrease of 30 per cent. (2014: 30 per cent.) would have had an equal but opposite effect. These calculations are based on investment valuations at the respective balance sheet date and are not representative of the year as a whole.

The Company continued to use forward currency contracts during the year.

#### Liquidity Risk

Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments. The risk of the Group not having sufficient liquidity at any time is not considered by the Board to be significant, given the liquid nature of the portfolio of investments and the level of cash and cash equivalents ordinarily held. The Investment Adviser reviews liquidity at the time of each investment decision. The Board reviews liquidity exposure at each meeting.

All of the Group's financial liabilities at 30 April 2015 had a maturity period of less than three months and were repayable at the date shown on the Balance Sheet.

#### Interest Rate Risk

Some of the financial instruments held by the Group are interest bearing. As such, the Group is exposed to interest rate risk resulting from fluctuations in the prevailing market rate.

#### Floating Rate

When the Group holds cash balances, such balances are held on overnight deposit accounts and call deposit accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate, which at 30 April 2015 was 0.50 per cent. in the UK (2014: 0.50 per cent.).

### 13. FINANCIAL INSTRUMENTS (CONTINUED)

#### Floating interest rate exposure at 30 April:

	2015 £'000	2014 £'000
Singapore Dollar	–	6
Sterling	8,480	45,049
US Dollar	7,364	13
	<b>15,844</b>	45,068

Considering effects on cash balances, an increase of 50 basis points in interest rates would have increased net assets and income for the period by £79,000 (2014: £225,000). A decrease of 50 basis points would have had an equal but opposite effect. The calculations are based on the cash balances at the balance sheet date and are not representative of the year as a whole.

#### Fixed rate and zero rate

The Company may from time to time hold fixed interest or zero interest investments.

#### Maturity profile

The maturity profile of the Company's fixed interest or zero interest investments at the Balance Sheet date is as follows:

At 30 April 2015:	Within 1 year	Within 1-5 years	More than 5 years
US TIPS	–	74,210	29,653
UK Index-Linked Gilts	–	–	28,219
UK T-Bills	118,961	–	–
Singapore T-Bills	36,533	–	–
	<b>155,494</b>	<b>74,210</b>	<b>57,872</b>
At 30 April 2014:	Within 1 year	Within 1-5 years	More than 5 years
US TIPS	–	68,571	26,341
UK Index-Linked Gilts	–	–	26,637
UK T-Bills	62,179	–	–
Singapore T-Bills	43,843	–	–
	<b>106,022</b>	<b>68,571</b>	<b>52,978</b>

#### Foreign Currency Risk

The Company invests in overseas securities and holds cash in overseas currencies.

	2015 £'000	2014 £'000
Gross currency exposure at 30 April:		
Australian Dollars	–	3,684
Canadian Dollars	19,173	22,272
Singapore Dollars	29,408	28,256
Swiss Francs	24,080	21,622
US Dollars <sup>(1)</sup>	302,666	283,123

<sup>(1)</sup>At 30 April 2015 the Sterling cost of a portion of the US Dollar denominated assets (including US Treasury Inflation Protected Securities ("TIPS") and US equities) was protected by a forward currency contract. The fair value of £6,743,000 (2014: fair value of £2,273,000) on the US\$275,140,000 (2014: US\$229,700,000) sold forward against £186,060,000 (2014: £138,483,000) is included in other receivables (2014: other receivables). All foreign exchange contracts in place at 30 April 2015 were due to mature within two months. The exposure to US Dollars as shown above also includes Gold Bullion. At 30 April 2015 the net exposure to US Dollars was £123,348,000 (2014: £146,913,000) including Gold Bullion and £61,748,000 (2014: £85,726,000) excluding Gold Bullion.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 13. FINANCIAL INSTRUMENTS (CONTINUED)

#### Foreign Currency Sensitivity

The following table illustrates the sensitivity of the total return for the year and the shareholders' funds in relation to the Company's overseas monetary financial assets and financial liabilities. It assumes a 10 per cent. depreciation of Sterling against the Australian Dollar, Canadian Dollar, Singapore Dollar, Swiss Franc and US Dollar. The sensitivity analysis is based on the Company's monetary foreign currency financial instruments held at each balance sheet date.

If Sterling had weakened by 10 per cent. against the currencies shown, this would have had the following positive effect:

#### Income statement – return on ordinary activities after taxation:

	2015			2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Australian Dollars	–	–	–	–	409	409
Canadian Dollars	24	2,130	2,154	31	2,475	2,506
Singapore Dollars	–	3,268	3,268	–	3,139	3,139
Swiss Francs	81	2,676	2,757	84	2,402	2,486
US Dollars	566	13,706	14,272	733	16,322	17,055
	671	21,780	22,451	848	24,747	25,595

A 10 per cent. strengthening of Sterling against the above currencies would have had an equal but opposite effect on the above amounts.

### 14. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Description	2015				2014			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	593,945	–	381	594,326	541,151	–	35	541,186
Current assets	–	6,743	–	6,743	–	2,273	–	2,273
Total	593,945	6,743	381	601,069	541,151	2,273	35	543,459

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments the fair value of which is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique the variables of which include only data from observable markets. The Company's forward currency contract has been included in this level as fair value is achieved using the foreign exchange spot rate and forward points which vary depending on the duration of the contract.

Level 3 reflects financial instruments the fair value of which is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data. The Company's subsidiary has been included in this level as its valuation is based on its net assets. A reconciliation of Level 3 fair value measurements of financial assets can be found in note 8 on page 17.

### 15. SUBSIDIARY UNDERTAKING

At 30 April 2015, Personal Assets' subsidiary undertaking, which has been consolidated, was as follows:

Name	Place of incorporation	Business activity	Shares owned	Percentage of Share Capital owned
Personal Assets Trust Administration Company Limited	Scotland	Company secretarial and administrative services	350,000 Ordinary shares of £1	100

The Company holds the full voting power in the subsidiary undertaking. There were no changes to the subsidiary undertaking during the year.

### 16. RELATED PARTY TRANSACTIONS

The Company pays £30,000 per annum for the rental of the Executive Office to Rushbrook & Co LLP, of which Frank Rushbrook is a partner. The notice period on the lease is six months. No amount was outstanding at the year end.

Secretarial and administrative services are provided by the Company's wholly owned subsidiary, Personal Assets Trust Administration Company Limited. Costs, net of third party income, amounted to £220,000 (2014: £252,500) in respect of these services in the year to 30 April 2015. No amounts were outstanding at the year end.

Directors of the Company received fees for their services. An amount of £13,000 was outstanding to the Directors at the year end (2014: £12,000). Further details are provided in the Directors' Remuneration Report on pages 24 and 25. The Directors' shareholdings are also detailed on pages 21 and 24.

### 17. ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD")

In accordance with the AIFMD, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Personal Assets Trust Administration Company Ltd ("PATAC"), is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy is available from PATAC on request and the numerical remuneration disclosures in respect of the AIFM's first relevant reporting period (year ending 30 April 2016) will be made available in due course.

The Company's maximum and actual leverage levels at 30 April 2015 are shown below:

	Gross Method	Commitment Method
Maximum limit	200%	200%
Actual	110%	131%

There have been no changes to the Company's investor disclosure document in the year to 30 April 2015. The investor disclosure document and all additional periodic disclosures required in accordance with the requirements of the FCA Rules implementing the AIFMD in the UK are made available on the Company's website ([www.patplc.co.uk](http://www.patplc.co.uk)).

## DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report together with the Accounts of the Company and the Group for the year to 30 April 2015.

### BOARD OF DIRECTORS

#### Hamish Buchan

Joined the Board as a non-executive Director in 2001 and became Chairman in 2009.

Shares held: 1,091 Fees during year: £38,000

He has worked in the investment trust sector since 1969 and headed the award-winning Wood Mackenzie (later, NatWest Securities) trust research team for many years. He is a past Chairman of the Association of Investment Companies.

*Other Trust Directorships:* Templeton Emerging Markets and The Scottish Investment Trust.

#### Robin Angus

Joined the Board as a non-executive Director in 1984 and became Executive Director in 2002.

Shares held: 4,123 Fees during year: *nil*  
Annual Salary: £200,000

He has worked in the investment trust sector since 1977. He trained as an investment trust manager at Baillie, Gifford & Co and worked with Hamish Buchan for 17 years as an investment trust analyst.

*Other Trust Directorships:* None.

#### Gordon Neilly

Joined the Board as a non-executive Director in 1997.

Shares held: 1,912 Fees during year: £19,000

Co-Chief Executive Officer of Cantor Fitzgerald Europe, having been Head of Corporate Finance. He was previously Chief Executive of Intelli Corporate Finance and Finance and Business Development Director of Ivory & Sime. Company Secretary of the Company for ten years, he joined the Board as a non-executive Director in 1997 and has considerable experience and knowledge of investment trusts.

*Other Trust Directorships:* INVESCO Perpetual Enhanced Income.

#### Stuart Paul

Joined the Board as a non-executive Director in 2009.

Shares held: 4,380 Fees during year: £19,000

Managing Partner of First State Stewart which invests in Asia Pacific, Global Emerging and other markets worldwide on behalf of its clients. He is a Chartered Accountant and is a Director of Archangel Investors Ltd and Didasko Education Company Ltd.

*Other Trust Directorships:* None.

#### Frank Rushbrook

Joined the Board as a non-executive Director in 2009.

Shares held: 12,357 Fees during year: £19,000

A partner in Rushbrook & Co LLP, he has worked in the fund management industry since 1998. Following eleven years at F&C Investment Management Ltd, latterly as Associate Director Continental European Smaller Equities, he co-founded Nettle Capital Management LLP and has considerable experience of European mid and small cap markets.

*Other Trust Directorships:* None.

### ACTIVITIES

A review of the Company's activities during the year can be found in the Strategic Report on pages 4–6 and in the Chairman's Statement and Investment Adviser's Report.

### RESPONSIBILITY STATEMENT

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

Under company law the Directors must not approve the Group financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Group for that period. In preparing the Group financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the Group has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements; *and*
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. In reaching this

## DIRECTORS' REPORT (CONTINUED)

conclusion the Directors have assumed that the reader of the Annual Report and Accounts has a reasonable level of knowledge of the investment industry.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

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

### RESPONSIBILITY STATEMENTS UNDER THE DISCLOSURE AND TRANSPARENCY RULES

Each of the Directors listed on page 21 confirms that to the best of his knowledge:

- the financial statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; *and*
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole together with a description of the principal risks and uncertainties that it faces.

### CAPITAL STRUCTURE

At 30 April 2015 there were 1,742,956 Ordinary shares of £12.50 each in issue.

During the year the Company purchased 10,100 Ordinary shares to be held in Treasury for a total consideration of £3,374,000, and reissued 35,609 Ordinary shares from Treasury for proceeds of £12,306,000.

The revenue profits of the Company (including accumulated revenue reserves) and realised capital profits are available for distribution by way of dividends to the holders of the Ordinary shares (excluding any Ordinary shares held in Treasury, which have no entitlement to dividends).

Voting rights and deadlines for exercising voting rights can be found in the Notes for the Annual General Meeting ("AGM") which can be found on pages 32 and 33.

### RESULTS AND DIVIDEND

The results for the year are set out in the Group Income Statement on page 11. The Company paid four quarterly dividends of £1.40 per share to shareholders in the year ended 30 April 2015.

### SUBSTANTIAL INTERESTS

At 30 April 2015 the following holdings representing (directly or indirectly) 3 per cent. or more of the voting rights attaching to the issued share capital of the Company had been disclosed to the Company:

Substantial Holders	Shares Held	Percentage
Personal Assets Trust ISA	261,635	15.0
Personal Assets Trust		
Investment Plan	167,012	9.6

There have been no changes notified in respect of the above holdings, and no new holdings notified, since the end of the year.

### FINANCIAL INSTRUMENTS

Information on the Company's financial instruments can be found in the Strategic Report on pages 4-6 and in the Notes to the Accounts on pages 15-20.

### PRINCIPAL RISKS AND RISK MANAGEMENT

Information on the principal risks to shareholders and management of these risks can be found in the Strategic Report on pages 4-6 and in note 13 to the Accounts on pages 18-20.

### DIRECTORS' INDEMNITY

The Company's Articles of Association entitle any Director or Officer of the Company to be indemnified out of the assets of the Company against any loss or liability incurred by him in the execution of his duties in relation to the Company's affairs to the extent permitted by law.

### CARBON EMISSIONS

The Company's carbon emissions result predominantly from its consumption of gas and electricity at its single office. Using Defra/ DECC's GHG conversion factors for company reporting produced in 2014, emissions for the year to 30 April 2015 were 16.7 tonnes of CO<sub>2</sub>e (2014: 18.0 tonnes of CO<sub>2</sub>e). This equates to 0.10 tonnes of CO<sub>2</sub>e (2014: 0.11 tonnes of CO<sub>2</sub>e) per square metre.

### AUDITORS

Ernst & Young LLP have indicated their willingness to continue in office as Auditors and a resolution proposing their re-appointment will be proposed at the AGM.

## DIRECTORS' REPORT (CONTINUED)

### RESOLUTIONS TO BE PROPOSED AT THE AGM

Resolutions 1 to 8 are self explanatory.

#### Authority to Issue Shares

During the year the Company continued its policy of issuing shares at a small premium to net asset value in response to demand. **Resolution 9** is to authorise the Directors to issue new shares up to an aggregate nominal amount of £2,184,837.50, being 10 per cent. of the total issued shares at 5 June 2015. **Resolution 10** is to enable the Directors to issue such new shares and to reissue shares from Treasury (see Treasury Shares below) up to an aggregate nominal amount of £2,184,837.50, being 10 per cent. of the total issued shares at 5 June 2015, for cash without first offering such shares to existing shareholders *pro rata* to their existing shareholdings. The Directors issue new shares or reissue shares from Treasury only when they believe it is advantageous to the Company's shareholders to do so and for the purpose of operating the Company's premium control policy. In no circumstances would such issue of new shares or reissue of shares from Treasury result in a dilution of net asset value per share.

#### Authority to Buy Back Shares

During the year, the Company acquired 10,100 of its own shares to be held in Treasury. The Company's current authority to make market purchases of up to 14.99 per cent. of the issued Ordinary shares expires at the end of the Annual General Meeting. **Resolution 11** is to renew the authority for a further period until the Company's Annual General Meeting in 2016. The price paid for shares on exercise of the authority will not be less than the nominal value of £12.50 per share or more than the higher of (a) 5 per cent. above the average of the middle market quotations of those shares for the five business days before the shares are purchased and (b) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange. The authority, which may be used to buy back shares either for cancellation or to be held in Treasury, will be used to purchase shares only if, in the opinion of the Directors, a purchase would be in the best interests of the shareholders as a whole and would result in an increase in the net asset value per share for the remaining shareholders. There are no outstanding options/warrants to subscribe for equity shares in the capital of the Company.

#### Treasury Shares

Under UK company law investment trusts are able to acquire their own shares to hold in Treasury for reissue. The Directors consider that this facility gives the Company more flexibility in managing its share capital. At 5 June 2015 the Company had reissued all of its Ordinary shares held in Treasury.

**Resolutions 10 and 11** would provide the Directors with the authority they need to manage Treasury shares. Treasury shares will be reissued only at a premium to the net asset value of the shares at the time of sale.

#### Notice Period for General Meetings

The Company's Articles of Association enable the Company to call General Meetings (other than an Annual General Meeting) on 14 clear days' notice. In order for this to be effective, the shareholders must also approve annually the calling of meetings other than Annual General Meetings on 14 days' notice. **Resolution 12** will be proposed at the Annual General Meeting to seek such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company meets the requirements for electronic voting under the Companies Act 2006, offering facilities for all shareholders to vote by electronic means. The Directors believe it is in the best interests of the shareholders for the shorter notice period to be available to the Company, although it is intended that this flexibility will be used only for early renewals of the Board's authority to issue new shares or reissue shares from Treasury and only where merited in the interests of shareholders as a whole.

#### RECOMMENDATION

The Board considers that the resolutions to be proposed at the AGM are in the best interests of the shareholders as a whole and recommends that they vote in favour of such resolutions, as the Directors intend to do in respect of their own beneficial holdings.

By Order of the Board

Steven K Davidson  
Secretary  
10 St Colme Street  
Edinburgh EH3 6AA

5 June 2015

# DIRECTORS' REMUNERATION REPORT

## STATEMENT BY THE CHAIRMAN

This report has been prepared in accordance with the requirements of the Companies Act 2006. An Ordinary resolution for the approval of this report will be put to shareholders at the forthcoming Annual General Meeting. The remuneration policy, which was approved by shareholders at the Company's AGM in July 2014, will again be put to shareholders at the AGM in 2017.

## Remuneration Committee

The Remuneration Committee, chaired by Gordon Neilly and comprising Mr Neilly, Hamish Buchan and Stuart Paul, reviews the Directors' fees, employees' salaries and the remuneration paid to the Investment Adviser (together with the terms and conditions of appointment of the Investment Adviser) on an annual basis. The terms of reference of the Remuneration Committee clearly define the Committee's responsibilities. These terms are reviewed annually and are available for inspection on the Company's website.

## DIRECTORS' REMUNERATION POLICY REPORT

The Board's policy is that fees should be sufficient to attract and retain Directors capable of managing the Company on behalf of its shareholders. It is intended that this policy will continue for the period ending 30 April 2017. Non-executive Directors do not have service contracts but on being appointed are provided with a letter of appointment.

## Executive Director's Service Contract

Robin Angus has a rolling twelve month contract of employment, signed in November 2002. Mr Angus does not receive any element of variable pay or a separate Director's fee. In the event of termination of his contract, the Company would incur a liability for 12 months' salary.

Directors do not receive any pension benefits, share options, long-term incentive schemes or other benefits. The pay and employment conditions of the employees of the Company's subsidiary are not taken into account when determining Directors' remuneration.

## ANNUAL REPORT ON REMUNERATION

Following review of the level of Directors' fees for the forthcoming year the Board concluded that the amounts should remain unchanged at £38,000 for the Chairman and £19,000 for each of the Directors. The annual limit on Directors' fees is set out in the Company's Articles of Association. The present limit is £175,000 in aggregate per annum and the approval of shareholders in a General Meeting would be required to change this limit.

## Directors' Interests (Audited)

The Directors at the end of the year and their interests in the shares of the Company at 30 April 2015 and 30 April 2014 were as follows:

Director	Interest	2015	2014
Hamish Buchan (Chairman)	Beneficial	1,091	1,069
Robin Angus	Beneficial	4,123	3,989
Gordon Neilly	Beneficial	1,912	1,909
Stuart Paul	Beneficial	4,380	4,296
Frank Rushbrook	Beneficial	12,357	12,346

Since 30 April 2015, Mr Angus has acquired a beneficial interest in an additional 14 shares. There have been no other changes in the above holdings between 30 April 2015 and 5 June 2015.

## Directors' Remuneration for the Year (Audited)

Directors	Year ended 30 April 2015		Year ended 30 April 2014	
	Fees	Salary	Fees	Salary
Hamish Buchan (Chairman)	£38,000	–	£36,000	–
Robin Angus	–	£193,333	–	£190,000
Gordon Neilly	£19,000	–	£18,000	–
Stuart Paul	£19,000	–	£18,000	–
Frank Rushbrook	£19,000	–	£18,000	–
Martin Hamilton-Sharp (retired 25 July 2013)	–	–	£4,295	–
<b>Total</b>	<b>£95,000</b>	<b>£193,333</b>	<b>£94,295</b>	<b>£190,000</b>

The rates of Directors' fees for the year ended 30 April 2015 were set out in the Directors' Remuneration Report contained in the Company's 2014 Annual Report and Accounts.

We are required to report on the remuneration of the Company's Chief Executive Officer over the five years to 30 April 2015. On 1 January 2015 Mr Angus received an increase in his remuneration from £190,000 to £200,000. Mr Angus last received an increase in his remuneration in the year ended 30 April 2011, from £187,000 to £190,000.

## DIRECTORS' REMUNERATION REPORT (CONTINUED)

### Relative Importance of Directors' Fees

	2015 £'000	2014 £'000	% change
Directors' fees and salaries	288	284	1.4
Expenses	5,518	5,264	4.8
Employee costs	505	454	11.3
Dividends paid and proposed	9,664	9,679	(0.2)

Directors' fees and salaries as a percentage of:

	2015 %	2014 %
Expenses	5.2	5.4
Employee costs	57.0	62.6
Dividends paid and proposed	3.0	2.9

Further details of the Company's expenses and employee costs can be found in notes 3 and 4 on page 16 and of dividends paid in note 7 on page 17.

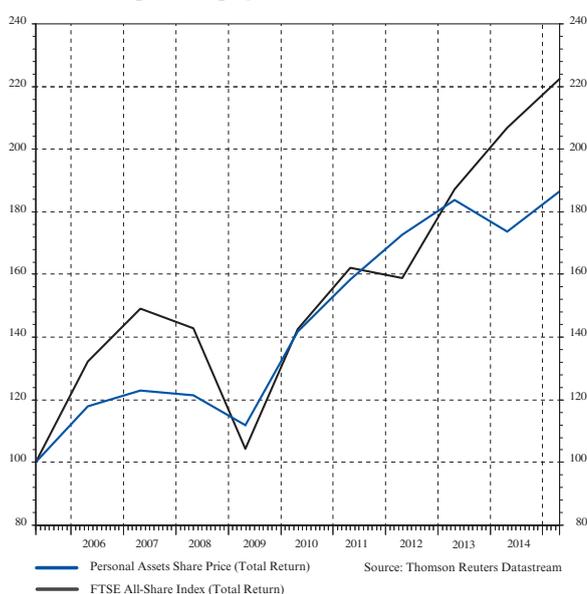
### Approval

Voting on the resolutions to approve the Directors' Remuneration Policy and Directors' Remuneration Report at the Company's AGM on 24 July 2014 was as follows:

Resolution	% For	% Against	% Withheld
Approve Directors' Remuneration Policy	97.8	1.3	0.9
Approve Directors' Remuneration Report	97.7	1.3	1.0

### Company Performance

The graph below compares, for the ten financial years ended 30 April 2015, the share price total return (assuming all dividends were reinvested) to Ordinary shareholders in each period compared to the total shareholder return on a notional investment in the FTSE All-Share Index. This index represents a comparable broad equity market index and is the Company's comparator. An explanation of the performance of the Company for the year ended 30 April 2015 is given in the Chairman's Statement and Investment Adviser's Report on pages 2 and 3.



On behalf of the Board

Hamish N Buchan  
Chairman

5 June 2015

# CORPORATE GOVERNANCE

## INTRODUCTION

Personal Assets is a self-managed investment trust run by its Board, which takes all major decisions collectively. While Robin Angus has executive duties, all of the Directors regard themselves and one another as equal in the duties and responsibilities they owe to shareholders and accordingly work together as a unitary Board within which the Chairman (who is elected by the Directors from among their own number) acts as *primus inter pares*.

The Directors are elected by the shareholders and regard corporate governance and accountability to shareholders as fundamental. They therefore place considerable emphasis on running the Company in the way they believe to be best suited to the successful management of an investment trust on behalf of its shareholders.

Arrangements appropriate to an investment trust in respect of corporate governance have been made by the Board. The Board has considered the principles and recommendations of the AIC's Code of Corporate Governance (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council (the "UK Code"), as well as setting out additional principles and recommendations which are of specific relevance to investment trusts. The AIC Code can be obtained from the AIC's website at [www.theaic.co.uk](http://www.theaic.co.uk).

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders than if it had adopted the UK Code.

## COMPLIANCE

The Company has complied throughout the year, and continues to comply, with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as disclosed below.

The Board does not consider it appropriate for a Senior Independent Director to be appointed as recommended by provision A.4.1 of the UK Code, as it operates as a unitary Board.

The Board does not consider it appropriate for Directors to be appointed for a specific term as recommended by principle 4 of the AIC Code and provision B.2.3 of the UK Code. However, the Company's practice since 2007 has been that each Director will retire annually, and if appropriate, stand for re-election.

The Board does not consider it appropriate for an external evaluation of the Board to be carried out as recommended by provision B.6.2 of the Code as it believes the current evaluation process to be objective and rigorous. The Board, which is a unitary Board and meets formally or informally at least once a month, is also of the view that its composition is suitably diverse and effective.

## DIRECTORS

All of the non-executive Directors are considered to be independent in character and judgement and, in the opinion of the Board, there are no relationships or conflicts of interest which are likely to affect the judgement of any Di-

rector. Hamish Buchan and Gordon Neilly have served for more than nine years. However, the Board subscribes to the view expressed within the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority, and does not consider that a Director's length of tenure reduces his ability to act independently.

Directors' fees are determined within the limits set out in the Company's Articles of Association. The approval of shareholders in a General Meeting is required to change this limit.

Director	Date of Appointment	Due date for Re-election
Hamish Buchan (Chairman)	5 July 2001	AGM 2015
Robin Angus (Executive Director)	18 May 1984	AGM 2015
Gordon Neilly	30 April 1997	AGM 2015
Stuart Paul	16 July 2009	AGM 2015
Frank Rushbrook	16 July 2009	AGM 2015

Any new Directors appointed during the year must stand for re-appointment at the first Annual General Meeting following their appointment. All executive and non-executive Directors retire annually and, where appropriate, stand for re-election. Other than for Robin Angus there is no notice period and no provision for compensation on early termination of appointment.

Only Robin Angus has a contract of service with the Company. Details of this service contract, his remuneration, and fees paid to other Directors during the year are shown in the Directors' Remuneration Report.

Individual Directors may, after having obtained the consent of any other Director, seek independent professional advice at the Company's expense on any matter that concerns the furtherance of their duties. Details of the Directors' authority in relation to the issue and buying back by the Company of its shares can be found in the Directors' Report. Similarly, details of those persons with significant holdings in the Company are set out in the Directors' Report.

## CONFLICTS OF INTEREST

The Companies Act 2006 requires that a Director of the Company must avoid a situation in which he has, or might have, an interest that conflicts, or may conflict, with the interests of the Company. Each Director submits a list of potential conflicts prior to each meeting. The other Directors consider these and recommend whether or not each potential conflict should be authorised. No situation arose during the year whereby an interest of a Director conflicted with the interests of the Company.

## MEETINGS

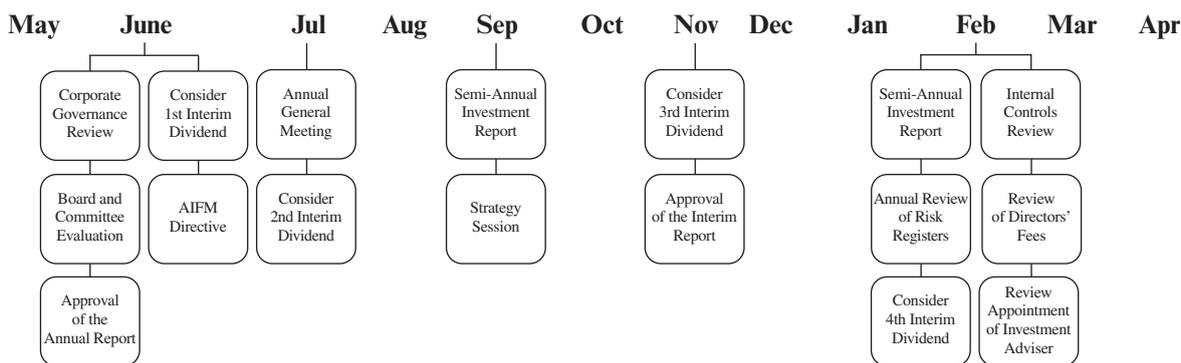
During the year there were five Board meetings, each of which was attended by all of the Directors. There were three Audit Committee meetings, two Remuneration Committee meetings and a Nomination Committee meeting held during the year. All of these meetings were attended by all of the respective committee members except Stuart Paul, who attended one Remuneration Committee meeting and could not attend the Nomination Committee meeting.

## CORPORATE GOVERNANCE (CONTINUED)

Under the terms of the contracts with the AIFM and the Investment Adviser, the following matters have been expressly reserved to the Board: (a) the level and form of liquidity within the portfolio; (b) asset allocation within the portfolio; (c) the Company's gearing levels; (d) matters relating to the buying back and issuance of the Company's

shares; (e) matters relating to shareholder communication; (f) hedging; (g) investment in any new asset class; (h) and such other matters as the Board may reasonably intimate from time to time. However, the Board is required to engage in active dialogue with the Investment Adviser in relation to the matters referred to at items (a), (b), (e), and (f) above.

The following diagram highlights various matters considered by the Board during the past year:



### VOTING POLICY

The Investment Adviser is to exercise all votes exercisable by the Company in relation to the Company's investments in favour of resolutions proposed by the Boards of investee companies, save where the Board instructs otherwise. Board decisions regarding voting on corporate resolutions of companies in which the Company invests are a matter for the whole Board. All resolutions on which the Company is entitled to vote are monitored and, although normally the Company would vote in favour of all Board resolutions, any contentious matters are referred to the Directors by e-mail for comment. Any Director disagreeing that the Company should cast an affirmative vote informs the Company Secretary and requests that his view be considered by a sub-committee of the Board consisting of any two Directors. The sub-committee then considers the matter and informs the Director of its conclusion. Should the Director disagree with the sub-committee's conclusion, a full Board meeting is called to consider the matter.

### COMMUNICATION WITH SHAREHOLDERS

The Board welcomes the views of shareholders and places considerable importance on communications with them. The Investment Adviser reports back to the Board on meetings with shareholders and the Chairman and other Directors are available to meet shareholders if required. The Annual General Meeting of the Company and the London Shareholder Meeting provide a forum, both formal and informal, for shareholders to meet and discuss issues with the Board.

### NOMINATION COMMITTEE

The Nomination Committee, chaired by Hamish Buchan and comprising Mr Buchan, Stuart Paul and Frank Rushbrook, considers the appointment of new Directors. Diversity, including gender, is considered when seeking potential candidates. The Nomination Committee meets at least annually.

In November 2014 the Board announced that it had decided to increase its size from five to six by the AGM in July 2016 and that it expected that the appointee would be female.

New Directors appointed to the Board are given an induction meeting with the Executive Office and are provided with all relevant information regarding the Company and their duties as a Director. Thereafter, regular briefings are provided on changes in regulatory requirements that could affect the Company and the Directors. Professional advisers report from time to time and Directors will, if necessary, attend seminars covering relevant issues and developments.

### PERFORMANCE EVALUATION

During the year the performance of the Board, the Audit Committee, the Nomination Committee, the Remuneration Committee and individual Directors was evaluated through a discussion based assessment process led by the Chairman. The performance of the Chairman was evaluated by the other Directors. The UK Code requires the Company to engage an external facilitator for the Board evaluation every three years. However, the Board has elected not to comply with this requirement as disclosed on page 26.

### GOING CONCERN

The Directors believe, in the light of the controls and review processes noted above and bearing in mind the nature of the Group's business and assets, which are considered to be readily realisable if required, that the Group has adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

By Order of the Board

Steven K Davidson  
Secretary  
10 St Colme Street  
Edinburgh EH3 6AA

5 June 2015

# REPORT OF THE AUDIT COMMITTEE

## AUDIT COMMITTEE

The Audit Committee, chaired by Stuart Paul and comprising Mr Paul, Gordon Neilly and Frank Rushbrook, meets at least twice yearly to coincide with the annual and interim reporting cycle. The principal rôle of the Audit Committee is to review the annual and interim financial statements, the Accounting Policies applied therein and to ensure compliance with financial and regulatory reporting requirements. The Audit Committee discusses and agrees the scope of the audit plan for the year ahead and the Auditors' Report on their findings at the conclusion of the audit. The terms of reference of the Audit Committee clearly define the Committee's responsibilities. These terms are reviewed annually and are available for inspection on the Company's website.

The Audit Committee also reviews the system of internal controls, the terms of appointment of the Auditors (including their remuneration), the objectivity of the Auditors and the terms under which they are appointed to perform non-audit services. The Audit Committee also received a report from the Auditors identifying to its satisfaction how their independence and objectivity is maintained when providing these non-audit services. Fees for these services amounted to £9,000 for the year ended 30 April 2015 (2014: £11,000). The Board considers that the provision of such services at this level is cost effective and does not impair the independence of Ernst & Young LLP ("EY").

The Audit Committee assessed the effectiveness of the audit, the quality of the team and advice received from them through reviewing interaction with the Auditors, reports received from them and discussion with management. The Audit Committee continues to be satisfied with the effectiveness of the work provided by EY and that EY remain objective and independent.

At the request of the Board, the Audit Committee considered whether the 2015 Annual Report and Accounts were fair, balanced and understandable and whether they provided the necessary information for shareholders to assess the Company's performance, business model and strategy. The Audit Committee is satisfied that, taken as a whole, the Annual Report and Accounts are fair, balanced and understandable. The Audit Committee reached this conclusion based on a detailed review of the financial statements and subsequent discussion on whether the accounts are fair, balanced and understandable by all members of the Committee.

## AUDIT TENDER

EU regulation requires a change of Auditors by 2020 and the Board's intention is to put the audit out for tender at the next Audit Partner rotation point, after the 30 April 2018 Annual Report and Accounts are approved.

EY were appointed at the Company's launch in 1983. The Audit Engagement Partner rotates every five years in accordance with ethical guidelines and 2015 is the second year for the current partner.

## INTERNAL CONTROLS

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board has therefore established an ongoing process de-

signed to meet the particular needs of the Company in managing the risks to which it is exposed, consistent with the internal control guidance issued by the Financial Reporting Council. The process relies principally on a risk-based system of internal control whereby a test matrix is created that identifies the key functions carried out by the Company and other service providers, the individual activities undertaken within those functions, the risks associated with each activity and the controls employed to minimise those risks. A formal annual review of these procedures is carried out by the Board and includes consideration of internal control reports issued by the Investment Adviser and other service providers.

Such review procedures have been in place throughout the financial year and up to the date of approval of the Annual Report and Accounts, and the Board is satisfied with their effectiveness. These procedures are designed to manage, rather than eliminate, risk and, by their nature, can provide only reasonable, not absolute, assurance against material misstatement or loss. At each Board meeting the Board reviews the Company's activities since the previous Board Meeting to ensure that the Investment Adviser adheres to the agreed investment policy and approved investment guidelines and, if necessary, the Board approves changes to the guidelines.

Personal Assets Trust Administration Company Limited acts as the Company's AIFM for the purposes of the AIFM Directive and provides secretarial and administrative services to the Company.

The Company does not have an internal audit function as the Audit Committee believes that the Company's straightforward structure and small number of employees do not warrant such a function. This is reviewed by the Committee annually.

## SIGNIFICANT ACCOUNTING MATTERS

The significant issue considered by the Audit Committee during the year in relation to the financial statements of the Group was the existence and valuation of investments. The AIFM regularly reconciles the portfolio holdings to confirmations from the Company's custodian and carries out testing of the prices obtained from the independent pricing source. Based on confirmation from the AIFM that these procedures have operated correctly at 30 April 2015 and based on conversations with and written reporting from the Depository, the Committee is satisfied that there is no material misstatement in the context of the Annual Report and Accounts as a whole.

## STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

As far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Stuart W Paul  
Director

5 June 2015

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERSONAL ASSETS TRUST PLC

## OUR AUDIT OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs at 30 April 2015 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; *and*
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

## WHAT WE HAVE AUDITED

We have audited the financial statements of Personal Assets Trust PLC for the year ended 30 April 2015 which comprise the Group Income Statement, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flow and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 21 and 22, the Directors are

responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies applied are appropriate to the Group and Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; *and*
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

The Group consists of the Company and a single wholly owned subsidiary, which are both subject to a full scope audit by the Group audit team.

## OUR ASSESSMENT OF RISK OF MATERIAL MISSTATEMENT

The risks included in the table below represent those risks of material misstatement that have had the greatest impact on our audit strategy and approach for the year ended 30 April 2015 (including the allocation of resources and the directing of efforts of the engagement team). The table also includes our audit response to each of these risks:

Risk identified	Our response
The valuation of the assets held in the investment portfolio is incorrect or proper legal title to these assets is not held by the Company. The investment portfolio at 30 April 2015, as disclosed in note 8 to the financial statements, is valued at £593.9m (2014 £541.2m) and all investments in the current and prior year are designated as level 1 investments in the fair value hierarchy.	<ul style="list-style-type: none"> <li>• We agreed 100% of the year end prices of the investments to an independent source;</li> <li>• We agreed 100% of the investment holdings to 3rd party reports from the Company's custodian;</li> <li>• We read the reports produced by the Depositary in respect of their duty to safeguard the assets of the Company; <i>and</i></li> <li>• We physically inspected the Company's holding of gold bullion held by the custodian.</li> </ul>
The income from investments recognised by the Company during the year is incorrectly recorded, impacting the extent of the profits available to fund dividend distributions to shareholders.	<ul style="list-style-type: none"> <li>• We agreed a sample of dividends paid on investments held to an independent pricing source and recalculated income recorded;</li> <li>• We agreed 100% of accrued dividends to an independent source;</li> <li>• We reviewed material dividend receipts and confirmed that no special dividends were received during the year; <i>and</i></li> <li>• We re-performed the calculation of bond amortisation on inflation linked fixed income securities on a sample basis.</li> </ul>
The income from investments for the year, as disclosed in note 2 to the financial statements, is £9.3m (2014 £11.2m).	

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERSONAL ASSETS TRUST PLC (CONTINUED)

## OUR APPLICATION OF MATERIALITY

We have defined the concept of materiality below.

In accordance with the scope of our audit, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements.

We apply the concept of materiality for the purposes of obtaining sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. For this reason, we also define a separate performance materiality threshold which reflects our tolerance for misstatement in an individual account balance and is set as a proportion of our overall materiality.

Our objective in setting the performance materiality threshold is to identify the amount of testing required in respect of each balance to reduce to an appropriately low level the probability that the aggregate of any uncorrected and undetected misstatements in the financial statements as a whole exceeds our materiality level.

We determined materiality for the Company to be £6.1 million (2014: £5.73 million) which is one per cent of total equity. We have derived our materiality calculation based on a proportion of total equity as we consider it to be the most important financial metric on which shareholders would judge the performance of the Company.

We determined performance materiality for the Company should be 75% of materiality, namely £4.57 million (2014: 50% of materiality namely £2.86 million). We determined a lower performance materiality level in 2014 was appropriate in response to the prior year adjustment reported in the 2013 financial statements.

In addition, we agreed with the Audit Committee that we would report any audit differences in excess of £305,000 (2014: £287,000), as well as any differences below that threshold that, in our view, warranted reporting on qualitative grounds.

## OPINION 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;
- 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 information given in the Corporate Governance Statement set out on pages 26 and 27 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We are required by the ISAs (UK and Ireland), the Companies Act 2006 and the Listing Rules to report to you by exception if certain matters are identified during the course of our audit. These matters are listed below and we have nothing to report in respect of any of these matters.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; *or*
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; *or*
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required 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 parent company 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; *or*
- a Corporate Governance Report has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 27, in relation to going concern; *and*
- the part of the Corporate Governance Statement relating to the Company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review.

Susan Dawe (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh

5 June 2015

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting (“AGM”) of Personal Assets Trust Public Limited Company will be held at The Roxburghe Hotel, 38 Charlotte Square, Edinburgh, on Thursday 23 July 2015 at 11.00am for the following purposes:

**To consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:**

1. That the Report and Accounts for the year to 30 April 2015 be received.
2. That the Directors’ Remuneration Report for the year to 30 April 2015 be approved.
3. That Hamish Buchan, who retires from office annually, be re-elected as a Director.
4. That Gordon Neilly, who retires from office annually, be re-elected as a Director.
5. That Stuart Paul, who retires from office annually, be re-elected as a Director.
6. That Frank Rushbrook, who retires from office annually, be re-elected as a Director.
7. That Robin Angus, who retires from office annually, be re-elected as a Director.
8. That Ernst & Young LLP be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.
9. Authority to allot shares

That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the “Act”) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (“Securities”) provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal value of up to £2,184,837.50, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in

a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant 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 which will be proposed as Special Resolutions:**

10. Disapplication of pre-emption rights

That, subject to the passing of Resolution 9 above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and are hereby generally empowered, pursuant to Section 570 of the Companies Act 2006 (the “Act”), to allot equity securities (as defined in Section 560 of the Act), including the grant of rights to subscribe for, or to convert securities into, Ordinary shares in the Company for cash either pursuant to the authority given by Resolution 9 above or by way of a sale of Treasury shares (as defined in Section 724 of the Act) as if Section 561(1) of the Act did not apply to any such allotment of equity securities, provided that this power:

- (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; *and*
- (b) shall be limited to the allotment of equity securities up to an aggregate nominal value of £2,184,837.50, being 10 per cent. of the nominal value of the issued share capital of the Company at 5 June 2015.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of Section 560(2) of the Act as if in the first

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

paragraph of this resolution the words “subject to the passing of Resolution 9 above” were omitted.

### 11. Share buy-back authority

That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised, pursuant to and 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 fully paid Ordinary shares of £12.50 each in the capital of the Company (“Ordinary shares”) (either for retention as Treasury shares for future reissue, resale, transfer or for cancellation), provided that:

- (a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 262,005;
- (b) the minimum price (excluding expenses) which may be paid for each Ordinary share is £12.50;
- (c) the maximum price (excluding expenses) which may be paid for each Ordinary share shall not be greater than the higher of:
  - (i) 5 per cent. above the average middle market quotation on the London Stock Exchange of an Ordinary share over the five business days immediately preceding the date of purchase; *and*

(ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange; *and*

- (d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the Company’s next Annual General Meeting or on 31 October 2016, whichever is the earlier, 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 completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

12. That a General Meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days’ notice provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company.

By Order of the Board

Steven K Davidson  
Secretary  
10 St Colme Street  
Edinburgh EH3 6AA

5 June 2015

### Notes

1. A shareholder who is entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. Such proxy need not also be a shareholder of the Company. If appointing more than one proxy, each proxy must be appointed to exercise rights attaching to different shares held by the shareholder.
2. A proxy form for use by shareholders at the meeting is enclosed with this document. Proxies must be lodged with the Company’s registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not less than 48 hours (excluding non-working days) before the time appointed for the meeting together with any power of attorney or other authority (if any) under which it is signed. Completion of the proxy form will not prevent a shareholder from attending the meeting and voting in person.
3. Only those shareholders having their names entered on the Company’s share register not later than 6.00 pm on 21 July 2015 or, if the meeting is adjourned, 6.00 pm on the day which is 2 days (excluding non working days) prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company’s share register after that time shall be disregarded in determining the rights of any shareholder to attend, speak and vote at the meeting, notwithstanding any provision in any enactment, the Articles of Association of the Company or other instrument to the contrary.
4. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that such corporate representatives do not do so in relation to the same shares.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual, and by logging on to the website [www.euroclear.com](http://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.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, 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, in order to be valid, be transmitted so as to be received by the Company's registrar, Equiniti Limited (ID RA 19), by no later than 11.00 am on 21 July 2015. No such message received through the CREST network after this time will be accepted. 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 application host) from which the Company's registrar is able to retrieve the message by inquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his/her 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

6. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("Nominated Persons"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 1 and 2 above does not

apply to Nominated Persons. The rights described in these notes can be exercised only by members of the Company.

7. At 5 June 2015, the latest practicable date prior to publication of this document, the Company's issued share capital comprised 1,747,871 Ordinary shares of £12.50 each with a total of 1,747,871 voting rights.
8. Any person holding 3 per cent. of the total voting rights in the Company who appoints a person other than the Chairman as his/her proxy will need to ensure that both he/she and such third party comply with their respective disclosure obligations under the Disclosure and Transparency Rules.
9. Information regarding the meeting, including information required by Section 311A of the Companies Act 2006, is available from the Company's website, [www.patplc.co.uk](http://www.patplc.co.uk).
10. Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
- (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - (b) the answer has already been given on a website in the form of an answer to a question; *or*
  - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
11. Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.
12. The members of the Company may require the Company (without payment) to publish, on its website, a statement (which is also to be passed to the auditors) setting out any matter relating to the audit of the Company's accounts, including the auditors' report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5 per cent. of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state the sender's full name and address and be sent to the Company's registered address at 10 St Colme Street, Edinburgh EH3 6AA.
13. The letters of appointment of the non-executive Directors and the service contract of the executive Director will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice and at the location of the meeting for at least 15 minutes prior to the meeting and during the meeting.
14. Members meeting the threshold requirements set out in the Companies Act 2006 have the right (a) to require the Company to give notice of any resolution which can properly be, and is to be, moved at the meeting pursuant to section 338 of the Companies Act 2006; and/or (b) to include a matter in the business to be dealt with at the meeting, pursuant to section 338A of the Companies Act 2006.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Hamish Buchan (Chairman)  
Robin Angus  
Gordon Neilly  
Stuart Paul  
Frank Rushbrook

## REGISTERED OFFICE

10 St Colme Street  
Edinburgh EH3 6AA

Telephone: 0131 538 1400  
www.patplc.co.uk

## COMPANY SECRETARY

Steven Davidson ACIS  
Personal Assets Trust Administration  
Company Limited  
10 St Colme Street  
Edinburgh EH3 6AA  
Telephone: 0131 538 1400

## AIFM

Personal Assets Trust Administration  
Company Limited  
10 St Colme Street  
Edinburgh EH3 6AA

## INVESTMENT ADVISER

Troy Asset Management Limited  
Brookfield House  
33 Davies Street  
London W1K 4BP  
www.taml.co.uk

## CUSTODIAN

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

## SHAREHOLDER INFORMATION

Telephone: 0131 538 6605

## INVESTMENT PLAN ADMINISTRATION

Halifax Share Dealing Limited  
Lovell Park Road  
Leeds LS1 1NS

Telephone: 0345 850 0181\*

## REGISTRARS

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA  
Telephone: 0871 384 2459†

## STOCKBROKERS

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

## AUDITORS

Ernst & Young LLP  
Ten George Street  
Edinburgh EH2 2DZ

## IDENTIFICATION CODES

SEDOL: 0682754  
ISIN: GB0006827546  
Bloomberg: PNL LN  
EPIC: PNL

\* Calls cost no more than those to geographic numbers (01 or 02) and may be included in your inclusive minutes with your phone provider.

† Calls to this number cost 8p per minute plus network extras. Lines open 8:30am to 5:30pm, Monday to Friday. The overseas helpline number is +44 (0)121 415 7047.

