Personal Assets Trust PLC

Annual Report and Accounts for the Year ended 30 April 2013

CORPORATE INFORMATION

BOARD OF DIRECTORS

Hamish Buchan (Chairman)
Robin Angus
Martin Hamilton-Sharp
Gordon Neilly
Stuart Paul
Frank Rushbrook

EXECUTIVE OFFICE

Robin Angus (Executive Director)
Steven Budge
Steven Cowie
Steven Davidson
Matthew Fleming

10 St Colme Street
Edinburgh EH3 6AA

Telephone: 0131 538 1400
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SHAREHOLDER INFORMATION

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INVESTMENT ADVISER

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London W1K 5JA

www.taml.co.uk

CUSTODIAN BANKERS

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London EC2Y 5AJ

SOLICITORS

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Edinburgh EH2 4DF

COMPANY SECRETARY

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

Telephone: 0131 538 1400

REGISTRARS

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Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone: 0871 384 2459

INVESTMENT PLAN ADMINISTRATION

Halifax Share Dealing Limited
Lovell Park Road
Leeds LS1 1NS

Telephone: 0845 850 0181

STOCKBROKERS

JPMorgan Cazenove
10 Aldermanbury
London EC2V 7RF

AUDITORS

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Ten George Street
Edinburgh EH2 2DZ

REGISTERED OFFICE

10 St Colme Street
Edinburgh EH3 6AA

Telephone: 0131 538 1400

IDENTIFICATION CODES

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

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Key Features

(All Figures as at 30 April)

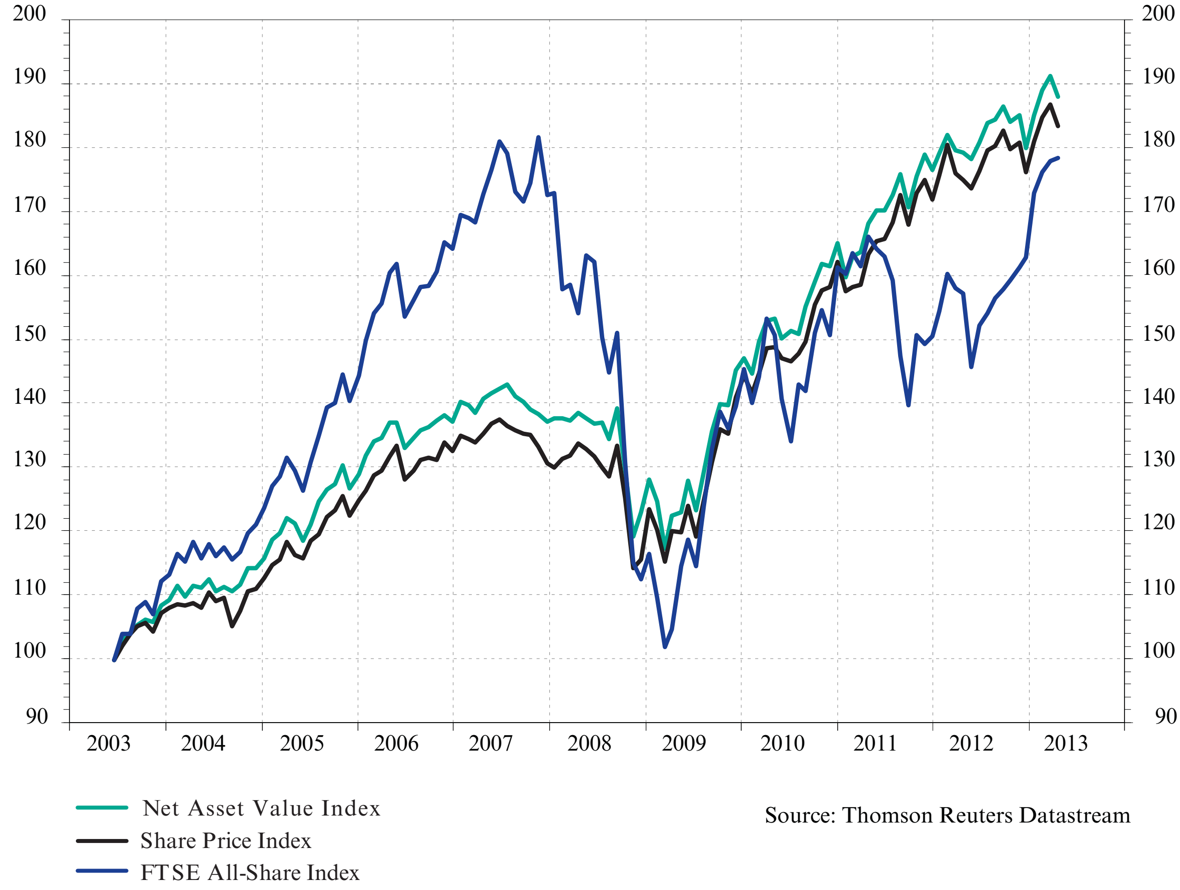
	2013	2012	2010	2008	2003
Market Capitalisation	**£601.9m**	£470.4m	£236.0m	£189.3m	£108.5m
Shareholders' Funds	**£593.2m**	£463.5m	£233.8m	£188.7m	£104.3m
Shares Outstanding	**1,685,901**	1,380,659	815,281	733,051	559,925
Effective Liquidity	**56.5%**(1)	50.0%(2)	34.5%(3)	100.2%	24.5%
Share Price	**£357.00**	£340.70	£289.50	£258.25	£193.75
NAV per Share	**£351.89**	£335.69	£286.75	£257.37	£186.32
FTSE All-Share Index	**3,390.18**	2,984.67	2,863.35	3,099.94	1,891.50
Premium to NAV	**1.5%**	1.5%	1.0%	0.3%	4.0%
Earnings per Share	**£5.69**	£7.23(4)	£4.61	£5.59	£3.40
Dividend per Share	**£5.60**	£5.55	£5.20	£4.60	£2.90

Effective liquidity includes holding in gold of: (1) 12.2%; (2) 12.4%; and (3) 9.7%.
(4) Restated.

	Percentage Changes			
	1 Year	**3 Years**	**5 Years**	**10 Years**
Market Capitalisation	28.0	155.0	218.0	454.7
Shareholders' Funds	28.0	153.7	214.4	468.7
Shares Outstanding	22.1	106.8	130.0	201.1
Share Price	4.8	23.3	38.2	84.3
NAV per Share	4.8	22.7	36.7	88.9
FTSE All-Share Index	13.6	18.4	9.4	79.2
Share Price Total Return	6.5	29.7	51.2	119.9
NAV per Share Total Return	6.5	29.1	49.8	125.9
FTSE All-Share Index Total Return	17.8	31.3	31.1	153.2
Share Price relative to FTSE All-Share Index	(7.7)	4.1	26.3	2.8
NAV relative to FTSE All-Share Index	(7.7)	3.6	25.0	5.4
Share Price Total Return relative to FTSE All-Share Index Total Return	(9.6)	(1.2)	15.3	(13.1)
NAV Total Return relative to FTSE All-Share Index Total Return	(9.6)	(1.7)	14.3	(10.8)
Dividend Growth	0.9	7.7	21.7	93.1
Inflation (RPI)	2.9	12.0	16.6	37.7
Inflation (CPI)	2.4	10.3	17.0	30.2

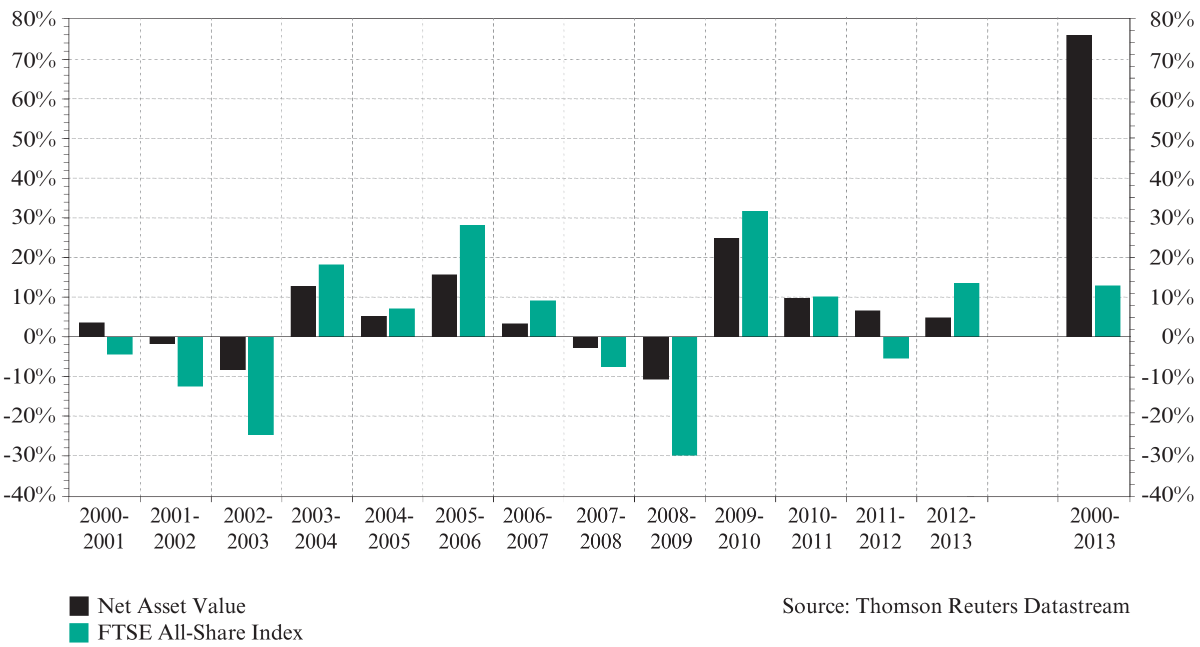
PERFORMANCE 2003-2013

Share Price and NAV versus FTSE All-Share Index



Source: Thomson Reuters Datastream

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



Source: Thomson Reuters Datastream

Chairman's Statement

Shareholders will remember that last year we undertook a review of our investment policy in order to help us pursue our stated investment objectives as straightforwardly and efficiently as possible. The Board's recommendations following the review were overwhelmingly approved by shareholders at an Extraordinary General Meeting ("EGM") held on 21 December 2012 and the updated descriptions of our investment and dividend policies are to be found in the Business Review on pages 9 to 11.

Over the three years to 30 April 2013 (our traditional time span for measuring performance) our share price rose by 23.3%, outperforming our comparator, the FTSE All-Share Index ("All-Share"), by 4.1%. However, we no longer single this out as our headline reporting period but instead look at a range of periods, including the one, three, five and ten years shown in the Key Features on page 2.

Our policy review has had two other consequences for how we view performance, both of which differentiate us from many other investment trusts. Firstly, since our investment policy is to protect and increase (*in that order*) the value of shareholders' funds per share over the long term, we focus on capital performance rather than on total return and it is on capital performance that we judge ourselves. Second, our definition of 'risk' differs fundamentally from that commonly used by other global growth investment trusts and the industry at large, ours being '*risk of losing money*' rather than merely '*volatility of returns relative to an index*'. While we use the All-Share as our comparator for monitoring performance and risk, its composition has no influence on the structure of our portfolio.

Our success in preventing serious capital loss is seen in the second chart on page 3, which shows how, since April 2000, our net asset value ("NAV") has risen in nine financial years out of thirteen compared to the All-Share's seven, and also how, when it did fall, it did so in each case by significantly less than the All-Share. Between 30 April 2000 and 30 April 2013 (admittedly an arbitrary period, but nevertheless a lengthy one) our NAV rose by 76.1% compared to the All-Share's 12.9%, so our investment style succeeded not only in reducing risk but also in increasing long-term reward.

Again in line with making capital protection our priority, shareholders at the EGM overwhelmingly supported the Board's proposal to remove any specific commitment to maintain or grow the dividend. We are, however, mindful of the importance to some shareholders of dividend payouts during this time of transition, and I am glad to be able to report that we expect, without compromising the way we invest, to be able to maintain the dividend for the year to 30 April 2014 at four quarterly payments of £1.40 each, totalling £5.60 for the year. Thereafter, the Board will review the level of dividend from year to year in the light of the investment conditions prevailing at the time.

For those shareholders who wish to draw a cash income from their investment in Personal Assets through the quarterly sale of a portion of their holding we have simplified the Cash Income Option in our Investment Plan. The minimum quarterly withdrawal has been reduced from £1,000 to £500 and, rather than specifying a percentage return, all that Planholders need do is specify the quarterly sum they want to withdraw. This facility is also available to holders of Personal Assets ISAs.

During the year we issued 305,242 new shares, raising £107 million of new capital. For those who find the ratio useful, this helped our ongoing charges (formerly known as the Total Expense Ratio, or "TER") to fall to 0.89% of shareholders' funds compared to 0.95% last year. Also contributing to our cost efficiency has been our subsidiary, Personal Assets Trust Administration Company ("PATAC"), which continues to see its business grow. On the subject of costs, the Board, along with its advisers, has spent much time during the year considering the implications of the Alternative Investment Fund Managers Directive ("AIFMD") and we touch on this unhelpful piece of legislation in Quarterly N^o. 68.

Finally, Martin Hamilton-Sharp will be retiring from the Board at the end of the AGM after 23 years of service to the Company. His energy, commitment and willingness to challenge accepted notions have made him an ideal independent non-executive Director. He has been a valued friend and colleague to us all and we wish him a long and happy retirement.

Hamish Buchan

Investment Adviser's Report

As demonstrated by the chart on page 3 to which the Chairman refers, Personal Assets' investment style tends to lead us to outperform in falling markets and lag in sharply rising ones, and the last year has been no exception. Over the year to 30 April 2013 our net asset value per share ("NAV") rose by 4.8%, while our comparator, the FTSE All-Share Index, rose by 13.6%.

Stock markets are riding high on a wave of momentum buying. Weary of earning nothing on their money, savers are herding further up the risk curve in search of any sort of return. Since government bonds offer negative real yields, investors are being lured into junk bonds, emerging market debt and equities. If the benchmark for risk-free assets (i.e. high-grade sovereign debt) is bid up to levels at which future nominal returns are next to nothing, riskier assets will be bid up too. It is the failing of the financial industry that too much is made of *relative* rather than *absolute* value. We have now reached the point at which few assets have the ability to protect investors from the opposing threats of deflation (leading to default risk) or inflation (which should lead to higher interest rates).

Financial memories are short. Valuations are now not dissimilar to those that prevailed at the previous peak, in the summer of 2007. At less than 5%, junk bonds offer their lowest yield in history ("*High Yield*", the alternative description of these bonds, no longer seems appropriate). The list of countries recently tapping international capital markets at similar, unprecedentedly low, yields reads like a list of Foreign Office travel advisory no-go areas, including Albania, Bolivia, Mongolia and even Rwanda. Bond fund managers are also straying 'off-piste'. According to the *Wall Street Journal*, funds that usually invest exclusively in bonds have the highest exposure to stocks for 18 years. Alas, bond investors moving into equities can be like bridge players trying their luck at roulette. Calling time on this 'yield bubble', reminiscent of 2006 and 2007, is tricky; but such a search for yield almost always ends in tears.

David Rosenberg, an economist and strategist at Gluskin Sheff & Associates, claims that government and central bank action accounts for at least 500 points of the S&P 500 index's 1600 points. We would hesitate to be so specific, but there can be no doubt that the result of quantitative easing has been a huge disconnect between markets and the wider economy and a feeling that there is no longer any downside in markets. But since when have stocks been a one way bet? 1987? 1999? 2007? *Barron's*, the US financial newspaper, published its 'Big Money Survey' on 22 April which found that 74% of large portfolio managers were bullish — the highest percentage ever, exceeding previous peaks in 2000 and 2007. Unlike us, these are people who view themselves as managing '*other people's money*', not their own. Even if they see the risks, they are not positioned accordingly. We may not be at a peak just yet, but we are getting closer. While high quality equities were safe havens a few years ago when prices and valuations were much lower, today they offer an ever shrinking margin of safety. Complacency is hiding in plain view.

Our portfolio continues to have four 'pillars': blue chip stocks, index linked bonds, gold bullion (including gold mining shares) and cash. Over the past year we made very few changes to the portfolio. Turnover was characteristically low at 6.4% as we further reduced exposure to equities, selling holdings in Centrica and Vodafone and cutting back Diageo, and adding to Becton Dickinson, Imperial Oil, Microsoft, Sage Group and our gold mining exposure. The last of these is, we believe, our most contrarian investment, but it has yet to pay off satisfactorily. Following the recent fall in the price of gold we also added to the Company's holding of gold bullion. Our liquidity has risen to 56.5%.

Markets today favour the brave (or the foolish) but they do not favour Personal Assets' shareholders as they seek to preserve their capital. These are uncomfortable times for investors with an eye on value. It is periods like these, when investment seems so easy and obvious to all and sundry, that are the most challenging for us and during which our performance may suffer in relative terms. We have sympathy with Jean-Marie Eveillard, legendary Wall Street fund manager, who said, '*I would rather lose half of my shareholders than half of my shareholders' money*.'

Sebastian Lyon

PORTFOLIO AS AT 30 APRIL 2013

Holding	Country	Equity Sector	Valuation 30 April 2013 £'000	Shareholders' funds %
US TIPS	USA	–	126,802	21.4
Gold Bullion – Physical	–	–	72,492	12.2
Singapore Treasury Bills	Singapore	–	47,507	8.0
UK Treasury Bills	UK	–	43,486	7.3
Microsoft	USA	Software	29,807	5.0
UK Index-Linked Gilts	UK	–	28,305	4.8
British American Tobacco	UK	Tobacco	25,158	4.2
Nestlé	Switzerland	Food Producer	21,749	3.7
Becton Dickinson	USA	Pharmaceuticals	18,517	3.1
Coca-Cola	USA	Beverages	17,540	3.0
Imperial Oil	Canada	Oil & Gas	16,775	2.8
Philip Morris International	USA	Tobacco	14,966	2.5
Sage Group	UK	Technology	14,175	2.4
GlaxoSmithKline	UK	Pharmaceuticals	12,529	2.1
Johnson & Johnson	USA	Pharmaceuticals	12,258	2.1
Altria	USA	Tobacco	12,154	2.0
Colgate Palmolive	USA	Personal Products	10,874	1.8
Unilever	UK	Food Producer	10,834	1.8
Newmont Mining	USA	Mining	10,427	1.8
Berkshire Hathaway	USA	Insurance	9,837	1.7
Newcrest Mining	Australia	Mining	7,181	1.2
Diageo	UK	Beverages	5,694	1.0
Agnico Eagle Mines	Canada	Mining	3,950	0.7
Greggs	UK	Food	3,727	0.6
Total investments			576,744	97.2
Net current assets			16,501	2.8
Shareholders' funds			**593,245**	**100.0**

GEOGRAPHIC ANALYSIS OF EQUITY INVESTMENTS AS AT 30 APRIL 2013

	Valuation 30 April 2013 £'000	Equities %	Shareholders' funds %
US equities	136,380	52.8	23.0
UK equities	72,117	28.0	12.1
Swiss equities	21,749	8.4	3.7
Canadian equities	20,725	8.0	3.5
Australian equities	7,181	2.8	1.2
Total equity investments	**258,152**	**100.0**	**43.5**

RECORD 1983-2013

Date 30 April	Share-holders' Funds £'000	Shares Out-standing	Net asset value per share (£)	Share Price (£)	FTSE All-Share Index	Earnings per share[1] (£)	Dividend per share (£)	Dividend Growth (%)	Inflation (RPI) (%)
1983 (Sept)	5,397	149,313	36.15	22					
1984	4,797	149,313	32.13	30	534.74	0.43	0.40		
1985	6,011	149,313	40.26	39	622.11	0.21	0.20		
1986	6,988	149,313	46.80	40	816.40	0.38	0.35		
1987	9,168	149,313	61.40	54	1,023.58	0.61	0.50		
1988	8,283	149,313	55.47	44	928.19	1.12	1.00		
1989	9,174	149,313	61.44	51	1,090.04	1.46	1.25[2]		
1990[3]	8,462	149,313	56.67	$39\frac{1}{2}$	1,043.16	1.09	1.00		
1991	9,006	149,313	60.32	$48\frac{1}{2}$	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	$81\frac{1}{2}$	1,388.88	2.52	1.80	12.5	1.3
1994	12,987	152,187	85.34	$89\frac{1}{2}$	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	$118\frac{1}{2}$	1,914.61	2.90	2.20	10.0	2.4
1997	27,865	208,114	133.89	$141\frac{1}{4}$	2,135.31	3.01	2.30	4.5	2.4
1998	48,702	270,250	180.21	$199\frac{1}{2}$	2,788.99	3.57	2.45	6.5	4.0
1999	65,200	323,966	201.26	$202\frac{1}{2}$	3,028.40	3.67	2.55	4.1	1.6
2000	73,751	369,121	199.80	202	3,001.92	2.98	$2.62\frac{1}{2}$	2.9	3.0
2001	78,000	376,750	207.03	$208\frac{1}{2}$	2,869.04	3.27	2.70	2.9	1.8
2002	92,430	454,472	203.38	$209\frac{1}{2}$	2,512.04	3.88	2.80	3.7	1.5
2003	104,324	559,925	186.32	$193\frac{3}{4}$	1,891.50	3.40	2.90	3.6	3.1
2004	134,770	641,253	210.17	$214\frac{1}{2}$	2,237.34	3.98	3.10	6.9	2.5
2005	149,834	677,185	221.26	$224\frac{3}{4}$	2,397.05	3.41	3.40	9.7	3.2
2006	189,351	739,234	256.14	$259\frac{1}{4}$	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	$258\frac{1}{4}$	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	$289\frac{1}{2}$	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	$340\frac{7}{10}$	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**

Compound growth rates per annum			(%)	(%)	(%)	(%)	(%)		(%)
5 Years			6.5	6.7	1.8	0.4	4.0		3.1
10 Years			6.6	6.3	6.0	5.3	6.8		3.3
Since 30 April 1990			8.3	10.0	5.3	7.4	7.8		3.0

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

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

(2) Includes special dividend of £0.25 per share.

(3) Personal Assets became self managed in 1990.

BOARD OF DIRECTORS

Hamish Buchan

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

Shares held: 1,056 Fees: £36,000

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; The Scottish Investment Trust.

Robin Angus

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

Shares held: 2,897 Fees: *nil* Salary: £190,000

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.

Martin Hamilton-Sharp

Joined the Board as a non-executive Director in 1990.

Shares held: 2,811 Fees: £18,000

For over 20 years he was responsible for managing Equitable Life Assurance Society's substantial investment trust portfolio. He later served as a director of Jupiter Asset Management.

Other Trust Directorships: None.

Gordon Neilly

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

Shares held: 1,906 Fees: £18,000

Head of Corporate Finance at Cantor Fitzgerald Europe with responsibility for developing the investment banking business. 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 Leveraged High Yield Fund.

Stuart Paul

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

Shares held: 3,814 Fees: £18,000

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 Informal Investment Ltd.

Other Trust Directorships: None

Frank Rushbrook

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

Shares held: 12,191 Fees: £18,000

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

Business Review for the Year to 30 April 2013

Introduction

The review 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.

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 Taxes 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 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 Growth Sector.

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

Strategy for Achieving Objectives

Personal Assets is an investment trust 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. The day-to-day management of the portfolio has been delegated by the Board 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 (worth in aggregate £26 million as at 4 June 2013) and those who run the Company therefore have a community of 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 4 and 5.

Investment Policy

The Company issued a circular to shareholders on 28 November 2012 to recommend certain changes to the Company's Investment Policy. These changes were approved by shareholders at an Extraordinary General Meeting of the Company held on 21 December 2012. The revised Investment Policy is reproduced in full below.

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 "Index") as its comparator for the purpose of monitoring performance and risk, the composition of the Index 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 Index. Our definition of "risk" is fundamentally different from that commonly used by other global growth 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 Index.

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 as at 30 April 2013 can be found on page 6.

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 coupled to the issue of new 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.

Throughout the year the Company had a Prospectus in place. The Prospectus Rules provide that where a company wishes to apply for the admission to trading on a regulated market of shares representing, over a period of 12 months, 10 per cent. or more of that company's shares which are already admitted to trading on that regulated market (excluding shares admitted pursuant to an exemption under the Prospectus Rules), then the company concerned is required to issue a Prospectus. In view of the level of demand for the Company's shares, the publication of a Prospectus is necessary in order to allow the Company to continue its current policy of issuing shares at a small premium to the net asset value where demand exceeds supply.

BUSINESS REVIEW FOR THE YEAR TO 30 APRIL 2013 (CONTINUED)

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.

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 Taxes 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 30–43.

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 21.

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 2:

- Net asset value per share and share price 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.

- Dividend against the Retail Price Index and the Consumer Price Index.

- The range and volatility of the discount or premium at which the Company's shares trade to its net asset value.

By Order of the Board

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

4 June 2013

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 2013.

ACTIVITIES AND BUSINESS REVIEW

A review of the Company's activities and a business review which includes the Company's performance against its Key Performance Indicators are given on pages 9–11 and in the Chairman's Statement and Investment Adviser's Report. The Business Review does not include information about environmental matters and community issues, as these are not considered to be relevant to an understanding of the development, performance or position of the Company's business.

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 ("HMRC") up to 30 April 2012. New regulations for obtaining and retaining investment trust status apply to the Company with effect from 1 January 2012. An application for approval as an investment trust under the new regime has been made and accepted by HMRC. Accordingly, the Company has been treated as an investment trust company for the year ended 30 April 2013 and will be treated as such for each subsequent accounting period, subject to there being no subsequent serious breaches of the regulations.

The Company has a wholly owned subsidiary, incorporated in Scotland, Personal Assets Trust Administration Company Limited, which provides secretarial and administration services to Personal Assets Trust and three other investment trust companies.

CAPITAL STRUCTURE

As at 30 April 2013 there were 1,685,901 Ordinary shares of £12.50 each in issue.

During the year the Company issued 305,242 shares for net proceeds of £106,874,000.

The revenue profits of the Company (including accumulated revenue reserves) 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 Notice of Annual General Meeting on pages 44–47.

RESULTS AND DIVIDEND

The results for the year are set out in the Group Income Statement on page 25.

	Group £'000
Current year revenue available for dividends	8,802
Distributed as dividends:	
First interim dividend (£1.40 per share) paid on 20 July 2012	(1,994)
Second interim dividend (£1.40 per share) paid on 19 October 2012	(2,113)
Third interim dividend (£1.40 per share) paid on 18 January 2013	(2,228)
Fourth interim dividend (£1.40 per share) paid on 19 April 2013	(2,296)
Amount transferred to revenue reserve (£0.10 per share)	171

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.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS

The Directors at the end of the year and their interests in the shares of the Company at 30 April 2013 and 30 April 2012 were as follows:

Director	Interest	2013	2012
Hamish Buchan (Chairman)	Beneficial	**1,056**	1,039
Robin Angus	Beneficial	**2,897**	2,837
Martin Hamilton-Sharp	Beneficial and non-beneficial	**2,811**	2,809
Gordon Neilly	Beneficial	**1,906**	1,204
Stuart Paul	Beneficial	**3,814**	3,406
Frank Rushbrook	Beneficial	**12,191**	12,113

Since 30 April 2013, Mr Angus has acquired a beneficial interest in an additional 3 shares and Mr Rushbrook in an additional 78 shares. There have been no other changes in the above holdings between 30 April 2013 and 4 June 2013.

INVESTMENT ADVISER

Troy Asset Management Limited ("Troy") provides investment advisory services to the Company.

During the year the Board has reviewed the appropriateness of the 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 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 Adviser, details of which can be found in note 3 on page 34.

Following this review the Directors are confident of the 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.

As at 30 April 2013 Sebastian Lyon had an interest in 4,612 (2012: 2,651) shares of the Company.

SUBSTANTIAL INTERESTS

As at 30 April 2013 the following holdings representing (directly or indirectly) 3% or more of the voting rights attaching to the issued share capital of the Company have been disclosed to the Company:

Substantial Holders	Shares Held	Percentage
Personal Assets Trust ISA	256,044	15.2
Personal Assets Trust Investment Plan	183,990	10.9
Rushbrook Family Holding (including Frank Rushbrook)	55,626	3.3

There have been no changes notified in respect of the above holdings, and no new holdings notified, since the end of the year. As disclosed above, Mr Rushbrook has acquired a beneficial interest in an additional 78 shares since 30 April 2013.

FINANCIAL INSTRUMENTS

Information on the Company's financial instruments can be found in the Business Review for the Year to 30 April 2013 on pages 9–11 and in the Notes to the Accounts on pages 30–43.

PRINCIPAL RISKS AND RISK MANAGEMENT

Information on the principal risks to shareholders and management of these risks can be found in the Business Review for the Year to 30 April 2013 on pages 9–11 and in Note 15 to the Accounts on pages 39–42.

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.

DIRECTORS' REPORT (CONTINUED)

CREDITOR PAYMENT POLICY

The Company's payment policy is to settle investment transactions in accordance with market practice and to ensure settlement of supplier invoices in accordance with stated terms. The Company did not have any trade creditors at the year end.

AUDITOR

Ernst & Young LLP has indicated its willingness to continue in office as Auditor and a resolution proposing its re-appointment will be proposed at the Annual General Meeting.

RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING

Annual Report and Accounts

Resolutions 1 and 2 are, respectively, to receive the Annual Report and Accounts for the year to 30 April 2013 and to approve the Directors' Remuneration Report contained therein.

Directors

Resolutions 3, 4, 5 and 6 are, respectively, to re-elect Hamish Buchan, Gordon Neilly, Stuart Paul and Frank Rushbrook, all of whom retire annually.

Resolution 7 is to re-elect Robin Angus, who, as an executive Director, also retires annually.

The Board confirms that each of the Directors seeking re-election continues to make a significant contribution to Board deliberations, and that Robin Angus continues to undertake his executive duties in an effective and committed manner. The Board therefore believes that it is in the interests of shareholders that the above Directors be re-elected.

Auditors

Resolution 8 is to re-appoint Ernst & Young LLP as auditors and fix their remuneration.

Authority to Issue Shares

During the year the Company issued two supplementary Prospectuses and a new Prospectus to allow the Company to continue its policy of issuing shares at a small premium to net asset value where the market allows.

In order to meet the continuing demand for shares, two resolutions will be proposed.

Resolution 9 is to authorise the Directors to issue new shares up to an aggregate nominal amount of £6,250,000, being 29.3% of the total issued shares as at 4 June 2013.

Resolution 10 is to enable the Directors to issue such new shares and to re-sell shares from Treasury (see Treasury Shares below) up to an aggregate nominal amount of £6,250,000, being 29.3% of the total issued shares as at 4 June 2013, for cash without first offering such shares to existing shareholders *pro rata* to their existing shareholdings.

If approved by shareholders, the authorities sought by Resolutions 9 and 10 will continue in effect until 31 October 2014, or, if earlier, the conclusion of the Company's Annual General Meeting in 2014.

The Directors issue new shares 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 re-sale of shares from Treasury result in a dilution of net asset value per share.

Authority to Buy Back Shares

During the year, the Company did not acquire any of its own shares, either for cancellation or to be held in Treasury. The Company's current authority to make market purchases of up to 14.99% 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 2014. 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% 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 (subject to statutory limits) 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 re-sale. The Directors consider that this facility gives the Company more flexibility in managing its share capital. As at 3 June 2009 the Company had re-sold all of its Ordinary shares in Treasury and has not acquired any shares to be held in Treasury since that date.

Resolutions 10 and 11 would provide the Directors with the authority they need to manage Treasury shares.

Any buy-back of shares into Treasury and re-sale of shares from Treasury will operate within the following limits:

- Treasury shares will be sold only at a premium to the net asset value of the shares at the time of sale; *and*
- Treasury shares will not be sold at a discount of more than 10% to the middle market price 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 and non-routine business and only where merited in the interests of shareholders as a whole.

RECOMMENDATION

The Board considers that the resolutions to be proposed at the Annual General Meeting 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

4 June 2013

DIRECTORS' REMUNERATION REPORT

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.

POLICY ON DIRECTORS' REMUNERATION

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.

Non-executive Directors do not have service contracts but on being appointed are provided with a letter of appointment.

Directors do not receive any pension benefits, share options, long-term incentive schemes or other benefits. The Remuneration Committee comprises Hamish Buchan, Martin Hamilton-Sharp and Gordon Neilly. The Remuneration Committee meets at least annually to review the Directors' fees, employees' salaries and the remuneration paid to the Investment Adviser. The pay and employment conditions of Personal Assets Trust Administration Company are not taken into account when determining Directors' remuneration.

DIRECTORS' FEES

Following review of the level of Directors' fees for the forthcoming year the Board concluded that the amounts should remain unchanged.

EXECUTIVE DIRECTOR'S SERVICE CONTRACT

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

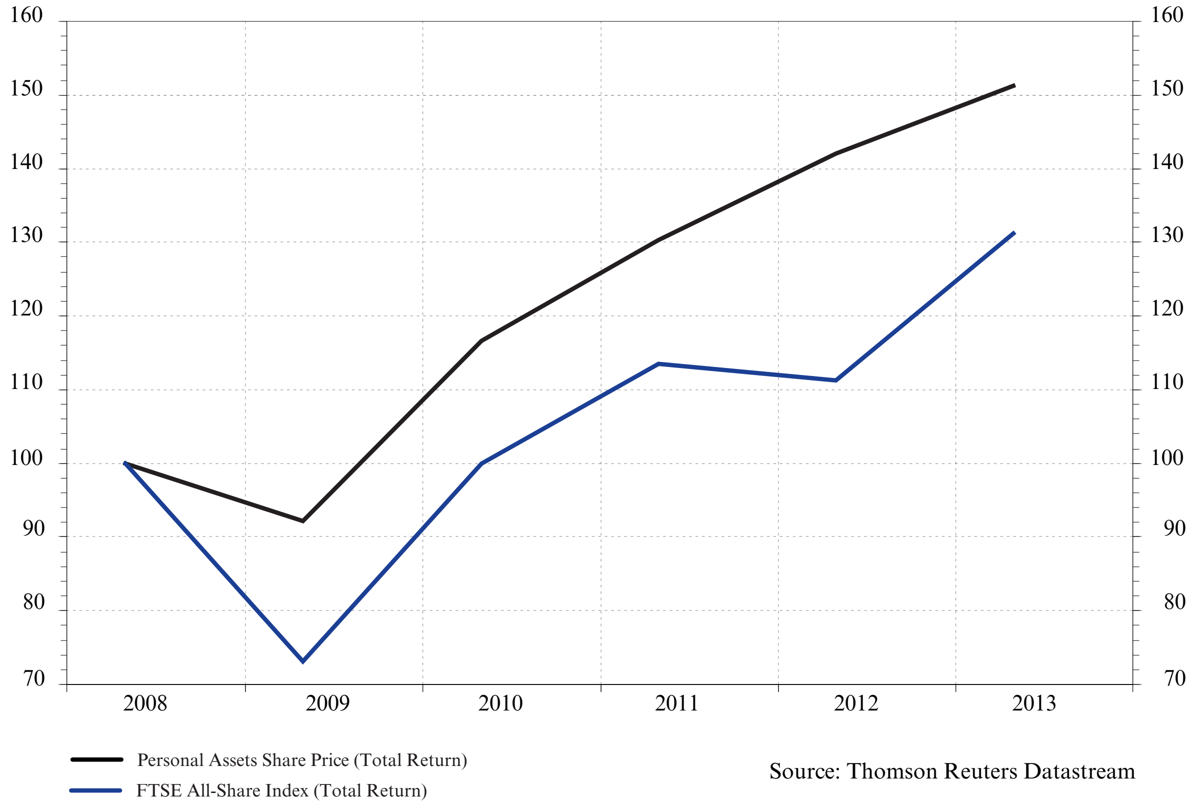
DIRECTORS' REMUNERATION FOR THE YEAR (AUDITED)

	Year ended 30 April 2013		Year ended 30 April 2012	
Directors	**Fees**	**Salary**	Fees	Salary
Hamish Buchan (Chairman)	**£36,000**	**–**	£36,000	–
Robin Angus	**–**	**£190,000**	–	£190,000
Martin Hamilton-Sharp	**£18,000**	**–**	£18,000	–
Gordon Neilly	**£18,000**	**–**	£18,000	–
Stuart Paul	**£18,000**	**–**	£18,000	–
Frank Rushbrook	**£18,000**	**–**	£18,000	–
Total	**£108,000**	**£190,000**	£108,000	£190,000

DIRECTORS' REMUNERATION REPORT (CONTINUED)

COMPANY PERFORMANCE

The graph below compares, for the five financial years ended 30 April 2013, 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 2013 is given in the Chairman's Statement and Investment Adviser's Report on pages 4 and 5.



Source: Thomson Reuters Datastream

On behalf of the Board

Hamish N Buchan
Chairman

4 June 2013

Corporate Governance

Introduction

Personal Assets Trust 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.

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.

The Board has considered the amendments to the UK Code which apply to accounting periods beginning on or after 1 October 2012. The Board will report against these amendments in the year ended 30 April 2014.

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. The UK Code requires all Directors of FTSE 350 companies to retire annually. This has been the Company's practice since 2007 and each Director will retire at the forthcoming Annual General Meeting and (with the exception of Martin Hamilton-Sharp) offer himself for re-election.

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 Director. Hamish Buchan, Martin Hamilton-Sharp 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. Martin Hamilton-Sharp has indicated that he intends to retire as a non-executive Director of the Company at the Annual General Meeting in July 2013.

CORPORATE GOVERNANCE (CONTINUED)

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 2013
Robin Angus (Executive Director)	18 May 1984	AGM 2013
Martin Hamilton-Sharp	16 November 1990	–
Gordon Neilly	30 April 1997	AGM 2013
Stuart Paul	16 July 2009	AGM 2013
Frank Rushbrook	16 July 2009	AGM 2013

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.

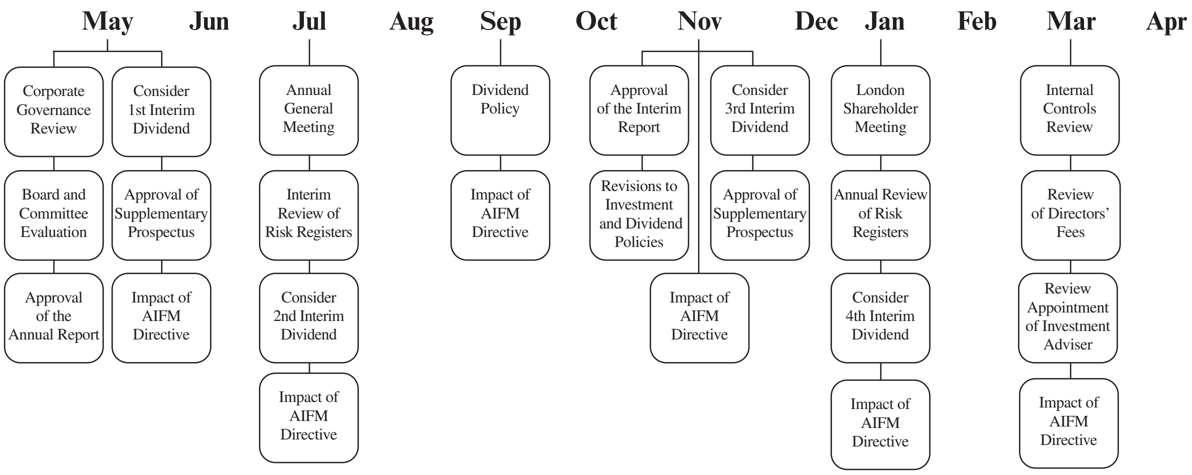
Only Robin Angus has a contract of service with the Company. Details of this service contract, his remuneration, and fees paid to other Directors during the year are shown in the Directors' Remuneration Report.

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.

MEETINGS

During the year there were six Board meetings, each of which was attended by all of the Directors except Gordon Neilly, who attended five meetings. There were three Audit Committee meetings, two Remuneration Committee meetings and a Nominations Committee meeting held during the year. All of these meetings were attended by all of the respective committee members except Gordon Neilly, who attended two Audit Committee meetings and one Remuneration Committee meeting.

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



Corporate Governance (continued)

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.

Audit Committee

The Audit Committee, chaired by Stuart Paul and comprising Mr Paul, Martin Hamilton-Sharp, Gordon Neilly and Frank Rushbrook, meets at least twice yearly to coincide with the annual and interim reporting cycle. The principal role 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 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. Fees for these services amounted to £10,000 for the year ended 30 April 2013 (2012: £12,000). 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.

Nomination Committee

The Nomination Committee, chaired by Hamish Buchan and comprising Mr Buchan, Stuart Paul and Frank Rushbrook, considers the appointment of new Directors. The Nomination Committee meets at least annually.

Remuneration Committee

The Remuneration Committee, chaired by Hamish Buchan and comprising Mr Buchan, Martin Hamilton-Sharp and Gordon Neilly, 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 Audit Committee, Nomination Committee and Remuneration Committee clearly define the respective Committees' responsibilities. These terms are reviewed annually and are available for inspection on the Company's website.

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 will require the Company to engage an external facilitator for the Board evaluation every three years. The Board is currently considering this option.

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 designed 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 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, approves changes to the guidelines.

Personal Assets Trust Administration Company Limited 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.

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

4 June 2013

Statement of Directors' Responsibilities

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 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 in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in the IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and performance;
- state that the Group has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements;
- make judgments and estimates that are reasonable and prudent; *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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report (including a Business Review), 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 8 confirms that to the best of his knowledge:

- the financial statements, prepared in accordance with IFRS 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.

On behalf of the Board

Hamish N Buchan
Chairman
4 June 2013

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

We have audited the financial statements of Personal Assets Trust PLC for the year ended 30 April 2013 which comprise the Group Income Statement, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Cash Flow Statements and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 ("APB") Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2013 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; *and*
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditors' Report to the Members of Personal Assets Trust PLC (continued)

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 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 18–21 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 have nothing to report in respect of the following:

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; *or*
- the Parent Company financial statements and the part of the 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 Statement has not been prepared by the Group.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 21, in relation to going concern;
- the part of the Corporate Governance Statement on pages 18–21 relating to the Group's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; *and*
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Ratan Engineer (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

4 June 2013

GROUP INCOME STATEMENT

	Notes	Year ended 30 April 2013 Revenue return £'000	Capital return £'000	Total £'000	Year ended 30 April 2012 Restated Revenue return £'000	Restated Capital return £'000	Restated Total £'000
Investment income	2	**11,695**	**–**	**11,695**	10,683	–	10,683
Other operating income	2	**309**	**–**	**309**	247	–	247
Gains on investments held at fair value through profit or loss	9	**–**	**31,804**	**31,804**	–	22,745	22,745
Foreign exchange losses		**–**	**(6,629)**	**(6,629)**	–	(1,543)	(1,543)
Total income		**12,004**	**25,175**	**37,179**	10,930	21,202	32,132
Expenses	3	**(2,612)**	**(2,448)**	**(5,060)**	(2,129)	(1,762)	(3,891)
Profit before taxation		**9,392**	**22,727**	**32,119**	8,801	19,440	28,241
Taxation	5,6	**(590)**	**–**	**(590)**	(338)	–	(338)
Profit for the year		**8,802**	**22,727**	**31,529**	8,463	19,440	27,903
Earnings per share	8	**£5.69**	**£14.70**	**£20.39**	£7.23	£16.60	£23.83

The Group does not have any income or expenses that are not included in the profit for the year other than expenses of £43,000 (2012: £226,000) charged directly to the Share Premium account in respect of the issue of the Company's shares. Accordingly, the "Profit 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 ("IFRS").

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

All items in the above statement derive from continuing operations.

Dividend information	**2013**	2012
Dividends per share	**£5.60**	£5.55
	£'000	£'000
First interim dividend of £1.40 per share (2012: £1.35 per share)	**1,994**	1,363
Second interim dividend of £1.40 per share (2012: £1.40 per share)	**2,113**	1,540
Third interim dividend of £1.40 per share (2012: £1.40)	**2,228**	1,696
Fourth interim dividend of £1.40 per share (2012: £1.40)	**2,296**	1,871
	8,631	6,470

The accounting policies on pages 30–33 and the Notes to the Accounts on pages 33–43 form part of these accounts

STATEMENTS OF FINANCIAL POSITION

	Notes	**Group 30 April 2013 £'000**	**Company 30 April 2013 £'000**	Restated Group 30 April 2012 £'000	Restated Company 30 April 2012 £'000
Non-current assets					
Investments held at fair value through profit or loss	9	**576,744**	**576,775**	451,826	451,850
Current assets					
Financial assets	10	**6,426**	**6,426**	4,951	4,951
Receivables	10	**1,956**	**1,947**	2,213	2,208
Cash and cash equivalents		**9,306**	**9,246**	5,535	5,496
Total assets		**594,432**	**594,394**	464,525	464,505
Current liabilities					
Payables	11	**(1,187)**	**(1,149)**	(1,052)	(1,032)
Net assets		**593,245**	**593,245**	463,473	463,473
Capital and reserves					
Ordinary share capital	12	**21,074**	**21,074**	17,258	17,258
Share premium		**383,380**	**383,380**	280,322	280,322
Capital redemption reserve		**219**	**219**	219	219
Special reserve		**22,517**	**22,517**	22,517	22,517
Capital reserve		**160,568**	**160,589**	137,841	137,855
Revenue reserve		**5,487**	**5,466**	5,316	5,302
Total equity		**593,245**	**593,245**	463,473	463,473
Net asset value per Ordinary share	13	**£351.89**	**£351.89**	£335.69	£335.69

The financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf on 4 June 2013 by:

Hamish N Buchan
Chairman

The accounting policies on pages 30–33 and the Notes to the Accounts on pages 33–43 form part of these accounts

Group Statement of Changes in Equity

For the year ended 30 April 2013	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 30 April 2012	17,258	280,322	219	22,517	137,841	5,316	463,473
Profit for the year	–	–	–	–	22,727	8,802	31,529
Ordinary dividends paid	–	–	–	–	–	(8,631)	(8,631)
Issue of new Ordinary shares	3,816	103,058	–	–	–	–	106,874
Balance as at 30 April 2013	**21,074**	**383,380**	**219**	**22,517**	**160,568**	**5,487**	**593,245**

Restated for the year ended 30 April 2012	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 30 April 2011	12,310	153,230	219	22,517	118,401	3,323	310,000
Profit for the year	–	–	–	–	19,440	8,463	27,903
Ordinary dividends paid	–	–	–	–	–	(6,470)	(6,470)
Issue of new Ordinary shares	4,948	127,092	–	–	–	–	132,040
Balance as at 30 April 2012	**17,258**	**280,322**	**219**	**22,517**	**137,841**	**5,316**	**463,473**

The accounting policies on pages 30–33 and the Notes to the Accounts on pages 33–43 form part of these accounts

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2013	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 30 April 2012	17,258	280,322	219	22,517	137,855	5,302	463,473
Profit for the year	–	–	–	–	22,734	8,795	31,529
Ordinary dividends paid	–	–	–	–	–	(8,631)	(8,631)
Issue of new Ordinary shares	3,816	103,058	–	–	–	–	106,874
Balance as at 30 April 2013	**21,074**	**383,380**	**219**	**22,517**	**160,589**	**5,466**	**593,245**

Restated for the year ended 30 April 2012	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 30 April 2011	12,310	153,230	219	22,517	118,411	3,313	310,000
Profit for the year	–	–	–	–	19,444	8,459	27,903
Ordinary dividends paid	–	–	–	–	–	(6,470)	(6,470)
Issue of new Ordinary shares	4,948	127,092	–	–	–	–	132,040
Balance as at 30 April 2012	**17,258**	**280,322**	**219**	**22,517**	**137,855**	**5,302**	**463,473**

The accounting policies on pages 30–33 and the Notes to the Accounts on pages 33–43 form part of these accounts

Cash Flow Statements

	Group 30 April 2013 £'000	Company 30 April 2013 £'000	Restated Group 30 April 2012 £'000	Restated Company 30 April 2012 £'000
Cash flows from operating activities				
Profit before taxation	**32,119**	**32,112**	28,241	28,237
Gains on investments	**(34,474)**	**(34,474)**	(25,557)	(25,557)
Foreign exchange differences at fair value through profit or loss	**6,629**	**6,629**	1,543	1,543
Operating cash flow before movements in working capital	**4,274**	**4,267**	4,227	4,223
Decrease/(increase) in other receivables	**416**	**420**	(123)	(56)
Increase in other payables	**243**	**225**	265	265
Net cash from operating activities before taxation	**4,933**	**4,912**	4,369	4,432
Taxation	**(600)**	**(600)**	(369)	(369)
Net cash inflow from operating activities	**4,333**	**4,312**	4,000	4,063
Investing activities				
Purchase of investments – equity shares	**(33,629)**	**(33,629)**	(59,899)	(59,899)
Purchase of investments – fixed interest and other investments	**(706,938)**	**(706,938)**	(510,770)	(510,770)
Disposal of investments – equity shares	**34,536**	**34,536**	9,168	9,168
Disposal of investments – fixed interest and other investments	**615,587**	**615,587**	426,830	426,830
Net cash outflow from investing activities	**(90,444)**	**(90,444)**	(134,671)	(134,671)
Financing activities				
Equity dividends paid	**(8,631)**	**(8,631)**	(6,470)	(6,470)
Issue of Ordinary shares	**106,768**	**106,768**	133,798	133,798
Cost of issue of Ordinary shares	**(151)**	**(151)**	(178)	(178)
Net cash inflow from financing activities	**97,986**	**97,986**	127,150	127,150
Increase/(decrease) in cash and cash equivalents	**11,875**	**11,854**	(3,521)	(3,458)
Cash and cash equivalents at the start of the year	**5,535**	**5,496**	11,399	11,297
Effect of foreign exchange rate changes	**(8,104)**	**(8,104)**	(2,343)	(2,343)
Cash and cash equivalents at the end of the year	**9,306**	**9,246**	5,535	5,496

The accounting policies on pages 30–33 and the Notes to the Accounts on pages 33–43 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 ("IFRS"). 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 January 2010 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendation of the SORP.

A number of new standards 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 where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. 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 2013 was £31,529,000.

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 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. In practical terms this means that both the coupons and the principal are adjusted to take account of accrued inflation since the bond's first issue date.

NOTES TO THE ACCOUNTS (CONTINUED)

PRIOR YEAR ADJUSTMENT

The Company has restated its calculation of effective yield on its index-linked bonds in the year ended 30 April 2012 as it had not applied the correct rate of inflation during that period as well as in the years ended 30 April 2009, 2010 and 2011. There is no impact on the current year's numbers or the restated net asset value of the Company for any of the prior periods: the effect is simply a transfer to capital and revenue reserves. The impact to the financial statements in the year ended 30 April 2012 can be seen in the table below:

GROUP INCOME STATEMENT

	Previously reported Year ended 30 April 2012			Restated Year ended 30 April 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Total income	8,695	23,437	32,132	10,930	21,202	32,132
Profit before taxation	6,566	21,675	28,241	8,801	19,440	28,241
Profit for the year	6,228	21,675	27,903	8,463	19,440	27,903
Earnings per share	£5.32	£18.51	£23.83	£7.23	£16.60	£23.83

STATEMENTS OF FINANCIAL POSITION

	Previously reported Year ended 30 April 2012		Restated Year ended 30 April 2012	
	Group £'000	Company £'000	Group £'000	Company £'000
Capital reserve	140,132	140,146	137,841	137,855
Revenue reserve	3,025	3,011	5,316	5,302

The overall impact to the financial statements is to reduce the unrealised capital gains on the Company's index-linked bonds and transfer those gains to the Company's revenue account. The amount transferred to the revenue account in the year ended 30 April 2012 was £2,235,000. In the year ended 30 April 2009 there was a transfer from revenue reserves to unrealised capital gains of £2,848,000 while in the years ended 30 April 2010 and 2011 there were transfers to revenue reserves of £1,455,000 and £1,449,000 respectively.

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% to revenue and 65% 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.

NOTES TO THE ACCOUNTS (CONTINUED)

DEFERRED TAXATION

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 IFRS 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 valued at fair value by the Directors on the basis of all information available to them at the time of valuation.

CAPITAL REDEMPTION RESERVE

The Capital Redemption Reserve represents the nominal value of Ordinary shares bought back for cancellation by the Company since authority to do this was first obtained at an Extraordinary 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 the Extraordinary General Meeting in April 1999.

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.

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the actual exchange rate as at the date of the transaction.

NOTES TO THE ACCOUNTS (CONTINUED)

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:

	2013	2012
Australian Dollar	**1.4973**	1.5565
Canadian Dollar	**1.5641**	1.6018
Singapore Dollar	**1.9119**	2.0081
Swiss Franc	**1.4430**	1.4723
US Dollar	**1.5531**	1.6231

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 2013 was 1.55263 (2012: 1.62267).

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

	2013	2012
	£'000	£'000
Income from investments		
Franked investment income	**3,425**	3,861
Fixed interest securities	**3,751**	3,863
Overseas dividends	**4,519**	2,959
	11,695	10,683
Other operating income		
Deposit interest	–	10
Other income[1]	**309**	237
Total income	**12,004**	10,930

[1] Income generated by Personal Assets Trust Administration Company Limited for secretarial and administration services provided to other investment trust companies.

NOTES TO THE ACCOUNTS (CONTINUED)

3. EXPENSES	**2013 Revenue £'000**	**2013 Capital £'000**	**2013 Total £'000**	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Investment advisory fee	**1,318**	**2,448**	**3,766**	949	1,762	2,711
Staff costs	**596**	**–**	**596**	580	–	580
Directors' fees	**108**	**–**	**108**	108	–	108
Auditors' remuneration for:						
– audit	**16**	**–**	**16**	14	–	14
– tax services	**10**	**–**	**10**	12	–	12
Other expenses	**564**	**–**	**564**	466	–	466
	2,612	**2,448**	**5,060**	2,129	1,762	3,891

The Board appointed Troy Asset Management Limited ("Troy") as Investment Adviser with effect from 3 March 2009. The contract between the Company and Troy is on a rolling six months basis. The fee structure, which is based on the Company's shareholders' funds, is 0.5% on the first £100 million; 0.625% on the next £50 million; 0.75% between £150 million and £500 million; and 0.625% thereafter, payable quarterly in arrears. In the year to 30 April 2013 the total cost amounted to £3,766,000 (2012: £2,711,000). An amount of £1,006,250 was payable to the Investment Adviser at the year end (2012: £790,000). 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. The ratio for the year ended 30 April 2013 was 0.89% (2012: 0.95%).

4. DIRECTORS' REMUNERATION AND EMPLOYEE COSTS	**2013 £'000**	2012 £'000
Directors' fees and salaries	**298**	298
Other salaries	**340**	317
Employer's national insurance	**75**	73
	713	688

No pension entitlements are accruing to either the Directors or employees.

Details of the highest paid Director can be found in the Directors' Remuneration Report on pages 16 and 17. Excluding the Directors, there were four employees during the year ended 30 April 2013 and four employees during the year ended 30 April 2012.

NOTES TO THE ACCOUNTS (CONTINUED)

5. **TAX ON ORDINARY ACTIVITIES**	**2013**	2012
	£'000	£'000
Foreign tax suffered	**590**	338

The deferred tax asset of £708,000 (2012: £498,000) in respect of unutilised expenses at 30 April 2013 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:

	2013	2012
	£'000	£'000
Profit before tax	**32,119**	28,241
Corporation tax at standard rate of 23.92% (2012: 25.84%)	**7,683**	7,297
Effects of:		
Capital gains not subject to taxation	**(6,022)**	(5,479)
Investment income not subject to taxation	**(1,900)**	(1,761)
Excess of expenses over chargeable income	**239**	(57)
Withholding tax suffered	**716**	494
Recovery of foreign tax suffered	**(126)**	(156)
Total tax charge (note 5)	**590**	338

7. **DIVIDENDS**	**2013**	2012
	£'000	£'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 30 April 2013 of £1.40 (2012: £1.35) per Ordinary share	**1,994**	1,363
Second interim dividend for the year ended 30 April 2013 of £1.40 (2012: £1.40) per Ordinary share	**2,113**	1,540
Third interim dividend for the year ended 30 April 2013 of £1.40 (2012: £1.40) per Ordinary share	**2,228**	1,696
Fourth interim dividend for the year ended 30 April 2013 of £1.40 (2012: £1.40) per Ordinary share	**2,296**	1,871
	8,631	6,470

8. RETURN PER SHARE

The revenue return per share of £5.69 (2012: £7.23) is based on the net revenue profit for the financial year of £8,802,000 (2012: £8,463,000), and on 1,546,313 (2012: 1,171,099) shares, being the weighted average number in issue during the year.

The capital return per share of £14.70 (2012: £16.60) is based on a net capital profit for the financial year of £22,727,000 (2012: £19,440,000), and on 1,546,313 (2012: 1,171,099) shares, being the weighted average number in issue during the year.

The total return per share of £20.39 (2012: £23.83) is based on a net total profit for the financial year of £31,529,000 (2012: £27,903,000), and on 1,546,313 (2012: 1,171,099) shares, being the weighted average number in issue during the year.

9. INVESTMENTS – GROUP AND COMPANY

	Group 2013 £'000	**Company 2013 £'000**	Group 2012 £'000	Company 2012 £'000
Investments listed on a recognised investment exchange	**576,744**	**576,744**	451,826	451,826
Subsidiary undertaking	**–**	**31**	–	24
	576,744	**576,775**	451,826	451,850

	Listed UK £'000	Listed Overseas £'000	Total £'000
Opening book cost	97,109	286,149	383,258
Opening unrealised appreciation	20,140	48,428	68,568
Opening valuation	**117,249**	**334,577**	**451,826**
Movements in the year			
Purchases at cost	294,161	446,406	740,567
Effective yield adjustment[1]	–	2,670	2,670
Sales proceeds	(282,034)	(368,089)	(650,123)
Sales – realised gains on sales	7,978	2,967	10,945
Unrealised gain on the fair value of investments during the year	6,554	14,305	20,859
Total movement during the year	26,659	98,259	124,918
Closing valuation	**143,908**	**432,836**	**576,744**

[1] see Income section of Accounting Policies for a fuller description.

9. INVESTMENTS – GROUP AND COMPANY (CONTINUED)

	Listed UK £'000	Listed Overseas £'000	Total £'000
Closing book cost	117,214	370,103	487,317
Closing unrealised appreciation	26,694	62,733	89,427
	143,908	**432,836**	**576,744**

	2013 £'000	2012 £'000
Represented by:		
Equity shares	**258,152**	231,788
Fixed interest securities	**246,100**	162,578
Other investments (Gold Bullion)	**72,492**	57,460
	576,744	451,826
Realised gains/(losses) on sales	**10,945**	(1,585)
Unrealised gain on the fair value of investments during the year	**20,859**	24,330
Gains on investments	**31,804**	22,745

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

Transaction costs

During the year the Company incurred transaction costs of £89,261 (2012: £153,855) on the purchase of investments and £48,944 (2012: £9,182) on the sale of investments.

10. CURRENT ASSETS

	Group 2013 £'000	**Company 2013 £'000**	Group 2012 £'000	Company 2012 £'000
Financial Assets				
Fair value of forward currency contract	**6,426**	**6,426**	4,951	4,951
Receivables				
Due from brokers	**617**	**617**	468	468
Prepayments and accrued income	**1,160**	**1,160**	1,582	1,582
Tax receivable	**136**	**136**	126	126
Due from subsidiary	**–**	**22**	–	32
Other receivables	**43**	**12**	37	–
	1,956	**1,947**	2,213	2,208

NOTES TO THE ACCOUNTS (CONTINUED)

11. CURRENT LIABILITIES

	Group 2013 £'000	**Company 2013 £'000**	Group 2012 £'000	Company 2012 £'000
Payables				
Due in respect of share issues	**–**	**–**	108	108
Other payables	**1,187**	**1,149**	944	924
	1,187	**1,149**	1,052	1,032

12. CALLED-UP SHARE CAPITAL

	Number	£'000
Allotted, called-up and fully paid Ordinary shares of £12.50 each:		
Balance at 30 April 2012	1,380,659	17,258
Shares issued	305,242	3,816
Balance at 30 April 2013	1,685,901	21,074

13. NET ASSET VALUE PER SHARE

The net asset value per Ordinary share and the net asset value attributable to the Ordinary shares at the year end were as follows:

	Net asset value per share attributable		Net asset value attributable	
	2013 £	2012 £	**2013 £'000**	2012 £'000
Ordinary shares	**351.89**	335.69	**593,245**	463,473

Net asset value per Ordinary share is based on net assets shown above and 1,685,901 (2012: 1,380,659) Ordinary shares, being the number of Ordinary shares in issue at the year end.

At the year end the Company held no Ordinary shares in Treasury (2012: none).

14. BUSINESS SEGMENT

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

15. 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 Business Review for the Year to 30 April 2013 on pages 9–11.

The fair value of the financial assets and liabilities of the Group at 30 April 2013 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 (2012: 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 JPMorgan Chase Bank, the Group's custodian. 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 over a large number of counterparties.

NOTES TO THE ACCOUNTS (CONTINUED)

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 Business Review on pages 9–11. 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 6.

Any changes in market conditions will directly affect the profit or loss reported through the Income Statement. For instance, a 30% increase in the value of the equity exposure as at 30 April 2013 would have increased net return and net assets for the year by £77,446,000 (2012: a 30% increase in the value of the equity exposure would have increased net return by £69,537,000). A decrease of 30% (2012: 30%) 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 2013 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 due to 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 2013 was 0.50% in the UK (2012: 0.50%).

Floating interest rate exposure at 30 April:

	2013	2012
	£'000	£'000
Singapore Dollar	**42**	4
Sterling	**9,105**	5,500
US Dollar	**159**	31
	9,306	5,535

NOTES TO THE ACCOUNTS (CONTINUED)

Fixed rate and zero rate

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

At 30 April 2013 the Company held:		£'000	Period to maturity
US TIPS 1.375%	15/07/2018	**78,345**	5 years 76 days
US TIPS 0.125%	15/01/2022	**31,156**	8 years 260 days
US TIPS 1.125%	15/01/2021	**17,301**	7 years 260 days
UK Index-Linked Gilt 0.125%	22/03/2024	**28,305**	10 years 327 days
UK Treasury Bill 0%	28/05/2013	**20,993**	28 days
UK Treasury Bill 0%	03/06/2013	**18,193**	34 days
UK Treasury Bill 0%	13/05/2013	**4,300**	13 days
Singapore Treasury Bill 0%	31/05/2013	**17,257**	31 days
Singapore Treasury Bill 0%	19/07/2013	**7,058**	80 days
Singapore Treasury Bill 0%	03/05/2013	**6,407**	3 days
Singapore Treasury Bill 0%	21/06/2013	**6,326**	52 days
Singapore Treasury Bill 0%	10/05/2013	**4,446**	10 days
Singapore Treasury Bill 0%	28/06/2013	**3,137**	59 days
Singapore Treasury Bill 0%	27/05/2013	**2,876**	27 days

At 30 April 2012 the Company held:		£'000	Period to maturity
US TIPS 1.375%	15/07/2018	**73,511**	6 years 76 days
US TIPS 0.125%	15/01/2022	**12,656**	9 years 260 days
US TIPS 1.125%	15/01/2021	**10,542**	8 years 260 days
US TIPS 0.5%	15/04/2015	**5,754**	2 years 350 days
Singapore Treasury Bill 0%	25/05/2012	**12,448**	25 days
Singapore Treasury Bill 0%	11/05/2012	**9,461**	11 days
Singapore Treasury Bill 0%	04/05/2012	**9,213**	4 days
UK Treasury Bill 0%	14/05/2012	**12,998**	14 days
UK Treasury Bill 0%	28/05/2012	**8,997**	28 days
UK Treasury Bill 0%	21/05/2012	**6,998**	21 days

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 £47,000 (2012: £28,000). 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.

NOTES TO THE ACCOUNTS (CONTINUED)

Foreign Currency Risk

The Company invests in overseas securities.

	2013	2012
Gross currency exposure at 30 April:	**£'000**	£'000
Australian Dollars	**7,781**	5,877
Canadian Dollars	**20,725**	17,090
Singapore Dollars	**47,548**	31,122
Swiss Francs	**21,749**	17,846
US Dollars[1]	**335,886**	262,642

[1]At 30 April 2013 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 £6,426,000 (2012: fair value of £4,951,000) on the US$252,000,000 (2012: US$222,000,000) sold forward against £168,731,000 (2012: £141,763,000) is included in other receivables (2012: other receivables). All foreign exchange contracts in place at 30 April 2013 were due to mature within two months. The exposure to US Dollars as shown above also includes Gold Bullion. At 30 April 2013 the net exposure to US Dollars was £173,581,000 (2012: £125,830,000) including Gold Bullion and £101,089,000 (2012: £68,370,000) excluding Gold Bullion.

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% 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% against the currencies shown, this would have had the following positive effect:

		2013			2012	
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Income statement – return on ordinary activities after taxation:						
Australian Dollars	**14**	**798**	**812**	13	653	666
Canadian Dollars	**29**	**2,303**	**2,332**	12	1,899	1,911
Singapore Dollars	**–**	**5,279**	**5,279**	–	3,458	3,458
Swiss Francs	**76**	**2,417**	**2,493**	70	1,983	2,053
US Dollars	**798**	**19,263**	**20,061**	427	13,981	14,408
	917	**30,060**	**30,977**	522	21,974	22,496

A 10% strengthening of Sterling against the above currencies would have resulted in an equal and opposite effect on the above amounts.

NOTES TO THE ACCOUNTS (CONTINUED)

16. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

				2013				2012
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Description	**£'000**	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Investments	**576,744**	**–**	**–**	**576,744**	451,826	–	–	451,826
Current assets	**6,426**	**–**	**–**	**6,426**	4,951	–	–	4,951
Total	**583,170**	**–**	**–**	**583,170**	456,777	–	–	456,777

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 whose variables includes only data from observable markets.

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.

17. SUBSIDIARY UNDERTAKING

As at 30 April 2013, Personal Assets Trust's 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	10,000 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.

18. 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.

Troy Asset Management Limited received fees for its services as Investment Adviser. Further details are provided in note 3.

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 £200,000 (2012: £235,000) in respect of these services in the year to 30 April 2013. No amounts were outstanding at the year end.

Directors of the Company received fees for their services. Further details are provided in the Directors' Remuneration Report on pages 16 and 17. The Directors' shareholdings are detailed on page 13.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting ("AGM") of Personal Assets Trust Public Limited Company will be held at The Roxburghe Hotel, 38 Charlotte Square, Edinburgh, on Thursday 25 July 2013 at 11.30 am 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 2013 be received.
2. That the Directors' Remuneration Report for the year to 30 April 2013 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 £6,250,000, 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 held by the Company as Treasury shares (as defined in Section 724 of the Act) for cash pursuant to the authority given by Resolution 9 above 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 £6,250,000, being 29.3% of the nominal value of the issued share capital of the Company as at 4 June 2013.

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 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 255,700;

(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% 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 2014, 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

4 June 2013

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

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 23 July 2013 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.
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/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear 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 11.30 am on 23 July 2013. 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.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

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. As at 4 June 2013, the latest practicable date prior to publication of this document, the Company's issued share capital comprised 1,705,823 Ordinary shares of £12.50 each with a total of 1,705,823 voting rights.
8. Any person holding 3% 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.
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 auditor's 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% 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.

Personal Assets Trust PLC, 10 St Colme Street, Edinburgh EH3 6AA.
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