Personal Assets Trust PLC

Annual Report and Accounts for the Year ended 30 April 2011

Corporate Information

Board of Directors

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

Executive Office

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

10 St Colme Street
Edinburgh EH3 6AA

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

Shareholder Information

Telephone: 0131 538 6605

Investment Adviser

Troy Asset Management Limited
Brookfield House
44 Davies Street
London W1K 5JA

www.taml.co.uk

Custodian Bankers

JPMorgan Chase Bank
125 London Wall
London EC2Y 5AJ

Solicitors

Dickson Minto WS
16 Charlotte Square
Edinburgh EH2 4DF

Company Secretary

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

Telephone: 0131 538 1400

Registrars

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

Telephone: 0871 384 2459

Investment Plan Administration

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Lovell Park Road
Leeds LS1 1NS

Telephone: 0845 850 0181

Stockbrokers

JPMorgan Cazenove
10 Aldermanbury
London EC2V 7RF

Auditors

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Registered Office

10 St Colme Street
Edinburgh EH3 6AA

Telephone: 0131 538 1400

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KEY FEATURES

(ALL FIGURES AS AT 30 APRIL)

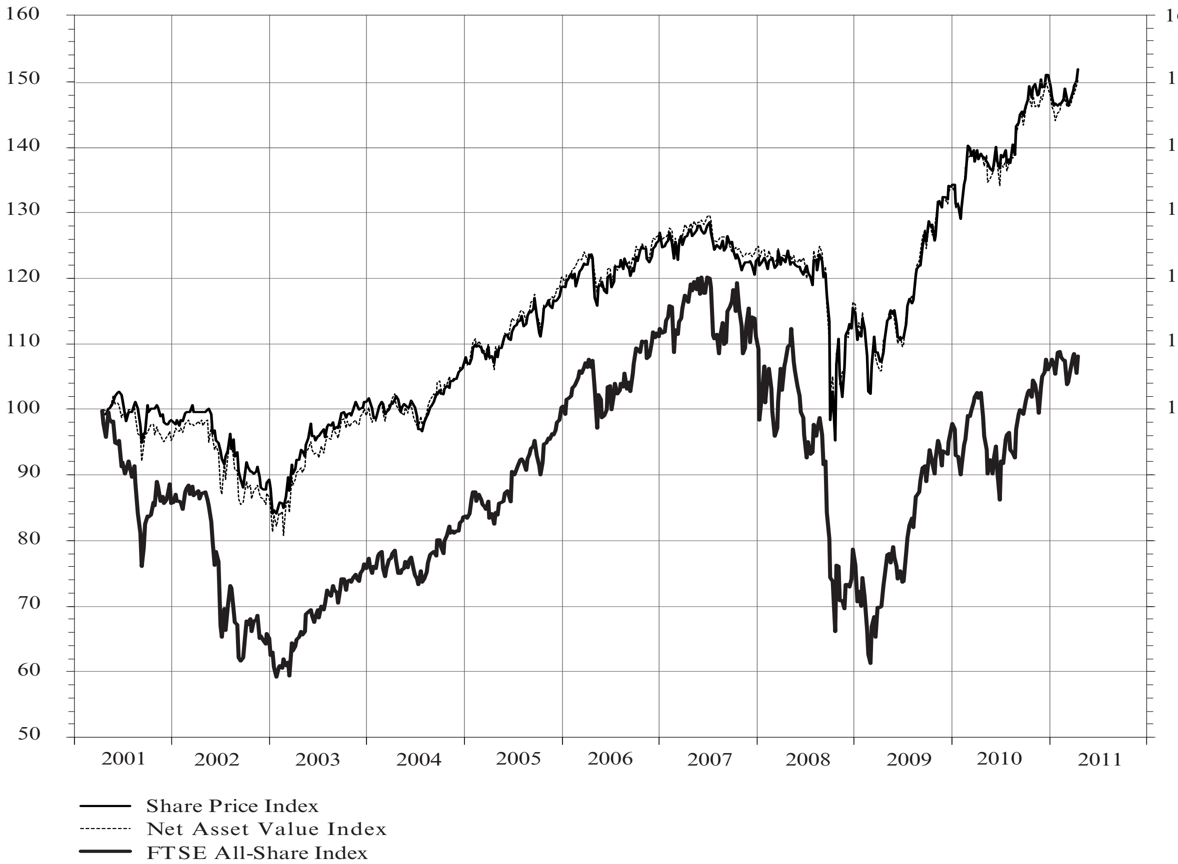
	2011	2010	2008	2006	2001
Market Capitalisation	**£313.2m**	£236.0m	£189.3m	£191.6m	£78.6m
Shareholders' Funds	**£310.0m**	£233.8m	£188.7m	£189.4m	£78.0m
Shares Outstanding	**984,803**	815,281	733,051	739,234	376,750
Effective Liquidity	**45.4%**(1)	34.5%(2)	100.2%	40.8%	47.1%
Share Price	**£318.00**	£289.50	£258.25	£259.25	£208.50
NAV per Share	**£314.78**	£286.75	£257.37	£256.14	£207.03
FTSE All-Share Index	**3,155.03**	2,863.35	3,099.94	3,074,26	2,869.04
Premium to NAV	**1.0%**	1.0%	0.3%	1.2%	0.7%
Earnings per Share	**£5.68**	£4.61	£5.59	£3.78	£3.27
Dividend per Share	**£5.40**	£5.20	£4.60	£3.70	£2.70

(1) Includes holding in Gold of 13.8%.
(2) Includes holding in Gold Bullion Securities of 9.7%.

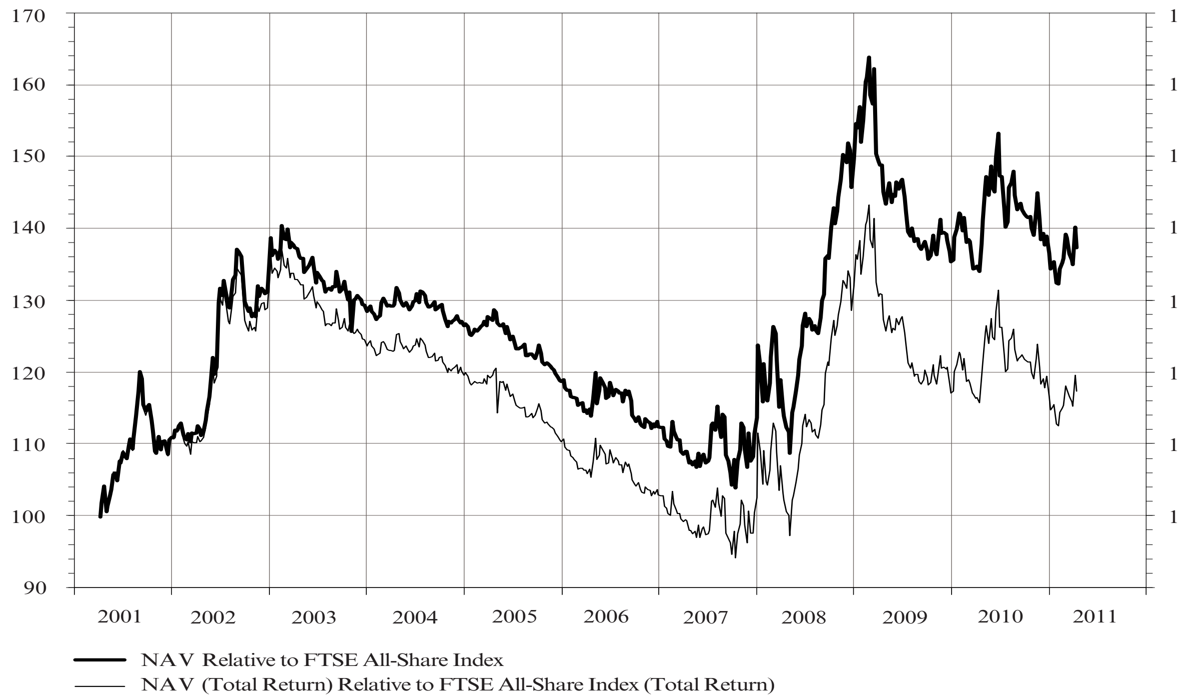
		Percentage Changes		
	1 Year	**3 Years**	**5 Years**	**10 Years**
Market Capitalisation	32.7	65.5	63.5	298.5
Shareholders' Funds	32.6	64.3	63.7	297.4
Shares Outstanding	20.8	34.3	33.2	161.4
Share Price	9.8	23.1	22.7	52.5
NAV per Share	9.8	22.3	22.9	52.0
FTSE All-Share Index	10.2	1.8	2.6	10.0
Share Price Total Return	11.8	30.4	34.3	81.6
NAV per Share Total Return	11.7	29.6	34.7	80.6
FTSE All-Share Index Total Return	13.7	13.6	22.4	53.7
Share Price relative to FTSE All-Share Index	(0.3)	21.0	19.5	38.7
NAV relative to FTSE All-Share Index	(0.4)	20.2	19.7	38.3
Share Price Total Return relative to FTSE All-Share Index Total Return	(1.7)	14.8	9.7	18.2
NAV Total Return relative to FTSE All-Share Index Total Return	(1.7)	14.1	10.0	17.5
Dividend Growth	3.8	17.4	45.9	100.0
Inflation (RPI)	5.2	9.5	19.3	35.4
Inflation (CPI)	4.5	10.9	17.3	26.9

PERFORMANCE 2001-2011

Share Price and NAV in £ versus FTSE All-Share Index



Performance Relative to FTSE All-Share Index



CHAIRMAN'S STATEMENT

Ever since Personal Assets became a self-managed trust in 1990 the Board's practice has been to measure performance not over single years but over rolling three year periods. This time it gives me special pleasure to be able to record that over the three years to 30 April 2011 our share price and net asset value ("NAV") rose by a gratifying 23.1% and 22.3% respectively compared to a rise of only 1.8% in our comparator, the FTSE All-Share Index.

The circumstances, however, were exceptional and I am unlikely ever to be in a position to report such an outperformance again. At 30 April 2008 we believed that the stock market was poised for meltdown and our portfolio was 100% liquid. Our fears proved well founded and over the year to 30 April 2009 our comparator fell by 29.9% while our share price dropped only 9.8%. This was an exercise in capital preservation and over the ensuing two years we have worked hard to consolidate the relative advantage we gained during that year of turmoil.

Given that we yield considerably less than our comparator, it is unsurprising that our outperformance in total return terms over the three year period was not as startling. Nevertheless, we still returned a very healthy 30.4% on our share price and 29.6% on our NAV compared to the FTSE All-Share's 13.6% and our dividend continued to grow. Over the three years it rose by 17.4% compared to 9.5% for the Retail Price Index ("RPI") and 10.9% in the Consumer Price Index ("CPI"). While our policy remains to seek real dividend growth over the longer term, over the next three years this will be far from easy. In a world of zero interest rates in which we also choose the comfort of holding a sizeable percentage of our shareholders' funds in gold it is hard to find income which does not entail an unacceptable capital risk or even capital sacrifice and the Board is not prepared to seek income on such terms. It was therefore a credit to our Investment Adviser that we not only managed to earn our dividend for the year to 30 April 2011 but were even able to make a modest transfer to revenue reserves. We shall continue to exercise the same care and prudence while these difficult conditions persist.

From now on, Personal Assets will be paying dividends quarterly, in July, October, January and April of each year. This will not only benefit shareholders' cash flow but also avoid the adverse effect on our revenue position of creating new shares entitled to a full six months' dividend close to an ex dividend date. The first quarterly dividend will be paid on 22 July and will be at a rate of £1.35, corresponding to the old half-yearly rate of £2.70. It remains the Directors' policy never to cut the dividend rate, so shareholders know that each quarterly payment will at least equal the previous one, and the total dividend for the year to 30 April 2012 will accordingly be not less than £5.40.

During the year we issued 169,522 new Ordinary shares, raising £51.7 million of additional capital. On 18 May 2011 our number of shares in issue reached 1,000,000 — 6.7 times the number in issue when we became a self managed trust in 1990. Size is of itself not important to us but it is reassuring to know that others approve of what we do and want to join us. On behalf of the Board I warmly welcome those who have become shareholders for the first time. Communication with shareholders is something we take seriously and I am pleased to report that our second annual London shareholders' meeting in January was a great success. Nearly 300 shareholders attended compared to under 200 last year and the London meeting will be a regular feature of our yearly calendar. The next one is planned for the morning of Tuesday 24 January 2012 at the Institution of Engineering and Technology, 2 Savoy Place, London WC2R 0BL.

I referred earlier to our startling outperformance amid the troubles of 2008. This was chiefly due to the courage and foresight of Ian Rushbrook, our Managing Director, who died on 12 October of that year. As a tribute to him we have just published *'60 Not Out — Personal Assets Trust Quarterlies 2002-2011'*, which not only contains Quarterlies Nos. 26-60 but also has as its centrepiece Ian's Investment Reports covering the period 2000-2008. It is available to shareholders free on application and a request form for it is included along with this Annual Report.

Hamish Buchan

INVESTMENT ADVISER'S REPORT

Over the year to 30 April 2011 we held our own in a market environment we distrust. Asset prices are too high, interest rates are too low and at some stage both will have to undergo a major realignment. The trouble is that we have no means of knowing when this will happen. Although everyone accepts the need for reform in the Eurozone, the US remains reluctant to accept that it spends over 60% more than its tax revenue compared to the UK's 'responsible' 32%. This year the US budget deficit will be $1.4 trillion (10% of GDP) following $1.3 trillion in 2010 and $1.4 trillion in 2009. Standard & Poor's have downgraded US sovereign debt from 'stable' to 'negative' and we fear a third round of quantitative easing (QE) later this year or early in 2012. In Britain there is a Faustian pact between the Treasury and the Bank of England whereby the Treasury engages in austerity, withdrawing its fiscal stimulus, while the Bank maintains its monetary stimulus *via* zero interest rates and (when needed) QE, ensuring that the Treasury turns a blind eye to inflation above the Bank's target.

Two key issues determine the outlook for real returns — debt (sovereign debt in particular) and inflation. Debt restructuring must come, but need not be as sudden and violent as explicit sovereign default. *'Financial repression'*, a sort of creeping default which swindles the saver through the maintenance of negative real interest rates, was used after WWII to whittle away war debt; and similar policies are being slipped into place today. The Federal Reserve keeps short-term interest rates at zero while it tries to put a ceiling on long-term rates by buying government bonds with newly printed money. Requirements for banks and insurance companies to retain higher levels of capital and liquidity also fuel demand for government bonds, while exchange controls may provide a 'forced home bias' to such asset purchases. *In extremis* there is the potential for the introduction of capital controls.

Our capital is irreplaceable and we continue to protect it against inflation *via* index linked bonds while we work on building a portfolio of long-term equity holdings in market leaders with real pricing power such as British American Tobacco, Coca-Cola, Unilever and Nestlé. As frustrated bulls we are excited about the prospect of becoming a stock picking trust once more; but because the purchase price is critical to generating long term returns, we have been patient and have not overpaid for stocks we feel will be available more cheaply later. We say more about our stock selection process in the accompanying Quarterly No. 61, but we like companies with strong balance sheets — preferably with no debt, so they can work for shareholders rather than for their bankers or bondholders. Nothing focuses the mind better than the need to pay dividends; and the longer the track record, the more likely it is ingrained in the culture. Where possible we look at dividend records over decades, not the last few years. All the companies just mentioned actually increased their payouts throughout the crisis and one of the attractions to us of Coca-Cola is its 49 years of uninterrupted growth in its dividend.

We prefer dividends to share buybacks, the timing of which we cannot control but management often misjudges — many share buyback programmes came to a halt in 2008, just as markets plummeted. Nestlé was one exception, having returned a third of the company's market capitalisation over the past five years in both dividends and share buybacks. We avoid companies that grow aggressively by acquisition. It is so often the overpayment for acquisitions, either using equity or debt, that leads to value destruction. More often than not, investors celebrate mergers in haste but repent at leisure.

There has been much talk — particularly by those who have never owned or recommended it — of a possible bubble in gold. With only 0.6% of global financial assets invested in gold compared to 3% in 1980 and with the supply of paper money increasing at an exponential rate we are way off bubble territory. An investor asked me recently, *'What is the difference between gold and tulips?'* The relatives of Mr Martin Sulzbacher, a German Jewish banker, who hid a hoard of gold coins in a garden in Hackney before being interned in 1940, could answer this easily. On his release Mr Sulzbacher failed to find the coins but, as was reported last month, they were recently discovered by a local resident and returned to Mr Sulzbacher's son. No paper money could have preserved wealth better than those coins did over the 70 years since Mr Sulzbacher buried them. Indeed, paper money would scarcely have preserved wealth at all. Worth £100,000 when they were found, they were US $20 gold coins ('double eagles') and their total face value when issued as currency was $1,640.

Sebastian Lyon

PORTFOLIO AS AT 30 APRIL 2011

Company	Country	Sector	Valuation 30 April 2011 £'000	Shareholders' funds %
US Treasury 1.375% 15/07/18	USA	Government Bond	65,126	21.0
Gold Bullion	–	Gold	42,635	13.8
British American Tobacco	UK	Tobacco	16,250	5.3
Nestlé	Switz	Food Producer	14,013	4.5
Coca-Cola	USA	Beverages	13,019	4.2
GlaxoSmithKline	UK	Pharmaceuticals	9,853	3.2
Philip Morris International	USA	Tobacco	9,669	3.1
Diageo	UK	Beverages	9,564	3.1
Tesco	UK	Food Retailer	9,379	3.0
Centrica	UK	Utility	9,318	3.0
US Treasury 1.125% 15/01/21	USA	Government Bond	9,021	2.9
Johnson & Johnson	USA	Pharmaceuticals	8,805	2.8
Newcrest Mining	Aus	Mining	8,663	2.8
Vodafone	UK	Telecommunications	8,554	2.8
Microsoft	USA	Software	8,308	2.7
Newmont Mining	USA	Mining	8,152	2.6
Unilever	UK	Food Producer	7,551	2.4
Berkshire Hathaway	USA	Insurance	7,178	2.3
Colgate Palmolive	USA	Personal Products	7,157	2.3
Sage Group	UK	Technology	6,586	2.1
US 0.5% Treasury 15/04/15	USA	Government Bond	5,431	1.8
Greggs	UK	Food	4,635	1.5
Becton Dickinson	USA	Pharmaceuticals	2,731	0.9
Total investments			**291,598**	**94.1**
Net current assets			18,402	5.9
Shareholders' funds			**310,000**	**100.0**

GEOGRAPHIC ANALYSIS AS AT 30 APRIL 2011

	Valuation 30 April 2011 £'000	Shareholders' funds %
UK equities	81,690	26.4
US equities	65,019	20.9
Swiss equities	14,013	4.5
Australian equities	8,663	2.8
Gold	42,635	13.8
US Treasury Inflation Protected Securities ("TIPS")	79,578	25.7
Net current assets	18,402	5.9
Shareholders' funds	**310,000**	**100.0**

RECORD 1983-2011

Date 30 April	Share-holders' Funds £'000	Shares Out-standing	Net asset value per share (£)	Share Price (£)	Earnings per share[1] (£)	Dividend per share (£)	Dividend Growth (%)	Inflation (RPI) (%)
1983 (Sept)	5,397	149,313	36.15	22				
1984	4,797	149,313	32.13	30	0.43	0.40		
1985	6,011	149,313	40.26	39	0.21	0.20		
1986	6,988	149,313	46.80	40	0.38	0.35		
1987	9,168	149,313	61.40	54	0.61	0.50		
1988	8,283	149,313	55.47	44	1.12	1.00		
1989	9,174	149,313	61.44	51	1.46	1.25[2]		
1990[3]	8,462	149,313	56.67	39 1/2	1.09	1.00		
1991	9,006	149,313	60.32	48 1/2	1.45	1.50	50.0	6.4
1992	10,589	149,313	70.92	66	1.67	1.60	6.7	4.3
1993	11,441	152,187	75.18	81 1/2	2.52	1.80	12.5	1.3
1994	12,987	152,187	85.34	89 1/2	2.12	1.95	8.3	2.6
1995	13,939	152,187	91.59	87	2.00	2.00	2.6	3.3
1996	19,473	169,173	115.11	118 1/2	2.90	2.20	10.0	2.4
1997	27,865	208,114	133.89	141 1/4	3.01	2.30	4.5	2.4
1998	48,702	270,250	180.21	199 1/2	3.57	2.45	6.5	4.0
1999	65,200	323,966	201.26	202 1/2	3.67	2.55	4.1	1.6
2000	73,751	369,121	199.80	202	2.98	2.62 1/2	2.9	3.0
2001	78,000	376,750	207.03	208 1/2	3.27	2.70	2.9	1.8
2002	92,430	454,472	203.38	209 1/2	3.88	2.80	3.7	1.5
2003	104,324	559,925	186.32	193 3/4	3.40	2.90	3.6	3.1
2004	134,770	641,253	210.17	214 1/2	3.98	3.10	6.9	2.5
2005	149,834	677,185	221.26	224 3/4	3.41	3.40	9.7	3.2
2006	189,351	739,234	256.14	259 1/4	3.78	3.70	8.8	2.6
2007	192,416	726,921	264.70	266	4.95	4.10	10.8	4.5
2008	188,664	733,051	257.37	258 1/4	5.59	4.60	12.2	4.2
2009	171,132	745,231	229.64	233	5.34	5.00	8.7	(1.2)
2010	233,785	815,281	286.75	289 1/2	4.61	5.20	4.0	5.3
2011	**310,000**	**984,803**	**314.78**	**318**	**5.68**	**5.40**	**3.8**	**5.2**

Per share values have been adjusted for the 1 for 100 consolidation of Ordinary shares in January 1993.

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

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

(3) Personal Assets became self managed in 1990.

BOARD OF DIRECTORS

Hamish Buchan

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

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

Other Trust Directorships: Aberforth Smaller Companies; JPMorgan American (Chairman); Scottish Investment Trust; Standard Life European Private Equity; Templeton Emerging Markets.

Robin Angus

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

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

Other Trust Directorships: None.

Martin Hamilton-Sharp

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

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

Other Trust Directorships: None.

Gordon Neilly

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

Managing Director, Corporate Finance of Canaccord Genuity, with responsibility for general financials and investment companies. He was previously Chief Executive of Intelli Corporate Finance and Finance and Business Development Director of Ivory & Sime. He was Company Secretary of Personal Assets for 10 years and has considerable experience and knowledge of investment trusts.

Other Trust Directorships: INVESCO Leveraged High Yield Fund.

Stuart Paul

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

Joint Managing Partner of the Asia Pacific Emerging Markets equity team at First State Investments and has a wide knowledge of international markets.

Other Trust Directorships: None

Frank Rushbrook

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

Partner in Nettle Capital Management LLP and Rushbrook & Co LLP. He has considerable experience of European Mid and Small Cap Markets.

Other Trust Directorships: None

BUSINESS REVIEW FOR THE YEAR TO 30 APRIL 2011

INTRODUCTION

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

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

COMPETITIVE AND REGULATORY ENVIRONMENT

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

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

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

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

STRATEGY FOR ACHIEVING OBJECTIVES

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

The Company is a self-managed investment trust run by its Board, which takes all major investment decisions collectively. The day-to-day management of the portfolio has been delegated by the Board to Troy Asset Management Limited ("Troy"), the Investment Adviser, and is the responsibility of Sebastian Lyon, the Chief Executive of Troy, in particular. Under the terms of the Investment Advisory Agreement between the Company and Troy, certain key matters have been expressly reserved to the Board (as explained further on page 32, in note 3 to the Accounts).

The Directors, Sebastian Lyon and their respective families have substantial shareholdings in the Company (worth in aggregate £21.3 million as at 2 June 2011) and those who run the Company therefore have a community of interest with those who invest in it.

A review of the Company's returns during the financial year, the position of the Company at the year end and the outlook for the coming year are contained within the Chairman's Statement and Investment Adviser's Report on pages 4 and 5.

INVESTMENT POLICY

The Company's investment policy is to protect and increase (*in that order*) the value of shareholders' funds per share over the long term and to earn as high a total return as is compatible with a risk equivalent to that of the FTSE All-Share Index. Since Personal Assets invests for the long term, the Board assesses performance not annually at the end of each accounting year but over rolling three-year periods.

The Company's equity portfolio is usually concentrated in a short list of stocks and turnover tends to be low. There are no predefined maximum or minimum exposure levels for asset classes but these exposures are reported to, and monitored by, the Board in order to ensure that adequate diversification is achieved. No holding in an individual company will represent more than 15% by value of the Company's investments at the time of acquisition.

The Company's portfolio will have a high UK content. Depending on circumstances, however, the Company may want to hold investments overseas, typically in the United States. While the Company invests predominantly in the UK, overseas exposure for the Company may range between 50% of total assets and zero. The Company is prepared to make use of both gearing and liquidity, the former by using either short-term borrowed funds or (*more likely*) derivatives such as FTSE 100 Futures. When it believes markets to be overvalued, the Company may either hold part of its resources in cash, cash equivalents (which may, depending on circumstances, include gold) or short term fixed interest securities, or use such derivatives as a way of reducing its equity exposure. The Company's gearing will not exceed 50% of shareholders' funds. In exceptional circumstances, the Company's liquidity could be as high as 100% of shareholders' funds. These limits would not be exceeded without shareholder approval.

The Company may from time to time hold fixed interest or index-linked securities and make use of currency hedging. The Company may also invest in other investment trusts, especially as a way of gaining exposure to a geographical or industrial area in which the Company preferred not to invest directly. The Company's policy is not to invest more than 15% of its gross assets in other investment trusts and other listed investment companies.

An analysis of the investment portfolio as at 30 April 2011 can be found on page 6.

DIVIDEND POLICY

The Company aims to pay as high, secure and sustainable a dividend as is compatible with maintaining its investment flexibility. With effect from 1 May 2011, the Directors intend to pay dividends in July, October, January and April of each year. It is the Directors' intention that the dividend paid by the Company will continue to grow in real terms over the longer term relative to both the Retail Price Index and the Consumer Price Index and it is the Directors' policy never to cut the dividend rate, so shareholders know that each quarterly payment will at least equal the previous one.

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 the shares always trade at close to net asset value through a combination of share buy-backs coupled to the issue of new shares at a small premium to net asset value where demand exceeds supply. This discount and premium control policy is enshrined in the Articles of Association of the Company.

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.

BUSINESS REVIEW FOR THE YEAR TO 30 APRIL 2011 (CONTINUED)

Other risks faced by the Company include breach of regulatory rules which could lead to suspension of the Company's Stock Exchange listing, financial penalties, or a qualified audit report. Breach of Section 1158 of the Corporation Taxes Act 2010 could lead to the Company being subject to tax on capital gains. Details of the Company's financial risks are contained in the Notes to the Accounts on pages 29–40.

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 20.

PERFORMANCE

The Board assesses its performance in meeting the Company's objective against the following Key Performance Indicators:

- Net asset value per share and share price against the FTSE All-Share Index over a rolling three-year period whilst aiming to protect and increase *(in that order)* the value of shareholders' funds per share in accordance with the Company's investment objective.
- Dividend policy against the Retail Price Index and the Consumer Price Index.
- Discount and premium control policy.

By Order of the Board

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

2 June 2011

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 2011.

ACTIVITIES AND BUSINESS REVIEW

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

PRINCIPAL ACTIVITY AND STATUS

The Company is 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 the Inland Revenue up to 30 April 2010. Subsequently the Company's affairs have been conducted so as to enable it to continue to seek such approval. The Company will continue to seek approval under Section 1158 of the Corporation Taxes Act 2010 each year.

The Company has a wholly owned subsidiary, incorporated in Scotland: Personal Assets Trust Administration Company Limited, a secretarial and administration company.

CAPITAL STRUCTURE

As at 30 April 2011 there were 984,803 Ordinary shares of £12.50 each in issue.

During the year the Company issued 169,522 shares from its Prospectuses for net proceeds of £51,676,000.

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

Voting rights and deadlines for exercising voting rights can be found in the Notice of Annual General Meeting on pages 41–44.

RESULTS AND DIVIDEND

The results for the year are set out in the Group Income Statement on page 24.

	Group £'000
Revenue available for dividends	5,004
Distributed as dividends:	
First interim dividend (£2.70 per share) paid on 21 October 2010	(2,296)
Second interim dividend (£2.70 per share) paid on 22 April 2011	(2,602)
Amount transferred to revenue reserve (£0.11 per share)	106

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS

The Directors at the end of the year and their interests in the shares of the Company at 30 April 2011 and 30 April 2010 were as follows:

Director	Interest	2011	2010
Hamish Buchan (Chairman)	Beneficial	**1,022**	453
Robin Angus	Beneficial	**2,778**	2,715
Martin Hamilton-Sharp	Beneficial	**2,718**	2,218
Gordon Neilly	Beneficial	**1,201**	198
Stuart Paul	Beneficial	**1,129**	209
Frank Rushbrook	Beneficial	**12,106**	12,034

Since 30 April 2011, Mr Angus has acquired a beneficial interest in an additional 3 shares and Mr Paul in an additional 31 shares. There have been no other changes in the above holdings between 30 April 2011 and 2 June 2011.

INVESTMENT ADVISER

Troy Asset Management Limited ("Troy") provides investment advisory services to the Company. A summary of the advisory agreement between the Company and Troy in respect of those services is provided on page 32, in note 3 to the Accounts.

During the year the Board has reviewed the appropriateness of the Adviser's appointment. In carrying out its review the Board considered the investment performance of the Company since the appointment of Troy and the capability and resources of the Adviser to deliver satisfactory investment performance. It also considered the length of the notice period of the Investment Advisory agreement and the fees payable to the Adviser.

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

As at 2 June 2011 Sebastian Lyon had an interest in 1,651 shares of the Company.

SUBSTANTIAL INTERESTS

As at 2 June 2011 the following holdings representing (directly or indirectly) 3% or more of the voting rights attaching to the issued share capital of the Company have been disclosed to the Company:

Substantial Holders	Shares Held	Percentage
Personal Assets Trust ISA	213,698	21.2
Personal Assets Trust Investment Plan	143,826	14.3
Rushbrook Family Holding (including Frank Rushbrook)	55,456	5.5

FINANCIAL INSTRUMENTS

Information on the Company's financial instruments can be found in the Business Review for the Year to 30 April 2011 on pages 9–11 and in the Notes to the Accounts on pages 29–40.

PRINCIPAL RISKS AND RISK MANAGEMENT

Information on the principal risks to shareholders and management of these risks can be found in the Business Review for the Year to 30 April 2011 on pages 9–11 and in Note 15 to the Accounts on pages 37–39.

DIRECTORS' INDEMNITY

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

DIRECTORS' REPORT (CONTINUED)

CREDITOR PAYMENT POLICY

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

RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING

Annual Report and Accounts

Resolutions 1 and 2 are, respectively, to receive the Annual Report and Accounts for the year to 30 April 2011 and to approve the Directors' Remuneration Report contained therein.

Directors

Resolutions 3, 4, 5, 6 and 7 are, respectively, to re-elect Hamish Buchan, Martin Hamilton-Sharp, Gordon Neilly, Stuart Paul and Frank Rushbrook, all of whom retire annually.

Resolution 8 is to re-elect Robin Angus, who, as an executive Director, also retires annually.

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

Auditors

Resolution 9 is to re-appoint Ernst & Young LLP as auditors and fix their remuneration.

Authority to Issue Shares

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

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

Resolution 10 is to authorise the Directors to issue new shares up to an aggregate nominal amount of £3,750,000, being 29.8% of the total issued shares as at 2 June 2011.

Resolution 11 is to enable the Directors to issue such new shares and to re-sell shares from Treasury (see Treasury Shares below) up to an aggregate nominal amount of £3,750,000, being 29.8% of the total issued shares as at 2 June 2011, for cash without first offering such shares to existing shareholders *pro rata* to their existing shareholdings.

If approved by shareholders, the authorities sought by Resolutions 10 and 11 will continue in effect until 31 October 2012, or, if earlier, the conclusion of the Company's Annual General Meeting in 2012.

The Directors issue new shares only when they believe it is advantageous to the Company's shareholders to do so and for the purpose of operating the Company's premium control policy. In no circumstances would such issue of new shares or re-sale of shares from Treasury result in a dilution of net asset value per share.

Authority to Buy Back Shares

During the year, the Company did not acquire any of its own shares, either for cancellation or to be held in Treasury. The Company's current authority to make market purchases of up to 14.99% of the issued Ordinary shares expires at the end of the Annual General Meeting.

Resolution 12 is to renew the authority for a further period until the Company's Annual General Meeting in 2012. The price paid for shares on exercise of the authority will not be less than the nominal value of £12.50 per share or more than the higher of (a) 5% above the average of the middle market quotations of those shares for the five business days before the shares are purchased and (b) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange. The authority, which may be used to buy back shares either for cancellation or (subject to statutory limits) to be held in Treasury, will be used to purchase shares only if, in the opinion of the Directors, a purchase would be in the best interests of the shareholders as a whole and would result in an increase in the net asset value per share for the remaining shareholders.

Treasury Shares

Under UK company law investment trusts are able to acquire their own shares to hold in Treasury for re-sale. The Directors consider that this facility gives the Company more flexibility in managing its share capital. As at 3 June 2009 the Company had re-sold all of its Ordinary shares in Treasury and has not acquired any shares to be held in Treasury since this date.

Resolutions 11 and 12 would provide the Directors with the authority they need to manage Treasury shares.

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

- Treasury shares will only be sold at a premium to the net asset value of the shares at the time of sale; *and*
- Treasury shares will not be sold at a discount of more than 10% to the middle market price of the shares at the time of sale.

Notice period for General Meetings

The Company's Articles of Association enable the Company to call General Meetings (other than an Annual General Meeting) on 14 clear days' notice. In order for this to be effective, the shareholders must also approve annually the calling of meetings other than Annual General Meetings on 14 days' notice.

Resolution 13 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 will also need to meet the requirements for electronic voting under the Companies Act 2006, offering facilities for all shareholders to vote by electronic means, before it can call a General Meeting on 14 days' notice. 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 only be used for early renewals of the Board's authority to issue new Shares and non-routine business and only where merited in the interests of shareholders as a whole.

RECOMMENDATION

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

By Order of the Board

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

2 June 2011

Directors' Remuneration Report

Policy on Directors' Remuneration

The Board's policy is that fees should be sufficient to attract and retain Directors capable of managing the Company on behalf of its shareholders.

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

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

Directors' Fees

Following review of the level of Directors' fees the Board concluded that the amounts should be increased for the forthcoming year. Therefore, with effect from 1 May 2011, the Chairman's fee was increased to £36,000 (previously £30,000) and the Directors' fees were increased to £18,000 (previously £15,000) per annum.

Executive Director's Service Contract

Robin Angus has a rolling twelve month contract of employment, signed in November 2002. The salary paid to Mr Angus was increased to £190,000 with effect from 1 May 2010, the increase in his salary equalling the Director's fee payable to the other Directors (with the exception of the Chairman) in respect of the financial year ending 30 April 2011. Mr Angus did not receive a separate Director's fee in respect of the year ending 30 April 2011. In the event of termination of his contract, the Company would incur a liability for 12 months' salary.

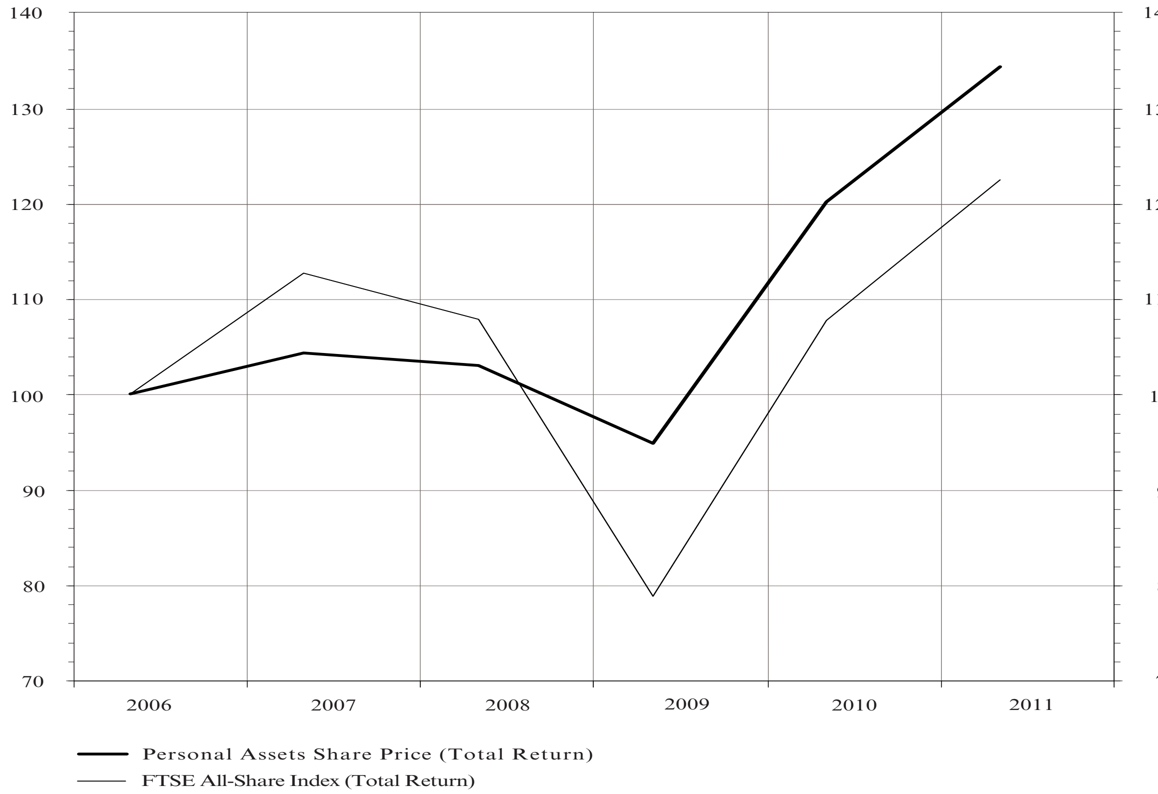
Directors' Remuneration for the Year (audited)

	Year ended 30 April 2011		Year ended 30 April 2010	
Directors	**Fees**	**Salaries**	Fees	Salaries
Hamish Buchan (Chairman)	**£30,000**	**–**	£21,516	–
Robin Angus	**–**	**£190,000**	£12,000	£175,000
Martin Hamilton-Sharp	**£15,000**	**–**	£12,000	–
Gordon Neilly	**£15,000**	**–**	£12,000	–
Stuart Paul	**£15,000**	**–**	£9,516	–
Frank Rushbrook	**£15,000**	**–**	£9,516	–
Robert White (former Chairman)	**–**	**–**	£5,032	–
Total	**£90,000**	**£190,000**	£81,580	£175,000

DIRECTORS' REMUNERATION REPORT (CONTINUED)

COMPANY PERFORMANCE

The graph below compares, for the five financial years ended 30 April 2011, 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 2011 is given in the Chairman's Statement and Investment Adviser's Report on pages 4 and 5.



On behalf of the Board

Hamish N Buchan
Chairman

2 June 2011

CORPORATE GOVERNANCE

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

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

Arrangements appropriate to an investment trust in respect of corporate governance have been made by the Board. The Board has considered the principles and recommendations of the AIC's Code of Corporate Governance (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the Financial Reporting Council (the "Combined Code"), as well as setting out additional principles and recommendations which are of specific relevance to investment trusts.

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

The Company has complied throughout the year with the recommendations of the AIC Code and the relevant provisions of the Combined 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.3.3 of the Combined Code.

The Board does not consider it appropriate for Directors to be appointed for a specific term as recommended by principle 3 of the AIC Code and provision A.7.2 of the Combined Code. However, the Board has decided that each Director will retire annually and, if appropriate, stand for re-election.

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

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

Director	**Date of Appointment**	**Due date for Re-election**
Robin Angus	18 May 1984	AGM 2011
Hamish Buchan (Chairman)	5 July 2001	AGM 2011
Martin Hamilton-Sharp	16 November 1990	AGM 2011
Gordon Neilly	30 April 1997	AGM 2011
Stuart Paul	16 July 2009	AGM 2011
Frank Rushbrook	16 July 2009	AGM 2011

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

CORPORATE GOVERNANCE (CONTINUED)

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

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.

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

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

The Audit Committee, chaired by Stuart Paul and comprising Mr Paul, Martin Hamilton-Sharp, Gordon Neilly and Frank Rushbrook, meets at least twice yearly to coincide with the annual and interim reporting cycle. The principal 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 also reviews the system of internal controls, the terms of appointment of the Auditors (including their remuneration), the objectivity of the Auditors and the terms under which they are appointed to perform non-audit services. Fees for these services amounted to £13,000 for the year ended 30 April 2011 (2010: £9,000). Notwithstanding such services the Board considers Ernst & Young LLP to be independent of the Company.

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

The Remuneration Committee, chaired by Hamish Buchan and comprising Mr Buchan, Martin Hamilton-Sharp and Gordon Neilly, reviews the Directors' fees, employees' salaries and the remuneration paid to the Investment Adviser (together with the terms and conditions of appointment of the Investment Adviser) on an annual basis.

During the year the performance of the Board, the Audit Committee, the Nominations 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.

F&C Investment Business Limited ("F&C") provided secretarial services to the Company until 31 March 2010. With effect from 1 April 2010, all secretarial and administrative services are now provided by the Company's wholly owned subsidiary, Personal Assets Trust Administration Company Limited.

CORPORATE GOVERNANCE (CONTINUED)

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

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

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.

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

By Order of the Board

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

2 June 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

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

RESPONSIBILITY STATEMENTS UNDER THE DISCLOSURE AND TRANSPARENCY RULES

Each of the Directors listed on page 8 confirms that to the best of his knowledge:

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

On behalf of the Board

Hamish N Buchan
Chairman

2 June 2011

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

We have audited the financial statements of Personal Assets Trust PLC for the year ended 30 April 2011 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (''IFRSs'') as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2011 and of the Group's profit for the year then ended;

- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; *and*

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; *and*

- the information given in the Corporate Governance Statement set out on pages 18–20 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; *or*

- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; *or*

- certain disclosures of Directors' remuneration specified by law are not made; *or*

- we have not received all the information and explanations we require for our audit; *or*

- a Corporate Governance Statement has not been prepared by the Group.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 20, in relation to going concern; *and*

- the part of the Corporate Governance Statement on pages 18–20 relating to the Group's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Edinburgh
Ratan Engineer (Senior Statutory Auditor)

2 June 2011

For and on behalf of Ernst & Young LLP, Statutory Auditor

GROUP INCOME STATEMENT

	Notes	Year ended 30 April 2011 Revenue return £'000	Capital return £'000	Total £'000	Year ended 30 April 2010 Revenue return £'000	Capital return £'000	Total £'000
Investment income	2	**6,744**	**–**	**6,744**	6,181	–	6,181
Other operating income	2	**150**	**–**	**150**	73	–	73
Gains on investments held at fair value through profit or loss	9	**–**	**18,050**	**18,050**	–	31,279	31,279
(Losses)/gains on derivatives held at fair value through profit or loss		**–**	**(1,673)**	**(1,673)**	–	10,946	10,946
Foreign exchange gain		**–**	**9,176**	**9,176**	–	2,342	2,342
Total income		**6,894**	**25,553**	**32,447**	6,254	44,567	50,821
Expenses	3	**(1,742)**	**(1,120)**	**(2,862)**	(2,413)	–	(2,413)
Profit before taxation		**5,152**	**24,433**	**29,585**	3,841	44,567	48,408
Taxation	5, 6	**(148)**	**–**	**(148)**	(241)	–	(241)
Profit for the year		**5,004**	**24,433**	**29,437**	3,600	44,567	48,167
Earnings per share	8	**£5.68**	**£27.75**	**£33.43**	£4.61	£57.12	£61.73

The Group does not have any income or expenses that are not included in the profit for the year other than expenses of £213,000 charged directly to the Share Premium account in respect of the issue of the Company's shares. Accordingly, the "Profit for the Year" is also the "Total Comprehensive Income for the Year", as defined in IAS1 (revised) and no separate Statement of Comprehensive Income has been presented.

The "Total" column of this statement represents the Company's Income Statement, prepared in accordance with International Financial Reporting Standards ("IFRS").

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

All items in the above statement derive from continuing operations.

Dividend information	**2011**	2010
Dividends per share	**£5.40**	£5.20
	£'000	£'000
First interim dividend of £2.70 per share (2010: £2.55 per share)	**2,296**	1,964
Second interim dividend of £2.70 per share (2010: £2.65 per share)	**2,602**	2,150
	4,898	4,114

The accounting policies on pages 29–31 and the Notes to the Accounts on pages 31–40 form part of these accounts

BALANCE SHEETS

	Notes	**Group 30 April 2011 £'000**	**Company 30 April 2011 £'000**	Group 30 April 2010 £'000	Company 30 April 2010 £'000
Non current assets					
Investments held at fair value through profit or loss	9	**291,598**	**291,618**	225,773	225,788
Current assets					
Financial assets	10	**4,151**	**4,151**	1,742	1,742
Other receivables	10	**3,591**	**3,653**	1,107	1,107
Cash and cash equivalents		**11,399**	**11,297**	6,391	6,381
Total assets		**310,739**	**310,719**	235,013	235,018
Current liabilities					
Financial liabilities	11	**–**	**–**	(639)	(639)
Other payables	11	**(739)**	**(719)**	(589)	(594)
Net assets		**310,000**	**310,000**	233,785	233,785
Capital and reserves					
Ordinary share capital	12	**12,310**	**12,310**	10,191	10,191
Share premium		**153,230**	**153,230**	103,673	103,673
Capital redemption reserve		**219**	**219**	219	219
Special reserve		**22,517**	**22,517**	22,517	22,517
Other capital reserves		**118,457**	**118,467**	94,024	94,029
Revenue reserve		**3,267**	**3,257**	3,161	3,156
Total equity		**310,000**	**310,000**	233,785	233,785
Net asset value per Ordinary share	13	**£314.78**	**£314.78**	£286.75	£286.75

The financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf on 2 June 2011 by:

Hamish N Buchan
Chairman

The accounting policies on pages 29–31 and the Notes to the Accounts on pages 31–40 form part of these accounts

Group Statement of Changes in Equity

For the year ended 30 April 2011	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Balance as at 30 April 2010	10,191	103,673	219	22,517	–	94,024	3,161	233,785
Profit for the year	–	–	–	–	–	24,433	5,004	29,437
Ordinary dividends paid	–	–	–	–	–	–	(4,898)	(4,898)
Issue of new Ordinary shares	2,119	49,557	–	–	–	–	–	51,676
Balance as at 30 April 2011	**12,310**	**153,230**	**219**	**22,517**	**–**	**118,457**	**3,267**	**310,000**

For the year ended 30 April 2010	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Balance as at 30 April 2009	9,386	87,224	219	22,517	(1,346)	49,457	3,675	171,132
Profit for the year	–	–	–	–	–	44,567	3,600	48,167
Ordinary dividends paid	–	–	–	–	–	–	(4,114)	(4,114)
Issue of Ordinary shares from Treasury	–	3	–	–	1,346	–	–	1,349
Issue of new Ordinary shares	805	16,446	–	–	–	–	–	17,251
Balance as at 30 April 2010	**10,191**	**103,673**	**219**	**22,517**	**–**	**94,024**	**3,161**	**233,785**

The accounting policies on pages 29–31 and the Notes to the Accounts on pages 31–40 form part of these accounts

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2011	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Balance as at 30 April 2010	10,191	103,673	219	22,517	–	94,029	3,156	233,785
Profit for the year	–	–	–	–	–	24,438	4,999	29,437
Ordinary dividends paid	–	–	–	–	–	–	(4,898)	(4,898)
Issue of new Ordinary shares	2,119	49,557	–	–	–	–	–	51,676
Balance as at 30 April 2011	**12,310**	**153,230**	**219**	**22,517**	**–**	**118,467**	**3,257**	**310,000**

For the year ended 30 April 2010	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Treasury share reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Balance as at 30 April 2009	9,386	87,224	219	22,517	(1,346)	49,457	3,675	171,132
Profit for the year	–	–	–	–	–	44,572	3,595	48,167
Ordinary dividends paid	–	–	–	–	–	–	(4,114)	(4,114)
Issue of Ordinary shares from Treasury	–	3	–	–	1,346	–	–	1,349
Issue of new Ordinary shares	805	16,446	–	–	–	–	–	17,251
Balance as at 30 April 2010	**10,191**	**103,673**	**219**	**22,517**	**–**	**94,029**	**3,156**	**233,785**

The accounting policies on pages 29–31 and the Notes to the Accounts on pages 31–40 form part of these accounts

CASH FLOW STATEMENTS

	Group 30 April 2011 £'000	**Company 30 April 2011 £'000**	Group 30 April 2010 £'000	Company 30 April 2010 £'000
Cash flows from operating activities				
Profit before taxation	**29,585**	**29,580**	48,408	48,413
Gains on investments	**(16,993)**	**(16,998)**	(43,011)	(43,016)
Foreign exchange differences at fair value through profit or loss	**(9,176)**	**(9,176)**	(2,342)	(2,342)
Operating cash flow before movements in working capital	**3,416**	**3,406**	3,055	3,055
Decrease in other receivables	**(389)**	**(451)**	(291)	(291)
Increase in other payables	**90**	**70**	297	297
Net cash from operating activities before taxation	**3,117**	**3,025**	3,061	3,061
Taxation	**(243)**	**(243)**	(180)	(180)
Net cash inflow from operating activities	**2,874**	**2,782**	2,881	2,881
Investing activities				
Commission on purchase of FTSE 100 Futures	**–**	**–**	(4)	(4)
(Loss)/profit on disposal of FTSE 100 Futures	**(2,312)**	**(2,312)**	15,007	15,007
Purchase of investments – equity shares	**(52,611)**	**(52,611)**	(59,092)	(59,102)
Purchase of investments – fixed interest and other investments	**(53,575)**	**(53,575)**	(16,838)	(16,838)
Disposal of investments – equity shares	**20,785**	**20,785**	32,202	32,202
Disposal of investments – fixed interest and other investments	**38,242**	**38,242**	8,193	8,193
Net cash outflow from investing activities	**(49,471)**	**(49,471)**	(20,532)	(20,542)
Financing activities				
Equity dividends paid	**(4,898)**	**(4,898)**	(4,114)	(4,114)
Issue of Ordinary shares	**49,736**	**49,736**	18,600	18,600
Net cash inflow from financing activities	**44,838**	**44,838**	14,486	14,486
Decrease in cash and cash equivalents	**(1,759)**	**(1,851)**	(3,165)	(3,175)
Cash and cash equivalents at the start of the year	**6,391**	**6,381**	8,202	8,202
Effect of foreign exchange rate changes	**6,767**	**6,767**	1,354	1,354
Cash and cash equivalents at the end of the year	**11,399**	**11,297**	6,391	6,381

The accounting policies on pages 29–31 and the Notes to the Accounts on pages 31–40 form part of these accounts

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

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

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

The principal accounting policies adopted are set out below. Where the presentational guidance set out in the Statement of Recommended Practice (the "SORP") for investment trusts issued by the Association of Investment Companies (the "AIC") in January 2010 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendation of the SORP.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries) made up to 30 April each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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. In accordance with the Company's status as a UK investment company under Section 833 of the Companies Act 2006 net capital returns may not be distributed by way of dividend.

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 amount of the cash dividend is recognised as income.

Dividends from overseas companies continue to be shown gross of withholding tax.

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

Interest income is accounted for on an accruals basis.

EXPENSES

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

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

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

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

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

Investments are designated in terms of IFRS as ''investments held at fair value through profit or loss'', and are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Investments in unit trusts or OEICs are valued at the closing price released by the relevant investment manager. The subsidiary is valued at fair value by the Directors on the basis of all information available to them at the time of valuation.

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

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

TREASURY SHARE RESERVE
The Treasury Share Reserve was created following the introduction of Treasury Shares and IFRS. The cost of any shares bought back to be held in Treasury or subsequent proceeds from the re-sale of shares from Treasury is deducted from or added to the Treasury Share Reserve. If shares are re-sold at a premium over their cost the excess is transferred to the Share Premium Account.

OTHER CAPITAL RESERVES
Gains and losses on the realisation of investments, gains and losses on the realisation of FTSE 100 Future contracts, realised exchange differences of a capital nature and returns of capital are accounted for in this Reserve.

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOREIGN CURRENCY

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

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

	2011	2010
Australian Dollar	**1.52415**	1.64435
Swiss Franc	**1.44860**	1.65005
US Dollar	**1.66795**	1.53065

Forward currency contracts are reported at fair value at the year end by using the rates of exchange prevailing at the year end. The forward rate of exchange of US Dollars to Sterling at 30 April 2011 was 1.66692 (2010: 1.53026).

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 capital reserves.

CASH AND CASH EQUIVALENTS

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

FINANCIAL LIABILITIES AND EQUITY

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

2. INCOME

	2011	2010
	£'000	£'000
Income from investments		
Franked investment income	**3,317**	3,484
Fixed interest securities	**1,525**	1,681
Overseas dividends	**1,902**	1,016
	6,744	6,181
Other operating income		
Deposit interest	**13**	28
Other income	**137**	45
Total income	**6,894**	6,254

NOTES TO THE ACCOUNTS (CONTINUED)

3. EXPENSES	2011	2011	2011	
	Revenue	**Capital**	**Total**	2010
	£'000	**£'000**	**£'000**	£'000
Investment advisory fee	**603**	**1,120**	**1,723**	1,252
Staff costs	**528**	**–**	**528**	364
Secretarial and administration expenses	**–**	**–**	**–**	115
Directors' fees	**90**	**–**	**90**	82
Auditors' remuneration for:				
– audit	**15**	**–**	**15**	14
– tax services	**13**	**–**	**13**	9
Other expenses	**493**	**–**	**493**	577
	1,742	**1,120**	**2,862**	2,413

The Board appointed Troy Asset Management Limited (''Troy'') as Investment Adviser with effect from 3 March 2009. The contract between the Company and Troy is on a rolling six months basis. The fee structure, which is based on the Company's shareholders' funds, is 0.5% on the first £100 million; 0.625% on the next £50 million; 0.75% between £150 million and £500 million; and 0.625% thereafter, payable quarterly in arrears. In the year to 30 April 2011 the total cost amounted to £1,723,000 (2010: £1,252,000). 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. In addition, the Company is entitled to terminate the contract summarily if (a) Sebastian Lyon ceases to be a full-time executive of Troy, (b) Troy commits a material breach of the UK regulatory system or (c) Troy undergoes a change of control (other than through a change of control whereby the existing management team of Sebastian Lyon, Francis Brooke and Simon de Zoete increases its aggregate holding in Troy to more than 50% of the voting rights and where Sebastian Lyon's voting interest in the share capital of Troy is not decreased) or a change in corporate structure which may reasonably be expected to be materially prejudicial to the Company's interests (such right of summary termination being exercisable within 30 days of the Company receiving written notice of the change of control or change in corporate structure).

Under the terms of the contract with 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; and (h) 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 agreement between the Company and F&C for the provision of company secretarial services was amended on 13 October 2008, when the fee was increased to £125,000 per annum. These services were terminated on 31 March 2010. With effect from 1 April 2010, all secretarial and administrative services are now provided by the Company's wholly owned subsidiary, Personal Assets Trust Administration Company Limited. Costs amounted to £315,000 in respect of these services in the year to 30 April 2011 (2010: £285,000) of which £19,000 (2010: £168,000) related to start-up costs.

NOTES TO THE ACCOUNTS (CONTINUED)

4. DIRECTORS' REMUNERATION AND EMPLOYEE COSTS

	2011	2010
	£'000	£'000
Directors' fees and salaries	**280**	257
Other salaries	**280**	150
Employer's national insurance	**64**	44
	624	451

Details of the highest paid Director can be found in the Directors' Remuneration Report on pages 16 and 17. Excluding the Directors, there were four employees during the year ended 30 April 2011 and one employee during the year ended 30 April 2010.

5. TAX ON ORDINARY ACTIVITIES

	2011	2010
	£'000	£'000
Foreign tax suffered	**322**	190
Recovery of foreign tax suffered	**(174)**	–
Prior year adjustment	**–**	51
	148	241

The Company has £3,680,000 excess management expenses at 30 April 2011 (2010: £2,493,000). It is uncertain whether the Company will generate sufficient taxable profits in the future to utilise these expenses and therefore, in accordance with IAS 12, no deferred tax asset in respect of these amounts has been recognised.

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:

	2011	2010
	£'000	£'000
Profit before tax	**29,585**	48,408
Corporation tax at standard rate of 28% (2010: 28%)	**8,284**	13,554
Effects of:		
Capital gains not subject to taxation	**(6,841)**	(12,479)
Investment income not subject to taxation	**(1,461)**	(1,248)
Disallowed expenses	**–**	27
Increase in excess management expenses	**18**	146
Withholding tax suffered	**322**	190
Recovery of foreign tax suffered	**(174)**	–
Prior year adjustment	**–**	51
Total tax charge (note 5)	**148**	241

NOTES TO THE ACCOUNTS (CONTINUED)

7. DIVIDENDS

	2011	2010
	£'000	£'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 30 April 2011 of £2.70 (2010: £2.55) per Ordinary share	**2,296**	1,964
Second interim dividend for the year ended 30 April 2011 of £2.70 (2010: £2.65) per Ordinary share	**2,602**	2,150
	4,898	4,114

8. RETURN PER SHARE

The revenue return per share of £5.68 (2010: £4.61) is based on the net revenue profit for the financial year of £5,004,000 (2010: £3,600,000), and on 880,589 (2010: 780,184) shares, being the weighted average number in issue during the year, excluding Treasury shares.

The capital return per share of £27.75 (2010: £57.12) is based on a net capital profit for the financial year of £24,433,000 (2010: £44,567,000), and on 880,589 (2010: 780,184) shares, being the weighted average number in issue during the year, excluding Treasury shares.

9. INVESTMENTS – GROUP AND COMPANY

	Group	**Company**	Group	Company
	2011	**2011**	2010	2010
	£'000	**£'000**	£'000	£'000
Investments listed on a recognised investment exchange	**291,598**	**291,598**	225,773	225,773
Subsidiary undertaking	**–**	**20**	–	15
	291,598	**291,618**	225,773	225,788

	Listed UK	Listed Overseas	Total
	£'000	£'000	£'000
Opening book cost	59,842	129,382	189,224
Opening unrealised appreciation	9,925	26,624	36,549
Opening valuation	69,767	156,006	225,773
Movements in the year			
Purchases at cost	25,762	80,424	106,186
Effective yield adjustment	–	616	616
Sales proceeds	(20,785)	(38,242)	(59,027)
Sales – realised gains on sales	2,845	6,886	9,731
Unrealised gain on the fair value of investments during the year	4,101	4,218	8,319
Closing valuation	**81,690**	**209,908**	**291,598**

NOTES TO THE ACCOUNTS (CONTINUED)

9. INVESTMENTS – GROUP AND COMPANY (CONTINUED)

	Listed UK £'000	Listed Overseas £'000	Total £'000
Closing book cost	67,664	179,066	246,730
Closing unrealised appreciation	14,026	30,842	44,868
	81,690	**209,908**	**291,598**

	2011 £'000	2010 £'000
Equity shares	**169,385**	124,084
Fixed interest securities	**79,578**	79,104
Other investments (Gold Bullion)	**42,635**	22,585
	291,598	225,773
Realised gains on sales	**9,731**	1,789
Unrealised gain on the fair value of investments during the year	**8,319**	29,490
Gains on investments	**18,050**	31,279

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

Transaction costs

During the year the Company incurred transaction costs of £243,572 (2010: £248,425) on the purchase and sale of investments.

10. CURRENT ASSETS

	Group 2011 £'000	**Company 2011 £'000**	Group & Company 2010 £'000
Financial Assets			
Unrealised profit on forward currency contract	**4,151**	**4,151**	1,742
Other Receivables			
Due from brokers	**2,000**	**2,000**	–
Prepayments and accrued income	**1,465**	**1,465**	1,074
Tax receivable	**95**	**95**	–
Due from subsidiary	**–**	**86**	–
Other receivables	**31**	**7**	33
	3,591	**3,653**	**1,107**

11. CURRENT LIABILITIES

	Group 2011 £'000	**Company 2011 £'000**	Group 2010 £'000	Company 2010 £'000
Financial Liabilities				
Unrealised loss on FTSE 100 Future	–	–	639	639
Other Payables				
Due to subsidiary	–	–	–	5
Other payables	**739**	**719**	589	589
	739	**719**	589	594

12. CALLED-UP SHARE CAPITAL

	Number	£'000
Allotted, called-up and fully paid:		
Balance at 30 April 2010	815,281	10,191
Shares issued in respect of allotments	169,522	2,119
Balance at 30 April 2011	984,803	12,310

13. NET ASSET VALUE PER SHARE

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

	Net asset value per share attributable		Net asset value attributable	
	2011	2010	**2011**	2010
	£	£	**£'000**	£'000
Ordinary shares	**314.78**	286.75	**310,000**	233,785

Net asset value per Ordinary share is based on net assets shown above and 984,803 (2010: 815,281) Ordinary shares, being the number of Ordinary shares in issue at the year end.

At the year end the Company held no Ordinary shares in Treasury.

14. BUSINESS SEGMENT

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

NOTES TO THE ACCOUNTS (CONTINUED)

15. FINANCIAL INSTRUMENTS

The Group holds investments in listed companies and fixed interest securities, holds cash balances and has receivables and payables. It may from time to time also invest in FTSE 100 Futures and enter into forward currency contracts. Cash balances are held for future investment and forward currency contracts are used to manage the exchange risk of holding foreign investments. Further information is given in the Business Review for the Year to 30 April 2011 on pages 9–11.

The fair value of the financial assets and liabilities of the Group at 30 April 2011 is not different from their carrying value in the financial statements.

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

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

Credit Risk

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

The Group's principal financial assets are investments, cash balances and other receivables, which represent the Group's maximum exposure to credit risk in relation to financial assets. The Group did not have any exposure to any financial assets which were passed due or impaired at the year end.

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

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

Market Price Risk

The fair value of equity and other financial securities held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues including the market perception of future risks. The Company's strategy for the management of market price risk is driven by the Company's investment policy as outlined within the Business Review on pages 9–11. The Board sets policies for managing this risk and meets regularly to review full, timely and relevant information on investment performance and financial results. The management of market price risk is part of the fund management process and is fundamental to equity investment. The portfolio is managed with an awareness of the effects of adverse price movements in the UK equity market with an objective of maximising overall returns to shareholders. Investment and portfolio performance are discussed in more detail in the Investment Adviser's Report and the investment portfolio is set out on page 6.

Any changes in market conditions will directly affect the profit or loss reported through the Income Statement. For instance, a 30% increase in the value of the equity exposure as at 30 April 2011 would have increased net return for the year by £50,816,000 (2010: a 30% increase in the value of the equity exposure would have increased net return by £37,225,000). A decrease of 30% (2010: 30%) would have had an equal but opposite effect. These calculations are based on investment valuations at the respective balance sheet date and are not representative of the year as a whole.

The Company continued to use derivatives during the year. These contracts were entered into to manage the Company's effective liquidity.

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. Cash balances are held with reputable banks with a credit rating of AA or higher, usually on overnight deposit. 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 2011 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 due to fluctuations in the prevailing market rate.

Floating Rate

When the Group holds cash balances, such balances are held on overnight deposit accounts and call deposit accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate, which at 30 April 2011 was 0.50% in the UK (2010: 0.50%).

Floating interest rate exposure at 30 April:	**2011**	2010
	£'000	£'000
US Dollar	**4**	–
Sterling	**11,395**	6,391

Fixed rate and zero rate

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

		£'000	Period to maturity
At 30 April 2011 the Company held:			
US Treasury 1.375%	15/07/2018	**65,126**	7 years 76 days
US Treasury 1.125%	15/01/2021	**9,021**	9 years 260 days
US Treasury 0.5%	15/04/2015	**5,431**	3 years 350 days
At 30 April 2010 the Company held:			
US Treasury 1.375%	15/07/2018	72,152	8 years 76 days
US Treasury 0.5%	15/04/2015	6,952	4 years 350 days

NOTES TO THE ACCOUNTS (CONTINUED)

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 £57,000 (2010: £32,000). 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.

Foreign Currency Risk

The Company invests in overseas securities.

	2011	2010
Gross currency exposure at 30 April:	**£'000**	£'000
Australian Dollars	**8,663**	4,696
Swiss Francs	**14,013**	12,096
US Dollars[1]	**187,232**	139,236

[1] At 30 April 2011 the Sterling cost of the US Treasury exposure was protected by a forward currency contract. The gain of £4,151,000 (2010: gain of £1,742,000) on the US$169,000,000 (2010: US$120,000,000) sold forward against £105,535,000 (2010: £80,160,000) is included in other receivables (2010: other receivables). All foreign exchange contracts in place at 30 April 2011 were due to mature within two months. The exposure to US Dollars also includes Gold Bullion. At 30 April 2011 the net exposure to US Dollars was £85,847,000 (2010: £60,818,000) including Gold Bullion and £43,212,000 (2010: £38,233,000) excluding Gold Bullion.

Foreign Currency Sensitivity

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

If Sterling had weakened by 10% against the currencies shown, this would have had the following effect:

		2011			2010	
	Australian $	**Swiss Francs**	**US$**	Australian $	Swiss Francs	US$
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Income statement – return on ordinary activities after taxation:						
Revenue return	**5**	**53**	**322**	–	41	258
Capital return	**962**	**1,557**	**4,801**	522	1,344	4,169
Total return	**967**	**1,610**	**5,123**	522	1,385	4,427

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

NOTES TO THE ACCOUNTS (CONTINUED)

16. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

				2011				2010
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Description	**£'000**	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Investments	**291,598**	**–**	**–**	**291,598**	225,773	–	–	225,773
Current assets	**4,151**	**–**	**–**	**4,151**	1,742	–	–	1,742
Current liabilities	**–**	**–**	**–**	**–**	(639)	–	–	(639)
Total	**295,749**	**–**	**–**	**295,749**	226,876	–	–	226,876

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments the fair value of which is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables includes only data from observable markets.

Level 3 reflects financial instruments the fair value of which is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

17. SUBSIDIARY UNDERTAKING

As at 30 April 2011, Personal Assets Trust's subsidiary undertaking, which has been consolidated, was as follows:

Name	**Place of incorporation**	**Business activity**	**Shares owned**	**Percentage of Share Capital owned**
Personal Assets Trust Administration Company Limited	Scotland	Company secretarial and administrative services	10,000 Ordinary shares of £1	100

The Company holds the full voting power in the subsidiary undertaking.

18. RELATED PARTY TRANSACTIONS

The Company pays £30,000 per annum for the rental of the Executive Office to Rushbrook & Co LLP, of which Frank Rushbrook is a partner. The notice period on the lease is six months.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting (''AGM'') of Personal Assets Trust Public Limited Company will be held at The Roxburghe Hotel, 38 Charlotte Square, Edinburgh, on Thursday 21 July 2011 at 11.30 am for the following purposes:

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

1. That the Report and Accounts for the year to 30 April 2011 be received.
2. That the Directors' Remuneration Report for the year to 30 April 2011 be approved.
3. That Hamish Buchan, who retires from office annually, be re-elected as a Director.
4. That Martin Hamilton-Sharp, who retires from office annually, be re-elected as a Director.
5. That Gordon Neilly, who retires from office annually, be re-elected as a Director.
6. That Stuart Paul, who retires from office annually, be re-elected as a Director.
7. That Frank Rushbrook, who retires from office annually, be re-elected as a Director.
8. That Robin Angus, who retires from office annually, be re-elected as a Director.
9. That Ernst & Young LLP be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.
10. 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 £3,750,000, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.

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

11. Disapplication of pre-emption rights

    That, subject to the passing of Resolution 10 above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and are hereby generally empowered, pursuant to Section 570 of the Companies Act 2006 (the ''Act''), to allot equity securities (as defined in Section 560 of the Act), including the grant of rights to subscribe for, or to convert securities into, Ordinary shares held by the Company as Treasury shares (as defined in Section 724 of the Act) for cash pursuant to the authority given by Resolution 11 above as if Section 561(1) of the Act did not apply to any such allotment of equity securities, provided that this power:

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

(b) shall be limited to the allotment of equity securities up to an aggregate nominal value £3,750,000, being 29.8% of the nominal value of the issued share capital of the Company as at 2 June 2011.

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 10 above" were omitted.

12. Share buyback authority

That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with Section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares of £12.50 each in the capital of the Company ("Ordinary shares") (either for retention as Treasury shares for future reissue, resale, transfer or cancellation), provided that:

(a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 151,034;

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

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

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

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

(d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or on 31 October 2012, 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.

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

By Order of the Board

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

2 June 2011

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Notes

1. A shareholder who is entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. Such proxy need not also be a shareholder of the Company. If appointing more than one proxy, each proxy must be appointed to exercise rights attaching to different shares held by the shareholder.
2. A proxy form for use by shareholders at the meeting is enclosed with this document. Proxies must be lodged with the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR, not less than 48 hours (excluding non-working days) before the time appointed for the meeting together with any power of attorney or other authority (if any) under which it is signed. Completion of the proxy form will not prevent a shareholder from attending the meeting and voting in person.
3. Only those shareholders having their name entered on the Company's share register not later than 6.00 p.m. on 19 July 2011 or, if the meeting is adjourned, on the day and at the time which is 48 hours (excluding non working days) prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any shareholder to attend, speak and vote at the meeting, notwithstanding any provision in any enactment, the Articles of Association of the Company or other instrument to the contrary.
4. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual and by logging on to the website www.euroclear.com/CREST. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or 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 registrars, Equiniti Limited (ID RA19), by no later than 11.30 a.m. on 19 July 2011. No such message received through the CREST network after this time will be accepted. The time of receipt will be taken to be the time from which the Registrars are able to retrieve the message by enquiry to CREST.

   CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("Nominated Persons"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 1 and 2 above does not apply to Nominated Persons. The rights described in these notes can be exercised only by members of the Company.

7. As at 2 June 2011, the latest practicable date prior to publication of this document, the Company's issued share capital comprised 1,007,566 Ordinary shares of £12.50 each with a total of 1,007,566 voting rights.
8. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his/her proxy will need to ensure that both he/she and such third party comply with their respective disclosure obligations under the Disclosure and Transparency Rules.
9. Information regarding the meeting, including information required by Section 311A of the Companies Act 2006, is available from the Company's website, www.patplc.co.uk.
10. Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
    (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
    (b) the answer has already been given on a website in the form of an answer to a question; *or*
    (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
11. Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.
12. The members of the Company may require the Company (without payment) to publish, on its website, a statement (which is also to be passed to the auditors) setting out any matter relating to the audit of the Company's accounts, including the auditor's report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5% of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address and be sent to the Company's registered address at 10 St Colme Street, Edinburgh EH3 6AA.

WAYS OF INVESTING IN PERSONAL ASSETS

Steven Budge and Steven Davidson will be pleased to provide information about the ways of investing in Personal Assets listed below. Their contact details are on the inside front cover. Information can also be accessed on the Company's website – www.patplc.co.uk.

The shares of Personal Assets are listed on the Official List and traded on the London Stock Exchange and private investors can buy or sell shares by placing an order either directly with a stockbroker or through an Independent Financial Adviser. Alternatively, investments can be made through the Company's Investment Plan (which offers three options, as outlined below) or Individual Savings Account ("ISA").

The Board believes investment costs for shareholders should be kept as low as possible. **No charges are therefore made by Personal Assets to shareholders using these plans.**

THE PERSONAL ASSETS INVESTMENT PLAN

The Single Investment Option (minimum investment £5,000, no maximum) allows investors to acquire shares to be held within the Plan and to choose either to have dividends reinvested or to receive them directly in the usual way.

The Monthly Investment Option (minimum investment £500 per month, no maximum) allows investors to make regular investments by direct debit only and to choose either to have dividends reinvested or to receive them directly in the usual way.

The Cash Income Option lets investors draw an annual income of £4,000 or more (minimum £1,000 per quarter) from a shareholding in Personal Assets held within the Plan. Depending on their own tolerance of risk and view of markets, investors can choose to receive an annual 4%, 7% or 10% of the starting value of their holding as a quarterly cash income from the sale of shares. The minimum starting sum will depend on the percentage rate of cash income chosen.

THE PERSONAL ASSETS ISA

The Personal Assets zero-charge Individual Savings Account ("ISA") consists solely of Personal Assets shares and all cash (whether from subscriptions or dividends) is invested in the Company's shares on the earliest dealing day following receipt. Dealing days are Wednesday and Friday of each week. Subscribers must invest the maximum amount permissible in each year. Subscriptions may be made either by lump sum or by monthly direct debit. The current rate of monthly direct debit is £890 and the lump sum investment is £10,680. Investors can choose either to have dividends reinvested or to receive them directly in the usual way.

TRANSFER OF OTHER ISAS INTO THE PERSONAL ASSETS ISA

Transfers may be made into the Personal Assets ISA of ISAs currently managed by other managers. Details are available from either Steven Budge or Steven Davidson.

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

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