Personal Assets Trust PLC

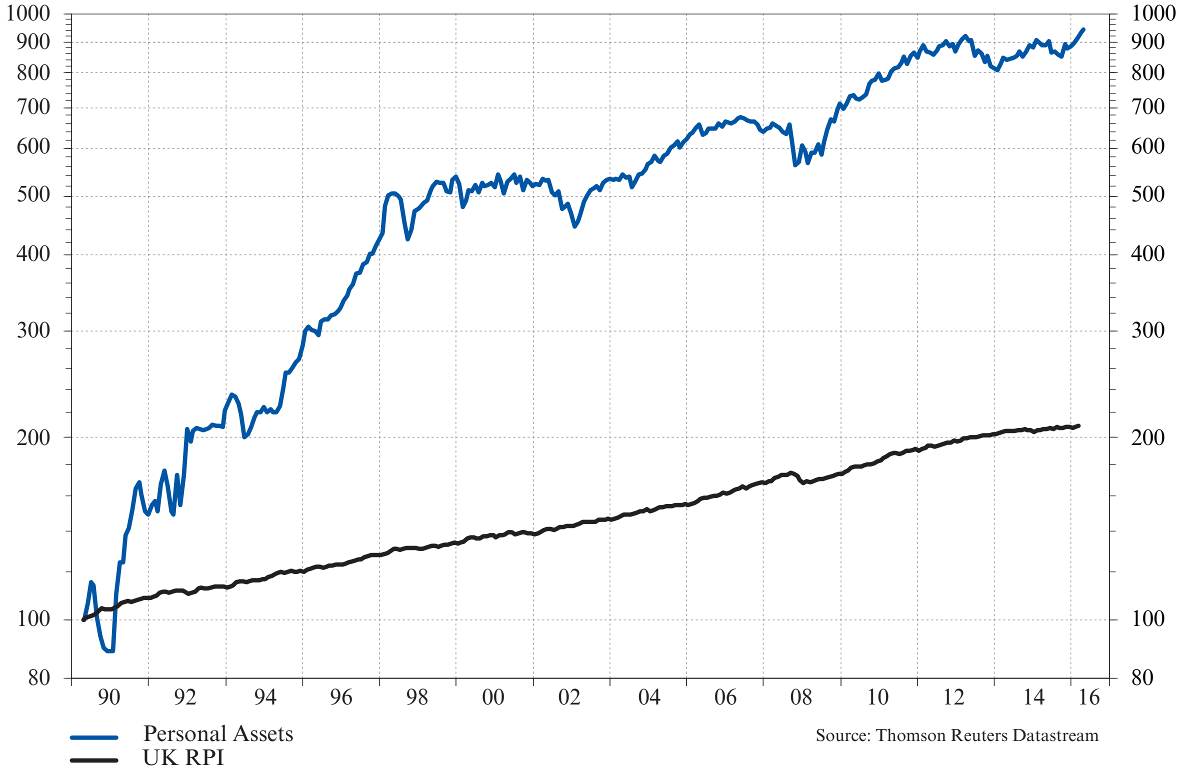
Annual Report and Accounts for the Year ended 30 April 2016

About Personal Assets

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

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

Share Price Performance Versus the RPI Since 30 April 1990



KEY FEATURES
(ALL FIGURES AT 30 APRIL)

	2016	2015	2013	2011	2006	1990[1]
Market Capitalisation	£650.0m	£611.3m	£601.9m	£313.2m	£191.6m	£5.9m
Shareholders' Funds	£640.6m	£609.7m	£593.2m	£310.0m	£189.4m	£8.5m
Shares Outstanding	1,744,842	1,742,956	1,685,901	984,803	739,234	149,313
Allocation of Portfolio						
Equities	44.0%	40.1%	43.5%	54.6%	59.2%	88.2%
US TIPS	17.0%	17.0%	21.4%	25.7%	–	–
UK Index-Linked Gilts	4.4%	4.6%	4.8%	–	–	–
UK T-Bills	17.2%	19.5%	7.3%	–	–	–
Overseas T-Bills	–	6.0%	8.0%	–	29.0%	–
Gold Bullion	11.0%	10.1%	12.2%	13.8%	–	–
UK cash and cash equivalents	4.8%	1.4%	1.6%	3.7%	19.7%	5.7%
Overseas cash and cash equivalents	1.0%	1.3%	–	–	–	–
Net current assets	0.6%	–	1.2%	2.2%	(7.9%)	6.1%
Share Price	£372.50	£350.70	£357.00	£318.00	£259.25	£39.50
NAV per Share	£367.15	£349.83	£351.89	£314.78	£256.14	£56.67
FTSE All-Share Index	3,421.70	3,760.06	3,390.18	3,155.03	3,074.26	1,043.16
Premium/(discount)	1.5%	0.2%	1.5%	1.0%	1.2%	(30.3%)
Earnings per Share	£4.78	£3.65	£5.69	£5.68	£3.78	£1.09
Dividend per Share	£5.60	£5.60	£5.60	£5.40	£3.70	£1.00

[1] Personal Assets Trust became self-managed in 1990.

Percentage Changes

	1 Year	**3 Years**	**5 Years**	**10 Years**	**Since 1990[1]**
Share Price	6.2	4.3	17.1	43.7	843.0
NAV per Share	5.0	4.3	16.6	43.3	547.9
FTSE All-Share Index ("All-Share")	(9.0)	0.9	8.5	11.3	228.0
Share Price relative to All-Share	16.7	3.4	7.9	29.1	187.5
Share Price Total Return	7.9	9.6	27.1	70.6	1,529.3
NAV per Share Total Return	6.7	9.6	26.6	70.6	942.3
All-Share Total Return	(5.7)	12.0	29.4	58.4	726.5
Share Price Total Return relative to All-Share Total Return	14.4	(2.1)	(1.8)	7.7	97.1
Inflation (RPI)	1.3	4.8	11.5	33.0	109.0

[1] Personal Assets Trust became self-managed in 1990.

CHAIRMAN'S STATEMENT

The investment policy of Personal Assets is to protect and increase (*in that order*) the value of shareholders' funds per share over the long term. In practical terms this means that we try to make as much profit as we safely can when markets rise and minimise losses or even achieve modest gains when markets fall. This we succeeded in doing over the twelve months to 30 April 2016. While the UK equity market as measured by the FTSE All-Share Index ("All-Share") fell by 9.0%, our share price rose by 6.2%. Having begun the year at £350.70, and after hitting an all-time high of £375.90 in April, it ended the year at £372.50.

In Quarterly No. 80, which accompanies this Report, Robin has set down some thoughts on performance and how we should measure it. Personal Assets has always been prepared to be 'different', if we think this is the right thing to do; and this includes being prepared to analyse our performance in an atypical way if we think this useful to shareholders. Over the coming year the Board will be devoting further thought to the subject, which is important not only for its own sake but also as a contribution to the efficient management of the portfolio. I commend the Quarterly to you and hope you will feel free to join in the debate.

I've mentioned before that we see two sides to performance – the result achieved and the degree of risk accepted in achieving it. Personal Assets has always been risk averse, and how this works in practice is shown in the bottom chart on page 10. This illustrates how since 30 April 2000 Personal Assets has been not only less volatile than UK equities in general but also less volatile than most investment trusts in the AIC Global Sector, in which we were included until December 2015, and the AIC Flexible Investment Sector, in which we have been included since January 2016. In pursuing our investment objectives we aim also to be able to sleep at night even during stormy market conditions.

Although our yield may be low, we know how important the dividend is to some shareholders of long standing. At a General Meeting on 15 April 2015 shareholders voted overwhelmingly to amend the Company's Articles of Association to permit the Company to distribute realised profits as dividend. This has enabled the Board to commit to paying the dividend at the present annual rate of £5.60 for the foreseeable future without having to resort to scrabbling for income in a yield-starved world in a way that would inevitably have lowered the quality of the portfolio. In future years we will use any surplus income to 'repay' the capital so distributed before increasing the dividend.

You may have noticed that after last year's slimming down of the Annual Report and Accounts from 50 pages to 33 the length this year has increased to 36 pages. This, however, is entirely the result of the expansion of the Independent Auditor's Report from two pages to five.

During the year we issued or sold from Treasury 55,625 shares for a total consideration of £20.5 million and bought back 53,739 for £18.4 million. This was in keeping with the Board's undertaking, enshrined in our Articles of Association, that our shares will always trade at close to net asset value ("NAV") through a combination of share buybacks at a small discount to NAV and the issue of new or Treasury shares at a small premium to NAV when demand exceeds supply. At 30 April 2016 we had 1,744,842 shares outstanding and a market capitalisation of £650 million.

23 June sees the long-awaited referendum on 'Brexit' – in other words, whether the UK should remain a member of the European Union or should leave it. The Board is taking no collective stance on the question itself, but has followed the debate keenly. Like many other investment trust Boards, we are of the opinion that no action can usefully be taken before the result of the referendum is announced. By the time of the Annual General Meeting the result will have been known for a month and it should then be possible to have a clearer idea of what lies ahead for the UK economy and stock market.

Finally, I am delighted to announce that Jean Sharp has accepted our invitation to join the Board of Personal Assets. She is a Chartered Accountant and since 1998 has been Chief Taxation Officer of Aviva and its predecessor companies. Jean, who has for many years been an enthusiastic private shareholder in the Company, will take up her appointment at the conclusion of the Annual General Meeting and we look forward to welcoming her to our deliberations.

Hamish Buchan

Investment Adviser's Report

Last year I began by noting that over the twelve months to 30 April 2015 our net asset value per share ("NAV") had risen by 4.8%. This year conditions in the UK equity market were less favourable, UK equities as measured by the FTSE All-Share Index falling by 9.0% compared to last year's gain of 3.9%. Despite this, our NAV rose by 5.0% – an almost identical amount to last year. Making gains where we prudently can and then holding on to them when markets fall is central to our investment approach. Over the last five years our NAV is up by 16.6% even allowing for the ill effects of our disappointing 2013-14.

The late Yogi Berra said that, "*It's tough to make predictions, especially about the future*". How right he was! This cycle, since 2009, has been notable for the over-optimism of policy makers, economists and strategists. Falling inflation from the mid-1980s allowed for lower interest rates, encouraging consumers to save less, spend more and take on ever more debt. This peaked in the mid-2000s, coinciding with the top of the US housing market. Consumers then grew nervous and stopped borrowing, leaving governments and companies to take up the slack. Accordingly, growth in GDP and corporate earnings has slowed to a snail's pace. Extravagant baby boomers who were 20-35 years old in 1985 now face retirement – not a time of life to be spending. This may explain why, despite record low interest rates, borrowing has been losing its appeal to individuals. Companies are happier to take on debt but are not prepared to invest when demand has been so feeble, preferring instead to buy back stock to massage upwards their earnings (and sometimes, indirectly, their directors' remuneration).

Seven years into a cyclical bull market, equities are living on borrowed time and the link between profit and performance is all but broken. In the past two years UK company earnings have fallen while 16 FTSE 100 constituents have cut or passed their dividends (in some cases twice). In the United States S&P 500 earnings have fallen for six straight quarters, while the gap between Generally Accepted Accounting Principles ("GAAP") profits and flattering 'adjusted earnings' has been wider only during the recessions of 2001 and 2008. Falling earnings and latterly dividends, with only very modest declines in the stock market from all-time highs, have pumped up valuations even higher. Why? Because investors have felt compelled to pay more for less – not in the expectation of better growth in future but owing to the lack of other options and the stark need for yield.

Portfolio turnover is a tax on investment returns and we resist the temptation to tinker – over the past year the turnover of the equity part of the portfolio was only 3%. We reduced our holdings of Altria, Becton Dickinson and Sage on the grounds of ever rising valuations and added to American Express and Berkshire Hathaway. During the sharp sell-off in August we acquired a new holding in Procter & Gamble, which has a 59-year unbroken dividend track record, at a yield of 3.8%.

The world's central bankers, today's reluctant captains of economic policy, are finding it hard to extricate themselves from their unorthodox polices. On the contrary, attempts at normalisation of interest rates have encountered the law of diminishing returns. Recent decisions by the Bank of Japan and the European Central Bank aimed at debasing their currencies have been own goals while the US Federal Reserve's decision to increase interest rates for the first time in nine years is looking like a clamber up the interest rate hill while the prevailing path slopes downwards. Our holding in gold bullion remains an essential insurance against central bankers losing control of their monetary policies.

Investors today find themselves in an unenviable position. They can lock in very low returns by investing in high risk bonds and equities, or they can wait for better opportunities and the prospect of improved future rewards while accepting even lower returns in the short term. Our approach has always been to assess the likelihood and the possible extent of the downside rather than make the tempting mistake of extrapolating the upside. Dividend growth, once the engine of share price growth, cannot today be relied upon – equities offer not just capital risk but income risk as well. We sense that a reappraisal of stock valuations has begun. Once it has taken place, we look forward to being more fully invested. To quote Yogi Berra again, "*The future ain't what it used to be*".

Sebastian Lyon

Strategic Report for the Year to 30 April 2016

Introduction

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

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

Principal Activity and Status

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

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

Investment Policy

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

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

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

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

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

An analysis of the investment portfolio at 30 April 2016 can be found on page 7.

STRATEGIC REPORT FOR THE YEAR TO 30 APRIL 2016 (CONTINUED)

BUSINESS MODEL AND STRATEGY FOR ACHIEVING OBJECTIVES

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

The Company is a self-managed investment trust run by its Board, which takes all major investment decisions collectively. At present all the Directors are male, but Jean Sharp will be appointed as a Director immediately following the Annual General Meeting on 21 July 2016. In order to conform with the EU's Alternative Investment Fund Managers Directive (the "AIFMD") the Board appointed its subsidiary, Personal Assets Trust Administration Company Limited, as its AIFM with effect from 22 July 2014. The day-to-day management of the portfolio has been delegated by the AIFM to Troy Asset Management Limited ("Troy"), the Investment Adviser, and is the responsibility of Sebastian Lyon, the Chief Executive of Troy, in particular.

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

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

INVESTMENT ADVISER

Troy provides investment advisory services to the Company.

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

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

At 30 April 2016 Sebastian Lyon had an interest in 9,723 (2015: 8,813) shares of the Company. Since 30 April 2016 Mr Lyon has acquired a beneficial interest in an additional 1,000 shares.

DIVIDEND POLICY

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

DISCOUNT AND PREMIUM CONTROL POLICY

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

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

Strategic Report for the Year to 30 April 2016 (continued)

Performance

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

- share price and net asset value per share against the FTSE All-Share Index over the long term whilst aiming to protect and increase *(in that order)* the value of shareholders' funds per share in accordance with the Company's investment objective;
- volatility of the share price compared to that of the FTSE All-Share Index, the five trusts included within the AIC Flexible Investment Sector and the 21 trusts included within the AIC Global Sector; *and*
- the range and volatility of the discount or premium to net asset value at which the Company's shares trade, in order to ensure compliance with its discount and premium control policy enshrined in the Articles of Association of the Company.

Competitive and Regulatory Environment

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

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

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

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

Principal Risks and Risk Management

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

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

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

By Order of the Board

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

2 June 2016

PORTFOLIO AT 30 APRIL 2016

Security	Country	Equity Sector	Shareholders' funds %	Valuation 30 April 2016 £'000	Bought/ (sold) £'000	Gain/ (loss) £'000
Equities						
BAT	UK	Tobacco	5.1	32,585	–	4,509
Philip Morris	USA	Tobacco	4.7	30,226	–	5,754
Coca-Cola	USA	Beverages	3.9	24,831	–	3,427
Nestlé	Switzerland	Food Producer	3.8	24,124	–	44
Microsoft	USA	Software	2.9	18,328	–	1,304
Altria	USA	Tobacco	2.5	16,315	(2,097)	4,323
Sage Group	UK	Technology	2.5	15,984	(2,994)	3,468
Colgate Palmolive	USA	Personal Products	2.1	13,738	–	1,337
Dr Pepper Snapple	USA	Beverages	2.0	12,939	(4,273)	3,611
Imperial Oil	Canada	Oil & Gas	1.9	12,233	–	(3,198)
Unilever	UK	Food Producer	1.9	11,882	–	733
Berkshire Hathaway	USA	Insurance	1.8	11,339	4,989	511
Becton Dickinson	USA	Pharmaceuticals	1.5	9,929	(5,577)	2,064
GlaxoSmithKline	UK	Pharmaceuticals	1.4	9,184	–	(349)
American Express	USA	Financial Services	1.3	8,508	1,912	(971)
Diageo	UK	Beverages	1.2	7,550	–	141
Procter & Gamble	USA	Household Products	1.1	7,127	5,797	1,330
Agnico Eagle Mines	Canada	Mining	1.0	6,123	–	2,381
Barr (AG)	UK	Beverages	0.9	5,595	5,354	241
PZ Cussons	UK	Personal Products	0.5	3,545	3,230	315
Total Equities			44.0	282,085	6,341	30,975
US TIPS	USA		17.0	108,876	1,432	3,581
UK Index-Linked Gilts	UK		4.4	28,416	331	(134)
UK T-Bills	UK		17.2	109,921	(9,431)	391
Overseas T-Bills	–		–	–	(34,628)	(1,905)
Other Investments	–		–	–	332	(332)
Gold Bullion	–		11.0	70,491	–	8,891
Total Investments			93.6	599,789	(35,623)	41,467
UK cash and cash equivalents			4.8	31,025	n/a	n/a
Overseas cash and cash equivalents			1.0	6,253	n/a	n/a
Net current assets			0.6	3,557	n/a	n/a
SHAREHOLDERS' FUNDS			**100.0**	**640,624**	**n/a**	**n/a**

GEOGRAPHIC ANALYSIS OF INVESTMENTS AND CURRENCY EXPOSURE AT 30 APRIL 2016

	UK %	USA %	Canada %	Switzerland %	Total %
Equities	13	24	3	4	44
Index-Linked Securities	4	17	–	–	21
T-Bills	17	–	–	–	17
Gold Bullion	–	11	–	–	11
Cash and cash equivalents	5	1	–	–	6
Net current assets	1	–	–	–	1
Total	**40**	**53**	**3**	**4**	**100**
Net currency exposure %	69	24	3	4	100

RECORD 1990-2016

Date 30 April	Shareholders' Funds £'000	Shares Outstanding	Net asset value per share (£)	Share Price (£)	FTSE All-Share Index	Earnings per share[1] (£)	Dividend per share (£)	Dividend Growth (%)	Inflation (RPI) (%)
1990[2]	8,462	149,313	56.67	$39\frac{1}{2}$	1,043.16	1.09	1.00	n/a	n/a
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
2014	573,237	1,717,447	333.77	$331\frac{9}{10}$	3,619.83	4.78	5.60	0.0	2.5
2015	609,745	1,742,956	349.83	$350\frac{7}{10}$	3,760.06	3.65	5.60	0.0	0.9
2016	**640,624**	**1,744,842**	**367.15**	**$372\frac{1}{2}$**	**3,421.70**	**4.78**	**5.60**	**0.0**	**1.3**

Compound growth rates per annum	(%)	(%)	(%)	(%)	(%)		(%)
3 Years	1.4	1.4	0.3	(5.6)	0.0	n/a	1.6
5 Years	3.1	3.2	1.6	(3.4)	0.7	n/a	2.2
10 Years	3.7	3.7	1.1	2.4	4.2	n/a	2.9
Since 30 April 1990	7.5	9.0	4.7	5.9	6.9	n/a	2.9

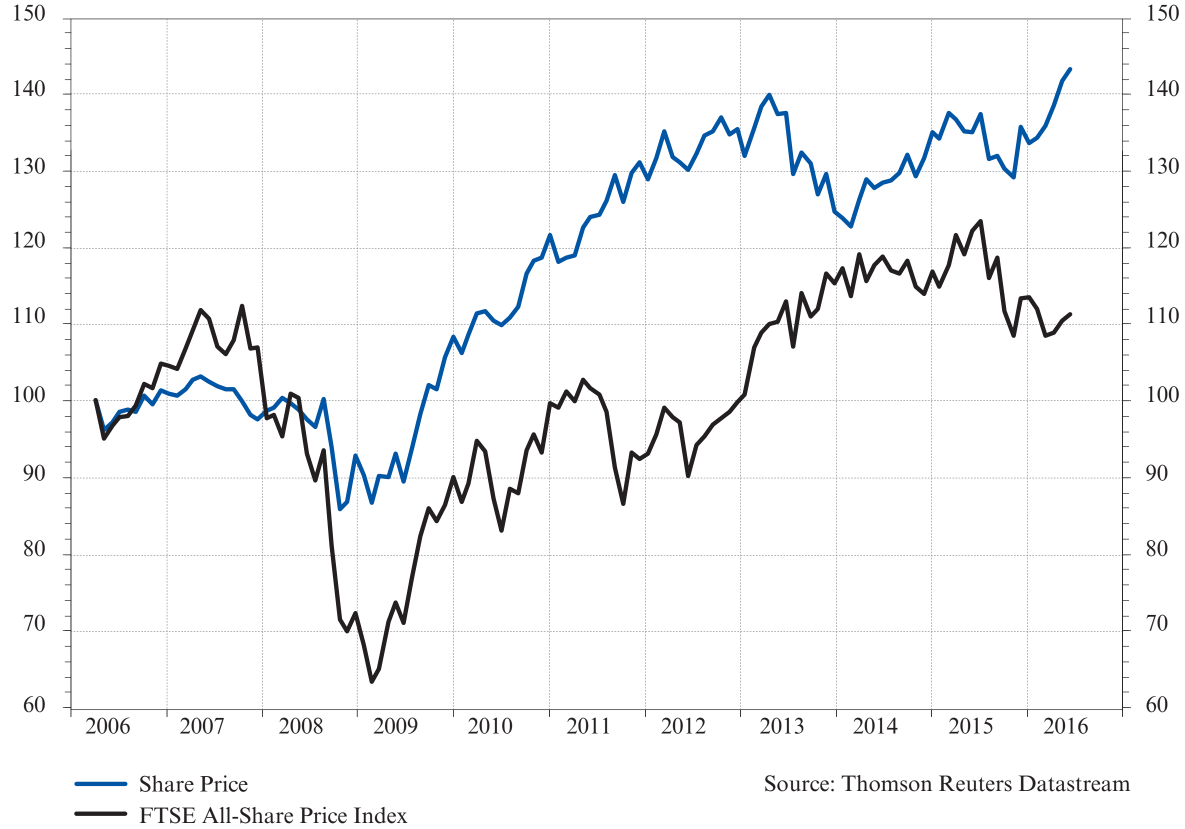
Shares outstanding and per share values have been adjusted for the 1 for 100 consolidation of Ordinary shares in January 1993 and exclude shares held in Treasury.

[1] Based on the weighted average number of shares in issue during the year.

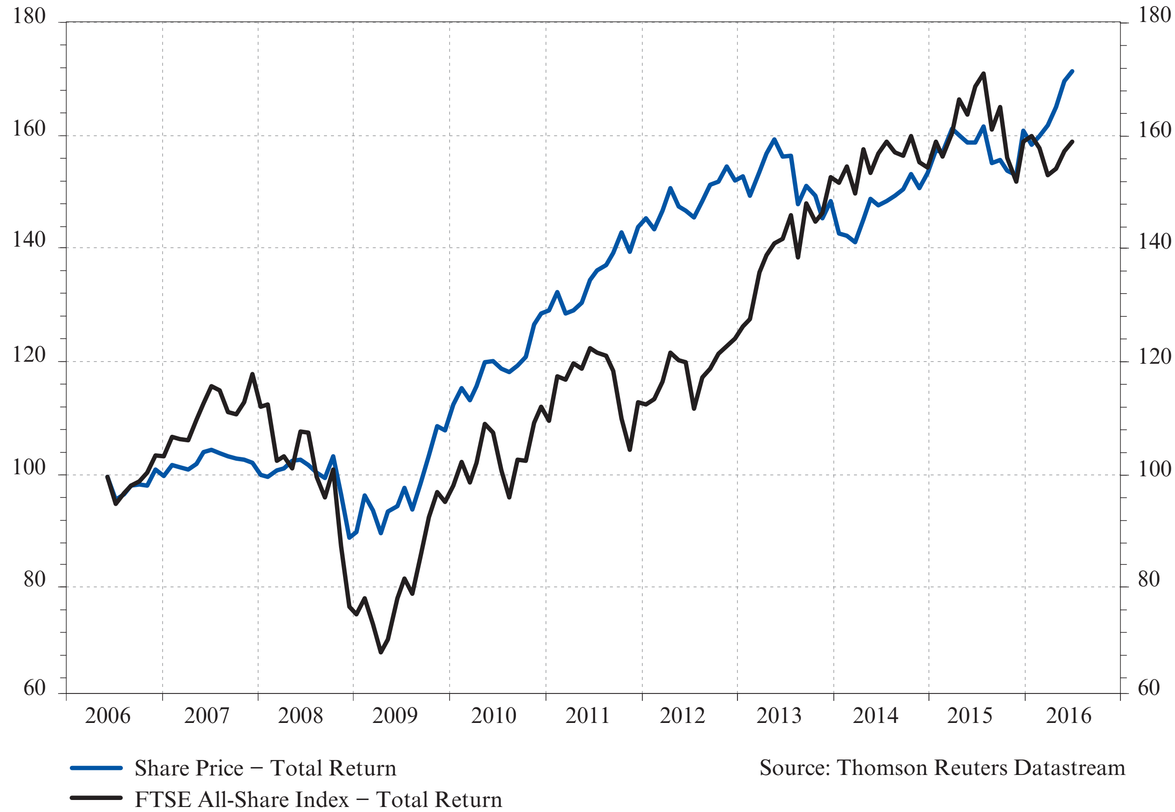
[2] Personal Assets Trust became self-managed in 1990.

Ten Year Performance

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



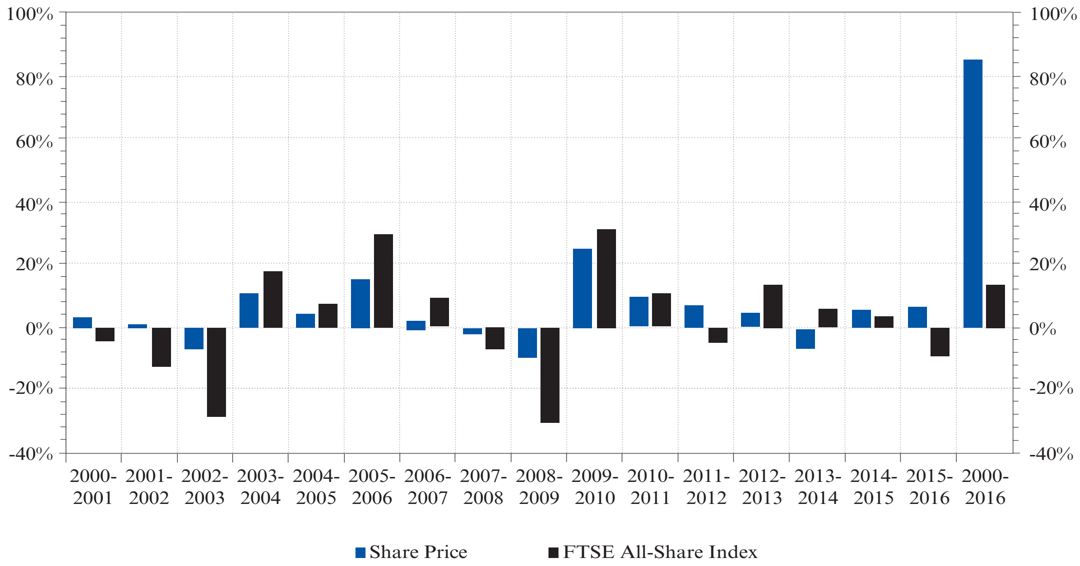
Share Price Total Return versus FTSE All-Share Index Total Return (based to 100)



ANNUAL PERFORMANCE SINCE 30 APRIL 2000

Note: The first chart on this page is designed to show the share price volatility of Personal Assets compared to that of the FTSE All-Share Index. The chart shows how, with the exception of the 2013-2014 aberration, the Company's capital performance has tended to be less volatile than that of the All-Share but how, even taking 2013-2014 into account, the Company's long-term price gain of 84% since April 2000 has comfortably exceeded the All-Share's 14%.

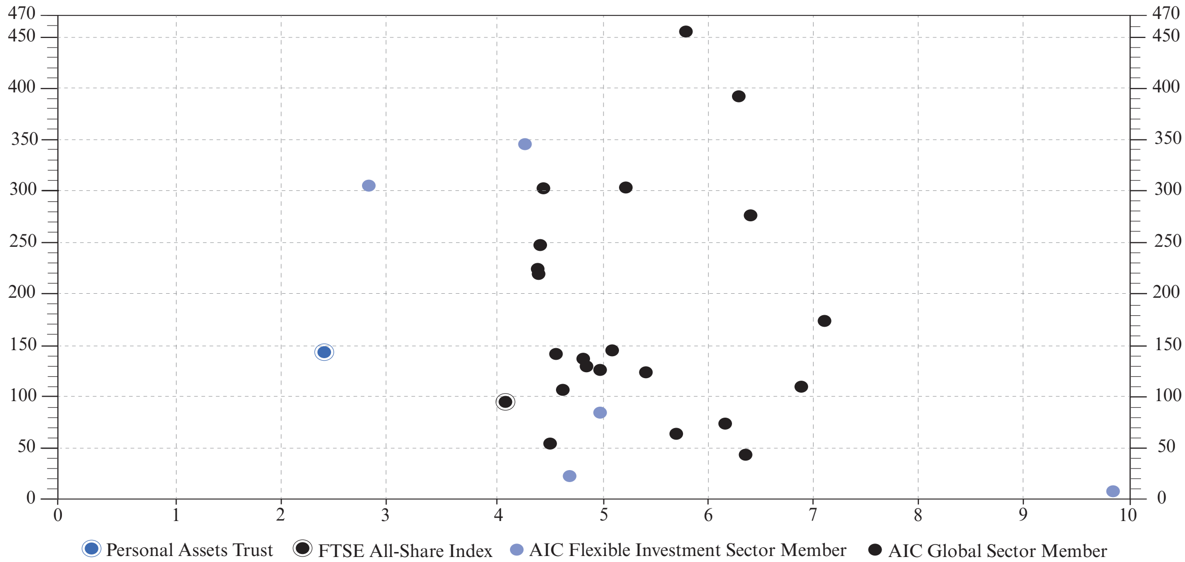
Annual percentage change in Share Price and FTSE All-Share Index to 30 April



VOLATILITY AND SHARE PRICE PERFORMANCE SINCE 30 APRIL 2000

Note: The Scatter Graph shows the performance of Personal Assets (large blue dot) and the FTSE All-Share Index (large black dot) compared to that of the other five trusts included within the AIC Flexible Investment Sector and the 21 trusts included within the AIC Global Sector (within which the Company was included between 2000 and 2016), in terms of share price (vertical axis) and monthly price volatility (horizontal axis) since 30 April 2000. Only the trusts in existence on 30 April 2000 have been included in the chart below. Personal Assets, while performing better than the All-Share over the period, shows up as the least volatile of all the trusts.

Volatility Compared to Peer Group since 30 April 2000



GROUP INCOME STATEMENT

	Notes	**Year ended 30 April 2016** Revenue return £'000	Capital return £'000	Total £'000	Year ended 30 April 2015 Revenue return £'000	Capital return £'000	Total £'000
Investment income	2	**11,283**	**–**	**11,283**	9,278	–	9,278
Other operating income	2	**619**	**–**	**619**	530	–	530
Gains on investments held at fair value through profit or loss	8	**–**	**41,467**	**41,467**	–	45,838	45,838
Foreign exchange losses	8	**–**	**(8,475)**	**(8,475)**	–	(12,313)	(12,313)
Total income		**11,902**	**32,992**	**44,894**	9,808	33,525	43,333
Expenses	3	**(3,054)**	**(2,691)**	**(5,745)**	(2,892)	(2,626)	(5,518)
Profit before taxation		**8,848**	**30,301**	**39,149**	6,916	30,899	37,815
Taxation	5,6	**(594)**	**–**	**(594)**	(575)	–	(575)
Profit for the year		**8,254**	**30,301**	**38,555**	6,341	30,899	37,240
Return per share		**£4.78**	**£17.55**	**£22.33**	£3.65	£17.79	£21.44

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 as adopted by the European Union ("IFRSs").

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

Return per share is calculated on 1,726,867 (2015: 1,736,658) shares, being the weighted average number in issue (excluding Treasury shares) during the year.

All items in the above statement derive from continuing operations.

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

Statements of Financial Position

	Notes	**Group 30 April 2016 £'000**	**Company 30 April 2016 £'000**	Group 30 April 2015 £'000	Company 30 April 2015 £'000
Non-current assets					
Investments held at fair value through profit or loss	8	**599,789**	**600,173**	593,945	594,326
Current assets					
Financial assets	9	**2,896**	**2,896**	6,743	6,743
Receivables	9	**1,963**	**1,918**	1,585	1,559
Cash and cash equivalents		**37,278**	**36,913**	15,844	15,457
Total assets		**641,926**	**641,900**	618,117	618,085
Current liabilities					
Payables	10	**(1,302)**	**(1,276)**	(8,372)	(8,340)
Net assets		**640,624**	**640,624**	609,745	609,745
Capital and reserves					
Ordinary share capital	11	**21,848**	**21,848**	21,845	21,845
Share premium		**406,302**	**406,302**	404,762	404,762
Capital redemption reserve		**219**	**219**	219	219
Special reserve		**22,517**	**22,517**	22,517	22,517
Treasury share reserve		**(1,039)**	**(1,039)**	(1,511)	(1,511)
Capital reserve		**190,743**	**190,777**	161,177	161,207
Revenue reserve		**34**	**–**	736	706
Total equity		**640,624**	**640,624**	609,745	609,745
Shares in issue at year end	11	**1,744,842**	**1,744,842**	1,742,956	1,742,956
Net asset value per Ordinary share		**£367.15**	**£367.15**	£349.83	£349.83

The financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf on 2 June 2016 by:

Hamish N Buchan
Chairman

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

Group and Company Statements of Changes in Equity[1]

For the year ended 30 April 2016	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Capital reserve[2] £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2015	21,845	404,762	219	22,517	(1,511)	161,177	736	609,745
Profit for the year	–	–	–	–	–	30,301	8,254	38,555
Ordinary dividends paid	–	–	–	–	–	(735)	(8,956)	(9,691)
Issue and reissue of Ordinary shares	3	1,540	–	–	18,917	–	–	20,460
Buybacks of Ordinary shares	–	–	–	–	(18,445)	–	–	(18,445)
Balance at 30 April 2016	**21,848**	**406,302**	**219**	**22,517**	**(1,039)**	**190,743**	**34**	**640,624**

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

(1) The Company's reserves are the same as the Group's other than the Capital Reserve, which is £190,777,000 (2015: £161,207,000), and the Revenue Reserve, which is £nil (2015: £706,000). The differences relate to the profit generated by the Company's subsidiary.

(2) The Group and Company Capital reserve at 30 April 2016 includes realised capital reserves of £62,486,000 (2015: £64,416,000).

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

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

Special reserve. The cost of any shares bought back for cancellation is deducted from the special reserve, which is a distributable reserve and was created from the share premium, also following a General Meeting in April 1999.

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

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

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

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

CASH FLOW STATEMENTS

	Group Year ended 30 April 2016 £'000	Company Year ended 30 April 2016 £'000	Group Year ended 30 April 2015 £'000	Company Year ended 30 April 2015 £'000
Cash flows from operating activities				
Profit before taxation	**39,149**	**39,146**	37,815	37,809
Gains on investments including effective yield	**(43,230)**	**(43,230)**	(46,462)	(46,462)
Foreign exchange losses	**8,475**	**8,475**	12,313	12,313
Operating cash flow before movements in working capital	**4,394**	**4,391**	3,666	3,660
Increase in other receivables	**(150)**	**(131)**	(69)	(93)
Increase in other payables	**55**	**61**	85	91
Net cash from operating activities before taxation	**4,299**	**4,321**	3,682	3,658
Taxation	**(750)**	**(750)**	(591)	(591)
Net cash inflow from operating activities	**3,549**	**3,571**	3,091	3,067
Investing activities				
Purchase of investments – equity shares	**(21,283)**	**(21,283)**	(19,564)	(19,904)
Purchase of investments – fixed interest and other investments	**(418,189)**	**(418,189)**	(463,877)	(463,877)
Disposal of investments – equity shares	**14,941**	**14,941**	60,754	60,754
Disposal of investments – fixed interest and other investments	**454,792**	**454,792**	407,887	407,887
Net cash inflow/(outflow) from investing activities	**30,261**	**30,261**	(14,800)	(15,140)
Financing activities				
Equity dividends paid	**(9,691)**	**(9,691)**	(9,664)	(9,664)
Issue of Ordinary shares	**101**	**101**	–	–
Cost of share buybacks	**(18,445)**	**(18,445)**	(3,374)	(3,374)
Reissue of Ordinary shares from Treasury	**20,287**	**20,287**	12,306	12,306
Net cash outflow from financing activities	**(7,748)**	**(7,748)**	(732)	(732)
Increase/(decrease) in cash and cash equivalents	**26,062**	**26,084**	(12,441)	(12,805)
Cash and cash equivalents at the start of the year	**15,844**	**15,457**	45,068	45,045
Effect of foreign exchange rate changes	**(4,628)**	**(4,628)**	(16,783)	(16,783)
Cash and cash equivalents at the end of the year	**37,278**	**36,913**	15,844	15,457
Net cash inflow from operating activities includes the following:				
Dividends received	**7,891**	**7,891**	7,556	7,556
Interest received	**1,691**	**1,691**	1,119	1,119

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

Notes to the Accounts

1. Accounting Policies

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

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

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

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiary) made up to 30 April each year. Control is achieved if, and only if, the Group has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. The subsidiary is not considered an investment entity in the context of IFRS 10. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The Company has availed itself of the relief from showing an Income Statement for the parent company, granted under Section 408 of the Companies Act 2006. The profit of the Company for the year ended 30 April 2016 was £38,552,000.

Presentation of Income Statement

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

Income

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

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

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

Dividends from overseas companies are shown gross of withholding tax.

Fixed interest returns on non-equity securities are recognised on a time apportionment basis so as to reflect the effective yield on the investment, being amortisation of premium/accretion of discount spread over the life of the investment.

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

Expenses

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

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

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

Taxation

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

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

Investments

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

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

Any gain or loss arising from a movement in investments is included as a gain or loss on investments in the income statement as a capital item.

NOTES TO THE ACCOUNTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the actual exchange rate at the date of the transaction. Monetary assets denominated in foreign currencies at the year end are translated by using the rate of exchange prevailing at the balance sheet date. The currencies to which the Company was exposed during the year to 30 April 2016 were Canadian Dollars, Singapore Dollars, Swiss Francs and US Dollars. The exchange rates applying against Sterling at 30 April were as follows:

	2016	2015
Canadian Dollar	**1.8338**	1.8534
Singapore Dollar	**1.9631**	2.0307
Swiss Franc	**1.4019**	1.4310
US Dollar	**1.4611**	1.5349

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 forward rate of exchange prevailing at the year end. The forward rate of exchange of US Dollars to Sterling at 30 April 2016 was 1.46134 (2015: 1.53437). 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 initially recorded at the proceeds received, net of issue costs. Subsequently financial liabilities are carried at amortised cost.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. There have been no significant judgements, estimates or assumptions for the current or preceding financial year.

CAPITAL MANAGEMENT

The Company's capital is represented by its capital and reserves as presented in the Statements of Financial Position on page 12.

The capital of the Company is managed in accordance with its investment policy, in pursuit of its business model and strategy for achieving objectives, both of which are detailed in the Strategic Report on pages 4–6.

2. INCOME

	2016 £'000	2015 £'000
Income from investments		
Franked investment income	**2,845**	2,930
Fixed interest securities	**3,268**	1,633
Overseas dividends	**5,170**	4,715
	11,283	9,278
Other operating income		
Deposit interest	**86**	136
Other income[1]	**533**	394
Total income	**11,902**	9,808

[1] Income generated by Personal Assets Trust Administration Company Limited for secretarial, administrative, AIFM and discount control services provided to other investment trust companies.

3. EXPENSES

	2016 Revenue £'000	**2016 Capital £'000**	**2016 Total £'000**	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000
Investment advisory fee[1]	**1,449**	**2,691**	**4,140**	1,414	2,626	4,040
Staff costs	**846**	**–**	**846**	691	–	691
Directors' fees	**95**	**–**	**95**	95	–	95
Auditors' remuneration for:						
– audit	**26**	**–**	**26**	19	–	19
– tax compliance	**9**	**–**	**9**	9	–	9
Other expenses	**629**	**–**	**629**	664	–	664
	3,054	**2,691**	**5,745**	2,892	2,626	5,518

[1] The Company appointed its subsidiary Personal Assets Trust Administration Company Limited as its AIFM with effect from 22 July 2014. The entering into a new AIFMD compliant management agreement with the AIFM entailed the termination of the Company's previous investment advisory agreement with its Investment Adviser, Troy Asset Management Limited ("Troy"). With effect from 22 July 2014, however, the AIFM delegated the portfolio advisory activities relating to the Company back to Troy pursuant to a delegation agreement and Troy continue to provide portfolio advisory services to the Company as before. The investment advisory agreement between the Company, the AIFM and Troy is on the same commercial terms as the previous investment advisory agreement, save that Troy will make a contribution towards the costs of the services provided by the AIFM. The agreement between the Company, the AIFM and Troy is on a rolling six month basis. The fee payable to the Investment Adviser pursuant to the delegation agreement, which is based on the Company's shareholders' funds, is: 0.5 per cent. on the first £100 million; 0.625 per cent. on the next £50 million; 0.75 per cent. between £150 million and £500 million; 0.625 per cent. between £500 million and £750 million; 0.55 per cent. between £750 million and £1 billion; and 0.5 per cent. thereafter, payable quarterly in arrears. In the year to 30 April 2016 the total cost amounted to £4,140,000 (2015: £4,040,000). An amount of £1,080,000 was payable to the Investment Adviser at the year end (2015: £1,031,250). 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.

3. EXPENSES (CONTINUED)

Details of the Company's ongoing charges can be found at www.patplc.co.uk. The Ongoing Charges Ratio for the year ended 30 April 2016 was 0.86 per cent. (2015: 0.87 per cent.).

4. DIRECTORS' REMUNERATION AND EMPLOYEE COSTS

	2016 £'000	2015 £'000
Directors' fees and salaries	**295**	288
Other salaries	**461**	384
Bonus payments	**42**	–
Pension contributions[1]	**53**	44
Employer's national insurance	**97**	77
	948	793

[1] Personal Assets Trust Administration Company Limited operates a defined contribution scheme for its employees. The Company has agreed to pay contributions up to 13⅓ per cent. of employees' salaries. There are no pension arrangements for Directors or employees of Personal Assets.

Details of the highest paid Director can be found in the Directors' Remuneration Report on pages 24 and 25. Excluding the Directors, there were six employees during the year ended 30 April 2016 and five employees during the year ended 30 April 2015.

5. TAX ON ORDINARY ACTIVITIES

	2016 £'000	2015 £'000
Foreign tax suffered	**594**	575

The deferred tax asset of £1,811,000 (2015: £1,640,000) in respect of unutilised expenses at 30 April 2016 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:

	2016 £'000	2015 £'000
Profit before tax	**39,149**	37,815
Corporation tax at standard rate of 20.00 per cent. (2015: 20.92 per cent.)	**7,830**	7,911
Effects of:		
Capital gains not subject to taxation	**(6,598)**	(7,013)
Investment income not subject to taxation	**(1,603)**	(1,599)
Excess of expenses over chargeable income	**371**	701
Withholding tax suffered	**750**	721
Recovery of foreign tax suffered	**(156)**	(146)
Total tax charge (note 5)	**594**	575

7. DIVIDENDS

	2016 £'000	2015 £'000
Amounts recognised as distributions to equity holders in the year ended 30 April 2016:		
First interim dividend of £1.40 (2015: £1.40) per Ordinary share	**2,447**	2,392
Second interim dividend of £1.40 (2015: £1.40) per Ordinary share	**2,440**	2,413
Third interim dividend of £1.40 (2015: £1.40) per Ordinary share	**2,424**	2,419
Fourth interim dividend of £1.40 (2015: £1.40) per Ordinary share	**2,380**	2,440
	9,691	9,664

8. INVESTMENTS – GROUP AND COMPANY

	Group 2016 £'000	Company 2016 £'000	Group 2015 £'000	Company 2015 £'000
Investments listed on a recognised investment exchange	**529,298**	**529,298**	532,345	532,345
Gold Bullion[1]	**70,491**	**70,491**	61,600	61,600
Subsidiary undertaking ("Sub")	**–**	**384**	–	381
	599,789	**600,173**	593,945	594,326

[1] Holding of physical gold which is a commodity.

	Listed UK £'000	Listed Overseas £'000	Total £'000	Sub £'000
Opening book cost	192,513	311,413	503,926	350
Opening unrealised appreciation	26,343	63,676	90,019	31
Opening valuation	**218,856**	**375,089**	**593,945**	**381**
Movements in the year				
Purchases at cost	391,484	40,863	432,347	–
Effective yield adjustment[1]	331	1,432	1,763	–
Sales proceeds	(394,994)	(74,739)	(469,733)	–
Sales – realised gains on sales	1,765	4,358	6,123	–
Unrealised profit on the fair value of investments during the year	7,219	28,125	35,344	3
Total movement during the year	5,805	39	5,844	3
Closing valuation	**224,661**	**375,128**	**599,789**	**384**

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

8. INVESTMENTS – GROUP AND COMPANY (CONTINUED)

	Listed UK £'000	Listed Overseas £'000	Total £'000	Sub £'000
Closing book cost	191,099	283,327	474,426	350
Closing unrealised appreciation	33,562	91,801	125,363	34
	224,661	**375,128**	**599,789**	**384**

	2016 £'000	2015 £'000
Represented by:		
Equities	**282,085**	244,769
US TIPS	**108,876**	103,863
UK Index-Linked Gilts	**28,416**	28,219
UK T-Bills	**109,921**	118,961
Gold Bullion	**70,491**	61,600
Overseas T-Bills	–	36,533
	599,789	593,945
Realised gains on sales	**6,123**	1,879
Unrealised gain on the fair value of investments during the year	**35,344**	43,959
Realised losses on Forward FX	**(11,371)**	(19,056)
Unrealised gain on Forward FX	**2,896**	6,743
Gains on investments	**32,992**	33,525

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

Transaction costs

During the year the Company incurred transaction costs of £72,750 (2015: £53,594) on the purchase of investments and £19,904 (2015: £61,558) on the sale of investments.

9. CURRENT ASSETS

	Group 2016 £'000	**Company 2016 £'000**	Group 2015 £'000	Company 2015 £'000
Financial Assets				
Fair value of forward currency contract	**2,896**	**2,896**	6,743	6,743
Receivables				
Prepayments and accrued income	**1,370**	**1,370**	1,243	1,243
Tax receivable	**459**	**459**	303	303
Due from brokers	**72**	**72**	–	–
Other receivables	**62**	**17**	39	13
	1,963	**1,918**	1,585	1,559

10. CURRENT LIABILITIES

	Group 2016 £'000	**Company 2016 £'000**	Group 2015 £'000	Company 2015 £'000
Payables				
Due to brokers	–	–	7,125	7,125
Due to subsidiary	–	**19**	–	20
Other payables	**1,302**	**1,257**	1,247	1,195
	1,302	**1,276**	8,372	8,340

11. CALLED-UP SHARE CAPITAL

	Number	£'000
Allotted, called-up and fully paid Ordinary shares of £12.50 each:		
Balance at 30 April 2015	1,747,584	21,845
Shares issued during the year	287	3
Balance at 30 April 2016	**1,747,871**	**21,848**

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

	Number	£'000
Balance at 30 April 2015	4,628	58
Shares purchased during the year	53,739	672
Shares reissued during the year	(55,338)	(692)
Balance at 30 April 2016	**3,029**	**38**

The cost of shares purchased and held in Treasury is disclosed in the Statement of Changes in Equity and the Directors' Report. Shares in issue at 30 April 2016 net of Shares held in Treasury were 1,744,842 (2015: 1,742,956).

12. BUSINESS SEGMENT

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

13. FINANCIAL INSTRUMENTS

The Group holds investments in listed companies and fixed interest securities, holds cash balances and has receivables and payables. It may from time to time also invest in FTSE 100 Futures and enter into forward currency contracts. Cash balances are held for future investment and forward currency contracts are used to manage the exchange risk of holding foreign investments. Further information is given in the Strategic Report for the Year to 30 April 2016 on pages 4–6.

The fair value of the financial assets and liabilities of the Group and Company at 30 April 2016 and at 30 April 2015 is not different from their carrying value in the financial statements.

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

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

Credit Risk

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

The Group's principal financial assets are investments, cash balances and other receivables, the carrying value of which represents 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 (2015: 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 regu-

NOTES TO THE ACCOUNTS (CONTINUED)

13. FINANCIAL INSTRUMENTS (CONTINUED)

larly reviewed by the Group, and transactions must be settled on a basis of delivery against payment. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. Risk relating to unsettled transactions is considered to be small because of the short settlement period involved and the credit quality of the brokers used.

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

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. Credit risk and exposure is spread between two counterparties, with a maximum limit of £25 million to be held at each.

Market Price Risk

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

Any changes in market conditions will directly affect the profit or loss reported through the Income Statement. For instance, a 30 per cent. increase in the value of the investment exposure at 30 April 2016 would have increased net return and net assets for the year by £179,937,000 (2015: a 30 per cent. increase in the value of the investment exposure would have increased net return by £178,184,000). A decrease of 30 per cent. (2015: 30 per cent.) would have had an equal but opposite effect. These calculations are based on investment valuations at the respective balance sheet date and are not representative of the year as a whole.

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 2016 had a maturity period of less than three months.

Interest Rate Risk

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

Floating Rate

When the Group holds cash balances, such balances are held on overnight deposit accounts and call deposit accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate, which at 30 April 2016 was 0.50 per cent. in the UK (2015: 0.50 per cent.).

Floating interest rate exposure at 30 April:

	2016	2015
	£'000	£'000
Sterling	**31,025**	8,480
US Dollar	**6,253**	7,364
	37,278	15,844

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 £186,000 (2015: £79,000). A decrease of 50 basis points would have had an equal but opposite effect. The calculations are based on the cash balances at the balance sheet date and are not representative of the year as a whole.

Fixed rate and zero rate

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

Maturity profile

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

At 30 April 2016:	Within 1 year	Within 1-5 years	More than 5 years
US TIPS	–	77,313	31,563
UK Index-Linked Gilts	–	–	28,416
UK T-Bills	109,921	–	–
	109,921	77,313	59,979

At 30 April 2015:	Within 1 year	Within 1-5 years	More than 5 years
US TIPS	–	74,210	29,653
UK Index-Linked Gilts	–	–	28,219
UK T-Bills	118,961	–	–
Singapore T-Bills	36,533	–	–
	155,494	74,210	57,872

Foreign Currency Risk

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

	2016	2015
Gross currency exposure at 30 April:	**£'000**	£'000
Canadian Dollars	**18,356**	19,173
Singapore Dollars	**–**	29,408
Swiss Francs	**24,124**	24,080
US Dollars(1)	**338,900**	302,666

(1)At 30 April 2016 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 £2,896,000 (2015: fair value of £6,743,000) on the US$265,500,000 (2015: US$275,140,000) sold forward against £184,579,000 (2015: £186,060,000) is included in other receivables (2015: other receivables). All foreign exchange contracts in place at 30 April 2016 were due to mature within two months. The exposure to US Dollars as shown above also includes Gold Bullion. At 30 April 2016 the net exposure to US Dollars was £157,218,000 (2015: £123,348,000) including Gold Bullion and £86,727,000 (2015: £61,748,000) excluding Gold Bullion.

NOTES TO THE ACCOUNTS (CONTINUED)

13. FINANCIAL INSTRUMENTS (CONTINUED)

Foreign Currency Sensitivity

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

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

Income statement – return on ordinary activities after taxation:

		2016			2015	
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Canadian Dollars	**21**	**2,040**	**2,061**	24	2,130	2,154
Singapore Dollars	**–**	**–**	**–**	–	3,268	3,268
Swiss Francs	**87**	**2,680**	**2,767**	81	2,676	2,757
US Dollars	**778**	**15,722**	**16,500**	566	13,706	14,272
	886	**20,442**	**21,328**	671	21,780	22,451

A 10 per cent. strengthening of Sterling against the above currencies would have had an equal but opposite effect on the return on ordinary activities after taxation.

14. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

				2016				2015
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Description	**£'000**	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Investments	**599,789**	**–**	**384**	**600,173**	593,945	–	381	594,326
Current assets	**–**	**2,896**	**–**	**2,896**	–	6,743	–	6,743
Total	**599,789**	**2,896**	**384**	**603,069**	593,945	6,743	381	601,069

Level 1 reflects financial instruments quoted in an active market. The Company's investment in Gold Bullion has been included in this level.

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

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

15. SUBSIDIARY UNDERTAKING

At 30 April 2016, Personal Assets' subsidiary undertaking, which has been consolidated, was as follows:

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

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

16. RELATED PARTY TRANSACTIONS

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

Investment advisory services are provided by Troy Asset Management Limited. The investment advisory fee for the year ended 30 April 2016 was £4,140,000 (2015: £4,040,000). An amount of £1,080,000 was outstanding to the Investment Adviser at 30 April 2016 (2015: £1,031,250).

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 £250,000 (2015: £220,000) in respect of these services in the year to 30 April 2016. No amounts were outstanding at the year end.

Directors of the Company received fees for their services. An amount of £13,000 was outstanding to the Directors at the year end (2015: £13,000). Further details are provided in the Directors' Remuneration Report on pages 24 and 25. The Directors' shareholdings are also detailed on pages 21 and 24.

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

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

The Company's maximum and actual leverage levels at 30 April 2016 are shown below:

	Gross Method	Commitment Method
Maximum limit	200%	200%
Actual	123%	128%

There have been no changes to the Company's investor disclosure document in the year to 30 April 2016. The investor disclosure document and all additional periodic disclosures required in accordance with the requirements of the FCA Rules implementing the AIFMD in the UK are made available on the Company's website (www.patplc.co.uk).

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 2016.

Board of Directors

Hamish Buchan

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

Shares held: 1,108 Fees during year: £38,000

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

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

Robin Angus

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

Shares held: 4,265 Fees during year: *nil*
Annual Salary: £200,000

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

Other Trust Directorships: None.

Gordon Neilly

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

Shares held: 1,915 Fees during year: £19,000

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

Other Trust Directorships: INVESCO Perpetual Enhanced Income.

Stuart Paul

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

Shares held: 4,462 Fees during year: £19,000

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

Other Trust Directorships: None.

Frank Rushbrook

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

Shares held: 13,343 Fees during year: £19,000

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

Other Trust Directorships: None.

Activities

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

Responsibility Statement

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

Under company law the Directors must not approve the Group financial statements unless they are satisfied that they give a true and fair of the state of affairs of the Group and of the profit of the Group for that period. In preparing the Group financial statements the Directors are required to:

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

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

The Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and per-

DIRECTORS' REPORT (CONTINUED)

formance, business model and strategy. In reaching this conclusion the Directors have assumed that the reader of the Annual Report and Accounts has a reasonable level of knowledge of the investment industry.

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

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

GOING CONCERN

The Directors believe, in the light of the controls and review processes reported in the Report of the Audit Committee on page 28 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 at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the accounts.

VIABILITY STATEMENT

The Board considered its obligation to assess the viability of the Company over a period longer than the twelve months from the date of approval of the financial statements required by the 'going concern' basis of accounting. The Board concluded that a period of five years was appropriate for this review.

The Board considers the Company, with no fixed life, to be a long term investment vehicle but, for the purposes of this viability statement, has decided that a period of five years is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long term horizon and the inherent uncertainties of looking out further than five years.

When deciding on this period the Directors considered the nature of the Company's portfolio of liquid investments comprising listed global equities, US TIPS, UK Index-Linked Gilts, UK T-Bills, Gold Bullion and cash and cash equivalents. The Directors also considered the Company's ability to fulfil the stated dividend policy and the operation of its discount and premium control policy.

The Directors have also carried out an exhaustive assessment of the principal risks as noted in the Strategic Report on page 6 and discussed in note 13 to the financial statements that are facing the Company over the period of the review, including those that would threaten its business model, future performance, solvency or liquidity.

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

RESPONSIBILITY STATEMENTS UNDER THE DISCLOSURE AND TRANSPARENCY RULES

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

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

CAPITAL STRUCTURE

At 30 April 2016 there were 1,744,842 Ordinary shares of £12.50 each in issue.

During the year the Company purchased 53,739 Ordinary shares to be held in Treasury for a total consideration of £18,445,000, issued 287 Ordinary shares for proceeds of £102,000 and reissued 55,338 Ordinary shares from Treasury for proceeds of £20,359,000.

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

Voting rights and deadlines for exercising voting rights can be found in the Notes for the Annual General Meeting ("AGM") which can be found on pages 35 and 36.

RESULTS AND DIVIDEND

The results for the year are set out in the Group Income Statement on page 11. The Company paid four quarterly dividends of £1.40 per share to shareholders in the year ended 30 April 2016.

SUBSTANTIAL INTERESTS

At 30 April 2016 the following holdings representing (directly or indirectly) 3 per cent. or more of the voting rights attaching to the issued share capital of the Company had been disclosed to the Company:

Substantial Holders	Shares Held	Percentage
Personal Assets Trust ISA	262,831	15.1
Personal Assets Trust Investment Plan	158,646	9.1

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

FINANCIAL INSTRUMENTS

Information on the Company's financial instruments can be found in the Notes to the Accounts on pages 15–20.

Directors' Report (continued)

Principal Risks and Risk Management

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

Directors' Indemnity

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

Carbon Emissions

The Company's carbon emissions result predominantly from its consumption of gas and electricity at its single office. Using Defra/ DECC's GHG conversion factors for company reporting produced in 2014, emissions for the year to 30 April 2016 were 16.6 tonnes of CO_2e (2015: 16.7 tonnes of CO_2e). This equates to 0.10 tonnes of CO_2e (2015: 0.10 tonnes of CO_2e) per square metre.

Auditors

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

Statement of Disclosure of Information to Auditors

As far as the Directors are aware, there is no relevant audit information of which the 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 Auditors are aware of that information.

Resolutions to be Proposed at the AGM

Resolutions 1 to 8 are self explanatory.

Authority to Allot Shares

During the year the Company continued its policy of issuing shares at a small premium to net asset value in response to demand. **Resolution 9** is to authorise the Directors to issue new shares up to an aggregate nominal amount of £2,186,800, being 10 per cent. of the total issued shares at 2 June 2016. **Resolution 10** is to enable the Directors to issue such new shares and to reissue shares from Treasury (see Treasury Shares below) up to an aggregate nominal amount of £2,186,800, being 10 per cent. of the total issued shares at 2 June 2016, for cash without first offering such shares to existing shareholders *pro rata* to their existing shareholdings. The Directors issue new shares or reissue shares from Treasury only when they believe it is advantageous to the Company's shareholders to do so and for the purpose of operating the Company's premium control policy. In no circumstances would such issue of new shares or reissue of shares from Treasury result in a dilution of net asset value per share.

Authority to Buy Back Shares

During the year, the Company acquired 53,739 of its own shares to be held in Treasury. The Company's current authority to make market purchases of up to 14.99 per cent. of the issued Ordinary shares expires at the end of the Annual General Meeting. **Resolution 11** is to renew the authority for a further period until the Company's Annual General Meeting in 2017. The price paid for shares on exercise of the authority will not be less than the nominal value of £12.50 per share or more than the higher of (a) 5 per cent. above the average of the middle market quotations of those shares for the five business days before the shares are purchased and (b) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange. The authority, which may be used to buy back shares either for cancellation or to be held in Treasury, will be used to purchase shares only if, in the opinion of the Directors, a purchase would be in the best interests of the shareholders as a whole and would result in an increase in the net asset value per share for the remaining shareholders. There are no outstanding options or warrants to subscribe for equity shares in the capital of the Company.

Treasury Shares

Under UK company law investment trusts are able to acquire their own shares to hold in Treasury for reissue. The Directors consider that this facility gives the Company more flexibility in managing its share capital. At 2 June 2016 the Company had reissued all of its Ordinary shares held in Treasury.

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

Notice Period for General Meetings

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

Recommendation

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

By Order of the Board

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

2 June 2016

DIRECTORS' REMUNERATION REPORT

STATEMENT BY THE CHAIRMAN

This report has been prepared in accordance with the requirements of the Companies Act 2006. An Ordinary resolution for the approval of this report will be put to shareholders at the forthcoming Annual General Meeting. The remuneration policy, which was approved by shareholders at the Company's AGM in July 2014 (resolution received 97.8 per cent. of votes for, 1.3 per cent. against, and 0.9 per cent. of votes cast were withheld), will again be put to shareholders at the AGM in 2017.

Remuneration Committee

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

DIRECTORS' REMUNERATION POLICY

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

Executive Director's Service Contract

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

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

ANNUAL REPORT ON REMUNERATION

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

Directors' Interests (Audited)

The Directors at the end of the year and their interests in the shares of the Company at 30 April 2016 and 30 April 2015 were as follows:

Director	**Interest**	**2016**	2015
Hamish Buchan (Chairman)	Beneficial	**1,108**	1,091
Robin Angus	Beneficial	**4,265**	4,123
Gordon Neilly	Beneficial	**1,915**	1,912
Stuart Paul	Beneficial	**4,462**	4,380
Frank Rushbrook	Beneficial	**13,343**	12,357

Since 30 April 2016, Mr Angus has acquired a beneficial interest in an additional 4 shares. There have been no other changes in the above holdings between 30 April 2016 and 2 June 2016.

Directors' Remuneration for the Year (Audited)

	Year ended 30 April 2016		Year ended 30 April 2015	
Directors	**Fees**	**Salary**	Fees	Salary
Hamish Buchan (Chairman)	**£38,000**	–	£38,000	–
Robin Angus	–	**£200,000**	–	£193,333
Gordon Neilly	**£19,000**	–	£19,000	–
Stuart Paul	**£19,000**	–	£19,000	–
Frank Rushbrook	**£19,000**	–	£19,000	–
Total	**£95,000**	**£200,000**	£95,000	£193,333

The rates of Directors' fees for the year ended 30 April 2016 were set out in the Directors' Remuneration Report contained in the Company's 2015 Annual Report and Accounts.

We are required to report on the remuneration of the Company's Chief Executive Officer over the five years to 30 April 2016. On 1 January 2015 Mr Angus received a 5.3 per cent. increase in his remuneration from £190,000 to £200,000. There have been no other changes to Mr Angus' remuneration over the period.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Relative Importance of Directors' Fees

	2016 £'000	2015 £'000	% change
Directors' fees and salaries	**295**	288	2.4
Expenses	**5,745**	5,518	4.1
Employee costs	**653**	505	29.3
Dividends paid and proposed	**9,691**	9,664	0.3

Directors' fees and salaries as a percentage of:

	2016 %	2015 %
Expenses	**5.1**	5.2
Employee costs	**45.2**	57.0
Dividends paid and proposed	**3.0**	3.0

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

Approval

Voting on the resolutions to approve the Directors' Remuneration Report at the Company's AGM on 23 July 2015 was as follows:

Resolution	% For	% Against	% Withheld
Approve Directors' Remuneration Report	98.5	1.0	0.5

Company Performance

The graph below compares, for the ten financial years ended 30 April 2016, 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 2016 is given in the Chairman's Statement and Investment Adviser's Report on pages 2 and 3.

On behalf of the Board

Hamish N Buchan
Chairman

2 June 2016

Corporate Governance

Introduction

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

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

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

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

Compliance

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

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

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

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

Directors

All of the non-executive Directors are considered to be independent in character and judgement and, in the opinion of the Board, there are no relationships or conflicts of interest which are likely to affect the judgement of any Director. Hamish Buchan and Gordon Neilly have served for more than nine years. However, the Board subscribes to the view expressed within the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority, and does not consider that a Director's length of tenure reduces his ability to act independently.

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

Director	Date of Appointment	Due date for Re-election
Hamish Buchan (Chairman)	5 July 2001	AGM 2016
Robin Angus (Executive Director)	18 May 1984	AGM 2016
Gordon Neilly	30 April 1997	AGM 2016
Stuart Paul	16 July 2009	AGM 2016
Frank Rushbrook	16 July 2009	AGM 2016

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

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

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

Conflicts of Interest

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

Meetings

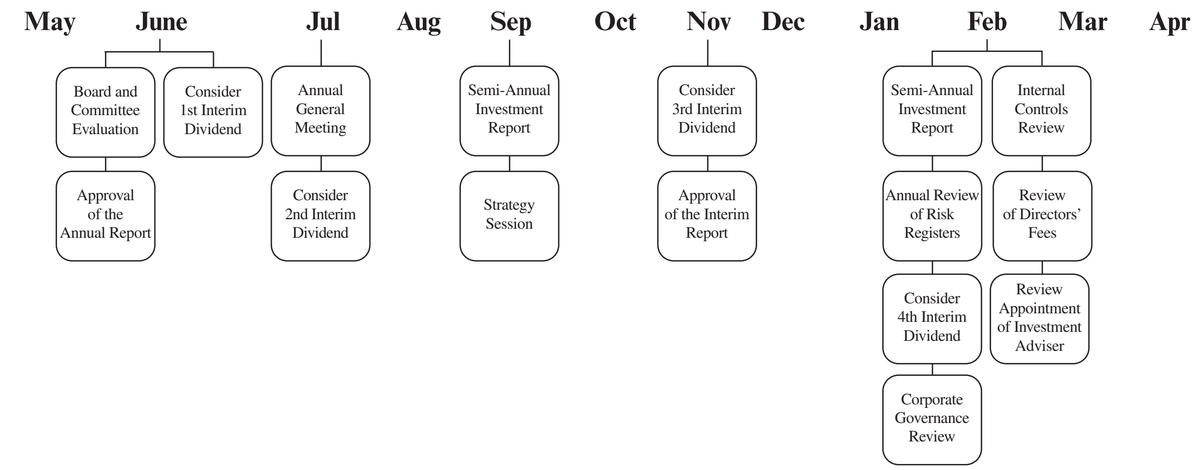
During the year there were five Board meetings, each of which was attended by all of the Directors. There were three Audit Committee meetings, two Remuneration Committee meetings and a Nomination Committee meeting held during the year. All of these meetings were attended by all of the respective committee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

Under the terms of the contracts with the AIFM and the Investment Adviser, the following matters have been expressly reserved to the Board: (a) the level and form of liq-

Corporate Governance (continued)

uidity within the portfolio; (b) asset allocation within the portfolio; (c) the Company's gearing levels; (d) matters relating to the buying back and issuance of the Company's shares; (e) matters relating to shareholder communication; (f) hedging; (g) investment in any new asset class; (h) and such other matters as the Board may reasonably intimate from time to time. However, the Board is required to engage in active dialogue with the Investment Adviser in relation to the matters referred to at items (a), (b), (e), and (f) above.

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



Voting Policy

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

Communication with Shareholders

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

Nomination Committee

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

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

Performance Evaluation

During the year the performance of the Board, the Audit Committee, the Nomination Committee, the Remuneration Committee and individual Directors was evaluated through a discussion based assessment process led by the Chairman. The performance of the Chairman was evaluated by the other Directors. The Board concluded that the Chairman and each Director contributed effectively and demonstrated commitment to his role. The Board also concluded that the performance of the Board as a whole and its committees was effective. The UK Code requires the Company to engage an external facilitator for the Board evaluation every three years. However, the Board has elected not to comply with this requirement as disclosed on page 26.

By Order of the Board

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

2 June 2016

REPORT OF THE AUDIT COMMITTEE

AUDIT COMMITTEE

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

The Audit Committee also reviews the system of internal controls, the terms of appointment of the Auditors (including their remuneration), the objectivity of the Auditors and the terms under which they are appointed to perform non-audit services. The Audit Committee also received a report from the Auditors identifying to its satisfaction how their independence and objectivity is maintained when providing these non-audit services. Fees for these services amounted to £8,500 for the year ended 30 April 2016 (2015: £9,000). The Board considers that the provision of such services at this level is cost effective and does not impair the independence of Ernst & Young LLP ("EY").

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

At the request of the Board, the Audit Committee considered whether the 2016 Annual Report and Accounts were fair, balanced and understandable and whether they provided the necessary information for shareholders to assess the Company's performance, business model and strategy. The Audit Committee is satisfied that, taken as a whole, the Annual Report and Accounts are fair, balanced and understandable. The Audit Committee reached this conclusion based on a detailed review of the financial statements and subsequent discussion on whether the accounts are fair, balanced and understandable by all members of the Committee.

During the year, a review of EY's 2015 audit of the Company was completed by the Audit Quality Review team of the FRC. In relation to the matters that fell within the scope of review, the FRC concluded that the audit work was of a good standard.

AUDIT TENDER

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

EY were appointed at the Company's launch in 1983. The Audit Engagement Partner rotates every five years in accordance with ethical guidelines and 2016 is the third year for the current partner.

INTERNAL CONTROLS

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board has therefore established an ongoing process 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 Accounts, and the Board is satisfied with their effectiveness. These procedures are designed to manage, rather than eliminate, risk and, by their nature, can provide only reasonable, not absolute, assurance against material misstatement or loss. At each Board meeting the Board reviews the Company's activities since the previous Board Meeting to ensure that the Investment Adviser adheres to the agreed investment policy and approved investment guidelines and, if necessary, the Board approves changes to the guidelines.

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

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

SIGNIFICANT ACCOUNTING MATTERS

The significant issue considered by the Audit Committee during the year in relation to the financial statements of the Group was the existence and valuation of investments. The AIFM regularly reconciles the portfolio holdings to confirmations from the Company's custodian and carries out testing of the prices obtained from the independent pricing source. Based on confirmation from the AIFM that these procedures have operated correctly at 30 April 2016 and based on conversations with and written reporting from the Depositary, the Committee is satisfied that there is no material misstatement in the context of the Annual Report and Accounts as a whole.

Stuart W Paul
Director

2 June 2016

Independent Auditor's Report to the Members of Personal Assets Trust PLC

Our opinion on the financial statements

In our opinion:

- Personal Asset Trust PLC's Group financial statements and Parent company financial statements (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 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (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 as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, and, as regards the Group financial statements, Article 4 of the IAS Regulation.

What we have audited

Personal Asset Trust PLC's financial statements comprise:

Group	Parent company
Consolidated Statement of Financial Position as at 30 April 2016	Company Statement of Financial Position as at 30 April 2016
Consolidated Group Income Statement for the year then ended	Company Statement of Changes in Equity for the year then ended
Consolidated Statement of Changes in Equity for the year then ended	Company Cash Flow Statement for the year then ended
Consolidated Cash Flow Statement for the year then ended	Related notes 1 to 17 to the financial statements
Related notes 1 to 17 to the financial statements	

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and 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.

Overview of our audit approach

Risks of material misstatement	• Existence and inappropriate valuation of the investment portfolio • Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment
Audit scope	• We performed an audit of the complete financial information of the Company and its wholly owned subsidiary Personal Assets Trust Administration Company Limited ("the Group")
Materiality	• Overall Group materiality of £6.4 million (2015: £6.1 million) which represents 1% of total equity

Our assessment of risk of material misstatement

We identified the risks of material misstatement described below as those that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERSONAL ASSETS TRUST PLC (CONTINUED)

Risk	Our response to the risk	What we concluded to the Audit Committee
Existence and inappropriate valuation of the investment portfolio (as described on page 28 of the Report of the Audit Committee and note 8 of the financial statements). The valuation of the portfolio at 30 April 2016 was £600 million (2015: £594 million). The valuation of the assets held in the investment portfolio is the key driver of the Group's net asset value and total return. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Group could have a significant impact on portfolio valuation and, therefore, the return generated for shareholders.	We performed the following procedures: We have independently checked 100% of the investment prices in the portfolio. For those investments priced in currencies other than sterling we have agreed the exchange rates to an independent source. We have independently obtained confirmations from the Company's custodian and depositary to confirm the existence of the investment portfolio as at 30 April 2016.	For all investments, we noted no material differences between the market value or exchange rates used in the Company's investment portfolio and an independent source. We have not identified any differences in holdings of securities between the custodian and depositary confirmations and the Company's underlying financial records.
Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment (note 2 of the financial statements). Most of the Group's income is received in the form of dividends and interest from fixed income securities, being £8 million (2015: £8 million) and £3 million (2015: £2 million) respectively for the year. Given the judgmental aspect of allocating special dividends between revenue and capital and the risk of management override from processing of topside journals, we consider this an area warranting specific audit focus.	We performed the following procedures: We agreed, on a sample basis, dividend and interest receipts to an independent source. We agreed on a sample basis, investee company dividend announcements and fixed interest coupon dates from an independent source to the income recorded by the Group. We re-performed the calculation of bond amortisation on inflation linked fixed income securities on a sample basis. We agreed all accrued dividends and interest to an independent source and to the post year end bank statements where possible, to ensure correct cut-off. We have not noted any material special dividends during the year.	We noted no issues in agreeing the sample of dividend and interest receipts to and from independent source. We noted no issues in agreeing the accrued dividend and interest to an independent source and post year end bank statements.

The risks of material misstatement as set out in the table above are consistent with those reported in our prior year auditor's report.

THE SCOPE OF OUR AUDIT

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls and changes in the business environment when assessing the level of work to be performed.

We have performed a full audit of the Group and all audit work performed for the purposes of the audit was undertaken by the Group audit team.

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

Our application of materiality

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

Materiality

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

We determined materiality for the Group to be £6.4 million (2015: £6.1 million), which is 1% (2015: 1%) of total equity. We derived our materiality calculation from a proportion of total equity as we consider that to be the most important financial metric on which shareholders judge the performance of the Group.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2015: 75%) of our planning materiality, namely £4.8 million (2015: £4.8 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Group we also applied a separate testing threshold of £442,000 (2015: £346,000) for the revenue column of the Group Income Statement, being 5% (2015: 5%) of the profit before taxation.

Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £320,000 (2015: £305,000), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

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

Respective responsibilities of directors and auditor

As explained more fully in the Responsibility Statement in the Directors' Report set out on pages 21 and 22, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

INDEPENDENT AUDITOR'S 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Report of the Audit Committee set out on page 28 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

ISAs (UK and Ireland) reporting	We are required to report to you if, in our opinion, financial and non-financial information in the annual report and accounts is: • materially inconsistent with the information in the audited financial statements; or • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or • otherwise misleading. In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the Directors' statement that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the annual report and accounts appropriately addresses those matters that we communicated to the audit committee that we consider should have been disclosed.	We have no exceptions to report.
Companies Act 2006 reporting	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; 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. • a Corporate Governance Statement has not been prepared by the Company	We have no exceptions to report.
Listing Rules review requirements	We are required to review: • the Directors' statement in relation to going concern, set out on page 22, and longer-term viability, set out on page 22; and • the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review	We have no exceptions to report.

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

Statement on the Directors' Assessment of the Principal Risks that Would Threaten the Solvency or Liquidity of the Entity

ISAs (UK and Ireland) reporting	We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to: • the Directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity; • the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated; • the Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and • the Directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

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

2 June 2016

Notes:

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

Notice of Annual General Meeting

Notice is hereby given that the 35th Annual General Meeting ("AGM") of Personal Assets Trust Public Limited Company will be held at The Roxburghe Hotel, 38 Charlotte Square, Edinburgh, on Thursday 21 July 2016 at 12 noon 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 2016 be received.
2. That the Directors' Remuneration Report for the year to 30 April 2016 be approved.
3. That Hamish Buchan, who retires from office annually, be re-elected as a Director.
4. That Gordon Neilly, who retires from office annually, be re-elected as a Director.
5. That Stuart Paul, who retires from office annually, be re-elected as a Director.
6. That Frank Rushbrook, who retires from office annually, be re-elected as a Director.
7. That Robin Angus, who retires from office annually, be re-elected as a Director.
8. That Ernst & Young LLP be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.
9. Authority to allot shares

   That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Securities") provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal value of up to £2,186,800, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.

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

10. Disapplication of pre-emption rights

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

    (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; *and*

    (b) shall be limited to the allotment of equity securities up to an aggregate nominal value of £2,186,800, being 10 per cent. of the nominal value of the issued share capital of the Company at 2 June 2016.

    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 or transfer or for cancellation), provided that:

(a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 262,240 or, if less, the number representing 14.99% of the issued share capital of the Company at the date of the passing of this resolution;

(b) the minimum price (excluding expenses) which may be paid for each Ordinary share is £12.50;

(c) the maximum price (excluding expenses) which may be paid for each Ordinary share shall not be greater than the higher of:

(i) 5 per cent. above the average middle market quotation on the London Stock Exchange of an Ordinary share over the five business days immediately preceding the date of purchase; *and*

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

(d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or on 31 October 2017, 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

2 June 2016

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. As an alternative to completing the hard copy proxy form you can appoint a proxy electronically at sharevote.co.uk. For an electronic proxy appointment to be valid, your appointment must be received by the Company's registrar not less than 48 hours (excluding non-working days) before the time of the meeting.
4. Only those shareholders having their names entered on the Company's share register not later than 6.30 pm on 19 July 2016 or, if the meeting is adjourned, 6.30 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.
5. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that such corporate representatives do not do so in relation to the same shares.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

6. 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 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 12 noon on 19 July 2016. 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.

7. 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.

8. At 2 June 2016, the latest practicable date prior to publication of this document, the Company's issued share capital comprised 1,749,443 Ordinary shares of £12.50 each with a total of 1,749,443 voting rights.

9. Any person holding 3 per cent. of the total voting rights in the Company who appoints a person other than the Chairman as his/her proxy must ensure that both he/she and such third party comply with their respective disclosure obligations under the Disclosure and Transparency Rules.

10. 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.

11. 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.

12. 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.

13. The members of the Company may require the Company (without payment) to publish, on its website, a statement (which is also to be passed to the auditors) setting out any matter relating to the audit of the Company's accounts, including the auditors' report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5 per cent. of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state the sender's full name and address and be sent to the Company's registered address at 10 St Colme Street, Edinburgh EH3 6AA.

14. 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.

15. 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 require the Company to include a matter in the business to be dealt with at the meeting, pursuant to section 338A of the Companies Act 2006.

Corporate Information

Board of Directors

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

Registered Office

10 St Colme Street
Edinburgh EH3 6AA

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

Company Secretary

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

Telephone: 0131 538 1400

AIFM

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

Investment Adviser

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

Custodian

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

Depositary

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

Solicitors

Dickson Minto WS
16 Charlotte Square
Edinburgh EH2 4DF

Shareholder Information

Telephone: 0131 538 6605

Investment Plan Administration

Halifax Share Dealing Limited
Lovell Park Road
Leeds LS1 1NS

Telephone: 0345 850 0181*

Registrars

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone: 0371 384 2459†

Stockbrokers

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

Auditors

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Identification Codes

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

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

† Lines open 8:30am to 5:30pm, Monday to Friday. The overseas helpline number is +44 (0)121 415 7047.

Personal Assets Trust PLC, 10 St Colme Street, Edinburgh EH3 6AA.
Shareholder Telephone: 0131 538 6605. Website: www.patplc.co.uk