Personal Assets Trust PLC

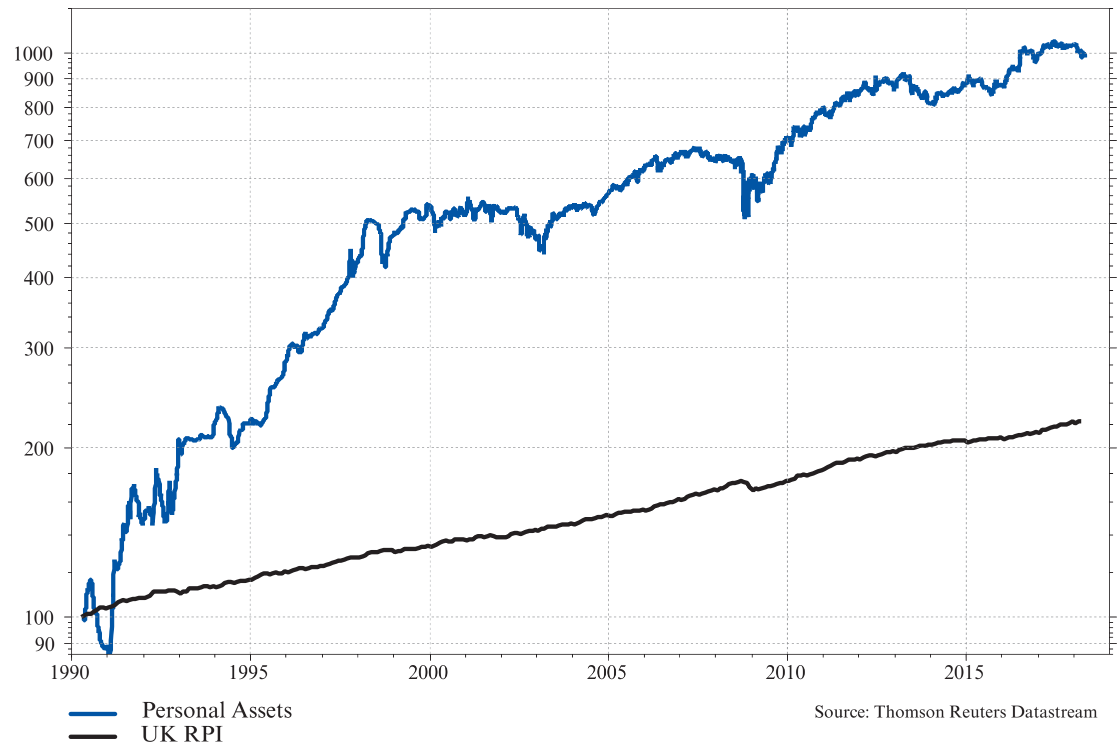
Annual Report and Accounts for the Year ended 30 April 2018

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)

	2018	2017	2015	2013	2008	1990[1]
Market Capitalisation	£867.3m	£794.6m	£611.3m	£601.9m	£189.3m	£5.9m
Shareholders' Funds	£858.9m	£781.5m	£609.7m	£593.2m	£188.7m	£8.5m
Shares Outstanding	2,212,433	1,960,127	1,742,956	1,685,901	733,051	149,313
Allocation of Portfolio						
Equities	38.4%	45.7%	40.1%	43.5%	(0.2%)[2]	88.2%
US TIPS	20.0%	19.3%	17.0%	21.4%	–	–
US Treasuries	2.7%	–	–	–	–	–
UK Index-Linked Gilts	3.6%	4.1%	4.6%	4.8%	–	–
UK T-Bills	22.5%	14.7%	19.5%	7.3%	–	–
Overseas T-Bills	–	–	6.0%	8.0%	50.8%	–
Gold Bullion	8.9%	10.0%	10.1%	12.2%	–	–
UK cash	4.3%	4.5%	1.4%	1.6%	45.5%	5.7%
Overseas cash	0.5%	–	1.3%	–	–	–
Net current (liabilities)/assets	(0.9%)	1.7%	–	1.2%	3.9%	6.1%
Share Price	£392.00	£405.40	£350.70	£357.00	£258.25	£39.50
NAV per Share	£388.21	£398.70	£349.83	£351.89	£257.37	£56.67
FTSE All-Share Index	4,127.68	3,962.49	3,760.06	3,390.18	3,099.94	1,043.16
Premium/(discount)	1.0%	1.7%	0.2%	1.5%	0.3%	(30.3%)
Earnings per Share	£5.23	£6.20	£3.65	£5.69	£5.59	£1.09
Dividend per Share	£5.60	£5.60	£5.60	£5.60	£4.60	£1.00

[1] Personal Assets Trust became self-managed in 1990.
[2] Negative percentage reflects holdings of FTSE 100 Futures.

Percentage Changes

	1 Year	**3 Years**	**5 Years**	**10 Years**	**Since 1990[1]**
Share Price	(3.3)	11.8	9.8	51.8	892.4
NAV per Share	(2.6)	11.0	10.3	50.8	585.0
FTSE All-Share Index ("All-Share")	4.2	9.8	21.8	33.2	295.7
Share Price relative to All-Share	(7.2)	1.8	(9.8)	14.0	150.8
Share Price Total Return	(2.0)	16.8	18.6	79.3	1,663.6
NAV per Share Total Return	(1.3)	16.0	19.2	78.6	1,033.5
All-Share Total Return	8.2	22.5	45.6	90.9	974.0
Share Price Total Return relative to All-Share Total Return	(9.4)	(4.7)	(18.5)	(6.1)	64.2
Inflation (RPI)	3.4	8.4	12.1	30.7	123.6

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

CHAIRMAN'S STATEMENT

Personal Assets Trust's objective is simply stated. It is to protect and increase (*in that order*) the value of shareholders' funds per share (otherwise known as net asset value per share, or "NAV") over the long term. To us this means not just examining performance over five or ten years but going right back to 1990, when the Company became self-managed and so began its existence in its present form. Since 30 April 1990 the NAV has risen at an annual compound rate of 7.1% compared to 5.0% for the FTSE All-Share Index and 2.9% for the RPI. (The rise in share price at the higher annual compound rate of 8.5% is because at 30 April 1990 the shares sold at a discount to NAV of 30.3%.) Such an objective and timescale are not typical of investment trusts in general and so the Board believes it essential for existing and (especially) new shareholders to be fully aware of what we do and how and why we do it. Quarterly N$^{o.}$ 88, enclosed along with this Report, looks in detail at each element of our investment policy as set out on page 4 and explains how we seek to put it into effect.

To measure how far Personal Assets succeeds in achieving its objective the Board looks at investment performance from two angles — the result achieved and, just as important, the degree of risk accepted in achieving it. The result achieved is shown in Key Features on page 1 while the degree of risk accepted is indicated in the bottom chart on page 10. This shows how over the past eighteen years Personal Assets has been not only less volatile than UK equities in general but also less volatile than any of the 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) and which were in existence on 30 April 2000. In his Investment Adviser's Report, Sebastian Lyon highlights the increasing volatility of financial markets while looking towards the buying opportunities we are confident will await us in due course.

Two years ago I reported that as a result of the change in the Articles of Association to permit the Company to distribute realised capital profit as dividend the Board had been able to commit to paying the dividend at the present annual rate of £5.60 per share for the foreseeable future without interfering with the balance and composition of our investment portfolio. In the year to 30 April 2018 we drew on revenue reserves to the extent of £740,000 leaving us with £422,000 of undistributed revenue available from past years before we would again need to draw on the distributable Capital Reserve Realised (see page 13).

During the year we issued 252,306 shares for a total of £102.6 million. It is the policy of the Board that our shares should at all times be readily realisable by individual holders at as close as possible to their net asset value, and it is reassuring to report that since 8 November 1999, 'Discount Freedom Day', when investment trusts were empowered to use capital to buy back shares and hence to control the discount to net assets at which their shares sell, Personal Assets' share price has risen almost exactly in line with shareholders' funds per share while the number of shares outstanding is now six times higher, having grown from 369,121 at 30 April 2000 to 2,212,433 by 30 April 2018.

For some time now we have been planning how best to diversify and strengthen the Board in the years to come. In 2016 Jean Sharp joined us and was recently appointed Chair of the Audit Committee. In December 2017 we welcomed Iain Ferguson and Paul Read, both of whom have already made significant contributions to our discussions. Meanwhile, Frank Rushbrook has intimated that he would like to retire after the 2019 AGM on completing ten years' service and in due course Robin Angus and I will also be seeking to retire. I am 73 and have been Chairman for nine years, while Robin, who has been closely involved with Personal Assets since its inception in 1983 and has been full time Executive Director since 2002, will be 66 this year. Shareholders can therefore expect further refreshing of the Board during the next few years.

Continuity and collective memory are, however, extremely important to any Board and especially to one with Personal Assets' long tradition of independent thought and action, and with this in view we have asked Gordon Neilly, who has been a Director since 1997 but is still, at 57, comfortably below normal retiring age, to stay on (subject to re-election) as a Director over this period of change specifically in order to provide that much-needed continuity. To give maximum scope to new Directors as they begin their duties, Gordon will not be a member of any of the Board Committees.

Hamish Buchan

Investment Adviser's Report

Following the steady if unspectacular progress of recent years the Company's NAV suffered a modest fall of 2.6%. Such a result was not unexpected. We had previously highlighted that until we were more fully invested our returns were likely to continue to differ markedly from those of the stock market, and the strengthening of sterling also had a negative effect on performance.

At the beginning of 2018 the market seemed to believe that investing in stocks had become a one-way bet. Market volatility as represented by the VIX Index had been at a thirty year low for much of 2017 and positive share price momentum seemed unstoppable. Complacency was high, valuations were all but ignored and interest rates had remained so low for so long that markets seemed to have forgotten that risk-taking had a downside. Since the 2007/8 financial crisis the lack of growth in the economy had prevented monetary policy normalisation as easy conditions drove asset prices to record highs. In time this was always likely to be problematic for equities, and the calm was broken in early February by better than expected US unemployment data which indicated a stronger economy. It is the irony of financial markets that such good news is viewed negatively. The US stock market fell almost 10% in six trading days and, while markets have rallied somewhat since, we believe this sudden jolt marks a turning point. From here on we anticipate greater volatility for equities.

During the year we therefore cut our equity exposure from 46% to 38% (the lowest since 2008). We reduced longstanding holdings in British American Tobacco, Philip Morris and Microsoft on valuation grounds following periods of strong performance and before their recent price falls. We sold two longstanding US holdings in their entirety. Becton Dickinson we first acquired in 2010, attracted by its clean balance sheet, lowly valuation, sensible attitude towards capital allocation and business model of selling repetitively consumable medical devices. More recently, however, Becton's management has turned to acquiring growth and scale through acquisitions, putting the balance sheet at risk. We prefer companies we hold to create goodwill rather than expensively acquire it, so we took our (sizeable) profit. We also sold Dr Pepper Snapple following the announcement of a merger with Keurig Green Mountain. This led to a material rise in the share price, making the retention of the shares in the combined entity, with a highly leveraged balance sheet, no longer attractive.

The portfolio has been biased to the US but recently we have been finding better value in Europe, adding two new holdings in Société BIC and Henkel. Both companies have dominant shares of their respective markets, strong balance sheets and the comfort of alignment with family owners who will not mortgage their businesses for the sake of flattering today's earnings. In a cycle in which earnings growth has been driven by debt (supporting share buybacks) this provides us with comfort.

Notwithstanding the recent market falls, investor confidence remains high, sentiment strong and the economic outlook stable. The problem is that valuations by historical standards are even higher while geopolitical risks and the threat of greater protectionism have increased. Trends that fostered globalisation appear to be in reverse. Record debt levels may paradoxically prove deflationary, unless we see fiscal irresponsibility (the tax reform introduced in the US this year may be a precursor) lead to the higher inflation required to inflate it away. After years of stimulus, investors today are unfamiliar with the challenge of rising interest rates and our concern is that there is a lack of realisation of the risks being taken so late into this prolonged economic cycle.

Nine years into a bull market, our concern is that diversification through equities, bonds, property and other 'alternatives', such as private equity, may not protect investors as well as in previous cycles. Valuations now cause us to question the efficacy of the traditional 'barbell' balanced fund of bonds and equities which provided attractive risk-adjusted returns for more than a generation. In contrast to conventional bonds we prefer index-linked and gold as a counterweight to equities and our allocation to risk assets remains low. We are optimistic this will in due course give us the investment opportunities we have been waiting for. Recent share price falls offer the prospect for better value ahead. As the old market adage goes, "*you make money when you buy, not when you sell*".

Sebastian Lyon

STRATEGIC REPORT FOR THE YEAR TO 30 APRIL 2018

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, PATAC Limited ("PATAC"), which provides secretarial and administrative services to the Company and six other investment trust companies. PATAC also provides Alternative Investment Fund Manager ("AIFM") and discount control services. Further information on the services provided by PATAC and its employees can be found at www.patplc.co.uk/patac-limited.

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 2018 can be found on page 7.

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. Six of the Directors are male and one is female. In order to conform with the EU's Alternative Investment Fund Managers Directive (the "AIFMD") the Board appointed its subsidiary, PATAC Limited, as its AIFM. The day-to-day management of the portfolio has been delegated by the AIFM to Troy Asset Management Limited ("Troy"), the Investment Adviser, and is the responsibility of Sebastian Lyon, the Founder and Chief Investment Officer 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 2018 Sebastian Lyon had an interest in 13,198 (2017: 10,429) shares of the Company.

DIVIDEND POLICY

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

DISCOUNT AND PREMIUM CONTROL POLICY

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

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

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 Total Return Performance Since 30 April 2000, being the year end closest to the peak of the great 1990s bull market:

- 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 total return compared to that of the FTSE All-Share Index, the six trusts included within the AIC Flexible Investment Sector and the 18 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

1 June 2018

PORTFOLIO AT 30 APRIL 2018

Security	Country	Equity Sector	Shareholders' Funds %	Valuation 30 April 2018 £'000	Bought/ (sold) £'000	Gain/ (loss) £'000
Equities						
British American Tobacco	UK	Tobacco	3.3	27,993	(2,827)	(7,970)
Nestlé	Switzerland	Food Producer	3.1	26,692	–	(1,454)
Microsoft	USA	Software	3.0	26,141	(9,866)	7,610
Coca-Cola	USA	Beverages	3.0	25,414	–	(1,578)
Philip Morris	USA	Tobacco	2.8	23,822	(4,547)	(10,152)
Unilever	UK	Food Producer	2.7	22,931	6,608	874
Berkshire Hathaway	USA	Insurance	2.1	17,958	–	1,688
Altria	USA	Tobacco	2.1	17,927	2,543	(5,679)
Sage Group	UK	Technology	2.0	17,145	–	(932)
American Express	USA	Financial Services	1.8	15,777	–	2,308
Imperial Oil	Canada	Oil & Gas	1.7	14,445	–	74
Colgate Palmolive	USA	Personal Products	1.6	13,404	–	(2,337)
Henkel	Germany	Consumer Goods	1.5	12,484	13,327	(843)
Procter & Gamble	USA	Household Products	1.4	12,292	5,603	(2,074)
A.G. Barr	UK	Beverages	1.2	10,658	–	1,150
Diageo	UK	Beverages	1.2	10,581	–	1,393
GlaxoSmithKline	UK	Pharmaceuticals	1.1	9,202	–	(558)
Hershey	USA	Food Producer	0.9	8,166	6,166	(1,760)
Société BIC	France	Consumer Goods	0.9	7,400	8,742	(1,342)
Franco-Nevada	Canada	Mining	0.7	6,278	1,308	(110)
PZ Cussons	UK	Personal Products	0.3	2,711	–	(965)
Dr Pepper Snapple	USA	Beverages	–	–	(17,669)	2,945
Becton Dickinson	USA	Pharmaceuticals	–	–	(14,157)	1,162
Agnico Eagle Mines	Canada	Mining	–	–	(5,000)	218
Total Equities			**38.4**	**329,421**	**(9,769)**	**(18,332)**
US TIPS	USA		20.0	171,528	35,341	(14,744)
US Treasuries	USA		2.7	23,146	22,964	182
UK Index-Linked Gilts	UK		3.6	31,114	974	(1,535)
UK T-Bills	UK		22.5	193,696	78,714	–
Gold Bullion			8.9	76,887	–	(1,482)
Total Investments			**96.1**	**825,792**	**128,224**	**(35,911)**
UK cash			4.3	36,696	n/a	n/a
Overseas cash			0.5	4,067	n/a	n/a
Net current liabilities			(0.9)	(7,662)	n/a	n/a
TOTAL PORTFOLIO			**100.0**	**858,893**	**n/a**	**n/a**

GEOGRAPHIC ANALYSIS OF INVESTMENTS AND CURRENCY EXPOSURE AT 30 APRIL 2018

	UK %	USA %	Canada %	France %	Germany %	Switzerland %	Total %
Equities	12	19	2	1	1	3	38
Index-Linked Securities	4	20	–	–	–	–	24
T-Bills	22	–	–	–	–	–	22
Treasuries	–	3	–	–	–	–	3
Gold Bullion	–	9	–	–	–	–	9
Cash	4	1	–	–	–	–	5
Net current liabilities	(1)	–	–	–	–	–	(1)
Total	**41**	**52**	**2**	**1**	**1**	**3**	**100**
Net currency exposure %	72	21	2	1	1	3	100

RECORD 1990-2018

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 1/2	1,043.16	1.09	1.00	n/a	n/a
1991	9,006	149,313	60.32	48 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 1/2	1,388.88	2.52	1.80	12.5	1.3
1994	12,987	152,187	85.34	89 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 1/2	1,914.61	2.90	2.20	10.0	2.4
1997	27,865	208,114	133.89	141 1/4	2,135.31	3.01	2.30	4.5	2.4
1998	48,702	270,250	180.21	199 1/2	2,788.99	3.57	2.45	6.5	4.0
1999	65,200	323,966	201.26	202 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 1/2	2.9	3.0
2001	78,000	376,750	207.03	208 1/2	2,869.04	3.27	2.70	2.9	1.8
2002	92,430	454,472	203.38	209 1/2	2,512.04	3.88	2.80	3.7	1.5
2003	104,324	559,925	186.32	193 3/4	1,891.50	3.40	2.90	3.6	3.1
2004	134,770	641,253	210.17	214 1/2	2,237.34	3.98	3.10	6.9	2.5
2005	149,834	677,185	221.26	224 3/4	2,397.05	3.41	3.40	9.7	3.2
2006	189,351	739,234	256.14	259 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 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 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 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 9/10	3,619.83	4.78	5.60	0.0	2.5
2015	609,745	1,742,956	349.83	350 7/10	3,760.06	3.65	5.60	0.0	0.9
2016	640,624	1,744,842	367.15	372 1/2	3,421.70	4.78	5.60	0.0	1.3
2017	781,499	1,960,127	398.70	405 4/10	3,962.49	6.20	5.60	0.0	3.5
2018	**858,893**	**2,212,433**	**388.21**	**392**	**4,127.68**	**5.23**	**5.60**	**0.0**	**3.4**

Compound growth rates per annum	(%)	(%)	(%)	(%)	(%)		(%)
3 Years	3.5	3.8	3.2	12.7	0.0	–	2.7
5 Years	2.0	1.9	4.0	(1.7)	0.0	–	2.3
10 Years	4.2	4.3	2.9	(0.7)	2.0	–	2.7
Since 30 April 1990	7.1	8.5	5.0	5.8	6.3	–	2.9

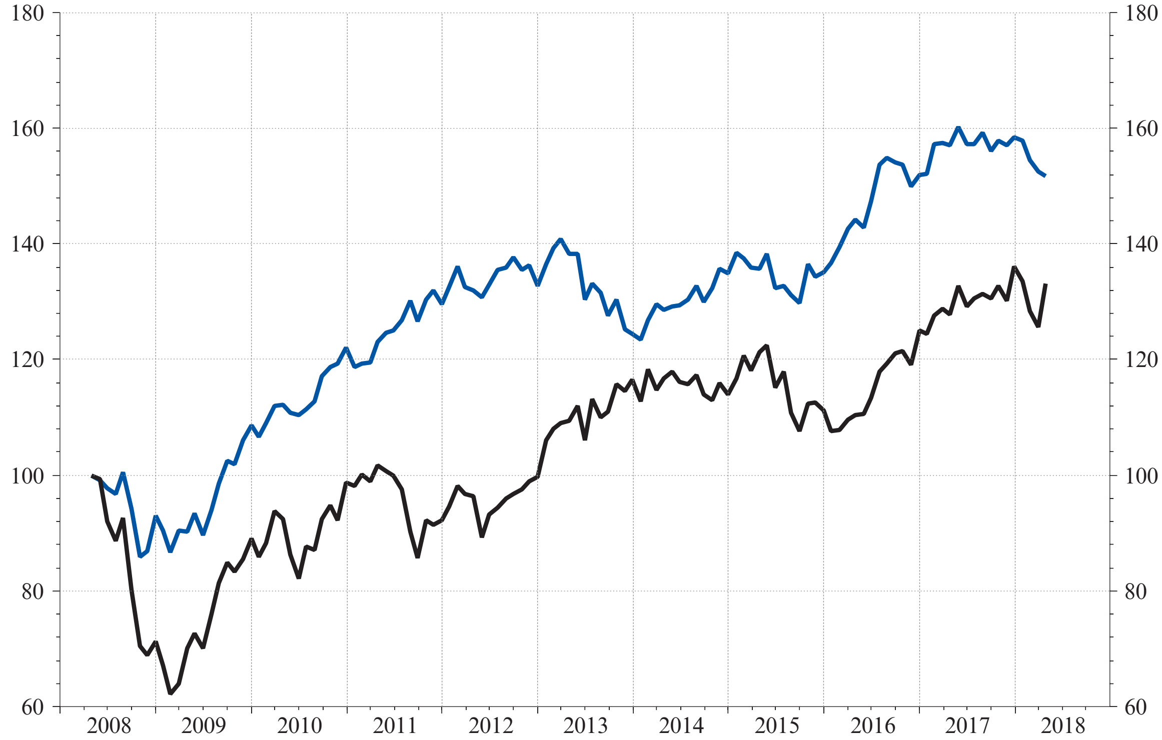
Shares outstanding and per share values have been adjusted for the 1 for 100 consolidation of Ordinary shares in January 1993 and exclude shares held in Treasury.

(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
FTSE All-Share Index

Source: Thomson Reuters Datastream

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

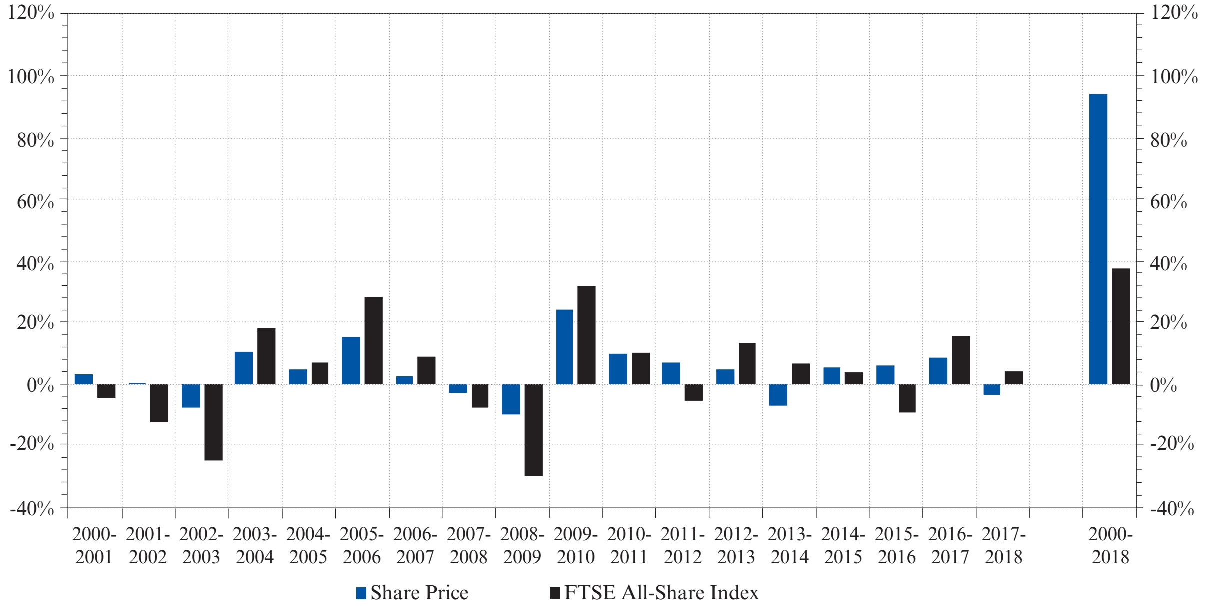
Share Price – Total Return
FTSE All-Share Index – Total Return

Source: Thomson Reuters Datastream

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 current year and 2013-2014, the Company's capital performance has tended to be less volatile than that of the All-Share but how, even taking both the above periods into account, the Company's long-term price gain of 94.1% since April 2000 has comfortably exceeded the All-Share's 37.5%.

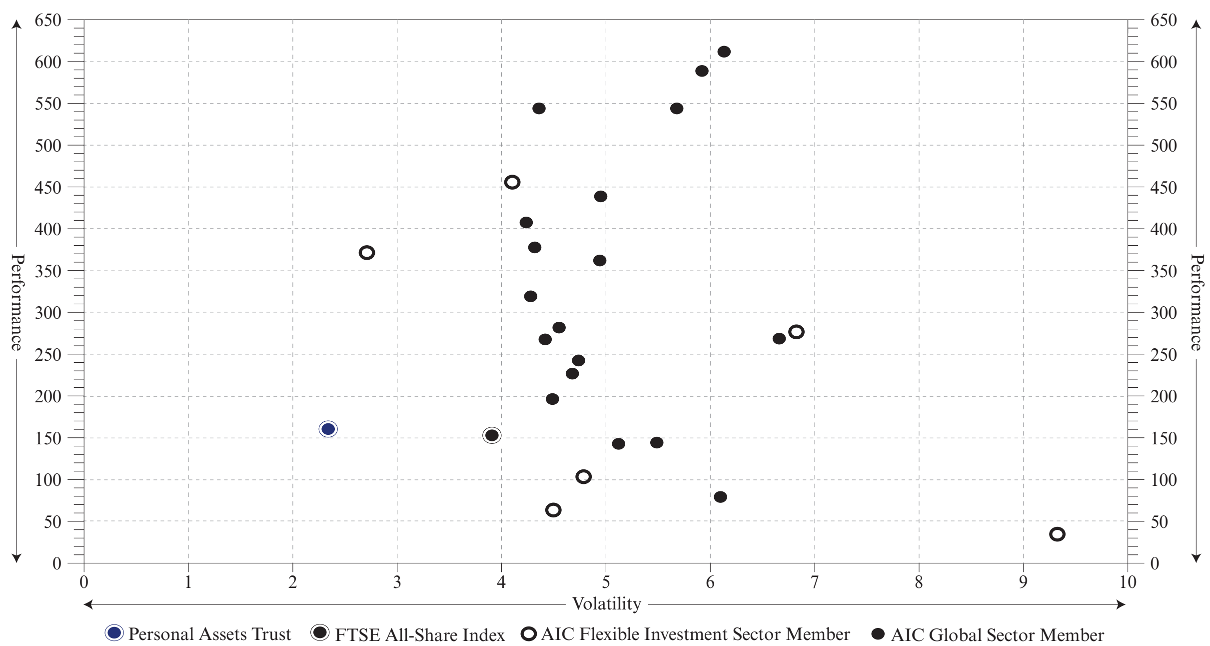
Annual percentage change in Share Price and FTSE All-Share Index to 30 April



VOLATILITY AND SHARE PRICE TOTAL RETURN PERFORMANCE SINCE 30 APRIL 2000

Note: The Scatter Graph shows the total return performance of Personal Assets (large blue dot) and the FTSE All-Share Index (large black dot) compared to that of the other six trusts included within the AIC Flexible Investment Sector and the 18 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 2018 Revenue return £'000	Capital return £'000	Total £'000	Year ended 30 April 2017 Revenue return £'000	Capital return £'000	Total £'000
Investment income	2	**15,679**	**–**	**15,679**	15,088	–	15,088
Other operating income	2	**972**	**–**	**972**	751	–	751
(Losses)/gains on investments held at fair value through profit or loss	8	**–**	**(35,911)**	**(35,911)**	–	83,454	83,454
Foreign exchange gains/(losses)	8	**–**	**14,474**	**14,474**	–	(26,403)	(26,403)
Total income		**16,651**	**(21,437)**	**(4,786)**	15,839	57,051	72,890
Expenses	3	**(4,061)**	**(3,513)**	**(7,574)**	(3,716)	(3,139)	(6,855)
Return before taxation		**12,590**	**(24,950)**	**(12,360)**	12,123	53,912	66,035
Taxation	5,6	**(1,585)**	**602**	**(983)**	(685)	–	(685)
Return for the year		**11,005**	**(24,348)**	**(13,343)**	11,438	53,912	65,350
Return per share		**£5.23**	**(£11.57)**	**(£6.34)**	£6.20	£29.25	£35.45

The "Return 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 2,103,529 (2017: 1,843,254) 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 2018 £'000**	**Company 30 April 2018 £'000**	Group 30 April 2017 £'000	Company 30 April 2017 £'000
Non-current assets					
Investments held at fair value through profit or loss	8	**825,792**	**826,529**	733,479	733,966
Current assets					
Financial assets held at fair value through profit or loss	9	**–**	**–**	10,666	10,666
Receivables	9	**1,616**	**1,565**	5,052	5,002
Cash and cash equivalents		**40,763**	**39,979**	34,926	34,495
Total assets		**868,171**	**868,073**	784,123	784,129
Current liabilities					
Financial liabilities held at fair value through profit or loss	10	**(7,659)**	**(7,659)**	–	–
Payables	10	**(1,619)**	**(1,521)**	(2,624)	(2,630)
Total liabilities		**(9,278)**	**(9,180)**	(2,624)	(2,630)
Net assets		**858,893**	**858,893**	781,499	781,499
Capital and reserves					
Ordinary share capital	11	**27,655**	**27,655**	24,502	24,502
Share premium		**587,773**	**587,773**	488,444	488,444
Capital redemption reserve		**219**	**219**	219	219
Special reserve		**22,517**	**22,517**	22,517	22,517
Capital reserve unrealised		**113,830**	**113,967**	217,467	217,504
Distributable reserves (see page 13)		**106,899**	**106,762**	28,350	28,313
Total equity		**858,893**	**858,893**	781,499	781,499
Shares in issue at year end	11	**2,212,433**	**2,212,433**	1,960,127	1,960,127
Net asset value per Ordinary share		**£388.21**	**£388.21**	£398.70	£398.70

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 Company's loss for the year ended 30 April 2018 was £13,443,000 (2017: profit of £65,347,000).

The financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf on 1 June 2018 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 2018	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Capital reserve unrealised £'000	Distributable reserves: Capital reserve realised £'000	Distributable reserves: Revenue reserve £'000	Total £'000
Balance at 30 April 2017	24,502	488,444	219	22,517	–	217,467	27,188	1,162	781,499
Loss for the year	–	–	–	–	–	(103,637)	79,289	11,005	(13,343)
Ordinary dividends paid[2]	–	–	–	–	–	–	–	(11,745)	(11,745)
Issue of Ordinary shares[3]	3,153	99,484	–	–	–	–	–	–	102,637
Cost of issue of Ordinary shares	–	(155)	–	–	–	–	–	–	(155)
Balance at 30 April 2018	**27,655**	**587,773**	**219**	**22,517**	**–**	**113,830**	**106,477**	**422**	**858,893**

For the year ended 30 April 2017	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Capital reserve unrealised £'000	Distributable reserves: Capital reserve realised £'000	Distributable reserves: Revenue reserve £'000	Total £'000
Balance at 30 April 2016	21,848	406,302	219	22,517	(1,039)	128,259	62,484	34	640,624
Profit for the year	–	–	–	–	–	89,208	(35,296)	11,438	65,350
Ordinary dividends paid[2]	–	–	–	–	–	–	–	(10,310)	(10,310)
Issue and reissue of Ordinary shares[3]	2,654	82,142	–	–	2,837	–	–	–	87,633
Buybacks of Ordinary shares	–	–	–	–	(1,798)	–	–	–	(1,798)
Balance at 30 April 2017	**24,502**	**488,444**	**219**	**22,517**	**–**	**217,467**	**27,188**	**1,162**	**781,499**

(1) The Company's reserves are the same as the Group's other than the capital reserve unrealised, which is £113,967,000 (2017: £217,504,000), and the revenue reserve, which is £285,000 (2017: £1,125,000). The differences relate to the profit generated by the Company's subsidiary.

(2) See Note 7.

(3) See Note 11.

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 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 unrealised. 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 accounted for in this Reserve.

Capital reserve realised. 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.

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 2018 £'000	**Company Year ended 30 April 2018 £'000**	Group Year ended 30 April 2017 £'000	Company Year ended 30 April 2017 £'000
Cash flows from operating activities				
(Loss)/profit before taxation	**(12,360)**	**(12,460)**	66,035	66,032
Losses/(gains) on investments including effective yield	**31,039**	**31,039**	(87,954)	(87,954)
Foreign exchange (gains)/losses	**(14,474)**	**(14,474)**	26,403	26,403
Operating cash flow before movements in working capital	**4,205**	**4,105**	4,484	4,481
Decrease/(increase) in accrued income, prepayments and other receivables	**556**	**557**	(84)	(79)
Increase in other payables	**133**	**29**	184	216
Net cash from operating activities before taxation	**4,894**	**4,691**	4,584	4,618
Taxation	**(970)**	**(970)**	(895)	(895)
Net cash inflow from operating activities	**3,924**	**3,721**	3,689	3,723
Investing activities				
Purchase of investments – equity shares	**(47,725)**	**(47,875)**	(15,977)	(16,077)
Purchase of investments – fixed interest and other investments	**(882,692)**	**(882,692)**	(569,673)	(569,673)
Disposal of investments – equity shares	**58,497**	**58,497**	1,914	1,914
Disposal of investments – fixed interest and other investments	**749,567**	**749,567**	537,000	537,000
Forward foreign exchange gains/(losses)	**32,592**	**32,592**	(34,710)	(34,710)
Net cash outflow from investing activities	**(89,761)**	**(89,911)**	(81,446)	(81,546)
Financing activities				
Equity dividends paid	**(11,745)**	**(11,745)**	(10,310)	(10,310)
Issue of Ordinary shares	**103,367**	**103,367**	83,846	83,846
Cost of issue of Ordinary shares	**(155)**	**(155)**	–	–
Cost of share buybacks	**–**	**–**	(1,798)	(1,798)
Reissue of Ordinary shares from Treasury	**–**	**–**	3,130	3,130
Net cash inflow from financing activities	**91,467**	**91,467**	74,868	74,868
Increase/(decrease) in cash and cash equivalents	**5,630**	**5,277**	(2,889)	(2,955)
Cash and cash equivalents at the start of the year	**34,926**	**34,495**	37,278	36,913
Effect of exchange rate changes	**207**	**207**	537	537
Cash and cash equivalents at the end of the year	**40,763**	**39,979**	34,926	34,495
Net cash inflow from operating activities includes the following:				
Dividends received	**9,943**	**9,943**	9,233	9,233
Interest received	**1,534**	**1,534**	1,320	1,320

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 and updated in January 2017 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.

Certain new standards, including IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, 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 position and performance 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 and has been consolidated as a controlled entity as it supports the investment activity of the investment entity. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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.

Special dividends are classified as either revenue or capital depending on their nature.

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 Gold Bullion are valued using the London Bullion Market Association gold price which is the global benchmark price for unallocated gold delivered in London. 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, non-monetary assets and liabilities denominated in foreign currencies at the year end are carried at fair value 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 2018 were Canadian Dollars, Euros, Swiss Francs and US Dollars. The exchange rates applying against Sterling at 30 April were as follows:

	2018	2017
Canadian Dollar	**1.7682**	1.7671
Euro	**1.1398**	1.1878
Swiss Franc	**1.3638**	1.2881
US Dollar	**1.3769**	1.2946

Forward currency contracts are classified as financial assets or liabilities 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 change in fair value is recognised in the Income Statement as a capital item. The forward rate of exchange of the Company's US Dollars to Sterling contract at 30 April 2018, which matures on 12 July 2018, was 1.3818 (2017: 1.2966). 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 either fair value through profit or loss or 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

	2018 £'000	2017 £'000
Income from investments		
Franked investment income	**2,994**	2,953
Fixed interest securities	**6,258**	5,856
Overseas dividends	**6,427**	6,279
	15,679	15,088
Other operating income		
Deposit interest	**60**	52
Other income[1]	**912**	699
Total income	**16,651**	15,839

[1] Income generated by PATAC Limited for secretarial, administrative, AIFM and discount control services provided to other investment trust companies.

3. EXPENSES

	2018 Revenue £'000	**2018 Capital £'000**	**2018 Total £'000**	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000
Investment advisory fee[1]	**1,892**	**3,513**	**5,405**	1,690	3,139	4,829
Staff costs	**991**	–	**991**	895	–	895
Savings scheme expenses	**196**	–	**196**	190	–	190
Directors' fees	**127**	–	**127**	110	–	110
Depositary fees	**96**	–	**96**	83	–	83
Irrecoverable VAT	**90**	–	**90**	139	–	139
Rent and rates	**81**	–	**81**	57	–	57
Custody fees	**69**	–	**69**	68	–	68
Registrar's fees	**62**	–	**62**	48	–	48
Audit fee	**26**	–	**26**	26	–	26
Other expenses	**431**	–	**431**	410	–	410
	4,061	**3,513**	**7,574**	3,716	3,139	6,855

[1] The Company has appointed its subsidiary PATAC Limited as its AIFM. Under the AIFMD agreement the AIFM has delegated the portfolio advisory activities relating to the Company to Troy Asset Management Limited ("Troy") pursuant to a delegation agreement. Troy make a contribution of £60,000 per annum 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: 0.65 per cent. on the first £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 2018 the total cost amounted to £5,405,000 (2017: £4,829,000). An amount of £1,334,500 was payable to the Investment Adviser at the year end (2017: £1,249,000). No compensation is payable to the Investment Adviser in the event of termination of the contract over and above payment in respect of the required six months' notice. The contract is also terminable summarily by either party in the event of: material breach by the other party; the occurrence of certain events suggesting the insolvency of the other party or relating to the winding up of the other party; or the negligence, wilful default or fraud of the other party.

Notes to the Accounts (continued)

3. Expenses (continued)

Details of the Company's ongoing charges can be found at www.patplc.co.uk. The unaudited Ongoing Charges Ratio for the year ended 30 April 2018 was 0.79 per cent. (2017 unaudited: 0.86 per cent.). The income of £912,000 (2017: £699,000) generated by the Company's subsidiary has been offset against the expenses of £7,574,000 (2017: £6,855,000) in calculating the Ratio which has been performed in accordance with the guidelines issued by the AIC.

4. Directors' Remuneration and Employee Costs

	2018 £'000	2017 £'000
Directors' fees and salaries	**327**	310
Other salaries	**566**	516
Bonus payments	**58**	28
Pension contributions[1]	**66**	58
Employer's national insurance	**109**	100
	1,126	1,012

[1] PATAC Limited operates a defined contribution scheme for its employees. The Company has agreed to pay contributions up to 13$^{1}/_{3}$ 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 eight employees during the year ended 30 April 2018 and seven employees during the year ended 30 April 2017.

5. Tax on Ordinary Activities

	2018 £'000	2017 £'000
Foreign tax suffered	**983**	685

A deferred tax asset of £2,012,000 (2017: £1,946,000) in respect of unutilised expenses at 30 April 2018 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.

Capital expenses of £3,169,000 have been used to offset the Group tax position.

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:

	2018 £'000	2017 £'000
Return before tax	**(12,360)**	66,035
Corporation tax at standard rate of 19 per cent. (2017: 19.92 per cent.)	**(2,348)**	13,154
Effects of:		
Capital (losses)/gains not subject to taxation	**4,073**	(11,364)
Investment income not subject to taxation	**(1,790)**	(1,839)
Excess of expenses over chargeable income	**65**	49
Foreign tax suffered	**983**	895
Recovery of foreign tax suffered	**–**	(210)
Total tax charge (note 5)	**983**	685

7. Dividends

	2018 £'000	2017 £'000
Amounts recognised as distributions to equity holders in the year ended 30 April 2018:		
First interim dividend of £1.40 (2017: £1.40) per Ordinary share	**2,774**	2,448
Second interim dividend of £1.40 (2017: £1.40) per Ordinary share	**2,907**	2,529
Third interim dividend of £1.40 (2017: £1.40) per Ordinary share	**2,997**	2,630
Fourth interim dividend of £1.40 (2017: £1.40) per Ordinary share	**3,067**	2,703
	11,745	10,310

8. Investments – Group and Company

	Group 2018 £'000	**Company 2018 £'000**	Group 2017 £'000	Company 2017 £'000
Listed on a recognised investment exchange:				
Investments	**748,905**	**748,905**	655,110	655,110
Gold Bullion[1]	**76,887**	**76,887**	78,369	78,369
Subsidiary undertaking ("Sub")	**–**	**737**	–	487
	825,792	**826,529**	733,479	733,966

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

	Listed UK £'000	Listed Overseas £'000	Total £'000	Sub £'000
Opening book cost	198,950	327,728	526,678	450
Opening unrealised appreciation	52,154	154,647	206,801	37
Opening valuation	**251,104**	**482,375**	**733,479**	**487**
Movements in the year				
Purchases at cost	670,276	259,003	929,279	150
Effective yield adjustment[1]	1,287	3,585	4,872	–
Sales proceeds	(588,095)	(217,832)	(805,927)	–
Sales – realised gains on sales	3,068	46,333	49,401	–
Unrealised loss on the fair value of investments during the year	(11,610)	(73,702)	(85,312)	100
Total movement during the year	74,926	17,387	92,313	250
Closing valuation	**326,030**	**499,762**	**825,792**	**737**

[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	285,486	418,817	704,303	600
Closing unrealised appreciation	40,544	80,945	121,489	137
	326,030	**499,762**	**825,792**	**737**

	2018 £'000	2017 £'000
Represented by:		
Equities	**329,421**	357,522
US TIPS	**171,528**	150,931
US Treasuries	**23,146**	–
UK Index-Linked Gilts	**31,114**	31,675
UK T-Bills	**193,696**	114,982
Gold Bullion	**76,887**	78,369
	825,792	733,479
Realised gains on sales	**49,401**	2,016
Unrealised (losses)/gains on the fair value of investments during the year	**(85,312)**	81,438
Realised gains/(losses) on foreign exchange	**32,799**	(37,069)
Unrealised (losses)/gains on foreign exchange	**(18,325)**	10,666
(Losses)/gains on investments	**(21,437)**	57,051

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

Transaction costs

During the year the Company incurred transaction costs of £102,941 (2017: £39,392) on the purchase of investments and £42,141 (2017: £6,187) on the sale of investments.

9. CURRENT ASSETS

	Group 2018 £'000	**Company 2018 £'000**	Group 2017 £'000	Company 2017 £'000
Financial Assets				
Fair value of forward currency contract	–	–	10,666	10,666
Receivables				
Accrued income	**909**	**909**	1,458	1,458
Tax receivable	**656**	**656**	669	669
Due from brokers	–	–	2,867	2,867
Prepayments and other receivables	**51**	–	58	8
	1,616	**1,565**	5,052	5,002

10. CURRENT LIABILITIES

	Group 2018 £'000	**Company 2018 £'000**	Group 2017 £'000	Company 2017 £'000
Financial Liabilities				
Fair value of forward currency contract	**7,659**	**7,659**	–	–
Payables				
Due to brokers	–	–	1,138	1,138
Due to subsidiary	–	**19**	–	64
Other payables	**1,619**	**1,502**	1,486	1,428
	1,619	**1,521**	2,624	2,630

11. CALLED-UP SHARE CAPITAL

	Number	£'000
Allotted, called-up and fully paid Ordinary shares of £12.50 each:		
Balance at 30 April 2017	1,960,127	24,502
Shares issued during the year	252,306	3,153
Balance at 30 April 2018	**2,212,433**	**27,655**

At 30 April 2018 no Shares were held in Treasury (2017: nil).

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, fixed interest securities and physical gold, 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 2018 on pages 4-6.

The fair value of the financial assets and liabilities of the Group and Company at 30 April 2018 and at 30 April 2017 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 (2017: none).

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

All of the assets of the Group, other than cash deposits and receivables, are held by J.P. Morgan Chase Bank N.A., the Group's Custodian, acting as a delegate of J.P. Morgan Europe Limited which has been appointed as the Company's Depositary.

13. FINANCIAL INSTRUMENTS (CONTINUED)

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

The credit risk on cash balances 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 2018 would have increased net return and net assets for the year by £247,738,000 (2017: a 30 per cent. increase in the value of the investment exposure would have increased net return by £220,044,000). A decrease of 30 per cent. (2017: 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 2018 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 2018 was 0.50 per cent. in the UK (2017: 0.50 per cent.).

Floating interest rate exposure at 30 April:

	2018	2017
	£'000	£'000
Sterling	**36,696**	34,914
US Dollar	**4,067**	12
	40,763	34,926

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 £204,000 (2017: £175,000). 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 2018:	Within 1 year	Within 1-5 years	More than 5 years
US TIPS	–	171,528	–
US Treasuries	–	23,146	–
UK Index-Linked Gilts	–	–	31,114
UK T-Bills	193,696	–	–
	193,696	194,674	31,114

At 30 April 2017:	Within 1 year	Within 1-5 years	More than 5 years
US TIPS	–	150,931	–
UK Index-Linked Gilts	–	–	31,675
UK T-Bills	114,982	–	–
	114,982	150,931	31,675

Foreign Currency Risk

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

	2018	2017
Gross currency exposure at 30 April:	**£'000**	£'000
Canadian Dollars	**20,723**	24,233
Euros	**19,884**	–
Swiss Francs	**26,692**	28,146
US Dollars[1]	**436,529**	430,007

[1]At 30 April 2018 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 minus £7,659,000 (2017: fair value of £10,666,000) on the US$362,250,000 (2017: US$336,150,000) sold forward against £254,491,000 (2017: £269,914,000) is included in financial liabilities (2017: financial assets). All foreign exchange contracts in place at 30 April 2018 were due to mature within three months. The exposure to US Dollars as shown above also includes Gold Bullion. At 30 April 2018 the net exposure to US Dollars was £174,379,000 (2017: £170,760,000) including Gold Bullion and £97,492,000 (2017: £92,391,000) 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 net assets 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, Euro, 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:

	2018			2017		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Canadian Dollars	**37**	**2,303**	**2,340**	30	2,693	2,723
Euros	**23**	**2,209**	**2,232**	–	–	–
Swiss Francs	**89**	**2,966**	**3,055**	96	3,127	3,223
US Dollars	**1,113**	**19,375**	**20,488**	1,219	18,973	20,192
	1,262	**26,853**	**28,115**	1,345	24,793	26,138

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

	2018				2017			
Description	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	**825,792**	**–**	**737**	**826,529**	733,479	–	487	733,966
Financial liabilties	**–**	**(7,659)**	**–**	**(7,659)**	–	–	–	–
Financial assets	–	–	–	–	–	10,666	–	10,666
Total	**825,792**	**(7,659)**	**737**	**818,870**	733,479	10,666	487	744,632

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 2018, Personal Assets' subsidiary undertaking, which has been consolidated, was as follows:

Name	**Place of incorporation**	**Business activity**	**Shares owned**	**Percentage of Share Capital owned**
PATAC Limited	Scotland	Company secretarial and administrative services	600,000 Ordinary shares of £1	100

The Company holds the full voting power in the subsidiary undertaking. During the year the subsidiary issued 150,000 Ordinary shares of £1.

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 2018 was £5,405,000 (2017: £4,829,000). An amount of £1,334,500 was outstanding to the Investment Adviser at 30 April 2018 (2017: £1,249,000).

Secretarial and administrative services are provided by the Company's wholly owned subsidiary, PATAC Limited. Costs, net of third party income, amounted to £257,000 (2017: £250,000) in respect of these services in the year to 30 April 2018. No amounts were outstanding at the year end.

Directors of the Company received fees for their services. An amount of £25,000 was outstanding to the Directors at the year end (2017: £10,000). 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") – UNAUDITED

In accordance with the AIFMD, information in relation to the Company's leverage and the remuneration of the Company's AIFM, PATAC Limited ("PATAC"), is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy and remuneration disclosures in respect of the year ended 30 April 2018 are available from PATAC on request.

The Company's maximum and actual leverage levels at 30 April 2018 are shown below:

	Gross Method	Commitment Method
Maximum limit	200%	200%
Actual	127%	131%

There have been no changes to the Company's investor disclosure document in the year to 30 April 2018. 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 2018.

BOARD OF DIRECTORS

At the year end the Board comprised six non-executive Directors and an Executive Director. Stuart Paul, a non-executive Director, retired from the Board on 20 July 2017 while Iain Ferguson and Paul Read were appointed non-executive Directors on 1 December 2017.

Hamish Buchan

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

Shares held: 1,132 Fees during year: £42,000

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. He is also a non-executive Director of Templeton Emerging Markets.

Robin Angus

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

Shares held: 4,689 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.

Iain Ferguson CBE

Joined the Board as a non-executive Director in 2017.

Shares held: 2,287 Fees during year: £8,696

Chairman of Stobart Group Limited and Senior Independent Director and Chairman of the Remuneration Committee at Balfour Beatty plc. Until 2009 he was Chief Executive of Tate & Lyle. Prior to joining Tate & Lyle in 2003, he spent 26 years at Unilever in a succession of rôles culminating in his appointment as senior vice president, corporate development. He holds a BSc (Hons) in Chemistry & Psychology from St Andrews University and has the Harvard Business School Advanced Management Programme.

Gordon Neilly

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

Shares held: 1,919 Fees during year: £21,000

Head of Strategy and Corporate Activity at Aberdeen Standard Investments. He was previously Co-Chief Executive Officer of Cantor Fitzgerald Europe, 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.

Paul Read

Joined the Board as a non-executive Director in 2017.

Shares held: 1,000 Fees during year: £8,696

Co-leads Invesco Perpetual's fixed interest team, managing a number of government, corporate and non-investment grade portfolios across the maturity spectrum. He began his investment career with UBS (Securities) Ltd in 1986, and then moved to Merrill Lynch International in 1988 in various rôles prior to his appointment as a director of fixed interest trading before joining Invesco in 1995. He holds a BA in Economics and History from the University of Toronto and also has an MBA from INSEAD.

Frank Rushbrook

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

Shares held: 15,289 Fees during year: £21,000

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.

Jean Sharp

Joined the Board as a non-executive Director in 2016.

Shares held: 1,026 Fees during year: £21,000

Chief Taxation Officer of Aviva and its predecessor companies since 1998. She is a Chartered Accountant.

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 view 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

Directors' Report (continued)

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 provide the information necessary for shareholders to assess the Company's position and performance, 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.

Responsibility Statements under the Disclosure Guidance and Transparency Rules

Each of the Directors listed on page 21 confirms that to the best of her or 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 Strategic 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.

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 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, US Treasuries, 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.

Capital Structure

At 30 April 2018 there were 2,212,433 Ordinary shares of £12.50 each in issue.

During the year the Company issued 252,306 Ordinary shares for proceeds of £102,637,000 before costs of £155,000.

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 2018.

Substantial Interests

At 30 April 2018 there were no holdings representing (directly or indirectly) 3 per cent. or more of the voting rights attaching to the issued share capital of the Company that had been disclosed to the Company.

No such holdings have been 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.

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 her or him in the execution of her or 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 offices. Using Defra/ DECC's GHG conversion factors for company reporting produced in 2014, emissions for the year to 30 April 2018 were 19.6 tonnes of CO2e (2017: 18.1 tonnes of CO2e). This equates to 0.13 tonnes of CO2e (2017: 0.11 tonnes of CO2e) per square metre.

AUDITORS

Ernst & Young LLP ("EY") has been Auditor to the Company since 1983. An audit tender has been carried out, and the Board, on the recommendation of the Audit Committee, is recommending that PwC LLP ("PwC") be appointed as Auditor. Further information about the tender process can be found in the Report of the Audit Committee on page 28. As a result, EY will not be seeking re-appointment as Auditor at the Annual General Meeting and a copy of their statement of the circumstances of their ceasing to hold office is enclosed with this Annual Report. A resolution to appoint PwC as Auditor to the Company will be proposed at the forthcoming Annual General Meeting and will be effective immediately following that Meeting.

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 or she ought to have taken as a Director in order to make herself or 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 10 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 11** is to authorise the Directors to issue new shares up to an aggregate nominal amount of £2,780,137.50, being 10 per cent. of the total issued shares at 1 June 2018. **Resolution 12** 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 £2,780,137.50, being 10 per cent. of the total issued shares at 1 June 2018, 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

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 13** is to renew the authority for a further period until the Company's Annual General Meeting in 2019. 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 30 April 2018 there were no Ordinary shares held in Treasury.

Resolutions 12 and 13 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 14** 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

1 June 2018

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 2017 (the resolution received 99.6 per cent. of votes for, 0.2 per cent. against, and 0.2 per cent. of votes cast were withheld), will next be put to shareholders at the AGM in 2020.

Remuneration Committee

The Remuneration Committee, chaired by Frank Rushbrook and comprising Mr Rushbrook, Hamish Buchan and Paul Read, 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. No shareholder views were sought in setting the remuneration policy although any comments received from shareholders are considered. It is intended that this policy will continue until it is put to shareholders at the AGM in 2020. 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 £42,000 for the Chairman and £21,000 for each of the Directors. However, owing to the increased responsibilities imposed on the Chair of the Audit Committee in recent years it was agreed to increase the fee for this rôle to £25,000 (previously £21,000) per annum from 1 May 2018. 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 2018 and 30 April 2017 were as follows:

Director	**Interest**	**2018**	2017
Hamish Buchan (Chairman)	Beneficial	**1,132**	1,124
Robin Angus	Beneficial	**4,689**	4,529
Iain Ferguson*	Beneficial	**2,287**	n/a
Gordon Neilly	Beneficial	**1,919**	1,917
Paul Read*	Beneficial	**1,000**	n/a
Frank Rushbrook	Beneficial	**15,289**†	13,623
Jean Sharp‡	Beneficial	**1,026**	932

* Appointed 1 December 2017.
† Includes an interest in 1,549 shares held by The Rushbrook Charitable Trust of which Mr Rushbrook is a Trustee.
‡ Appointed 21 July 2016.

Since 30 April 2018, Mr Angus has acquired a beneficial interest in an additional 8 shares, Mr Rushbrook in an additional 8 shares, and Ms Sharp in an additional 8 shares. There have been no other changes in the above holdings between 30 April 2018 and 1 June 2018.

Directors' Remuneration for the Year (Audited)

	Year ended 30 April 2018		Year ended 30 April 2017	
Director	**Fees**	**Salary**	Fees	Salary
Hamish Buchan (Chairman)	**£42,000**	–	£38,000	–
Robin Angus	–	**£200,000**	–	£200,000
Iain Ferguson*	**£8,696**	–	n/a	–
Gordon Neilly	**£21,000**	–	£19,000	–
Stuart Paul†	**£4,622**	–	£19,000	–
Paul Read*	**£8,696**	–	n/a	–
Frank Rushbrook	**£21,000**	–	£19,000	–
Jean Sharp‡	**£21,000**	–	£14,826	–
Total	**£127,014**	**£200,000**	£109,826	£200,000

* Appointed 1 December 2017.
† Retired 20 July 2017.
‡ Appointed 21 July 2016.

The rates of Directors' fees for the year ended 30 April 2018 were set out in the Directors' Remuneration Report contained in the Company's 2017 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 2018. 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

	2018 £'000	2017 £'000	% change
Directors' fees and salaries	**327**	310	5.5
Expenses	**7,574**	6,855	10.5
Employee costs	**799**	702	13.8
Dividends paid	**11,745**	10,310	13.9

Directors' fees and salaries as a percentage of:

	2018 %	2017 %
Expenses	**4.3**	4.5
Employee costs	**40.9**	44.2
Dividends paid	**2.8**	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.

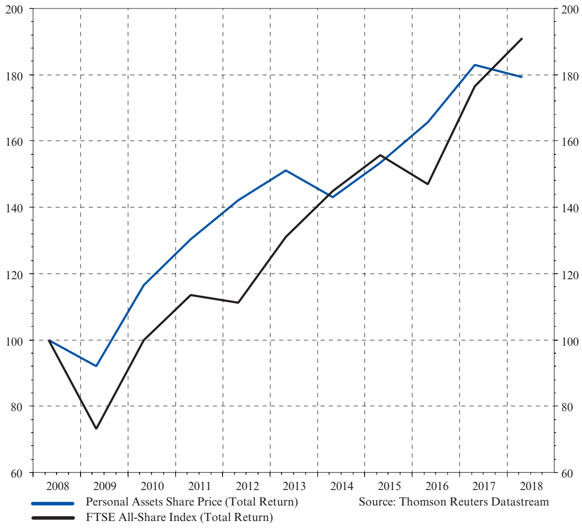
Approval

Voting on the resolution to approve the Directors' Remuneration Report at the Company's AGM on 20 July 2017 was as follows:

Resolution	% For	% Against	% Withheld
Approve Directors' Remuneration Report	99.6	0.2	0.2

Company Performance

The graph below compares, for the ten financial years ended 30 April 2018, 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 2018 is given in the Chairman's Statement and Investment Adviser's Report on pages 2 and 3.



On behalf of the Board

Frank Rushbrook
Director

1 June 2018

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 the members of which are in contact 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 her or 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 Election or Re-election**
Hamish Buchan (Chairman)	5 July 2001	AGM 2018
Robin Angus (Executive Director)	18 May 1984	AGM 2018
Iain Ferguson	1 December 2017	AGM 2018
Gordon Neilly	30 April 1997	AGM 2018
Paul Read	1 December 2017	AGM 2018
Frank Rushbrook	16 July 2009	AGM 2018
Jean Sharp	21 July 2016	AGM 2018

Any new Directors appointed during the year must stand for election 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

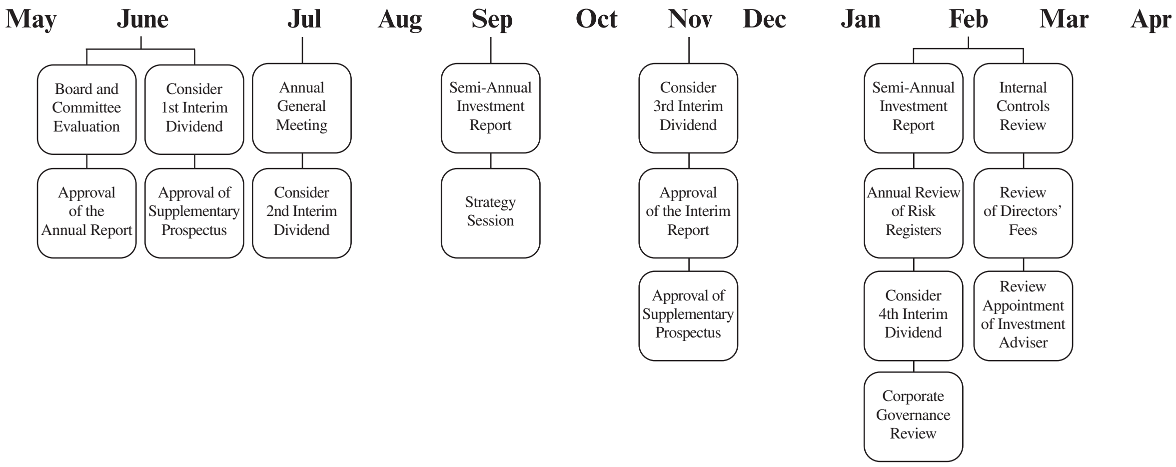
The Companies Act 2006 requires that a Director of the Company must avoid a situation in which he or she has, or might have, an interest that conflicts, or may conflict, with the interests of the Company. Each Director submits a list of potential conflicts prior to each meeting. The other Directors consider 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 formal 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 liquidity within the portfolio; (b) asset allocation within the portfolio; (c) the Company's gearing levels; (d) matters relating to the buying back and issuance of the Company's shares; (e) matters relating to shareholder communication; (f) hedging; (g) investment in any new asset class; (h) and such other matters as the Board may reasonably intimate from time to time. However, the Board is required to engage in active dialogue with the Investment Adviser in relation to the matters referred to at items (a), (b), (e), and (f) above.

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



VOTING POLICY

The Investment Adviser is to exercise all votes exercisable by the Company in relation to the Company's investments in favour of resolutions proposed by the Boards of investee companies, save where the Board instructs otherwise. Board decisions regarding voting on corporate resolutions of companies in which the Company invests are a matter for the whole Board. All resolutions on which the Company is entitled to vote are monitored and, although normally the Company would vote in favour of all Board resolutions, any contentious matters are referred to the Directors by e-mail for comment. Any Director disagreeing that the Company should cast an affirmative vote informs the Company Secretary and requests that her or 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, Iain Ferguson and Frank Rushbrook, considers the appointment of new Directors. Although the Company does not have a formal policy on diversity, consideration of Board diversity forms part of the responsibilities of the Nomination Committee. The Board believes in the benefits of having a diverse range of skills and backgrounds, including gender and length of service, on its board of Directors. All appointments will continue to be based on merit and therefore the Board is unwilling to commit to numerical diversity targets. The Nomination Committee meets at least annually.

Iain Ferguson and Paul Read were appointed to the Board on 1 December 2017 following a thorough recruitment process. Neither an external search consultant nor open advertising was used to assist in their appointments.

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 her or his rôle. 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.

ADDITIONAL INFORMATION

The Company's Articles of Association may only be amended by a special resolution passed at a General Meeting of shareholders.

By Order of the Board

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

1 June 2018

Report of the Audit Committee

Audit Committee

The Audit Committee, chaired by Jean Sharp and comprising Ms Sharp, Iain Ferguson and Frank Rushbrook, meets at least twice yearly to coincide with the annual and interim reporting cycle. Stuart Paul also served on the Committee during the year until his retirement. 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 Auditor's 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 £nil for the year ended 30 April 2018 (2017: £8,500) (included in Other expenses in Note 3 on page 16). 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 2018 Annual Report and Accounts were fair, balanced and understandable and whether they provided the necessary information for shareholders to assess the Company's performance, business model and strategy. The Audit Committee is satisfied that, taken as a whole, the Annual Report and Accounts are fair, balanced and understandable. The Audit Committee reached this conclusion based on a detailed review of the financial statements and subsequent discussion on whether the accounts are fair, balanced and understandable by all members of the Committee.

Audit and Audit Tender

The Company confirms that it was in compliance with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 during the financial year ended 30 April 2018.

The Company's external Auditor, EY, has been the Company's Auditor since 1983. The Audit Engagement Partner rotates every five years in accordance with ethical guidelines and 2018 is the fifth year for the current partner. As reported in each of the Company's Annual Reports since 2014, owing to changes in EU Regulation relating to audit tenure it has been the Board's intention to put the audit out for tender after the approval of the 30 April 2018 Annual Report. The Audit Committee therefore decided during the year to conduct a tender for audit services. The Audit Committee invited three audit firms to tender for the audit. EY were not invited to tender owing to the length of their service as Auditor. The Audit Committee considered each of the tender submissions in detail and received presentations in November 2017. As a result of this process, the Audit Committee found that the experience demonstrated within the investment trust sector as well as the strength of the overall audit team at PwC LLP would be the most suitable to the Company's requirements. It was therefore agreed to recommend to the Board that PwC LLP be appointed as Auditor. A resolution to that effect is included in the Notice of Annual General Meeting. The Audit Committee thanks EY for their audit work, and assistance to the Committee, over many years.

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.

PATAC 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 2018 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.

Jean Sharp
Director

1 June 2018

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

Opinion

In our opinion:

- Personal Assets 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 2018 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union 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.

We have audited the financial statements of Personal Assets Trust plc which comprise:

Group	Parent company
Consolidated Income Statement for the year ended 30 April 2018	
Consolidated Statement of Financial Position as at 30 April 2018	Statement of Financial Position as at 30 April 2018
Consolidated Statement of Changes in Equity for the year then ended	Statement of Changes in Equity for the year then ended
Consolidated Cash Flow Statement for the year then ended	Cash Flow Statement for the year then ended
Related notes 1 to 16 to the financial statements, including a summary of significant accounting policies	Related notes 1 to 16 to the financial statements including a summary of significant accounting policies

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union and, as regards the Parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to principal risks, going concern and viability statement

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

- the disclosures in the Annual Report on page 6 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation on page 22 in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement on page 22 in the Annual Report about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation on page 22 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.

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

OVERVIEW OF OUR AUDIT APPROACH

Key audit matters	• Incomplete or inaccurate revenue recognition, including classification as revenue or capital items in the Income Statement. • Incorrect valuation and existence of the investment portfolio.
Audit scope	• We performed an audit of the complete financial information of the Parent company and its only wholly owned subsidiary PATAC Limited (collectively "the Group").
Materiality	• Overall Group materiality of £8.59m which represents 1% of total equity.

KEY AUDIT MATTERS

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including classification as revenue or capital items in the Income Statement (note 2 of the financial statements) The Group's income is received in the form of dividends from equity holdings and interest from fixed income securities, being £9.42 million (2017: £9.23 million) and £6.26 million (2017: £5.86 million) respectively for the year. The investment income receivable by the Group during the year directly affects the Group's ability to pay a dividend to shareholders. There is a risk of incomplete or inaccurate recognition of income through the failure to recognise proper income entitlements or apply appropriate accounting treatment. In addition, given the manual nature and judgemental element involved in allocating special dividends between revenue and capital, we considered this to be a fraud risk.	**We performed the following procedures:** We obtained an understanding of the Administrator's process and controls in relation to revenue recognition through performing our walkthrough procedures. We agreed a sample of dividend and interest receipts to the corresponding announcement made by the investee company, recalculated the dividend and interest amount received and agreed cash received to bank statements. We agreed a sample of investee company dividend and interest announcements from an independent source to the income recorded by the Company. We agreed 100% of accrued dividends to an independent source and agreed cash received to bank statements were applicable. We reviewed the income reports to identify special dividends, above our testing threshold, received in the year. We also reviewed the acquisitions and disposals report for any potential special dividends, above our testing threshold, treated as capital to assess if any should be treated as revenue. We recalculated the bond amortisation for a sample of fixed income securities including US Treasury Bills.	We noted no issues in our review of the process and controls in relation to revenue recognition. We noted no issues in agreeing the sample of dividend and interest receipts to an independent source, recalculating these amounts and agreeing them to the bank statements. We noted no issues in agreeing the sample of investee company announcements to the income entitlements recorded by the Company. We noted no issues in agreeing 100% of accrued dividend to an independent source and agreeing the cash received to bank statements were applicable. We did not identify any special dividends that were received by the Group during the year. We noted no issues in the calculation of bond amortisation for a sample of fixed income securities including US Treasury Bills.

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation and existence of the investment portfolio (note 8 of the financial statements). The valuation of the portfolio at 30 April 2018 was £825.79 million (2017: £733.48 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 obtained an understanding of the Administrator's process and controls in relation to the pricing of investments. We checked 100% of investment prices and exchange rates to a relevant independent pricing source. We reviewed pricing exception and stale pricing reports to assess the liquidity of investments held. We obtained independent confirmation from the Custodian of all securities held at the year-end and agreed all securities held from the Group's records to those of the Custodian.	We have no matters to communicate with respect to our review of the process and controls in relation to the pricing of investments. For all investments, we noted no material differences in agreeing the prices and the exchange rates used to an independent source. We noted no issues in reviewing the pricing exception reports. We noted no differences between the confirmation obtained from the Custodian and the Group's records.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for 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, changes in the business environment and other factors.

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 £8.59 million (2017: £7.81 million), which is 1% (2017: 1%) of total equity. We believe that total equity provides us with the basis for setting materiality since it is the basis for the key measurement of the Group's performance.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2017: 75%) of our planning materiality, namely £6.44m (2017: £5.86m). 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.

Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.43m (2017: £0.39m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 10 and pages 21 to 28, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

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

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

We have nothing to report in this regard.

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

- **Fair, balanced and understandable (page 22)** – the statement given by the Directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit Committee reporting (page 28)** – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee/the explanation as to why the Annual Report does not include a section describing the work of the Audit Committee is materially inconsistent with our knowledge obtained in the audit; or
- **Directors' statement of compliance with the UK Corporate Governance Code (page 26)** – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

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

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the Strategic Report or the Directors' Report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibility statement on page 21, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

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

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

Other matters we are required to address

- We were appointed by the Company in 1983 to audit the financial statements for the year ending 30 April 1983 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is 36 years, covering the years ending 30 April 1983 to 30 April 2018.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent company and we remain independent of the Group and the Parent company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

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

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

1 June 2018

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting ("AGM") of Personal Assets Trust Public Limited Company will be held at The Principal Edinburgh Charlotte Square (formerly The Roxburghe Hotel), 38 Charlotte Square, Edinburgh, on Thursday 19 July 2018 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 2018 be received.
2. That the Directors' Remuneration Report for the year to 30 April 2018 be approved.
3. That Hamish Buchan, who retires from office annually, be re-elected as a Director.
4. That Iain Ferguson, who retires from office at the first Annual General Meeting following his appointment to the Board, be elected as a Director.
5. That Gordon Neilly, who retires from office annually, be re-elected as a Director.
6. That Paul Read, who retires from office at the first Annual General Meeting following his appointment to the Board, be elected as a Director.
7. That Frank Rushbrook, who retires from office annually, be re-elected as a Director.
8. That Jean Sharp, who retires from office annually, be re-elected as a Director.
9. That Robin Angus, who retires from office annually, be re-elected as a Director.
10. That PwC LLP be appointed as Auditors and that the Directors be authorised to determine their remuneration.
11. 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 £2,780,137.50, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.

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

12. Disapplication of pre-emption rights

    That, subject to the passing of Resolution 11 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 11 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 £2,780,137.50, being 10 per cent. of the nominal value of the issued share capital of the Company at 1 June 2018.

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 11 above" were omitted.

13. 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 333,395 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 2019, 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.

14. 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

1 June 2018

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 her or his 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 17 July 2018 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.

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 17 July 2018. 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 her or his 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 1 June 2018, the latest practicable date prior to publication of this document, the Company's issued share capital comprised 2,224,118 Ordinary shares of £12.50 each with a total of 2,224,118 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 her or his proxy must ensure that both he or she and such third party comply with their respective disclosure obligations under the Disclosure Guidance 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
Iain Ferguson CBE
Gordon Neilly
Paul Read
Frank Rushbrook
Jean Sharp

Registered Office

10 St Colme Street
Edinburgh EH3 6AA

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

Company Secretary

Steven Davidson ACIS
PATAC Limited
21 Walker Street
Edinburgh EH3 7HX

Telephone: 0131 538 1400

AIFM

PATAC Limited
21 Walker Street
Edinburgh EH3 7HX

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

Data Protection

The Company is committed to ensuring the privacy of any personal data provided to us. Further details of the Company's privacy policy can be found on the Company's website www.patplc.co.uk

Shareholder Information

Telephone: 0131 538 6605

Investment Account and ISA

Alliance Trust Savings

Telephone: 01382 573737
Email: contact@alliancetrust.co.uk
www.alliancetrustsavings.co.uk

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
Atria One
144 Morrison Street
Edinburgh EH3 8EX

From 19 July 2018
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Identification Codes

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

Global Intermediary Identification Number (GIIN)

2W8KH5.99999.SL.826

Legal Entity Identifier (LEI)

213800Z7ABM7RLQ41516

* 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