Centenary
1909 - 2009
100 YEARS
...and counting

WITAN INVESTMENT TRUST PLC
Annual Report 2009

Witan investment trust

“Wisdom consists of the anticipation of consequences.”
– Norman Cousins

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IBC	Chemmy Alcott

Investment trusts are public limited companies, quoted on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments. Income, net of expenses and tax, is distributed substantially to shareholders. Shareholders elect the directors.

Definitions: in this document ‘the Company’ refers to Witan Investment Trust plc; ‘the Group’ refers to Witan Investment Trust plc (the parent company) and Witan Investment Services Limited (the subsidiary company); and ‘the Trust’ or ‘Witan’ refer to either the Company or the Group, according to the context.

Witan Investment Trust plc
Annual Report 2009

Objective

To be the first choice for wealth creation through equity investment.

Philosophy

- Seek returns for our investors across global stockmarkets.
- Embrace new investment techniques when appropriate.
- Present ourselves to investors in a clear, no-nonsense way.

Method

- To maintain at least 80% exposure to equity markets.
- To offer an independent multi-manager approach, accessing the best available talent within the global marketplace.
- To use alternative asset classes and investment techniques to improve performance.
- To grow the dividend at least in line with inflation.
- To buy back shares to improve net asset value and reduce the discount.
- To be ready to use borrowing in attractive markets while retaining the ability to convert to cash when prospects are poor.
- To promote and seek demand for Witan shares.
- To exercise strict controls on costs and keep expenses competitive.

Directors' Report
Financial Highlights

Corporate Key Performance Indicators

	31 December 2009	31 December 2008	% change
Share price	444.6p	351.0p	+26.7
Net asset value per ordinary share (debt at par value)	502.7p	410.1p	+22.6
Net asset value per ordinary share (debt at fair value)	497.0p	400.3p	+24.2
Dividends per ordinary share	10.5p	10.2p	+2.9
Discount (debt at par value)	11.6%	14.4%	
Discount (debt at fair value)[(A)]	10.5%	12.3%	
Shares buy-backs[(B)]	5.1%	4.0%	
Total expense ratio including performance fees[(C)]	0.98%	0.71%	
Total expense ratio excluding performance fees[(C)]	0.71%	0.58%	
Number of private investors[(D)]	39,580	40,356	-1.9

(A) The average discount in 2009 was 11.2% (2008: 10.1%). (Source: Datastream)
(B) The percentage of the ordinary share capital in issue at the previous year end that was bought back during the year.
(C) The total of the management fees and other administrative expenses (excluding the expenses of the subsidiary company) as a percentage of the average of shareholders' funds at the beginning and end of the year (see note 5 on page 52). See further comment on page 4.
(D) The sum of the number of accounts on the Company's register of members and the number of accounts in Witan Wealthbuilder, Jump and Jump CTF.

Performance

Total returns to 31 December 2009	1 year % return	3 years % return	5 years % return
Total shareholder return[(E)]	30.6	5.4	51.2
Net asset value total return[(F)]	25.9	3.9	43.5
Benchmark[(G)]	24.5	2.7	41.9
FTSE All-Share Index[(H)]	30.1	-4.0	36.8
FTSE World (ex UK) Index[(H)]	18.9	8.1	42.6

(E) The movement in the ordinary share price adjusted to include the notional reinvestment of dividends.
(F) The movement in the net asset value per share adjusted to include the notional reinvestment of dividends.
(G) Source: WM Performance Services. Since 1 October 2007 the benchmark has been a composite of four indices: the FTSE All-Share Index 40%, the FTSE All-World North America Index 20%, the FTSE All-World Europe (ex UK) Index 20% and the FTSE All-World Asia Pacific Index 20%. From 1 September 2004 to 30 September 2007 the benchmark comprised the FTSE All-Share Index 50% and the FTSE World (ex UK) Index 50%. Prior to 1 September 2004 the benchmark comprised the FTSE All-Share Index 60% and the FTSE World (ex UK) Index 40%.
(H) Source: Datastream

Other Financial Information

	31 December 2009	31 December 2008	% change
Net assets	£1,022,819,000	£879,247,000	+16.3
Number of ordinary shares in issue	203,464,280	214,398,654	-5.1
Revenue return per ordinary share	10.63p	11.60p	-8.4
Gearing*	5.0%	0.1%	

* The total market value of the investments less shareholders' funds as a percentage of shareholders' funds.

The Company's ten year historical record is shown on page 76.

Directors' Report
Chairman's Statement

"The wisdom of the wise, and the experience of ages, may be preserved by quotations."

– Isaac D'Israeli

Highlights

- NAV total return ahead of benchmark by 1.4%
- increased gearing at market low point in late February
- total shareholder return over last five years of 51.2% – exceeding benchmark by 9.3%
- dividend increased for the 35th year
- new Chief Executive – Andrew Bell

Opening Remarks

Last year my Chairman's Statement concluded by pointing out that in the past, when equity markets have fallen by more than 20% in any twelve month period, in most instances there has been a significant rise the following year. It is therefore with some relief that I am writing the 2009 Chairman's Statement for a year in which most major equity indices rose by over 20% and by 65% from the March 2009 lows. Witan achieved a share price total return of 30.6%.

Last year I commented on the reduction that has taken place over many years in the percentage of our assets held in the UK equity market. Given the terrible state of the UK's finances, the uncertainties around the impact on the economy of stopping quantitative easing and the additional factor of a general election, one might ask why we have any exposure at all. The good news for UK equity markets is that nearly three quarters of the revenues of the quoted corporate sector originate from overseas and that improving growth momentum is being predicted for most major economies in 2010. We have maintained our overall exposure to the UK but in this element of the Witan portfolio we have reduced the smaller company exposure – the sector of the market which is more UK dependent.

Shareholder Returns and Performance

The share price rose by 26.7% which, combined with the dividend paid during the year, resulted in a respectable total shareholder return of 30.6%. As a long term savings vehicle the longer term perspective is important and it is therefore worth reminding ourselves of the average total shareholder return of 8.6% per annum over the last five years.

Over the last twelve months investment managers have found the going firm but the pace a little too fast, as most fund managers underperformed the strong recovery in the market indices. Under these circumstances a benchmark performance from the totality of your chosen managers is a reasonable outcome. On page 13 you will find a detailed breakdown of investment performance by manager; it is worth highlighting the performance of three of your managers against their individual benchmarks, namely Southeastern, Orbis and Wellington who respectively outperformed by 7.7%, 18.2% and 9.0%. Obviously there was a counterbalance of underperforming managers but in a difficult year in which to make the correct investment decisions the multi-manager approach has worked in our favour as across the market three quarters of managers in the investment industry have underperformed.

Portfolio Attribution and Investment Decisions

The most important decision taken in 2009 was to reintroduce gearing into the Trust. At the end of 2008 we had completely neutralised the gearing effect of our debt but as the market fell we increasingly believed that global equities offered great value. In February and March we deployed £30 million of cash, gearing the portfolio by 6% of total assets on

Directors' Report
Chairman's Statement *continued*

Performance Attribution
for the year ended 31 December 2009 (based on the Company's financial statements)

Net asset value total return	+25.9%	Portfolio investment total return		+24.4%
Benchmark total return	+24.5%	Benchmark total return		+24.5%
		Investment underperformance		-0.1%
		Gearing impact	+2.5%	
		Share buy-backs	+0.8%	
		Interest on cash, etc	+0.2%	
				+3.5%
				+3.4%
		Borrowing costs	-0.9%	
		Operating costs and tax	-1.1%	
				-2.0%
Outperformance	+1.4%			+1.4%

average. From the attribution summary you can see that this decision alone added 2.5% to the outperformance of the Trust.

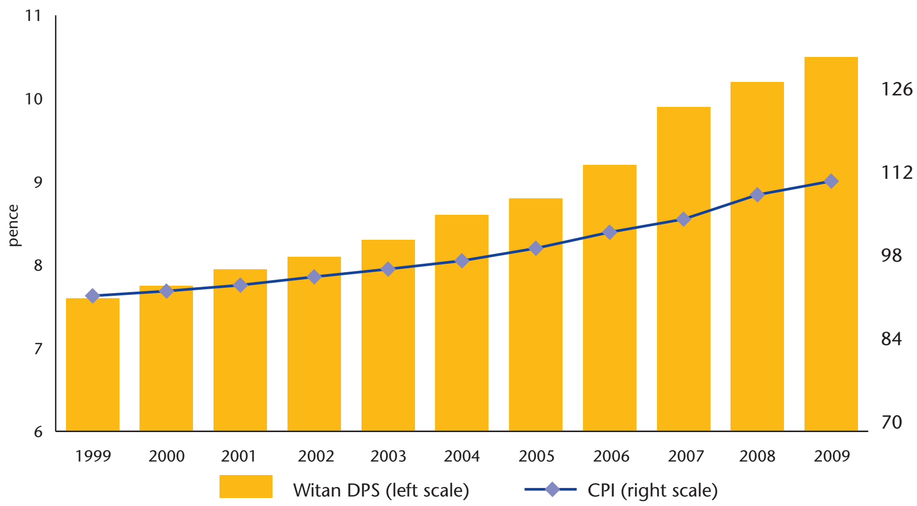
Total Expense Ratio
Including performance fees our Total Expense Ratio (TER) has increased from 0.71% to 0.98%. The two main factors responsible for the increase are a higher level of performance fees paid to our managers this year combined with a reduction in the level of average net assets. As explained in more detail in the Business Review, performance fees are payable to individual managers for outperforming their relevant benchmarks, although the aggregate investment performance of our managers was just below Witan's overall benchmark. Our TER excluding performance fees was 0.71% compared with 0.58% in 2008. These figures should be evaluated against the weighted average TER for the investment trust sector as a whole of 1.4%.

Dividend
Your Board has declared a second interim dividend of 6.2 pence per share, to be paid to shareholders on 1 April 2010, making a total distribution for the year of 10.5 pence (2008: 10.2 pence). This represents an increase of 2.9% over 2008 and maintains our policy of increasing dividends at least in line with inflation. This is the 35th consecutive year during which we have increased the dividend. The chart on page 5 shows how our dividends have increased over the past decade.

Share Buy-Backs and Discount
The level of share buy-backs increased in the second half of our financial year with the Company purchasing a total over the year of 5.1% of the shares in issue at 1 January 2009. These share buy-backs not only generated an increase in net asset value per share of 0.8% but also helped to reduce our discount, which ended the year at 10.5%. Our average discount during the year was 11.2%, which is not unreasonable given the general widening in discounts in the middle of the year and the less active buy-back policies operated by some trusts in the sector trading on wider discounts.

Changes to the Executive Management Team
In September 2008 Robert Clarke was appointed to the Board as Chief Executive Officer to explore business development opportunities and to manage the overall business. Mark Lynam was appointed Chief Investment Officer to take responsibility for investment policy, manager selection and monitoring. However, in light of the greater uncertainties of the financial world following the global financial crisis, the Board wanted to increase the investment resource available to the Group and combine the two roles with the appointment of a single new Chief Executive. In October the Board decided to restructure the Group's management team with an enhanced focus on the implementation of investment policy. After a thorough search and recruitment process we announced in January the appointment of Andrew Bell as

10 Year Growth in Witan's dividends per share versus UK Consumer Price Inflation



Source: Datastream

Witan's new Chief Executive. He was previously Head of Research at Rensburg Sheppards since 2003, having joined the company in 2000 after 12 years specialising in investment strategy and equity markets with Barclays de Zoete Wedd and Credit Suisse First Boston.

Andrew joined Witan as Chief Executive Officer on 8 February 2010 and, after a handover period, Robert Clarke and Mark Lynam will step down to pursue other interests. The Board would like to thank both Robert and Mark for their contributions and hard work in successfully managing the Group over the past 18 months.

Articles of Association

We propose to adopt revised Articles of Association and a resolution to this effect will be put to the forthcoming Annual General Meeting. The revised Articles, summarised on pages 73 to 75, incorporate the changes required to bring the Company's constitution into line with the Companies Act 2006 and the recent enactment of the Shareholder Rights Directive.

AGM

Our Annual General Meeting will be held at Merchant Taylors' Hall on Tuesday 27 April 2010 at 2.30 pm. Formal notice of the meeting is set out on pages 68 to 75 and further details are given on the enclosed invitation card. With fellow directors I look forward to the opportunity to meet you then for the Company's 102nd AGM.

Outlook

I have commented on the rise in equity markets through 2009 but we leave the noughties posting the worst ever 10-year performance record for equities with the MSCI World index down 17% since 1999.

Although such periods do nothing for investor confidence, history shows that buying after periods of poor performance can prove rewarding. Since 1899, there have been three decades when UK equity returns were negative after allowing for inflation: the period spanning the First World War, the 1970s (high inflation) and the most recent decade (after the implosion of the technology and debt bubbles). The subsequent 10 year periods in the first two cases delivered real annual returns substantially exceeding the long term average of around 5% (7.8% in the 1920s, 15.6% in the 1980s). (Source: 2010 Barclays Equity Gilt Study). The outcome from 2009 to 2019 remains to be seen but the rally experienced so far is consistent with a similar possible outcome.

Whatever the past, equities are more favourably valued than they were ten years ago with the MSCI forward earnings multiple nearly half, the dividend yield higher by a factor of two and the risk free rate of return some 40% lower. Despite the uncertainties surrounding the future, equity markets appear undemandingly valued, particularly given a backdrop of low income yields from deposits and government bonds.

Harry Henderson
Chairman
12 March 2010

Directors' Report
Business Review

This Business Review provides shareholders and other readers with information about the Company's business and results in 2009 and looks forward to the year ahead. It is divided into two sections: Corporate and Investment.

Corporate Section

- Objectives and Strategy
- Management Arrangements
- The Witan Benchmark
- Dividend Policy
- Share Buy-Backs and Discount Policy
- Debt and Gearing Policy
- Key Performance Indicators
- Management Team Changes
- Principal Risks and Uncertainties
- Witan Investment Services
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Investment Section (page 10)

- Investment Policy
- Portfolio Review
- Investment Managers
- Manager Review
- Outlook
- Witan's Multi-Manager Approach
- Our Current Managers
- An Evolving Process

CORPORATE SECTION

Objectives and Strategy

Witan's objective is to be the first choice for wealth creation through equity investment. From an investment perspective this means that Witan will seek to outperform the global stock markets represented by its benchmark consistently, adding value in the long term for its investors. In addition Witan seeks to attract new investors to buy the Trust's shares in order to provide ongoing liquidity for shareholders.

Witan aims to outperform by using a multi-manager investment structure. This allows us to select fund managers from around the world – often where the fund manager is not otherwise available to the UK investor.

Your Board pays close attention to the control of risk and this is clearly particularly relevant given recent years' economic and market uncertainties. However, the Board is at the same time mindful that risk needs to be embraced in order to generate investment return and enhance performance. We will therefore consider employing innovative investment techniques and diverse asset classes if, and when, these are deemed appropriate. Investment trusts can borrow in order to improve performance in rising markets and Witan has £110 million of long term debt (including preference shares) which it can deploy or neutralise with cash balances according to our view of the future outlook for markets.

Management Arrangements

As already mentioned, the management of Witan's portfolio is outsourced to third party fund managers around the world. Witan's in-house executive management team manages and controls these relationships, selects new managers when a change is appropriate, runs Witan Investment Services and advises the Board on all relevant investment and business matters.

Changes to the investment manager line-up during the year are referred to in greater detail in the Investment Section on pages 10 to 16, along with other investment issues. Our chosen managers are summarised on pages 18 and 19, with a brief description of each.

Witan has also appointed third parties for the various supporting services it requires including:

- BNP Paribas Securities Services SA ("BPSS") for global custody and for investment accounting and administration, and plan administrator for the Jump CTF
- Henderson Secretarial Services Limited for company secretarial services
- Equiniti Limited as plan administrators of Witan Wealthbuilder
- Towers Watson for manager research and performance analysis.

From time to time, and as required, Witan also procures professional advice in the areas of legal, compliance, investment consulting, financial and tax advice.

Witan's aim is to provide the best possible return to shareholders. With this in mind, your Board applies strict controls to costs. Expenditure is only undertaken when necessary and relevant or when a specific project has been identified which is likely to achieve a profitable return for the original outlay. Although, along with other funds, we have seen our TER increase as a result of falling asset values, at 0.98% it is below the average for the investment trust sector.

Since November 2005 the Company has had a lease on office premises at 14 Queen Anne's Gate, London SW1H 9AA. The Company's registered office is at 201 Bishopsgate, London EC2M 3AE.

The Company's policy towards its employees is to attract and retain staff with the particular skills and expertise required to manage the affairs of an investment trust company. The Group has no specific policies in respect of environmental or social and community affairs.

The Witan Benchmark

Your Company's benchmark is a quantitative representation of what shareholders can expect in the long term from an investment in Witan both in terms of the underlying investment structure of the portfolio and in performance. It enables the aims of your Company to be encapsulated succinctly without the need for a detailed description. It is an equity benchmark, although your Board reserves the right to invest in other assets if it deems it to be appropriate, for better performance or capital preservation. Since 1 October 2007 the benchmark has been:

40% FTSE All-Share Index
20% FTSE All-World North America Index (£)
20% FTSE All-World Europe (ex UK) Index (£)
20% FTSE All-World Asia Pacific Index (£).

The benchmark does not drive the portfolio structure nor the specific allocation of mandates to managers but it does provide a marker for the long term performance of the Company. Over shorter periods, performance can be expected to vary, sometimes considerably, from that of the benchmark.

Dividend Policy

The Board has declared a second interim dividend of 6.2 pence per share, to be paid to shareholders on 1 April 2010, making a total distribution for the year of 10.5 pence (2008: 10.2 pence). This is the 35th consecutive year that the annual dividend has increased and underlines the Company's ongoing intention to increase dividend income for shareholders at least in line with inflation.

Share Buy-Backs and Discount Policy

Your Board places great importance on the need to provide liquidity in Witan's shares to the market place. Shareholders should be able to sell Witan shares at a price that reflects prevailing market value while potential new shareholders should be able to invest when they wish to do so. Shares are bought back when they stand at a significant discount with the objective, subject to market conditions, of keeping the discount to net asset value at less than 10%. This policy has the impact of improving net asset value per share, improving liquidity and bringing the share price closer to that of net asset value – all other things being equal.

The level of share buy-backs during 2009 is referred to in detail in the Chairman's Statement. This activity not only generated an increase in net asset value per share of 0.8% but also helped to reduce our discount which ended the year at 10.5%. Our average discount during the year was 11.2%.

In addition to share buy-backs, Witan operates an ongoing marketing programme designed to stimulate demand for, and encourage new investment into, the Company's shares. This programme reaches out to private and professional investors and to financial advisers and intermediaries using a blend of targeted marketing disciplines. Further information about our marketing programme can be found on pages 78 and 79.

Debt and Gearing Policy

As already mentioned, Witan has long term debt consisting of debentures, secured bonds and preference share capital which is detailed in note 13 on page 57. We can deploy or neutralise the gearing effect of this debt with cash balances according to our view of the future outlook for markets. In March we took up a special opportunity to buy back £30 million of our long term debt at a relatively low premium cost of £2 million. Although this involved a one-off charge to net assets, there was an immediate reduction in our interest bill which is evidenced by the decrease in the finance charge from £9.9 million in 2008 to £8.3 million in 2009.

Key Performance Indicators

Your Board assesses its performance in meeting the Company's objective against the following key performance indicators:

Directors' Report
Business Review *continued*

- net asset value total return
- total shareholder return
- investment performance compared with the benchmark
- annual dividend growth
- discount to net asset value
- the level of buy-back activity
- total expense ratio
- growth in the number of private investors.

Witan's performance in 2009 against the above parameters is shown on page 2. Most of the parameters are addressed in the Chairman's Statement on pages 3 to 5. The Board also reviews both absolute and relative volatility and risk statistics for the portfolio and evaluates employee performance.

Management Team Changes

The Chairman's Statement on pages 3 to 5 explains the management changes which have taken place. Robert Clarke has been Chief Executive Officer ("CEO") throughout the financial year and in 2010 until Andrew Bell started as CEO on 8 February 2010. Mark Lynam was Chief Investment Officer ("CIO") in 2009 until 1 November, since when he has continued to advise the Company on a consultancy basis.

Principal Risks and Uncertainties

The Board has summarised the key risks to the Group in a risk matrix document. The risks relating to Witan's subsidiary company, Witan Investment Services Limited ("WIS"), are separately recorded. The respective documents are reviewed and updated regularly by the relevant Board of directors.

The Board is conscious that it must regularly review the nature of its objective and corporate strategy to ensure that both remain relevant and appropriate in a rapidly changing financial services and savings market. These issues are reviewed at least annually by the Board and include scrutiny of investment policies, the role of marketing and the Witan Wealthbuilder savings schemes as well as wider industry trends.

The Group's key risks fall broadly under the following categories:

Market and portfolio

Witan is essentially a vehicle for UK and overseas equity investment. The Board is unlikely, in normal conditions, to allow the invested level to drop below 80%. Therefore the prime risk of investing in Witan is a fall in equity prices.

The other generic risks associated with any international equity portfolio are those of strategy and of country, currency, industrial sector, and stock selection. There are also risks associated with the choice of managers. Your Board seeks to manage these risks through:

- appropriate decisions regarding asset allocation
- regular reviews of the competency and stock selection skills of fund managers
- monitoring the economic outlook, geo-political environment and stock market conditions around the world
- the application of relevant policies on gearing and liquidity.

The multi-manager structure of the portfolio means that from a risk point of view we are less dependent on one investment manager than with a conventionally structured portfolio.

Risk issues are further referred to in note 14 on pages 57 to 63.

Investment activity and strategy

An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may lead to underperformance against the Company's benchmark index and compared with the companies in its peer group. It may also result in the Company's shares trading on a wider discount. The Board seeks to manage these risks by setting an appropriate asset allocation, ensuring a diversification of investment managers and investments and a regular review of these aspects, alongside the extent of borrowings.

During the year Robert Clarke and Mark Lynam managed the overall business and investment portfolio in accordance with limits and restrictions determined by the Board. These include limits on the extent to which borrowings may be used. The Board reviews regularly the matters delegated to executive management and the CEO confirms compliance at each Board meeting. Directors are provided with comprehensive management information covering many aspects of the business including investment performance data, financial reports and shareholder analyses. The Board reviews investment strategy at each Board meeting and monitors the implementation and results of the investment process with the CEO. The CEO regularly reviews reports and data which monitor the various risk factors in respect of the portfolio.

Corporate governance and shareholder relations

Details of the Company's compliance with corporate governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement on pages 28 to 34.

Operational and regulatory risks are regularly and extensively reviewed by Witan's Audit Committee. WIS and its marketing activities are regulated by the Financial Services Authority and the subsidiary is subject to its own operating rules and regulations. Your Board takes its own regulatory responsibilities very seriously and reviews the main points of compliance against requirements on a quarterly basis. Your Board also takes corporate, legal, accounting and tax advice as appropriate.

Operationally, the multi-manager structure is a robust one as each of the investment managers, the custodian and the fund accountants keep their own records which are reconciled on a monthly basis. Management monitors the activities of all third parties and reports any significant issues to the Board. Comprehensive contractual obligations and indemnification provisions have been put in place with each of the third party service providers.

Accounting, legal and regulatory

In order to qualify as an investment trust the Company must comply with section 842 of the Income and Corporation Taxes Act 1988 ("section 842"), to which reference is made on page 22 under the heading "Status". A breach of section 842 could result in the Company losing investment trust status and, as a consequence, capital gains realised within the Company's portfolio would be subject to Corporation Tax. The section 842 criteria are monitored by the CEO. The Company must comply with the provisions of the Companies Act 2006 ("the Companies Act"), and, as the Company's shares are listed for trading on the London Stock Exchange, the Company must comply with the UK Listing Authority's Listing Rules and Disclosure Rules ("UKLA Rules"). A breach of the Companies Act could result in the Company and/or the directors being fined or becoming the subject of criminal proceedings. Breach of the UKLA Rules could result in the suspension of the Company's shares which would in turn lead to a breach of section 842. The Board relies on the CEO, the Company Secretary and the Group's professional advisers to ensure compliance with the Companies Act and the UKLA Rules. WIS is regulated by the Financial Services Authority for the marketing and administration of savings plans. These plans are administered on behalf of WIS by Equiniti Limited and BPSS. The operation of the savings plans is monitored closely by the Board of WIS and by the member of staff appointed as Compliance Officer.

The Company continues to monitor the progress of the draft Alternative Investment Fund Managers Directive through the European policy making process. Both directly and via membership of the Association of Investment Companies (AIC), the Company is working to ensure that any adverse effects on the closed end funds sector are minimised.

Operational

Many of the Group's operations are outsourced to third parties, principally BPSS. Disruption to, or failure of, the accounting, payment systems or custody records operated by BPSS could prevent the accurate reporting and monitoring of the Company's financial position. Details of how the Board monitors the services provided by BPSS and its other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal control section of the Corporate Governance Statement on pages 33 and 34.

Witan Investment Services ("WIS")

Witan Investment Services Limited is a wholly owned subsidiary of Witan Investment Trust plc. It was established in March 2005 and is authorised and regulated by the FSA to provide investment products and services.

WIS has two discernible channels of income by which its performance may be judged. These are firstly revenues from transaction fees and annual management charges relating to its savings plan business and, secondly, executive management and marketing fees paid by its corporate clients, Witan Investment Trust plc and Witan Pacific Investment Trust plc.

The platform provides savings plans to WIS clients and is marketed under the Witan Wealthbuilder and Jump brands. It currently has over 29,611 customers with assets of some £192 million invested. The major costs incurred by WIS are its fees to Equiniti Limited, the administrators of the Witan Wealthbuilder platform, and to BPSS for the Jump CTF.

Administration

We have recently taken the decision to change our arrangements for the administration of Witan's savings schemes. This will involve a significant migration project to a new administrator during 2010. Once the process has been completed we believe that the standard of service will be greatly enhanced.

WIS' overall aim is to stimulate demand for the shares of Witan and Witan Pacific.

Directors' Report
Business Review *continued*

Its objectives are:
- to operate a reliable and efficient investment savings platform for Witan and Witan Pacific investors
- to minimise the operating costs for Witan Investment Trust
- to seek sources of revenue to generate a profit.

Refund of VAT
During the year we received from HM Revenue & Customs all the VAT on management fees borne by the Trust in the period 1990 to 1996 and the balance of the VAT on management fees borne by the Trust in the period 2000 to 2007. The VAT recovered amounts in total to £3,264,000. We also received simple interest of £1,191,000 on this amount. In summary, the total recognised over three years in the Income Statement, and now received in full, amounts to £4,455,000, of which £2,233,000 was included in the year under review.

Priorities for 2010
2009's major challenge was how to adapt to a rapidly changing economic environment and ensure that Witan was positioned to capture fully the recovery in equity markets. The objective in 2010 is to continue to navigate through the current rough but at least economically more predictable waters to add value for our shareholders.

During 2009, the Company took the decision to shift the balance of resources in the executive team more in the direction of investment management, reacting to the increased volatility in the economic and market environment since summer 2008. This shift took the form of the recruitment of a new Chief Executive, Andrew Bell, whose 22 years in the City have been spent specialising in investment strategy and asset allocation. Andrew joined us in February 2010, as referred to elsewhere in this report. The Company has also enlisted the services of a leading firm of investment consultants to strengthen our performance analysis and investment manager research capability.

Witan's portfolio is well-diversified both geographically and at the stock-selection level, with our range of managers giving a spread of styles as well as protecting against undue volatility if a particular manager's performance departs significantly from expectations. In 2010, the issues that will remain our principal focus include:

- having an appropriate strategic asset allocation to reflect themes and opportunities arising from changes in the world economy
- selecting and monitoring suitable managers to deliver our strategic objectives while taking proper account of risk control
- responding to tactical opportunities that may arise to improve returns or to moderate risk
- aiming to maintain dividend growth ahead of inflation
- Improving the style and content of our website (which has been newly launched, with regular investment comment from our CEO)
- delivering a good service to Witan Investment Services' clients, both corporate and individual
- seeking business development opportunities where Witan's multi-manager expertise can be applied beneficially.

In summary, we aim to retain the advantages of our diversified and risk-controlled approach to equity markets while adapting to strategic and tactical opportunities where these can offer the scope for enhancing returns.

INVESTMENT SECTION
Investment Policy
Witan invests primarily in global equities: the minimum equity level is set at 80% of net assets. The Board is prepared to consider alternative investments when appropriate.

The Company has the power under its Articles of Association to borrow up to 100% of the adjusted total of capital and reserves. Essentially this allows the Board to seek to improve performance through gearing by borrowing amounts equivalent in value to shareholders' funds. In practice the Board would not, other than in exceptional circumstances, allow gearing as defined on page 2 to rise to more than 20%. Over the past five years it has varied between 0% and 15% while, occasionally, the Company has held a small net cash position. At the end of 2009, the Company had in place £110 million of long term debt (equivalent to 10.8% of shareholders' funds), although effective gearing was less than this, owing to offsetting cash.

Investment risk is managed through:
- the selection of diverse investment managers with different mandates
- the adoption of a global geographic benchmark, ensuring diversity
- monitoring of investment manager performance and portfolios
- monitoring of asset allocation, currency exposures and gearing levels.

During the year the Company invested its assets with a view to spreading investment risk and in accordance with the investment policy as set out above. In particular it has maintained a diversified portfolio in terms of stocks, sectors and geography. The portfolio has been actively managed by the investment managers, under the direction of Witan's executive team. The directors have received regular reports on investment activity and portfolio construction, both at and outwith the regular meetings of the Board.

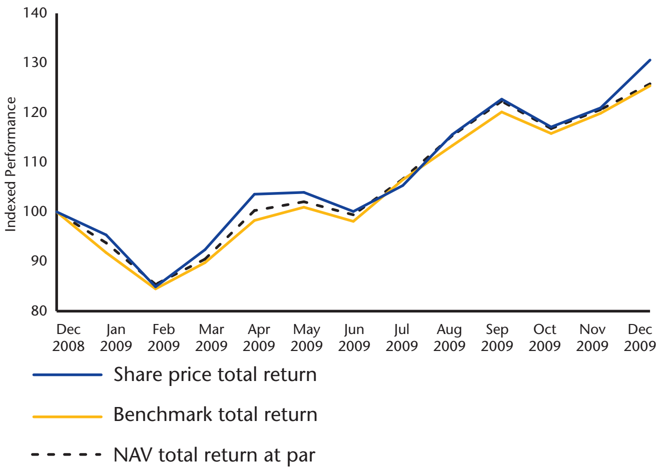
Portfolio Review

2009 was a remarkable year as markets confounded the majority of commentators and, after a depressing first quarter during which global stock markets fell as much as 20%, the direction was relentlessly upwards, culminating in a return of 19.6% for the FTSE World Index (£). The widely feared depression did not materialise and during the second half of the year earnings reports were positive, mainly due to deep cost cutting by companies. As the year progressed investors' risk appetite returned and markets were supported by low interest rates and fiscal concessions. With hindsight a key turning point was the Central Banks' combined and co-ordinated intervention, including the Bank of England announcing on 5 March a £75 billion asset purchasing programme (what we now know as quantitative easing), while cutting base rates to 0.5%, the lowest level since 1695. From this point all markets staged substantial recoveries but it is interesting to note that most emerging markets outperformed developed markets and the dominance of the biggest countries by stock market capitalisation, namely the US, Japan and the UK, has diminished further. These three combined represented 73% of the MSCI AC Index seven years ago, but by the end of 2009 this had shrunk to 59% (source: SG Research). The counterbalancing effect is that China and Brazil have both seen big increases in their weight, along with commodity rich countries such as Australia.

In order to capture these changing global dynamics your Witan portfolio is well diversified across regional stock markets and, importantly, across a range of managers. As expected in a multi-manager portfolio, individual manager returns vary; however more than half the managers outperformed their respective benchmarks and, along with the decision to gear the portfolio from February onwards, the overall result is that the Company enjoyed a NAV total return of 25.9%, outperforming the Witan benchmark which returned 24.5%.

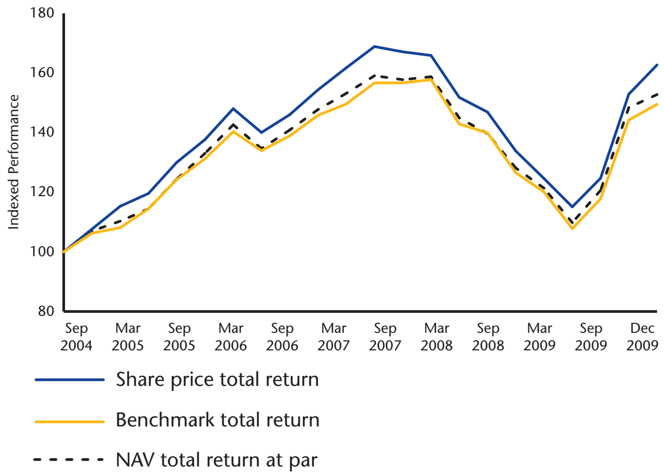
Witan is predominantly equity based but the remit does also allow investment in other areas when considered appropriate. Corporate bonds, specifically the higher quality investment grade credit bonds, were one such investment we made in early 2009 via the PIMCO Global Credit Bond Fund. Our judgement was that the corporate bond market had been overly depressed during the "credit crisis". As credit conditions improved through the year and some normality returned, prices did indeed recover substantially. We took the decision to sell the holding in the PIMCO fund in December 2009, benefiting from a rise of 19.1% during the period held.

Performance for 2009



Source: Lipper from 31 December 2008 to 31 December 2009

Performance since multi-manager inception



Source: Lipper from 30 September 2004 to 31 December 2009

Directors' Report
Business Review *continued*

The table below shows the current investment management arrangements:

Equity mandate	Investment manager	Benchmark (total return)	Investment style
UK mid-large	Henderson Global Investors	FTSE 350 (ex investment companies)	Enhanced index
UK	Artemis	FTSE All-Share	Recovery/special situations
UK	Marathon	FTSE All-Share	Capital cycles
UK smaller companies	Henderson Global Investors	Hoare Govett Smaller Companies (ex investment companies)	Growth at an attractive price
Global	Southeastern Asset Management	FTSE All-World	Value
Global	MFS International	FTSE All-World	Growth at an attractive price
Global	Thomas White International	FTSE All-World	Fundamental research
Continental Europe	Wellington Management Company	FTSE World Europe (ex UK)	Fundamental research
Europe (inc UK)	Varenne	FTSE All-World Developed Europe	Value
North America	Henderson Global Investors	FTSE World North America	Enhanced index
Japan	Brandes Investment Partners	FTSE Japan	Value
Asia Pacific (ex Japan)	Comgest	FTSE All-World Asia (ex Japan/Australia/New Zealand)	Fundamental research
Australasia	Orbis Investment Management	FTSE Australia	Value

Amongst the individual managers Orbis, managing some 2% of assets, in Australia, was the best performing, up 76.2% in sterling terms, whilst the biggest manager contribution to overall portfolio performance was produced by one of our global managers, Southeastern Asset Management, who account for 15% of assets, up 28.9% in sterling terms. Both these managers are value investors whilst the quality growth managers such as MFS and Comgest posted respectable absolute returns, of 20% and over 30% respectively, but failed to match their regional benchmarks. These latter managers tend to underperform during swift market upswings that follow exaggerated falls as their investment strategies do not benefit from shorter term volatility.

Investment Managers

As listed above, the portfolio consists of 13 separate mandates managed by 11 different fund management firms.

Each of the managers is entitled to a base management fee, calculated according to the value of the assets under management, and/or a performance fee, calculated according to investment performance, over a rolling three year period, relative to the benchmark applicable to the relevant investment mandate. With three exceptions, the fees for each of the segregated investment management agreements are subject to a cap in respect of each accounting year. Each agreement can be terminated on one month's notice, with one exception. Two of the investment mandates are fund vehicles. One of these is not subject to a specific investment management agreement as it is in effect a direct investment. However, the relevant terms are similar to what is described above.

The base management fee rates range from nil to 0.94 per cent per annum and the performance fees range from nil to 25 per cent per annum of the relevant outperformance. All the fees are payable quarterly in arrears. The performance fees are payable on a pro rata basis, after a minimum initial period of one year, and after three years are calculated on a rolling three year basis.

The average aggregate base management fee, including the investments in pooled vehicles, calculated on a size-weighted basis according to the value of the funds under management, was 0.30 per cent as at 31 December 2009 (and 0.28 per cent as at 31 December 2008). The investment in the fund covering Australasia is subject to uncapped performance fees of 20% of outperformance. Excluding this investment, the maximum performance fees payable, if each of the other investment mandates performs to at least the extent that the relevant cap applies, would result in total fees of 1.12 per cent being paid (based on the value of the funds under management at 31 December 2009).

The investment managers may use certain services which are paid for, or provided by, various brokers. In return they may place business, including transactions relating to the Company, with these brokers.

Manager Review

The table below shows the performance of the individual equity managers for 2009 and also since inception compared with their respective benchmarks. Our UK managers in aggregate outperformed the FTSE All-Share Index with Henderson's Enhanced Index approach and Artemis active management both comfortably ahead. Henderson UK Enhanced Index Portfolio produced a very creditable return some 2% ahead of the index. Having positioned themselves at the beginning of 2009 with more risk than most, "swimming against the prevailing tide of doom and gloom", Henderson was able to take advantage of the bounce in cyclical companies such as the engineering company Weir Pumps and Hays the employment agency. The portfolio benefited from this exposure but as the recovery came through and valuations normalised Henderson gradually reduced this bias. They are mindful of the risks facing the UK economy but also believe there will continue to be opportunities across a wide spectrum of stocks. Artemis did especially well in the first half of the year as the manager repositioned the portfolio towards oversold stocks, especially in the financial and oil sectors. They also moved down the market capitalisation scale and bought some distressed smaller companies. However a lack of confidence in the commodities rally led Artemis to a zero weighting in mining stocks which was a negative

Performance *for the year ended 31 December 2009 and from inception to 31 December 2009* Investment Manager	Value of funds under management *£m at 31.12.09*	% of Witan's assets under management *at 31.12.09**	Performance in the period 31.12.08 to 31.12.09 *(%)*	Benchmark Performance 31.12.08 to 31.12.09 *(%)*	Performance since inception to 31.12.09 *(%) (annualised)*	Benchmark Performance since inception to 31.12.09 *(%) (annualised)*
Henderson Global Investors (UK mid-large)	169.6	15.5	+31.7	+29.6	+8.0	+7.5 (B)
Artemis Investment Management (UK)	87.4	8.0	+32.0	+30.1	+3.7	-4.1 (F)
Marathon Asset Management (UK)	80.3	7.3	+26.7	+30.1	-2.5	-4.1 (F)
Henderson Global Investors (UK smaller)	34.4	3.1	+48.2	+60.7	+8.7	+9.3 (A)
Southeastern Asset Management (Global)	165.1	15.0	+28.9	+21.2	+6.3	+8.5 (B)
MFS International (Global)	131.8	12.0	+20.0	+21.2	+10.8	+8.5 (B)
Thomas White (Global)	104.6	9.5	+17.9	+21.2	-0.4	-0.6 (D)
Wellington Management Company (Europe)	94.1	8.6	+30.8	+21.8	+9.6	+11.3 (B)
Varenne Capital (Europe)	27.8	2.5	+18.7	+23.5	-7.8	-3.4 (E)
Henderson Global Investors (North America)	56.0	5.1	+15.5	+14.8	+5.8	+5.6 (A)
Brandes Investment Partners (Japan)	62.2	5.7	-8.8	-5.8	+5.0	+3.6 (B)
Comgest (Asia Pacific (ex Japan))	65.8	6.0	+34.5	+54.9	+7.4	+7.4 (C)
Orbis (Australasia)	19.1	1.7	+76.2	+58.0	+8.3	+6.5 (C)

*excluding cash balances held centrally by Witan and the unquoted investments.
Source: The WM Company.

(A) from 31.08.04. (B) from 30.09.04. (C) from 31.07.07.
(D) from 28.09.07. (E) from 30.04.08. (F) from 06.05.08.

Directors' Report
Business Review *continued*

for the portfolio as the cyclical rally and the China effect led to strong share price gains in this sector. By the close of the year the Artemis portfolio was ahead of the FTSE All-Share Index but the margin had been reduced. Artemis continues to be cautious about the more cyclical areas of the market. It favours overseas earners "expecting growth in the emerging economies to be somewhat greater than the UK over almost any period". Current Artemis investments include Sterling Energy, an oil exploration company with interests in Kurdistan and Cameroon.

Marathon had a poor 2009 by its standards but remains ahead since being appointed. Lack of exposure to cyclical companies and a portfolio more defensively positioned in stocks which had performed well in the downturn was the main factor. Marathon continues to be concerned about upside risks in interest rates at a time when there is also likely to be a depressing impact of rising taxes on the economy. Their portfolio positioning retains a bias towards defensive stocks at the expense of cyclicals.

The exposure to UK smaller companies via a specialist small cap portfolio managed by Henderson was positive for the portfolio – returning 48.2%, despite the fact that the manager underperformed his dedicated small cap benchmark. Late in the year we reduced our exposure to UK smaller companies in recognition of their strong run and the fact that their valuation characteristics relative to larger UK companies had become less attractive.

Turning overseas and firstly to the US market our manager, Henderson, enjoyed a successful 2009, mitigating the underperformance of 2008. The Henderson North America Enhanced portfolio investment strategy seeks to add value through a mix of fundamental and technical strategies and all four of their investment strategies contributed positively. For example fundamental stock picking focused on companies that would weather the economic crisis and emerge with enhanced prospects, such as Dreamwork Animation and Emerson, an industrial company with exposure to key areas such as energy efficiency and emerging markets. Elsewhere the event driven strategies benefited from several cash deals such as Pfizer's $65bn acquisition of Wyeth.

The European portion of the portfolio is managed by two separate investment houses. Wellington had a very strong year in 2009. A contrarian approach which emphasises "trawling the markets for misunderstood companies and mispriced stocks" was rewarded with a return some 9% ahead of their benchmark. Whilst valuations are not as extreme as in early 2009 they believe opportunities still remain in certain cyclical areas such as media, including stocks such as Havas, Lagardere and Mondadori. Their preference for strong balance sheets allows them to take some cyclical risk while taking less financial risk. Witan's other European manager, Varenne, is a very different type of manager, running a concentrated portfolio of 10 stocks. Its stock selection process is very close to the due diligence of a private equity investor, seeking out only companies with, in their opinion, sustainable competitive advantage. Varenne performed solidly but in the second half lagged the broader index which was led by highly cyclical stocks in industries, many of which had received public aid. In contrast companies in the Varenne portfolio performed well with none of them needing bail outs or public aid.

Japan has been a most disappointing market and in fact was the only major market to fall (£ adjusted) in 2009. Brandes, being a bottom up stockpicker seeks to buy and hold undervalued companies on a 3 to 5 year view, over which time they expect the intrinsic value to be recognised by the wider market resulting in capital appreciation. In 2009 the portfolio benefited from holdings in semi-conductors and equipment industry such as Tokyo Electron, Rohm and Advantest. Elsewhere declines in consumer finance stocks such as Promise Company and Okumura (construction and engineering) resulted in an overall return marginally below the Japan index over the course of the year.

In Asia Pacific ex Japan, Comgest's conservative style was beneficial in 2008 but not in 2009 as the region's markets rallied strongly. In absolute terms a return of 34.5% (£) lagged the broader index return of over 50% (£). We have already mentioned Orbis, which produced a return of 76.2% (£) reflecting a bounce back from depressed valuations of 2008. Describing itself as contrarian and therefore tending to buy shares that are disliked and out of favour has proved very rewarding with stocks such as Caltex, the largest holding in the Orbis portfolio, being a strong performer.

Our trio of global managers are free to pick stocks actively on a regionally unconstrained basis. After a disappointing period for Southeastern Asset Management (SEAM), its style and patience were rewarded in 2009. This Memphis based manager had expressed confidence in the stocks it held during difficult times and the result in 2009 was a portfolio that materially outperformed the FTSE All-World benchmark for the year. At the beginning of 2009, SEAM faced a decision of whether or not to hold onto companies whose prices were acutely punished in the macro-driven market crisis of 2008. It reassessed the cases for all of its holdings and held onto those long term business franchises that they believed were competitively positioned to endure the economic slowdown. The result was that most of the stocks in the Witan portfolio added to returns this year. Among the largest contributors were the very names that drove underperformance in 2008, including: Sun Microsystems, Liberty Media, Ingersoll-Rand, Chesapeake Energy, and Dell. Only NipponKoa and Sompo materially detracted from returns. Whilst the returns of 2009 reflected excessively cheap prices moving to more normal levels, we are encouraged that SEAM believe the underlying holdings in the Witan portfolio are well positioned for significant value growth over the next several years.

Thomas White is a global manager based in Chicago and follows a more broadly diversified approach than SEAM. Its portfolio moderately lagged the FTSE All-World benchmark, largely because it did not fully participate in the swift rally in the US and Asia in the second quarter. As a consequence of concerns about further downside risk following 2008, the Thomas White portfolio was deliberately underexposed to the more highly volatile stocks that benefited from the US authorities' aggressive intervention policies during this period. As the risk of further disruption to the financial system subsided and the global economic outlook improved, the portfolio was rebalanced. For example, the emerging market exposure rose to 16.2% at the end of the year from a starting level of 9.8%.

Our third global equity manager, MFS, was substantially ahead of the benchmark index in 2008 thanks to its preference for high quality stocks. Whilst 2009 was not an ideal backdrop for its style, it performed creditably and was only marginally shy of the FTSE All-World index.

Name	Sector	Portfolio Weighting minus Benchmark Weighting
Top 10 Overweight positions at 31 December 2009		
DirecTV	Consumer Services	1.63
Walt Disney	Consumer Services	1.34
Fairfax Financial	Financials	1.31
Accor	Consumer Services	1.08
Yum! Brands	Consumer Services	1.01
Cheung Kong	Financials	0.95
ACS Actividades	Industrials	0.89
Chesapeake Energy	Oil & Gas	0.87
Dell	Technology	0.83
Philips Electronics	Consumer Goods	0.78
Top 10 Underweight positions at 31 December 2009		
HSBC	Financials	-1.43
BP	Oil & Gas	-1.10
Royal Dutch Shell	Oil & Gas	-0.80
Vodafone	Telecoms	-0.79
Anglo American	Basic Materials	-0.48
British American Tobacco	Consumer Goods	-0.47
Rio Tinto	Basic Materials	-0.44
Total	Oil & Gas	-0.44
Telefonica	Telecoms	-0.42
Banco Santander	Financials	-0.41

Source of both tables: BNP Paribas Securities Services and Style Research as at 31 December 2009

Directors' Report
Business Review *continued*

Stock selection in basic materials and energy along with an underweight position in financial services were negatives. Conversely, stock selection in retailing and industrial goods and services contributed positively to relative performance, as did an underweight position in utilities and communications. MFS has been closely monitoring shifts within the market and taking advantage of relative valuation opportunities as they emerge. Early in the year it purchased some economically sensitive companies that had underperformed due to short term earnings concerns but continued to have attractive long term prospects and valuations. Examples of those were computer networking company Cisco Systems and medical technology companies Alcon and Dentsply.

The table on page 15 provides information about the portfolio's top 10 overweightings and underweightings.

Outlook

2010 is expected to unfold with a muted recovery in the developed economies, which are debt laden to record degrees. For example, in the UK it is now predicted that the public sector borrowing requirement ("PSBR") will exceed £170 billion this financial year and national debt will rise to over 77% of GDP by 2015 (source: HM Treasury). The big question is how this debt in the Western economies will be serviced, especially once Central Banks end quantitative easing policies that have purchased substantial quantities of government debt. Although rising yields would be a negative for markets, governments and central banks seem likely to continue to adopt policies to nurture the nascent economic recovery.

Despite the risks, there is an encouraging theme running through our managers' commentaries. This is founded on developing economies experiencing robust recoveries which are likely to exert a positive influence on the global economy. Their growth is not inhibited by Western style high levels of government and private debt. Given this latter positive influence and the likelihood that the era of low interest rates will persist for some time, militating against holding cash, we currently expect to remain fully invested and continue to make use of our ability to gear.

Witan's Multi-Manager Approach

As referred to elsewhere in this report, Witan manages the portfolio using a multi-manager approach. This was adopted in 2004, in the belief that no single investment manager was likely to excel in all asset classes over economic cycles or longer time periods. Therefore, seeking to employ managers to invest in their areas of greatest competence has the potential both to improve returns and to reduce risk relative to using a single manager across the investment waterfront.

The Board and the executive team are responsible for setting the portfolio's asset allocation, choosing a suitable range of managers to use their stock selection skills to implement the strategy, designing appropriate incentives and monitoring performance against targets.

Witan selects its managers from amongst those whose processes, principles and performance commend them as long term custodians of investors' wealth. This fits with a fundamental dictum of equity investment, that in the short term markets are a voting machine but in the long term they are a weighing machine. We are seeking managers who can capture the longer term growth rewards from equity investment while mitigating the shorter term volatility that periodically afflicts markets.

Central to this approach is the idea of balance. Just as exposure to a single market or a small number of investments can lead to volatile performance, so can investing with a single manager or a group of managers with the same philosophy. Witan's approach aims to balance different factors (such as value and growth, geographical diversification, concentrated versus widely diversified portfolios or secular growth versus cyclical trends) with the intention of smoothing out stylistic fashions and profiting from the managers' ability to outperform over time.

Our Current Managers

The tables on pages 12 and 13 give a summary of the range of styles amongst our current investment managers, the proportion of Witan's portfolio they manage and their performance over the past year and since appointment. On pages 18 and 19 further information is given about the managers' history, the total amount of investments they manage and their investment approach. These are intended to give a sense of the investment infrastructure and dynamics underlying the management of the portfolio.

An Evolving Process

Witan's multi-manager approach has evolved in stages from its pre 2004 model as a Company with a single manager. Our investment processes are focused on continuing to adapt to structural changes and themes in the global economy while being resilient against the shorter term influences of economic cycles and investment fads.

Directors’ Report
Classification of Investments *at 31 December 2009*

		United Kingdom %	North America %	Continental Europe %	Japan %	Asia Pacific (ex Japan) %	South America %	Africa %	Total 2009 %
Basic Materials	Chemicals	0.2	0.1	1.2	0.4	–	–	–	1.9
	Forestry & Paper	–	–	–	–	–	–	–	–
	Industrial Metals & Mining	–	0.1	0.1	–	–	0.1	–	0.3
	Mining	2.3	–	–	–	–	–	0.3	2.6
		2.5	0.2	1.3	0.4	–	0.1	0.3	4.8
Consumer Goods	Automobiles & Parts	–	0.1	0.6	0.9	0.1	–	–	1.7
	Beverages	1.0	0.1	0.4	0.1	–	–	–	1.6
	Food Producers	1.0	0.4	0.9	0.1	0.1	–	–	2.5
	Household Goods & Home Construction	1.0	0.3	–	0.3	0.1	–	–	1.7
	Leisure Goods	–	–	0.9	0.2	–	–	–	1.1
	Personal Goods	0.1	0.2	1.0	0.3	–	–	–	1.6
	Tobacco	0.8	0.2	–	0.2	0.2	–	–	1.4
		3.9	1.3	3.8	2.1	0.5	–	–	11.6
Consumer Services	Food & Drug Retailers	1.9	0.3	0.5	–	–	–	0.1	2.8
	General Retailers	0.7	0.3	0.5	0.2	0.6	–	–	2.3
	Media	1.6	3.9	0.8	0.2	–	–	–	6.5
	Travel & Leisure	1.9	1.0	1.5	–	0.8	–	–	5.2
		6.1	5.5	3.3	0.4	1.4	–	0.1	16.8
Financials	Banks	3.2	0.5	1.7	1.0	0.1	–	–	6.5
	Equity Investment Instruments	–	–	–	–	–	–	–	–
	Financial Services	1.3	0.9	0.2	–	–	–	–	2.4
	Life Insurance	0.6	–	0.2	–	0.6	–	–	1.4
	Nonlife Insurance	0.4	2.2	1.2	1.7	0.2	–	–	5.7
	Real Estate	–	–	–	–	–	–	–	–
	Real Estate Investment Services	0.2	–	–	–	1.2	–	–	1.4
	Real Estate Investment Trusts	0.3	0.1	–	–	–	–	–	0.4
		6.0	3.7	3.3	2.7	2.1	–	–	17.8
Health Care	Health Care Equipment & Services	0.4	1.3	0.2	–	–	–	–	1.9
	Pharmaceuticals & Biotechnology	2.5	0.4	1.5	0.5	0.1	–	–	5.0
		2.9	1.7	1.7	0.5	0.1	–	–	6.9
Industrials	Aerospace & Defence	0.8	0.2	0.4	–	–	–	–	1.4
	Construction & Materials	0.2	0.2	1.3	0.5	0.4	0.7	–	3.3
	Electronic & Electrical Equipment	0.5	–	0.5	0.6	0.3	–	–	1.9
	General Industrials	0.6	0.3	–	–	0.3	–	–	1.2
	Industrial Engineering	0.5	0.2	0.2	0.3	–	–	–	1.2
	Industrial Transportation	–	0.4	0.7	–	–	–	–	1.1
	Support Services	2.7	0.1	0.4	0.1	–	–	–	3.3
		5.3	1.4	3.5	1.5	1.0	0.7	–	13.4
Oil & Gas	Oil & Gas Producers	3.9	1.6	2.3	0.7	–	0.1	–	8.6
	Oil Equipment Services & Distribution	0.3	0.1	–	–	0.2	–	–	0.6
		4.2	1.7	2.3	0.7	0.2	0.1	–	9.2
Technology	Software & Computer Services	0.6	0.6	0.3	–	0.1	–	–	1.6
	Technology Hardware & Equipment	0.3	1.4	0.6	0.8	1.1	–	–	4.2
		0.9	2.0	0.9	0.8	1.2	–	–	5.8
Telecommunications	Fixed Line Telecommunications	0.3	0.1	0.9	0.2	0.8	–	–	2.3
	Mobile Telecommunications	1.1	0.1	0.3	0.1	0.6	0.1	–	2.3
		1.4	0.2	1.2	0.3	1.4	0.1	–	4.6
Utilities	Electricity	0.4	0.2	0.2	0.1	0.2	–	–	1.1
	Gas Water & Multiutilities	0.6	–	0.4	–	–	–	–	1.0
		1.0	0.2	0.6	0.1	0.2	–	–	2.1
Open-Ended Funds	(See note 3)	–	5.2	–	–	1.8	–	–	7.0
Totals 2009		34.2	23.1	21.9	9.5	9.9	1.0	0.4	100.0
Totals 2008		32.3	25.6	18.7	14.3	7.8	0.9	0.4	100.0

1. Unquoted investments, options and futures are not included in this classification.
2. Included in the above are fixed interest holdings of £665,000 (2008: £2,531,000).
3. Open-ended funds relates to collective investment funds used to invest in North America and Australasia.

Directors' Report
Investment Managers

Henderson Global Investors

Founded in 1934, Henderson Global Investors ("Henderson") is wholly-owned by Henderson Group plc, which is dual-listed on the London Stock Exchange and Australian Securities Exchange. Henderson Group is a constituent of the FTSE 250 and S&P/ASX 200 indices. Since 31 October 2008, the Group has been incorporated in Jersey and tax-resident in the Republic of Ireland. Henderson Group plc is a focused organisation consisting solely of Henderson, the asset management entity of Henderson Group plc. The Group's strategic focus is the development of Henderson as a leading investment manager, based around its core fixed income, equity and property capabilities as well as its offering of alternative products, such as private equity and hedge funds. With its principal place of business in London, Henderson is one of Europe's largest investment managers, with over £58.1bn* assets under management and employing over 900 people worldwide.

Artemis Investment Management

Established in 1997, Artemis Investment Management Ltd manages over £10.1bn* on behalf of a range of retail and institutional clients. Witan's portfolio is a segregated mirror of Derek Stuart's £1.9bn UK Special Situations Strategy launched in 2001 – a contrarian fund that aims to outperform the FTSE All-Share Index by 3% per annum. This approach seeks to exploit market inefficiencies, with an absolute return mindset, in order to generate maximum returns. It is a stock-picking strategy that aims to achieve long term capital growth by focusing on stocks that are out of favour and have turnaround potential.

Marathon Asset Management

Marathon Asset Management was founded in 1986 and is totally independent, managing some £25bn* of institutional client assets. At the heart of Marathon's investment philosophy is the "capital cycle" approach to investment. This is based on the idea that the prospect of high returns will attract excessive capital (and hence competition), and vice versa. In addition, the assessment of management and how they respond to incentives and the forces of the capital cycle is critical to the investment outcome. The investment philosophy is intrinsically contrarian. Given the long term nature of the capital cycle, Marathon's investment ideas generally require patience and, by industry standards, long stock holding periods.

Southeastern Asset Management

Founded in 1975 and based in Memphis Tennessee, Southeastern manages over £20bn* for a range of institutional, high net worth and retail clients. When Southeastern makes an investment they take the view that they are purchasing that company in its entirety. They aim to avoid capital loss while targeting an annual average return of at least inflation plus 10%. In the US they manage the Longleaf mutual funds which reopened in 2008 to new investors, after being closed for several years, due to the large amount of opportunity in the market. Southeastern is 100% employee owned with all staff equity investment made exclusively into the firm's funds.

MFS Investment Management

MFS is a global investment firm managing £113.6 bn* of equity and fixed-income assets for investors worldwide. Founded in 1924, MFS established one of the industry's first in-house fundamental research departments in 1932. Today, MFS offers a broad range of investment styles that combine both fundamental and quantitative research and portfolio management. Their investment philosophy has remained consistent: to identify opportunities on behalf of clients through the application of global research and bottom-up security selection. MFS' culture is investment driven, client centred, and collaborative. To underscore their values of collaboration and accountability, they structure ownership and compensation to reward long term investment performance and teamwork. Up to 22% ownership of MFS is available to key MFS contributors. Their majority shareholder since 1982 has been Sun Life of Canada (U.S.) Financial Services Holdings, Inc.

Thomas White International

Founded in 1992 by a Managing Director of Morgan Stanley Asset Management, Thomas White has £670m* under management. With professionals in Chicago and Bangalore, India, Thomas White invests in 50 markets around the world using a disciplined value-driven strategy. Its analysts are aided in their stock selection by proprietary fundamental appraisal techniques applied to each company within an industry and/or country. This body of valuation knowledge has been refined over decades. Their unique analytical approach allows them to limit overall portfolio volatility and downside risk while delivering excellent long term investment returns.

Wellington Management

Tracing their roots to 1928, Wellington Management is one of the largest independent investment management firms in the world. They are a private firm whose sole business is investment management. With client assets under management totalling just under £333bn*, they serve as investment adviser for institutional clients in over 40 countries. Wellington's most distinctive strength is their commitment to proprietary, independent research – the foundation upon which their investment approaches are built. Wellington's commitment to investment excellence is evidenced by their significant presence and long term track records in nearly all sectors of the liquid, global securities markets.

Varenne Capital Partners

Varenne Capital Partners invests internationally in significantly undervalued equity and other listed securities. Varenne was established in 2003, managing some £51m*, and is a Paris based boutique with four founding partners. The managers at Varenne focus on companies with good to excellent economic characteristics – a measurable, sustainable competitive advantage delivering long term above average returns on capital employed – that trade at discounts of at least 45% to its intrinsic value estimates.

Brandes

Brandes Investment Partners, L.P. ("Brandes") is a leading US investment advisory firm, managing approximately $33.2bn* in equity and fixed income assets for institutional and private clients worldwide. Since the firm's inception in 1974, Brandes has applied the value investing approach, pioneered by Benjamin Graham, to security selection. Among the first investment firms to bring a global perspective to value investing, they manage a variety of investment strategies. They believe that a security's price and its intrinsic value detach from one another in the short term. The firm focuses on the fundamental characteristics of a company in order to develop an estimate of its intrinsic value.

Comgest

Wholly owned by its principals and staff, Comgest is completely independent. Founded in Paris in 1986, Comgest also has offices in Hong Kong, Dublin and Tokyo and manages some £8.9bn* solely in equities (£7.0bn* in Asia/Emerging markets). Comgest uses a fundamental bottom-up approach, investing in companies that show exceptional characteristics that are likely to appreciate over the long term. No specific sectors or geographical zones are favoured. Comgest's objective is to achieve above average returns at below average levels of risk over the long term, reflecting the excellent visibility and strong profit growth of the companies in which it invests.

Orbis

Orbis employs over 200 staff based at offices in Bermuda, London, Sydney and Seoul and manages approximately £15.6bn*. Orbis adopts a bottom-up approach to selecting a portfolio of typically 30-50 stocks, offering best value, diversification and liquidity. Orbis offers a range of equity-based pooled investment vehicles, including a range of equity funds, three of which are AAA rated by Standard & Poor's. Witan invests in Orbis's Australian Equity Fund, which since the fund launch in May 2006 has consistently outperformed its benchmark.

* Figures as at 31 December 2009.

Directors' Report
Fifty Largest Equity Investments *at 31 December 2009*

	Company	Market value of holding £ million	% of portfolio	Country	Sector
1	Royal Dutch Shell	22.0	2.05	UK/Netherlands	Oil & Gas Producers
2	BP	18.0	1.68	UK	Oil & Gas Producers
3	DirecTV	17.8	1.66	USA	Media
4	HSBC	17.2	1.60	UK	Banks
5	GlaxoSmithKline	15.2	1.42	UK	Pharmaceuticals & Biotechnology
6	Walt Disney	15.1	1.41	USA	Media
7	Fairfax Financial	14.1	1.31	USA	Nonlife Insurance
8	Accor	12.0	1.12	France	Travel & Leisure
9	Vodafone	11.5	1.07	UK	Mobile Telecommunications
10	Yum! Brands	11.0	1.02	USA	Travel & Leisure
11	Cheung Kong	11.0	1.02	Hong Kong	Real Estate Investment Services
12	ACS Actividades	10.0	0.93	Spain	Construction & Materials
13	Chesapeake Energy	9.5	0.88	USA	Oil & Gas Producers
14	Dell	9.2	0.86	USA	Technology Hardware & Equipment
15	BHP Billiton	9.1	0.85	UK	Mining
16	Rio Tinto	8.9	0.83	UK	Mining
17	Reckitt Benckiser	8.7	0.81	UK	Household Goods & Home Construction
18	Nipponkoa Insurance	8.2	0.76	Japan	Nonlife Insurance
19	AstraZeneca	8.1	0.75	UK	Pharmaceuticals & Biotechnology
20	Tesco	7.7	0.72	UK	Food & Drug Retailers
21	Diageo	7.6	0.71	UK	Beverages
22	Willis	7.5	0.70	USA	Nonlife Insurance
23	Cemex	7.2	0.67	Mexico	Construction & Materials
24	Sompo Japan Insurance	7.1	0.66	Japan	Nonlife Insurance
25	Philips Electronics	6.6	0.61	Netherlands	Leisure Goods
	Top 25	*280.3*	*26.1*		
26	Roche	6.6	0.61	Switzerland	Pharmaceuticals & Biotechnology
27	Liberty Media	6.4	0.60	USA	Media
28	Unilever	5.8	0.54	UK	Food Producers
29	Japan Petroleum Exploration	5.8	0.54	Japan	Oil & Gas Producers
30	BG	5.6	0.52	UK	Oil & Gas Producers
31	British American Tobacco	5.6	0.52	UK	Tobacco
32	Standard Chartered	5.6	0.52	UK	Banks
33	Barclays	5.5	0.51	UK	Banks
34	Lloyds Banking Group	5.2	0.48	UK	Banks
35	Sligro Foods	4.9	0.46	UK	Food & Drug Retailers
36	Compass	4.8	0.45	UK	Travel & Leisure
37	Taiwan Semiconductor	4.8	0.45	Taiwan	Technology Hardware & Equipment
38	Nestlé	4.4	0.41	Switzerland	Food Producers
39	Anglo American	4.3	0.40	UK	Mining
40	Singapore Telecommunications	4.3	0.40	Singapore	Fixed Line Telecommunications
41	Telekomunikasi Indonesia	4.0	0.37	Indonesia	Fixed Line Telecommunications
42	Smiths Group	4.0	0.37	UK	General Industrials
43	Fielmann	4.0	0.37	Germany	General Retailers
44	BAE Systems	3.8	0.35	UK	Aerospace & Defence
45	Marr SPA	3.8	0.35	Italy	Food Producers
46	Oracle	3.8	0.35	USA	Software & Computer Services
47	Sanofi-Aventis	3.7	0.34	France	Pharmaceuticals & Biotechnology
48	Linde	3.6	0.34	Germany	Chemicals
49	Eni	3.6	0.34	Italy	Oil & Gas Producers
50	Capita	3.6	0.34	UK	Support Services
	Top 50	*397.8*	*37.0*		

The full portfolio is not listed because it contains over 600 companies. The above listing is of the largest individual equity investments and as such excludes the collective investments used to invest in North America and Australasia (which are valued at £55.2 million and £18.7 million respectively).

Directors' Report
Board of Directors

a Independent non-executive directors.
b Members of the Audit Committee which is chaired by Mr Boyle.
c Members of the Remuneration Committee which is chaired by Mrs Claydon.

H M Henderson [a,c]

Appointed a director in 1988, Harry Henderson became Chairman in March 2003. He was formerly a partner of Cazenove & Co. and subsequently a senior executive at Cazenove Group plc, retiring in 2002. Mr Henderson is Chairman of Witan Investment Services Limited. He is also a director of Cadogan Settled Estates Limited.

R A Bruce [a,b] MA, MBA

Andrew Bruce was appointed a director in 2002. He is Group Credit Risk Director at Barclays PLC where he has responsibility for asset quality and credit risk across the Barclays Group. He is also a non-executive director of Clearstream International.

J E B Bevan [a] MA

James Bevan was appointed a director in 2007. He is CIO, CCLA Investment Management. Before joining CCLA in November 2006, he was the Chief Investment Officer at Abbey. Prior to Abbey, he was Chief Investment Officer for Barclays Stockbrokers and Barclays Personal Investment Management, having joined BZW in 1988, following postgraduate research in applied economics and asset allocation at Cambridge University.

M C Claydon [a,c] BA, MBA

Catherine Claydon joined the Board on 9 March 2009. From 1992 to 2007 she worked at Goldman Sachs, from 2002 as Managing Director, Pension Advisory Group. From 2007 to 2008 she held the same position at Lehman Brothers International. She is a non-executive director of London Metal Exchange Limited. Mrs Claydon is a Canadian citizen.

A L C Bell MA

Andrew Bell was appointed a director and Chief Executive Officer with effect from 8 February 2010. He is responsible for the overall management of Witan. He has worked in the City since 1987, initially specialising in European equities as a strategist at Barclays de Zoete Wedd (BZW), following which he was Co-Head of the Investment Trusts team at BZW and Credit Suisse First Boston. From there, in 2000 he joined Carr Sheppards Crosthwaite (now Rensburg Sheppards Investment Management Limited) where until February 2010 he was a director and Head of Research and Strategy. Prior to the City, he worked for Shell in Oman, leaving to take a Sloan Fellowship at the London Business School. He is a non-executive director of Framlington Innovative Growth Trust plc, Henderson High Income Trust plc and the Association of Investment Companies, as well as serving as a governor of Bedford School. Mr Bell is a director of Witan Investment Services Limited.

R H McGrath [a,c]

Rory McGrath was appointed a director in 1996. He was formerly Chief Executive of H. Young Holdings plc, a marketing company. Mr McGrath is a director of Witan Investment Services Limited.

A Watson [a,b] CBE, BSc (Econ), ASIP, Barrister-at-Law, FSI (Hon)

Tony Watson was appointed a director in 2006. He was appointed Senior Independent Director in February 2008. He is a non-executive director of Hammerson plc, Lloyds Banking Group plc and Vodafone Group Plc and Chairman of the Trustees of the Marks & Spencer Pension Scheme. He was Chairman of Strategic Investment Board Limited (Northern Ireland) and was a member of the Financial Reporting Council. Mr Watson retired in 2006 from an executive career in the investment management industry, most recently as Chief Executive of Hermes Pensions Management Limited.

R W Boyle [a,b] MA, FCA

Robert Boyle was appointed a director in 2007. He is a Chartered Accountant and was a partner of PricewaterhouseCoopers LLP, where he was responsible for multi-national client accounts, specialising in the telecoms and media sectors: he was chairman of the PWC European Entertainment and Media Practice for twelve years retiring in 2006. He is a non-executive director, and chairman of the audit committee, of Maxis Berhad (in Malaysia), Centaur Media plc, Prosperity Voskhod Fund Ltd (an AIM listed company) and the Hampshire Partnership NHS Foundation Trust and a non-executive director of Schroder AsiaPacific Fund plc. He is also the independent member of the audit committee of the National Trust.

R E Clarke BSc, MSc, ACA

Robert Clarke was appointed a director with effect from 15 September 2008 and was Chief Executive Officer from that date until 7 February 2010. Throughout 2009 he was responsible for the overall management of Witan. Mr Clarke has held various positions in the financial services sector and until 2008 was a director and the Chief Executive of Majedie Investments PLC. Mr Clarke is a director of Witan Investment Services Limited. He will stand down from both the Witan Boards in April 2010.

Directors' Report
Statutory Information

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- Investment Policy
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- New Zealand Listing
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- Independent Auditors
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- Annual General Meeting ("AGM")
- Corporate Governance Statement

The directors present the Annual Report of the Group for the year ended 31 December 2009.

Activities and Business Review

A review of the business is given in the Chairman's Statement on pages 3 to 5 and in the Business Review on pages 6 to 16.

The Company is required by the Companies Act to set out in this report a fair review of the business of the Group during the financial year ended 31 December 2009 and of the position of the Group at the end of the year and a description of the principal risks and uncertainties facing the Group ("business review"). The information that fulfils the requirements of the business review can be found within the Business Review on pages 6 to 16.

Investment Policy

The Company's investment policy is set out, within the Business Review, on page 10.

Status

Witan Investment Trust plc ("the Company") is incorporated in England and Wales and domiciled in the United Kingdom. It is an investment company as defined in section 833 of the Companies Act 2006 and operates as an investment trust in accordance with section 842 of the Income and Corporation Taxes Act 1988 ("the Taxes Act"). HM Revenue & Customs approval of the Company's status as an investment trust has been received in respect of the year ended 31 December 2008, although approval for that year may be subject to review should there be any subsequent enquiry under Corporation Tax Self Assessment. The Company will continue each year to seek approval as an investment trust under section 842 of the Taxes Act.

Subsidiary Company

The Company has one subsidiary company, Witan Investment Services Limited, which provides marketing services and investment products to the Company and executive management and marketing services to third party investment trust clients. Witan Investment Services Limited is authorised and regulated by the Financial Services Authority to manage savings schemes for investors.

ISAs

The Company intends to continue to manage its affairs so that its investments fully qualify for the stocks and shares component of an ISA.

Substantial Share Interests

As at 12 March 2010, the following had notified the Company of interests in the Company's voting rights:

	%
AXA Investment Managers UK Limited (direct 17.8%; indirect 0.1%)	17.9
Legal & General Group plc (direct)	4.2

The above percentages are calculated by applying the shareholdings as notified to the Company to the issued ordinary share capital as at 12 March 2010 (the shareholdings representing the voting rights).

Assets

At 31 December 2009 the total net assets of the Group were £1,022.8 million (2008: £879.2 million). At this date the net asset value per ordinary share was 502.7p (2008: 410.1p).

Revenue and Dividend

The profit for the year was £209.6 million, of which £22.5 million is attributable to revenue (2008: loss of £279.2 million, of which a profit of £25.3 million was attributable to revenue). The profit for the year attributable to revenue has been applied as follows:

	£'000
Distributed as dividends:	
First interim of 4.30p per ordinary share (paid on 11 September 2009)	9,162
Second interim of 6.20p per ordinary share (payable on 1 April 2010)	12,407
Retained revenue earnings	955
	22,524

The directors have declared a second interim dividend instead of a final dividend in order to ensure that, as in previous years, the distribution is made to the shareholders before 5 April. The Company intends to grow the dividend at least in line with inflation year on year.

Company Revenue Account

As permitted by section 408 of the Companies Act 2006, the Company has not presented its own income statement. The profit on the revenue return of the Company dealt with in the accounts of the Group amounted to £22,549,000 (2008: £25,206,000).

Directors

The current directors of the Company are shown on page 21.

All the directors held office throughout the year under review, with the exception of Mrs Claydon, who was appointed a director with effect from 9 March 2009, and Mr Bell, who was appointed after the year end and with effect from 8 February 2010. Mr A W Jones served as a director until his retirement at the conclusion of the Annual General Meeting on 28 April 2009.

At the Annual General Meeting on 27 April 2010, Mr Bell, Mr Bevan and Mr Boyle will retire in accordance with the Company's Articles of Association. Mr Henderson and Mr McGrath will also stand for re-election, having served as directors for more than nine years.

Throughout the year the membership of the Audit Committee comprised Mr Boyle (Chairman), Mr Bruce and Mr Watson. During the year the following directors served as members of the Remuneration Committee: Mr A W Jones, Mr H M Henderson, Mr R H McGrath and Mrs M C Claydon. Mrs Claydon was appointed to the Committee and became its Chairman on 10 November 2009. Mr Jones served as Chairman of the Committee until his retirement from the Board on 28 April 2009. Mr McGrath is the non-executive director who leads on marketing matters but the Board has decided not to establish a permanent committee to cover this area of the business.

As noted on page 28, Mr Henderson was formerly a senior executive at Cazenove and a partner in its predecessor firm. As one of a number of institutional investors, the Company purchased in 2001 a holding of shares in Cazenove Group plc ("Cazenove") (see note 10 (v) on page 56). Subject to this exception, no director was a party to, or had an interest in, any contract or arrangement with the Company at any time during the year or to the date of this report. With the exception of Mr Clarke and Mr Bell, no director has a service contract with the Company.

Directors' Interests

The interests of the directors in the share capital of the Company were as follows:

Ordinary shares:	31 December 2009 Beneficial	Non-Beneficial
H M Henderson	722,732	471,500
R E Clarke	–	–
R H McGrath	27,688	1,993
R A Bruce	3,228	473
A Watson	25,000	–
J E B Bevan	–	–
R W Boyle	7,528	–
M C Claydon	11,695	–
	797,871	473,966

Ordinary shares:	1 January 2009 Beneficial	Non-Beneficial
H M Henderson	722,732	471,500
R E Clarke	–	–
R H McGrath	27,688	1,485
R A Bruce	3,167	397
A Watson	25,000	–
J E B Bevan	–	–
R W Boyle	4,606	–
M C Claydon*	–	–
	783,193	473,382

*on appointment on 9 March 2009.

Since the year end, Mr McGrath's non-beneficial interests have increased to 2,106 shares, as a result of regular investment through the Jump and Jump CTF

Directors' Report
Statutory Information *continued*

share plans, and Mr Bruce's non-beneficial interests have increased similarly to 489 shares. Mrs Claydon's holding has increased to 28,352 shares. Since appointment Mr Bell has acquired a holding of 20,000 ordinary shares. No other changes in the interests of the directors have been notified. No director had an interest in the secured bonds, debenture stock or preference shares of the Company.

Directors' Conflicts of Interest

Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests. With effect from 1 October 2008, the Companies Act 2006 ("the Act") has allowed directors of public companies to authorise such conflicts and potential conflicts, where appropriate, but only if the Articles of Association contain a provision to this effect. The Act also allows the Articles of Association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. There are two circumstances in which a conflict of interest can be permitted: either the situation cannot reasonably be regarded as likely to give rise to a conflict of interest or the matter has been authorised in advance by the directors. The Company's Articles of Association, which were adopted by shareholders on 28 April 2008, give the directors the relevant authority required to deal with conflicts of interest. Each of the directors has provided a statement of all conflicts of interest and potential conflicts of interest, if any, applicable to the Company. A register of conflicts of interest has been compiled and approved by the Board. The directors have also undertaken to notify the Chairman as soon as they become aware of any new potential conflicts of interest that need to be approved by the Board and added to the Register, which is reviewed annually by the Board. It has also been agreed that directors will advise the Chairman and the Company Secretary in advance of any proposed external appointment and new directors will be asked to submit a list of potential situations falling within the conflicts of interest provisions of the Act in advance of joining the Board. The Chairman will then determine whether the relevant appointment causes a conflict or potential conflict of interest and should therefore be considered by the Board. Only directors who have no interest in the matter being considered would be able to participate in the Board approval process. In deciding whether to approve a conflict of interest, directors will also act in a way they consider, in good faith, will be most likely to promote the Company's success in taking such a decision. The Board can impose limits or conditions when giving authorisation if the directors consider this to be appropriate. The Board believes that its powers of authorisation of conflicts has operated effectively since they were introduced on 1 October 2008. The Board also confirms that its procedures for the approval of conflicts of interest have been followed by all the directors.

Directors' Indemnity

The Company's Articles of Association allow the Company, subject to the provisions of UK legislation, to:

(a) indemnify any person who is or was a director, or a director of any associated company, directly or indirectly against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or her, or otherwise, in relation to the Company or any associated company; and

(b) purchase and maintain insurance for any person who is or was a director, or a director of any associated company, against any loss or liability or any expenditure he or she may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or her, or otherwise, in relation to the Company or any associated company.

Directors' and officers' liability insurance cover is in place in respect of the directors and was in place throughout the year under review.

Directors' Fees

The report on the directors' remuneration is set out on pages 36 to 38.

Financial Instruments and the Management of Risk

By its nature as an investment trust, the Company is exposed to market risk, price risk, currency risk, interest rate risk, liquidity risk and credit risk. The Company's policies for managing these risks are outlined in note 14 to the accounts on pages 57 to 63.

Investment Managers

It is the opinion of the directors that the continuing appointment of the investment managers listed on pages 18 and 19 is in the interests of the Company's shareholders as a whole and that the terms of engagement negotiated with them are competitive and appropriate to the investment mandates. The Board reviews the appointments of the investment managers on a regular basis and makes changes as appropriate.

Share Capital

The Company’s share capital comprises:

a) ordinary shares of 25p nominal value each (“shares”)

The voting rights of the shares on a poll are one vote for every four shares held (one vote per £1 of nominal value). At 31 December 2009 there were 203,464,280 shares in issue and thus the number of voting rights was 50,866,070 on a poll.

b) 2.7% preference shares of £1 nominal value each (“2.7% preference shares”)

The 2.7% preference shareholders have no rights to attend and vote at general meetings. At 31 December 2009 there were 500,000 2.7% preference shares in issue. Further details on the preference shares are given in note 17 on page 65.

c) 3.4% preference shares of £1 nominal value each (“3.4% preference shares”)

The 3.4% preference shareholders have no rights to attend and vote at general meetings. At 31 December 2009 there were 2,055,000 3.4% preference shares in issue. Further details on the preference shares are given in note 17 on page 65.

During the year a total of 10,934,374 ordinary shares were bought back by the Company for cancellation. There were no other changes to the issued share capital or the voting rights of the share capital during the year. Since the year end a further 3,716,127 ordinary shares have been bought back for cancellation.

There are no restrictions on the transfer of the Company’s share capital and there are no shares or stock which carry specific rights with regards to control of the Company.

New Zealand Listing

Since 8 March 2006 the Company’s shares have been listed on the New Zealand Stock Exchange, in the category of Overseas Listed Issuer.

Payment of Suppliers

It is the Company’s payment policy for the financial year to 31 December 2009 to obtain the best terms for all business. In general, the Company agrees with its suppliers the terms on which business will take place and it is the Company’s policy to abide by such terms. At 31 December 2009 the Company had no trade creditors (2008: none).

Independent Auditors

Resolutions to re-appoint Deloitte LLP as the Company’s auditors, and to authorise the directors to determine their remuneration, will be proposed at the forthcoming Annual General Meeting.

Directors’ Statement as to the Disclosure of Information to the Auditors

Each of the directors at the date of approval of this report confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(2) the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Donations

No donations were made to political parties during the year. No donations were made to charities during the year.

Annual General Meeting (“AGM”)

The following information is important and requires your immediate attention. If you are in any doubt about the action you should take, you should consult an independent financial adviser, authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your voting rights in the Company, please forward this document with its accompanying form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The AGM will be held on Tuesday 27 April 2010 at 2.30 pm. The formal notice of the AGM is set out on pages 68 to 75. Resolutions relating to the following items of other business will be proposed at the AGM, for which shareholder approval is required in order to comply with the Companies Act 2006.

Directors' Report
Statutory Information *continued*

Share buy-back facility

Resolution 10 – Authority to make market purchases of the Company's own ordinary shares (special resolution)

The Company's Articles of Association permit the Company to purchase its own shares and to fund such purchases from its accumulated realised capital profits.

At the AGM in April 2009 a special resolution was passed giving the Company authority, until the conclusion of the AGM in 2010, to make market purchases for cancellation of the Company's ordinary shares up to a maximum of 32,077,708 shares (being 14.99% of the issued ordinary share capital as at 28 April 2009). As at 31 December 2009 the Company had valid authority, outstanding until the conclusion of the AGM in 2010, to make market purchases for cancellation of 21,547,934 shares. During the year ended 31 December 2009 the Company purchased for cancellation a total of 10,934,374 of its own ordinary shares (with a nominal value of £2,733,593.50), representing 5.1% of the ordinary shares in issue at 31 December 2008. These purchases, which cost £44.2 million including stamp duty, were funded from the realised capital reserves. A further 3,716,127 shares have been bought back between the year end and the date of this report.

The Board considers that the Company should continue to have authority to make market purchases of its own ordinary shares for cancellation. Accordingly, a special resolution will be proposed at the forthcoming AGM to authorise the Company to make market purchases for cancellation of up to 14.99% of the ordinary shares in issue at the date of the AGM (equivalent to 29,942,248 ordinary shares if there is no change in the issued ordinary share capital between the date of this report and the AGM). Under the Listing Rules of the UK Listing Authority this is the maximum percentage of its equity share capital that a company may purchase through the market pursuant to such authority.

The directors believe that buying back the Company's own shares in the market, at appropriate times and prices, is in the best interests of shareholders generally. The Company will make purchases, within guidelines set from time to time by the Board and if or when market conditions are suitable, with the aim of maximising the benefit to the remaining shareholders. The Company announced in December 2004 its intention to buy back shares proactively in order to maintain an appropriate level of discount, with the aim of moving the level of the discount to below 10% (as calculated by valuing the Company's debt on a fair value basis). The directors will not use this authority unless to do so would result in an increase in the net asset value per ordinary share. Shares will not be bought at a price that is less than 25p (the nominal value) or more than 5% above the average middle market price of the shares over the preceding five business days. The directors intend to seek a fresh authority at the AGM in 2011.

Resolution 11 – Authority to make market purchases of the Company's own preference shares (special resolution)

At the AGM in April 2009 a special resolution was passed giving the Company authority, until the conclusion of the AGM in 2010, to make market purchases for cancellation of the Company's own 2.7% preference shares and 3.4% preference shares up to a maximum of all those in issue. This authority has not been used. Accordingly, as at 31 December 2009 the Company had valid authority, outstanding until the conclusion of the AGM in 2009, to make market purchases for cancellation of 500,000 2.7% preference shares and 2,055,000 3.4% preference shares. No preference shares were bought back between the year end and the date of this report. The Board considers that the Company should continue to have authority to make market purchases of its own preference shares for cancellation. Accordingly, a special resolution will be proposed at the forthcoming AGM to authorise the Company to make market purchases for cancellation of up to the whole of the issued preference share capital in issue at the date of the AGM (equivalent to 500,000 2.7% preference shares and 2,055,000 3.4% preference shares if there is no change in the issued preference share capital between the date of this report and the AGM). The directors do not intend to use this authority unless, in their view, to do so would be in the best interests of the shareholders generally. Shares will not be bought back at a price that is less than £1 (the nominal value) or more than 5% above the average middle market price of the shares over the preceding five business days. The directors intend to seek a fresh authority at the AGM in 2011.

Resolution 12 – Revision of the Articles of Association

The Company proposes to adopt new Articles of Association ("Articles"). These incorporate amendments to the current Articles to reflect the changes in company law, brought about by the Companies Act 2006 ("the Act"), which came into effect on 1 October 2009; changes made to the Act in August 2009, to implement the EU Shareholder Rights Directive in the UK; and some minor technical or clarifying changes.

The principal changes in the new Articles, as proposed for adoption at the AGM, relate to shareholder meetings and resolutions, the Company's constitution and share capital.

In August 2009, changes were made to the provisions in the Act on company meetings by The Companies (Shareholders' Rights) Regulations 2009 ("Shareholders' Rights Regulations") to implement the EU Shareholder Rights Directive in the UK. The new Articles incorporate amendments in relation to meetings to ensure consistency with the Act (as amended by the Shareholders' Rights Regulations).

Under the Act all provisions of the Company's Memorandum of Association ("the Memorandum"), but most significantly the objects clause, are deemed, from 1 October 2009, to form part of the Company's Articles. It is possible for the objects clause to be removed or amended by amending the Articles by special resolution. It is not necessary under the Act for a company to set out its objects and the Act provides that, unless the Articles state otherwise, a company's objects will be unrestricted.

One of the other key provisions of the Memorandum which is deemed to form part of the Company's Articles from 1 October 2009 is the restriction created by the existing authorised share capital statement. The Act removes the requirement for a company to place limits on its authorised share capital.

By adopting the new Articles, which do not contain the objects clause or the authorised share capital statement, the Company will remove these provisions, which would otherwise be deemed to form part of the Company's Articles under section 28 of the Act.

A more detailed explanation of these and other amendments is set out in the summary on pages 73 to 75.

Recommendation

The Board considers that the resolutions relating to the above items of other business are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming AGM.

Warning to Shareholders

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare Investor Services PLC, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you are in any doubt about the veracity of an unsolicited phone call, please call either the Company Secretary or the Registrar at the numbers provided on page 80.

Directors' Report
Corporate Governance Statement

Background

The UK Listing Authority's Disclosure and Transparency Rules (the "Disclosure Rules") require listed companies to disclose how they have applied the principles and complied with the provisions of the Combined Code on Corporate Governance (the "Combined Code"), as issued by the Financial Reporting Council (the "FRC"). The provisions of the Combined Code issued by the FRC in June 2008 were applicable in the year under review. The Combined Code can be viewed at www.frc.org.uk

The related Code of Corporate Governance ("the AIC Code"), issued by the Association of the Investment Companies ("the AIC") in March 2009, provides specific corporate governance guidelines to investment companies. The FRC has confirmed that AIC member companies who report against the AIC Code and who follow the AIC's Corporate Governance Guide for Investment Companies will be meeting its obligations in relation to the Combined Code and the associated disclosure requirements of the Disclosure Rules. The AIC Code can be viewed at www.theaic.co.uk

Compliance

Throughout the year ended 31 December 2009 the Company complied with the provisions of the AIC Code. The Board attaches importance to the matters set out in the Code and seeks to observe its principles. 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), provides the most relevant information to shareholders.

The Principles of the AIC Code

The AIC Code is made up of twenty one principles. Its three sections cover: the Board; Board Meetings and relations with the Investment Manager; and Shareholder Communications.

Principles of the AIC Code	Application of the principles
The Board	
1. The chairman should be independent.	Mr H M Henderson has been Chairman of the Company since the Annual General Meeting in March 2003; he joined the Board in 1988. The Board considers that Mr Henderson is, and has been since his appointment, an independent non-executive director. Independence stems from the ability to make those objective decisions that may be in conflict with the interests of management; this in turn is a function of confidence, integrity and judgement. Mr Henderson has served on the Board for more than nine years. Accordingly, he stands for election by the shareholders each year and will do so for as long as he continues to serve on the Board. The Board is firmly of the view, however, that length of service does not of itself impair a director's ability to act independently; rather, a director's longer perspective adds value to the deliberations of a well-balanced investment trust company board. The other independent non-executive directors, under the chairmanship of the Senior Independent Director, review and evaluate annually the performance and continuing independence of the Chairman. Mr Henderson was formerly a partner of Cazenove & Co., the firm which for many years acted as the Company's stockbroker. However, he did not have responsibility for or involvement with Cazenove's role with the Company, being for many years responsible for aspects of Cazenove's fund management division. Accordingly, the Board considers that the Chairman has no relationships that might create a conflict of interest between his interests and those of the other shareholders.

Principles of the AIC Code	Application of the principles
2. A majority of the board should be independent of the manager.	At 31 December 2009 the Board was composed of seven independent non-executive directors and one executive director (the Chief Executive Officer). The Board expects to maintain this balance, although when new directors are appointed to replace those retiring there will for short periods of time be more than eight directors. The Board is therefore independent of the Company's executive management. All the directors are wholly independent of the Company's various investment managers. In the opinion of the Board, each of the directors is independent in character and judgement and there are no relationships or circumstances relating to the Company that are likely to affect their judgement.
3. Directors should be elected for a fixed term of no more than three years. Nomination for re-election should not be assumed but be based on disclosed procedures.	New directors stand for election by the shareholders at the annual general meeting of the Company that follows their appointment. Thereafter all directors stand for re-election at least every three years. Directors who have served for more than nine years stand for re-election annually. There are currently two directors with service of more than nine years: Mr H M Henderson (the Chairman) and Mr R H McGrath. Every year the Board reviews its composition and the composition of its two Committees. The evaluation process is led by the Chairman; the Senior Independent Director leads the evaluation of the Chairman. The Board's Remuneration Committee, which serves as its nominations committee, oversees this process.
4. The board should have a policy on tenure, which is disclosed in the annual report.	New directors are appointed for an initial term ending three years from the date of their first annual general meeting after appointment and with the expectation that they will serve two three-year terms. The continuation of directors' appointments is contingent on satisfactory performance evaluation and re-election at annual general meetings. Directors' appointments are reviewed formally every three years by the Board as a whole. None of the directors has a contract of service and a director may resign by notice in writing to the Board at any time; there are no set notice periods. The Board's tenure and succession policy seeks to ensure that the Board is well-balanced and refreshed regularly by the appointment of new directors with the skills and experience necessary, in particular, to replace those lost by directors' retirements. Directors must be able to demonstrate their commitment to the Company, including in terms of time. The Board seeks to encompass past and current experience of various areas that is relevant to the Company's objective and operations, the most important skill-sets being investment management, finance, marketing, financial services, risk management, custody and settlement, and investment banking. Specialist agents are used to assist with recruitment. While the roles and contributions of longer serving directors are subject to more rigorous review, the Board is strongly of the view that length of service is only one factor and that the shareholders benefit from having directors with a longer perspective of the Company's history and its place in the savings market. Therefore there is no absolute limit to the period for which a director may serve.

Directors' Report
Corporate Governance Statement *continued*

Principles of the AIC Code	Application of the principles
5. There should be full disclosure of information about the board.	Details of the directors are set out on page 21. They demonstrate a broad range of investment, professional and commercial expertise and experience, gained overseas as well as in the United Kingdom.
6. The board should aim to have a balance of skills, experience, ages and length of service.	The Board considers that it has achieved this aim.
7. The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.	The Board has established a process to evaluate its performance on an annual basis. This process is based on open discussion and seeks to assess the strengths and weaknesses of the Board and its Committees. The Chairman leads on applying the conclusions of the evaluation. The Chairman reviews with each director his or her individual performance, contribution and commitment to the Company. The Senior Independent Director leads the annual evaluation of the Chairman and reviews the conclusions with him. The Board's Remuneration Committee oversees this process.
8. Director remuneration should reflect their duties, responsibilities and the value of their time spent.	The Directors' Remuneration Report on pages 36 to 38 details the process for determining the directors' remuneration and sets out the amounts payable.
9. The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.	The Board's Remuneration Committee serves as its nominations committee and oversees the recruitment process. However, all the independent non-executive directors are asked to contribute and to consider serving on the sub-committee appointed to draw up the shortlist of candidates. However, the Chairman would not be involved in the selection of his successor.
10. Directors should be offered relevant training and induction.	Directors newly appointed to the Board are provided with an introductory programme covering the Company's strategy, policies and operations, including those outsourced to third parties. Thereafter, directors are given, on a regular and ongoing basis, key information on the Company's investment portfolios, financial position, internal controls and details of the Company's regulatory and statutory obligations (and changes thereto). The directors are encouraged to attend seminars, conferences and courses, if necessary at the Company's expense, and to participate generally in industry events. The directors have access to the advice and services of the Company's executive team and of the Company Secretary, through its appointed representative, who are responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.
11. The chairman (and the board) should be brought into the process of structuring a new launch at an early stage.	As a long established investment trust company, this principle does not apply to the Company.

Principles of the AIC Code	Application of the principles
Board meetings and the relationship with the manager	
12. Boards and managers should operate in a supportive, co-operative and open environment.	The Board meets at least ten times each year. The Chief Executive Officer (who is himself a director), other representatives of the Company's executive team and a representative of the Company Secretary expect to be present at all meetings. The Board devotes two full days each year to meetings with the Company's investment managers and each investment manager sends representatives at least once a year. The Chairman seeks to encourage open debate within the Board and a supportive and co-operative relationship with the executive team and with the Company's investment managers, advisors and support staff.
13. The primary focus at regular board meetings should be a review of investment performance and associated matters such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues.	The Chief Executive Officer and his team monitor investment performance and all associated matters. He reports to each Board meeting, at which investment performance, asset allocation, gearing, marketing and investor relations are usually key agenda items.
14. Boards should give sufficient attention to overall strategy.	The Board is responsible for determining the strategic direction of the Company and for promoting its success. The Board meets at least ten times each year. At least one of these meetings is devoted entirely to reviewing overall strategy and progress is monitored throughout the year.
15. The board should regularly review both the performance of, and contractual arrangements with, the manager (or executives of a self-managed company).	The Board's Remuneration Committee reviews the performance of and the contractual arrangements with the Chief Executive Officer. The Chief Executive Officer is responsible to the Board for reviewing the performance and the contractual arrangements of his staff. The Board's Remuneration Committee oversees this process.
16. The board should agree policies with the manager covering key operational issues.	The Chief Executive Officer is responsible to the Board for all operational matters. He operates within agreed parameters and reports to each Board meeting on key issues. Each of the investment managers operates within the terms of the mandate given to them, as set out in the relevant investment management contract.
17. Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.	The Chief Executive Officer and his team monitor the share price and the discount to net asset value on a daily basis and he reports to every Board meeting. The Board has a share buy-back programme that seeks to reduce the volatility of the share price and to maintain the discount at not more than 10%.
18. The board should monitor and evaluate other service providers.	The Chief Executive Officer and his team are responsible for monitoring and evaluating the performance of the Company's various service providers, including the investment managers. The Board's Audit Committee oversees this process.

Directors' Report
Corporate Governance Statement *continued*

Principles of the AIC Code	Application of the principles
Shareholder communications	
19. The board should regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the board's views to shareholders.	The Chairman is responsible for ensuring that there is effective communication with the Company's shareholders. He works closely with the Chief Executive Officer and there is regular liaison with the Company's stockbroker. There is a process in place for analysing and monitoring the shareholder register and a programme for meeting or speaking with the institutional investors and with private client stockbrokers and advisors. In addition to the Chief Executive Officer, the Chairman, or the Senior Independent Director, expect to be available to meet the larger shareholders. The Company encourages attendance at its Annual General Meeting as a forum for communication with the individual shareholders. The Chairman, the Chief Executive Officer, the Chairman of the Audit Committee and the Chairman of the Remuneration Committee all expect to be present and able to answer questions from shareholders as appropriate. Details of the proxy votes received in respect of each resolution are made available to shareholders. The Chief Executive Officer makes a presentation to the meeting.
20. The board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.	While the Chief Executive Officer and his team expect to lead on preparing and effecting communications with investors, all major corporate issues are put to the Board or, if time is of the essence, to a Committee thereof.
21. The board should ensure that shareholders are provided with sufficient information for them to understand the risk : reward balance to which they are exposed by holding the shares.	The Board places importance on effective communication with investors and approves a marketing programme and budget each year to enable this to be achieved. Copies of the Annual Report and the Half Year Report are circulated to shareholders, to those who hold shares through the subsidiary company's products and, where possible, to investors through other providers' products and nominee companies. In addition, the Company publishes a fact sheet monthly and its net asset value per share daily. All this information is readily accessible on the Company's website (www.witan.com). The Company belongs to the Association of Investment Companies which publishes information to increase investors' understanding.

The Board

The Board is collectively responsible for the success of the Company. Its role is to provide leadership within a framework of prudent and effective controls that enable risk to be assessed and managed. The Board sets the Company's strategic aims (subject to the Company's Articles of Association, and to such approval of the shareholders in general meeting as may be required from time to time) and ensures that the necessary resources are in place to enable the Company's objectives to be met.

The Board meets at least ten times a year and deals with the most important aspects of the Company's affairs, including the setting of parameters for and the monitoring of investment strategy, the review of investment performance and the extent to which borrowings may be used. The Chief Executive Officer is responsible to the Board for the overall management of the Company including business development, shareholder relations, marketing, investment trust industry matters, administration and unquoted investments. During 2009, following a review of the business, the Board decided to re-combine the roles of Chief Executive Officer and Chief Investment Officer. The duties of the combined role of the Chief Executive Officer also include leading on investment strategy and asset allocation, on the selection and monitoring of the investment managers and their terms of reference and on the use of derivatives. The Chief Executive Officer reports to each meeting of the Board. His report includes confirmation that the Board's investment limits and restrictions have been adhered to, including those which govern the Company's tax status as an investment trust, and includes confirmation from each of the investment managers that they have carried out their duties in accordance with the terms of their investment mandates. The investment managers take decisions as to the purchase and sale of individual investments and are responsible for effecting those decisions on the best available terms. The Chairman is responsible for ensuring that the directors are provided, in a timely manner, with management, regulatory and financial information that is clear, accurate and relevant, whether from the Chief Executive Officer or otherwise.

Matters specifically reserved for decision by the full Board have been defined and there is an agreed procedure for directors, in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense.

Board Committees

The Board has established Audit and Remuneration Committees. The membership of the Audit Committee and the Remuneration Committee is set out on page 21, in the Report of the Audit Committee on page 35 and in the Directors' Remuneration Report on pages 36 to 38.

Meetings of the Board and its Committees

The number of formal meetings during the year of the Board and its Committees, and the attendance of the individual directors at those meetings, is shown in the table that follows.

Number of meetings	Board	Audit Committee	Remuneration Committee
	11	4	3
H M Henderson	11	*3	3
R E Clarke	11	*4	*3
A W Jones	3 of 3	–	1 of 1
R H McGrath	11	–	3
R A Bruce	10	4	–
A Watson	11	4	–
J E B Bevan	10	–	–
R W Boyle	10	4	–
M C Claydon	9 of 9	–	2 of 2

*Not a member of the Committee but in attendance by invitation for all or part of the meetings.

All the then directors attended the Annual General Meeting in April and, with the exception of Mr Bruce, the Board's 'away day' in May.

Directors' Remuneration

The directors' remuneration is detailed in the Directors' Remuneration Report on pages 36 to 38.

Accountability and Audit

The directors' statement of responsibilities in respect of the accounts is set out on page 39.

The report of the independent auditors is set out on pages 40 and 41.

The Board has delegated contractually to external agents, including the various investment managers, the management of the investment portfolio, global custody (which includes the safeguarding of the assets), the investment administration, management and financial accounting, company secretarial and certain other administrative requirements and the registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. The Board receives and considers regular reports from the investment managers and ad hoc reports and information are supplied to the Board from its other contractors as required.

Internal Control

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process accords with the Turnbull guidance, is subject to regular review by the Audit Committee and was fully in place during the

Directors' Report
Corporate Governance Statement *continued*

year under review and up to the date of this annual report. The Board remains responsible for the Company's system of internal control and has conducted its annual review of the effectiveness of the system, covering all the controls, including financial, operational and compliance controls and risk management systems. This review took into account points raised during the year in the regular appraisal of specific areas of risk.

However, such a system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board routinely reviews the Company's business risks. These are analysed and recorded in a risk map. The Company receives from its main contractors formal reports which detail the steps taken to monitor the areas of risk and which report the details of any known internal control failures. The Board receives each year from its investment managers and its investment administrator reports on their internal controls; with three exceptions each of these includes a report from the relevant company's auditors on the control policies and procedures in operation.

The Company's subsidiary, Witan Investment Services Limited, is authorised and regulated by the Financial Services Authority to provide investment products and services. The compliance structures required for these activities, including a compliance manual and a compliance monitoring programme, have been duly put into place.

The Company has a formal policy for staff to raise in confidence any concerns about possible improprieties, whether in matters of financial reporting or otherwise, for appropriate independent investigation. Its staff comprises only six people (including the Chief Executive Officer), who are well known to and have frequent formal and informal contact with the members of the Board.

The Company does not have an internal audit function. It delegates to third parties the management of its investments and most of its other operations and employs only a small staff. The investment managers and certain other key contractors are subject to external regulation and most have compliance and internal audit functions of their own. The Company's investments are held on its behalf by a global custodian. A specialist firm of investment accountants and administrators is responsible for investment administration, for maintaining accounting records and for preparing financial accounts, management accounts and other management information. The investment performance of the investment managers, both individually and collectively, is measured for Witan by a company that is independent of all the investment managers. The corporate company secretary is a company with long experience in servicing investment trusts. The appointment of these and other professional contractors provides a clear separation of duties and a structure of internal controls that is balanced and robust. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended and the directors will review at least annually whether a function equivalent to an internal audit is needed.

Going Concern
The assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Therefore, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. In reviewing the position as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council. (See also note 1(b) on page 46.)

Exercise of Voting Powers
It is the Board's view that in order to achieve long term success companies need to maintain high standards of corporate governance and corporate responsibility. Therefore the Board encourages its investment managers to vote proxies in the best long term interest of Witan shareholders and in accordance with their own investment philosophies. The Company's UK equity managers expect UK companies to comply with the Combined Code, including the Turnbull Guidance on Internal Control, or to provide adequate explanation of any area in which they fail to comply, whilst recognising that a different approach may be justified in special circumstances. Elsewhere, it can be more difficult to vote shares as each country has its own rules and practices regarding shareholder notification, voting restrictions, registration conditions and share blocking, including, for example, dealing constraints. Therefore, whilst the Board has agreed general policies with the non-UK managers, they do use their discretion in applying these in individual circumstances.

New Zealand Listing
It should be noted that the UK Codes of Corporate Governance may differ materially from the New Zealand Stock Exchange's Corporate Governance Best Practice Code.

By order of the Board
G S Rice ACIS
For and on behalf of
Henderson Secretarial Services Limited,
Secretary
12 March 2010

Directors' Report
Report of the Audit Committee

The role of the Audit Committee is to assist the directors in applying financial reporting and internal control principles and to maintain an appropriate relationship with the Group's auditors.

The Committee's role and responsibilities are set out in its terms of reference, which comply with the Combined Code. The terms of reference are available on request from the Company Secretary and can be seen on the Company's website.

The Committee is responsible for monitoring the integrity of the Company's financial statements, including consideration of the Company's accounting policies and significant reporting judgements. It reviews the Company's internal financial controls and risk management systems. It reviews the scope and effectiveness of the audit process and monitors the auditors' independence and objectivity. It makes recommendations in relation to the appointment of the external auditors, including their remuneration and the provision by them of any non-audit services. The Committee has established a procedure to ensure that the engagement of the auditors to provide non-audit services cannot exceed a specified proportion of the annual audit fees without due consideration being given by the Committee to the proposed appointment. The Committee also reviews the process for negotiating and monitoring major contracts undertaken by the Company, the Board's investment restrictions and the values attributed to the unlisted investments. It ensures that the Company maintains appropriate compliance with the requirements of regulators; and it reviews the reporting of investment performance. The Committee reports to the Board, identifying matters on which it considers that action is needed and making recommendations on the steps to be taken.

The Committee comprises three non-executive directors, including its Chairman, who are appointed by the Board. Mr Boyle was appointed Chairman of the Committee in 2007. He is a Chartered Accountant and was previously a partner in PricewaterhouseCoopers LLP. The other two members are Mr Bruce and Mr Watson, who were appointed in 2002 and 2006 respectively; details of their qualifications and experience are given on page 21. The Committee's programme is to meet at least three times a year: in advance of the publication of both the annual and the half year results and on at least one other occasion with an agenda that is focused on its broader responsibilities.

The Committee held four meetings during the year, at two of which representatives of the auditors were present: to consider the outcome of the audit of the Group's 2008 financial statements and to consider the plan for the audit of the Group's 2009 financial statements.

During the year the Committee addressed all the matters set out as its responsibilities under its terms of reference (and confirmed that the Group should not establish an internal audit function). In particular, the Committee considered the Board's contractual arrangements with investment managers and with sub-contractors.

Robert Boyle
Chairman of the Audit Committee
12 March 2010

Directors' Report
Directors' Remuneration Report

Introduction

The Directors' Remuneration Report ("the Report") is prepared, in accordance with the Listing Rules of the Financial Services Authority and with sections 420 to 422 of the Companies Act 2006 ("the Act"), in respect of the year ended 31 December 2009. It also serves as the report of the Remuneration Committee. An ordinary resolution to approve the Report will be put to the Annual General Meeting on 27 April 2010. The Act requires the auditors to report to the Company's members on certain information contained within the Report and to state whether in their opinion those parts of the Report have been properly prepared in accordance with the Act. Therefore the Report has been divided into separate sections for audited and unaudited information.

UNAUDITED INFORMATION

Role of the Remuneration Committee

The role of the Remuneration Committee is essentially twofold. In respect of the Company's staff, it assists the directors in determining the remuneration of the Chief Executive Officer and evaluating his performance; and it assists the Chief Executive Officer in determining the remuneration arrangements for the Company's staff. In respect of the non-executive directors, it serves as the Board's nomination committee with responsibility for reviewing the effectiveness and composition of the Board and considering the remuneration of the non-executive directors. The Committee's role and responsibilities are set out in its terms of reference, which are available on request from the Company Secretary and can be seen on the Company's website.

The Remuneration Committee comprises three non-executive directors, including its Chairman, who are appointed by the Board. During the year the following directors served as members of the Committee: Mr A W Jones, Mr H M Henderson, Mr R H McGrath and Mrs M C Claydon. Mrs Claydon was appointed to the Committee and became its Chairman on 10 November 2009. Mr Jones served as Chairman of the Committee until his retirement from the Board on 28 April 2009. Mr Henderson and Mr McGrath were appointed to the Committee in 2003 and 2006 respectively.

The Committee's programme is to meet formally at least twice a year and on other occasions as business demands. The Committee held three formal meetings during the year, during which it addressed all the matters under its remit.

The appointment of a new Chief Executive Officer was made early in 2010. The directors reviewed the skills and experience required of the position, which combines the role of Chief Executive Officer and Chief Investment Officer. The Remuneration Committee, assisted by a specialist firm of executive search consultants, prepared a short list of candidates from which the Board selected the person it considered to be best suited to the position.

Consideration by the Directors of Matters relating to Directors' Remuneration

The Board as a whole sets the directors' remuneration but it has appointed its Remuneration Committee to consider matters relating thereto.

The Remuneration Committee has not been provided with advice or services by any person in respect of its consideration of the non-executive directors' remuneration (although the directors expect from time to time to review the fees paid to the boards of directors of other investment trust companies).

Statement of the Company's Policy on Directors' Remuneration

Non-executive directors

All the directors are non-executive, with the exception of the Chief Executive Officer. New directors are appointed for an initial term ending three years from the date of their first annual general meeting after appointment and with the expectation that they will serve two three-year terms. The continuation of directors' appointments is contingent on satisfactory performance evaluation and re-election at annual general meetings. Directors' appointments are reviewed formally every three years by the Board as a whole. None of the directors has a contract of service and a director may resign by notice in writing to the Board at any time; there are no set notice periods. The Company's policy is for the directors to be remunerated in the form of fees, payable quarterly in arrears, to the director personally or to a third party specified by him. There are no long term incentive schemes or pension arrangements and the fees are not specifically related to the directors' performance, either individually or collectively.

The Company's policy is that the fees payable to the directors should reflect the time committed by the directors to the Company's affairs and the responsibilities borne by them and should be sufficient to enable candidates of high calibre to be recruited. The policy is for the Chairman of the Board and the Chairmen of the Board's Committees to be paid higher fees than the other directors in recognition of their more onerous roles.

The Company's Articles of Association limit the fees payable to the directors to £250,000 per annum in aggregate. In the year under review directors' fees were paid at the following annual rates: the Chairman £50,000; the Chairman of the Audit Committee £30,000; Mr McGrath, who has the additional role of monitoring the Group's marketing activities on behalf of the Board, £30,000; the other directors £26,000. The policy is to review these rates from time to time, although such review will not necessarily result in any change to the rates.

During the year the Remuneration Committee undertook a review of the directors' fees and, on its recommendation, the Board agreed not to change the annual rates, as set out above, which have applied since 1 April 2008. However, having reviewed the structure of its Committees, the Board determined that the Chairman of the Remuneration Committee should be paid a higher fee. Accordingly, the Chairman of the Remuneration Committee will receive fees at the rate of £30,000 per annum, with effect from 1 April 2010.

Directors' and officers' liability insurance cover is held by the Company in respect of all the directors (including the executive director).

Executive director

Mr R E Clarke was appointed a director and Chief Executive Officer on 15 September 2008. He stood down as Chief Executive Officer with effect from 7 February 2010 and will stand down from the Board in April 2010.

Mr A L C Bell was appointed a director and Chief Executive Officer with effect from 8 February 2010. When the handover of executive responsibilities has been completed, he will be the sole executive director of the Company.

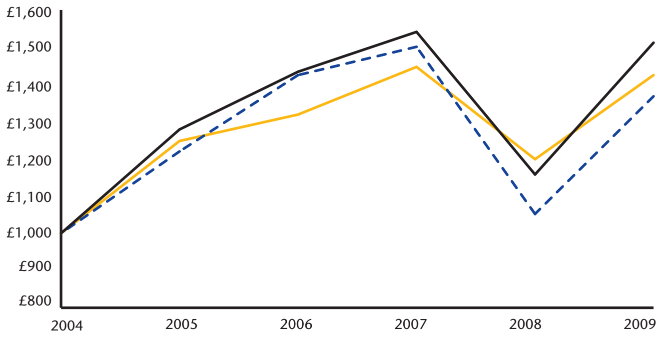
The Company's policy on the remuneration of the CEO is to pay a basic salary appropriate to the position, together with bonus arrangements that link his remuneration to the performance achieved in the different aspects of his role.

Mr Clarke's service agreement dated 4 September 2008 provides for a salary of £200,000 per annum, pension contributions equivalent to 10% of salary to a pension scheme of his choosing and private health insurance cover. The bonus arrangements provide, at the ultimate discretion of the Board, a bonus of up to 50% of salary in respect of each calendar year, bonus payments to be made over two years. The performance over the year of the Company's net asset value per share relative to its benchmark (excluding the effect of share buy-backs) determines 60% of his bonus payments. Outperformance of the benchmark by 2% or more generates a bonus of the full 60%; no bonus is payable if performance is in line with or below that of the benchmark; relative performance of between nil and 2% generates a pro rata award. Since 1 October 2007 the benchmark has been a composite of 40% the FTSE All-Share Index, 20% the FTSE All-World North America Index, 20% the FTSE All-World Europe (ex UK) Index and 20% the FTSE All-World Asia Pacific Index, all on a capital return basis. The remaining 40% is awarded, at the Board's discretion, on the basis of his overall performance as CEO of the Company, this element being guaranteed for the first six months of his employment. An additional bonus, of up to 50% of salary, would be payable subject to new business targets being met. The limit of 50% of salary in respect of this element may be waived if significant value is returned to shareholders; the circumstances governing any additional bonus are subject to the achievement of targets to be agreed by the Board. The appointment may be terminated by either party subject to not less than six months' written notice. Mr Clarke is not entitled to fees for his service as a director.

Mr Bell's service agreement dated 3 February 2010 provides for a salary of £225,000 per annum, payment in lieu of pension contributions equivalent to 10% of salary, death in service insurance cover and private health insurance cover. The bonus arrangements provide, at the ultimate discretion of the Board, a bonus of up to 50% of salary in respect of each calendar year. Bonus payments will be made over two years. Of the total bonus eligibility, 60% will be subject to the achievement of targets to be determined by the Board and communicated to Mr Bell and 40% entirely at the discretion of the Board. The appointment may be terminated by either party subject to not less than nine months' written notice. The CEO is not entitled to fees for his service as a director. However, subject to receiving the Board's permission, he is entitled to hold outside appointments and to retain the fees receivable from them.

Directors' Report
Directors' Remuneration Report *continued*

Performance Graph



Witan share price total return, assuming the investment of £1,000 on 31 December 2004 and the reinvestment of all dividends (excluding dealing expenses).

FTSE All-Share Index total return, assuming the notional investment of £1,000 into the Index on 31 December 2004 and the reinvestment of all income (excluding dealing expenses).

FTSE World (ex UK) Index, sterling adjusted, assuming the notional investment of £1,000 into the Index on 31 December 2004 and the reinvestment of all income (excluding dealing expenses).

Source: Datastream

The Act requires the performance of the Company's share price to be compared to a single broad equity market index. The FTSE All-Share Index is selected for the graph because it is the prime index of the UK market, on which the Company's shares are listed, and forms the largest constituent of the Company's benchmark. The FTSE World (ex UK) Index is also shown because more than half of the Company's investments are held in overseas companies.

AUDITED INFORMATION

Amount of each Director's emoluments

Non-executive directors

The fees payable in respect of each of the directors who served during the year, and during 2008, were as follows:

	2009 £	2008 £
H M Henderson	50,000	48,750
R H McGrath	30,000	29,000
R A Bruce	26,000	25,250
A Watson	26,000	25,250
J E B Bevan	26,000	25,250
R W Boyle	30,000	29,000
M C Claydon (i)	21,161	–
A W Jones (ii)	8,500	25,250
Total	217,661	207,750

Notes:

(i) Mrs Claydon was appointed a director on 9 March 2009 and as Chairman of the Remuneration Committee on 10 November 2009.

(ii) Mr Jones retired from the Board and as Chairman of the Remuneration Committee on 28 April 2009.

Executive director

The remuneration payable to the Chief Executive Officer in respect of the year is as follows:

	2009 £	2008 £
R E Clarke:		
Basic salary	200,000	58,888
Pension contributions	20,000	5,889
Performance related bonus	30,000	28,877
Benefits in kind (health and life insurance)	3,273	875
Total	253,273	94,529
J Horsburgh:*		
Basic salary	–	186,478
Paid in lieu of pension contributions	–	17,472
Performance related bonus	–	143,674
Benefits in kind (health and life insurance)	–	5,148
Total	–	352,772

*Mr Horsburgh was the Chief Executive Officer ("CEO") and the sole executive director of the Company until 15 September 2008; he retired from the Board on 31 October 2008.

Catherine Claydon
Chairman of the Remuneration Committee
12 March 2010

Statement of Directors' Responsibilities in respect of the Annual Report, the Directors' Remuneration Report and the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the EU IAS Regulation and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- 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 IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

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

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

H M Henderson
Chairman
12 March 2010

A L C Bell
Chief Executive Officer
12 March 2010

Note to those who access this document by electronic means

The annual report for the year ended 31 December 2009 has been approved by the Board of Witan Investment Trust plc and circulated to the Company's shareholders in hard copy format. It is also made available in electronic format for the convenience of readers. However, the Board cannot accept responsibility for guaranteeing the integrity of the document in electronic format. Printed copies are available from the Company's Registered Office in London.

Independent Auditors' Report
to the members of Witan Investment Trust plc

We have audited the financial statements of Witan Investment Trust plc for the year ended 31 December 2009 which comprise the Consolidated Income Statement, the Consolidated and Individual Company Balance Sheets, the Consolidated and Individual Company Cash Flow Statements, the Consolidated and Individual Company Statements of Changes in Equity and the related notes 1 to 25. 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 auditors' 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, 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's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies 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 31 December 2009 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 EU IAS Regulation.

Separate opinion in relation to IFRSs as issued by the IASB
As explained in note 1 to the Group financial statements, the Group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

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; and

- the information given in the Directors' Report for the financial year for which the financial statements are prepared 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.

Under the Listing Rules we are required to review:

- the directors' statement contained within the Group financial statements in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Stuart McLaren (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
12 March 2010

Financial Statements
Consolidated Income Statement
for the year ended 31 December 2009

Notes		Year ended 31 December 2009 Revenue return £'000	Year ended 31 December 2009 Capital return £'000	Year ended 31 December 2009 Total £'000	Year ended 31 December 2008 Revenue return £'000	Year ended 31 December 2008 Capital return £'000	Year ended 31 December 2008 Total £'000
2	Investment income	29,199	–	29,199	29,577	–	29,577
3	Other income	2,304	–	2,304	8,185	–	8,185
10	Gains/(losses) on investments held at fair value through profit or loss	–	196,885	196,885	–	(297,614)	(297,614)
	Total income	31,503	196,885	228,388	37,762	(297,614)	(259,852)
	Expenses						
4	Management fees	(583)	(4,310)	(4,893)	(490)	(2,831)	(3,321)
24	Write-back of prior years' VAT	1,249	–	1,249	141	424	565
5	Other expenses	(5,172)	(74)	(5,246)	(5,045)	–	(5,045)
	Profit/(loss) before finance costs and taxation	26,997	192,501	219,498	32,368	(300,021)	(267,653)
6	Finance costs	(2,146)	(6,189)	(8,335)	(2,527)	(7,334)	(9,861)
	Profit/(loss) before taxation	24,851	186,312	211,163	29,841	(307,355)	(277,514)
7	Taxation	(2,327)	723	(1,604)	(4,580)	2,878	(1,702)
	Profit/(loss) attributable to equity holders of the parent company	22,524	187,035	209,559	25,261	(304,477)	(279,216)
9	**Earnings/(loss) per ordinary share**	10.63p	88.27p	98.90p	11.60p	(139.86)p	(128.26)p

A Statement of Comprehensive Income has not been prepared as there is no other comprehensive income.

The total column of this statement represents the Group's Income Statement, prepared in accordance with IFRSs as adopted by the European Union. 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.

All income is attributable to the equity holders of Witan Investment Trust plc, the parent company. There are no minority interests.

The notes on pages 46 to 67 form part of these financial statements.

Financial Statements
Consolidated and Individual Company Statements of Changes in Equity

for the year ended 31 December 2009

Notes	Group Year ended 31 December 2009	Ordinary share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 December 2008	53,600	16,237	40,226	716,756	52,428	879,247
	Profit for the year	–	–	–	187,035	22,524	209,559
8	Ordinary dividends paid	–	–	–	–	(21,791)	(21,791)
15, 16	Buy-backs of ordinary shares	(2,734)	–	2,734	(44,196)	–	(44,196)
	At 31 December 2009	50,866	16,237	42,960	859,595	53,161	1,022,819

Notes	Company Year ended 31 December 2009	Ordinary share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 December 2008	53,600	16,237	40,226	716,897	52,287	879,247
	Profit for the year	–	–	–	187,010	22,549	209,559
8	Ordinary dividends paid	–	–	–	–	(21,791)	(21,791)
15, 16	Buy-backs of ordinary shares	(2,734)	–	2,734	(44,196)	–	(44,196)
	At 31 December 2009	50,866	16,237	42,960	859,711	53,045	1,022,819

Notes	Group Year ended 31 December 2008	Ordinary share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 December 2007	55,857	16,237	37,969	1,059,939	49,304	1,219,306
	(Loss)/profit for the year	–	–	–	(304,477)	25,261	(279,216)
8	Ordinary dividends paid	–	–	–	–	(22,137)	(22,137)
15, 16	Buy-backs of ordinary shares	(2,257)	–	2,257	(38,706)	–	(38,706)
	At 31 December 2008	53,600	16,237	40,226	716,756	52,428	879,247

Notes	Company Year ended 31 December 2008	Ordinary share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 December 2007	55,857	16,237	37,969	1,060,025	49,218	1,219,306
	(Loss)/profit for the year	–	–	–	(304,422)	25,206	(279,216)
8	Ordinary dividends paid	–	–	–	–	(22,137)	(22,137)
15, 16	Buy-backs of ordinary shares	(2,257)	–	2,257	(38,706)	–	(38,706)
	At 31 December 2008	53,600	16,237	40,226	716,897	52,287	879,247

The notes on pages 46 to 67 form part of these financial statements.

Financial Statements
Consolidated and Individual Company Balance Sheets
for the year ended 31 December 2009

Notes		Group 31 December 2009 £'000	Company 31 December 2009 £'000	Group 31 December 2008 £'000	Company 31 December 2008 £'000
	Non current assets				
10	Investments held at fair value through profit or loss	1,074,189	1,075,205	880,013	881,054
	Current assets				
11	Other receivables	5,978	6,251	19,830	20,204
	Cash and cash equivalents	58,638	57,084	124,383	122,815
		64,616	63,335	144,213	143,019
	Total assets	1,138,805	1,138,540	1,024,226	1,024,073
	Current liabilities				
12	Other payables	(5,820)	(5,555)	(4,892)	(4,739)
	Total assets less current liabilities	1,132,985	1,132,985	1,019,334	1,019,334
	Non current liabilities				
	At amortised cost:				
13	8½ per cent. Debenture Stock 2016	(44,589)	(44,589)	(45,779)	(45,779)
13	6.125 per cent. Secured Bonds due 2025	(63,022)	(63,022)	(91,753)	(91,753)
13, 17	3.4 per cent. cumulative preference shares of £1	(2,055)	(2,055)	(2,055)	(2,055)
13, 17	2.7 per cent. cumulative preference shares of £1	(500)	(500)	(500)	(500)
		(110,166)	(110,166)	(140,087)	(140,087)
	Net assets	1,022,819	1,022,819	879,247	879,247
	Equity attributable to equity holders				
15	Ordinary share capital	50,866	50,866	53,600	53,600
16	Share premium account	16,237	16,237	16,237	16,237
16	Capital redemption reserve	42,960	42,960	40,226	40,226
	Retained earnings:				
16	Other capital reserves	859,595	859,711	716,756	716,897
16	Revenue reserve	53,161	53,045	52,428	52,287
	Total equity	1,022,819	1,022,819	879,247	879,247
18	**Net asset value per ordinary share**	502.7p	502.7p	410.1p	410.1p

The financial statements of Witan Investment Trust plc (registered number 101625) were approved by the directors and authorised for issue on 12 March 2010 and were signed on their behalf by

H M Henderson A L C Bell

The notes on pages 46 to 67 form part of these financial statements.

Financial Statements
Consolidated and Individual Company Cash Flow Statements
for the year ended 31 December 2009

Notes		Group Year ended 31 December 2009 £'000	Company Year ended 31 December 2009 £'000	Group Year ended 31 December 2008 £'000	Company Year ended 31 December 2008 £'000
	Operating activities				
	Profit/(loss) before taxation	211,163	211,163	(277,514)	(277,514)
	Interest paid	8,233	8,233	9,664	9,664
10	(Gains)/losses on investments held at fair value through profit or loss	(196,885)	(196,860)	297,614	297,559
19	Net sales of investments held at fair value through profit or loss	17,248	17,248	89,327	89,327
	Net gain/(loss) from futures contracts	1,101	1,101	(5,934)	(5,934)
	Scrip dividends included in investment income	(94)	(94)	(537)	(537)
	Decrease/(increase) in other receivables	1,367	1,468	150	(341)
	Increase in other payables	864	752	1,037	1,243
	Net cash inflow from operating activities before interest and taxation	42,997	43,011	113,807	113,467
	Interest paid	(8,233)	(8,233)	(9,664)	(9,664)
	Amortisation of debt issue costs	79	79	80	80
	Tax on overseas income	(1,513)	(1,513)	(1,633)	(1,633)
	Net cash inflow from operating activities	33,330	33,344	102,590	102,250
	Financing activities				
8	Equity dividends paid	(21,791)	(21,791)	(22,137)	(22,137)
	Buy-backs of ordinary shares	(44,316)	(44,316)	(39,264)	(39,264)
	Buy-backs of secured bonds and debenture stock	(32,038)	(32,038)	(7,518)	(7,518)
	Net cash outflow from financing activities	(98,145)	(98,145)	(68,919)	(68,919)
	(Decrease)/increase in cash and cash equivalents	(64,815)	(64,801)	33,671	33,331
	Cash and cash equivalents at the start of the year	124,383	122,815	88,394	87,166
	Effect of foreign exchange rate changes	(930)	(930)	2,318	2,318
	Cash and cash equivalents at the end of the year	58,638	57,084	124,383	122,815

The notes on pages 46 to 67 form part of these financial statements.

Financial Statements
Notes to the Financial Statements
for the year ended 31 December 2009

1 Accounting policies
The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. These comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee ("IASC") that remain in effect, to the extent that they have been adopted by the European Union.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

(a) Basis of preparation
The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice *Financial Statements of Investment Trust Companies* ("the SORP") issued by the Association of Investment Companies ("the AIC") in January 2003 (revised in December 2009) is consistent with the requirements of IFRSs as adopted by the European Union, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

(b) Going concern
The Group's business activities, together with the factors likely to affect its future development and performance, are set out in the Business Review section of the Directors' Report on pages 6 to 16. The financial position of the Group as at 31 December 2009 is shown in the balance sheet on page 44. The cash flows of the Group for the year ended 31 December 2009, which are not untypical, are set out on page 45. The Company had fixed debt and preference share capital totalling £110,166,000, as set out in note 13 on page 57; none of the borrowings is repayable before 2016. The Group has no short term borrowings or borrowing facilities. Note 14 on pages 57 to 63 sets out the Group's risk management policies and procedures, including those covering currency risk, interest rate risk and liquidity risk. As at 31 December 2009 the Group's total assets less current liabilities exceeded its total non current liabilities by a multiple of over ten. The assets of the Group consist mainly of securities that are held in accordance with the Company's investment policy, as set out on page 10. Most of these securities are readily realisable even in the more volatile markets experienced in recent months and despite the continuing uncertain economic outlook. The directors, who have reviewed carefully the Group's budget and forecast for the coming year, consider that the Group has adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Group's accounts.

(c) Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company (its subsidiary) made up to 31 December 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. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used by them into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(d) Presentation of Income Statement
In order to better 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. Additionally, the net revenue is the measure the directors believe appropriate in assessing the Group's compliance with certain requirements set out in section 842 of the Income and Corporation Taxes Act 1988.

(e) Income
Dividends receivable on equity shares are recognised as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provision is made for any dividends not expected to be received. The fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares. Interest receivable from cash and short term deposits is accrued to the end of the period. Stock lending fees and underwriting commission are recognised as earned. Where the Group has elected to receive its dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as income. Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a gain in the Income Statement.

1 Accounting policies *continued*

(f) Expenses

All expenses and interest payable are accounted for on an accruals basis. Expenses are presented as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fees and finance costs are allocated 25% to revenue and 75% to capital to reflect the Board's expectations of long term investment returns. Any performance fees payable are allocated wholly to capital, reflecting the fact that, although they are calculated on a total return basis, they are expected to be attributable largely, if not wholly, to capital performance.

Transaction costs incurred on the acquisition or disposal of investments are included in the costs of acquisition or deducted from the proceeds of sale as appropriate and included in capital reserves.

(g) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income Statement is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Income Statement then no tax relief is transferred to the capital return column.

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. Investment trusts which have approval as such under section 842 of the Income and Corporation Taxes Act 1988 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(h) Investments held at fair value through profit or loss

When a purchase or sale is made under a contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date.

All the Group's investments are defined by IFRSs as adopted by the European Union as investments held at fair value through profit or loss. All gains and losses are allocated to the capital return within the Income Statement.

All investments are designated upon initial recognition as 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, the bid price or the single price as appropriate, released by the relevant investment manager.

Fair values for unquoted investments, or for investments for which there is only an inactive market, are established by using various valuation techniques. These may include recent arm's length market transactions, the current fair value of another instrument that is substantially the same, discounted cash flow analysis, option pricing models and reference to similar quoted companies. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised. Where no reliable fair value can be estimated for such instruments, they are carried at cost, subject to any provision for impairment.

The subsidiary company, Witan Investment Services Limited, is held at fair value. This is considered to be the net asset value of the shareholder's funds, as shown in its balance sheet.

(i) 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 that are subject to an insignificant risk of changes in value.

Financial Statements
Notes to the Financial Statements *continued*
for the year ended 31 December 2009

1 Accounting policies *continued*

(j) Dividends payable
Interim dividends are recognised in the period in which they are paid. Final dividends are not recognised until approved by the shareholders in general meeting.

(k) Non current liabilities
All debentures and secured bonds are initially recognised at cost, being the fair value of the consideration received, less issue costs where applicable. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future payments over the expected life of the financial liabilities, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(l) Foreign currency translation
Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction.

Foreign currency monetary assets and liabilities that are fair valued and denominated in foreign currencies are re-translated into sterling at the rate ruling on the balance sheet date. Foreign exchange differences arising on translation are recognised in the Income Statement and allocated to the capital return.

(m) Adoption of new and revised accounting standards
(i) Changes in accounting policy and disclosures
The accounting policies adopted are consistent with those of the previous financial year except as follows:

- IFRS 8 *Operating Segments*
- IAS 1 (Revised 2007) *Presentation of Financial Statements*
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*

The adoption of these Standards has had no material impact on the financial statements of the Group or the Company.

The following standards, amendments and interpretations are effective for 2009 but have had no impact on the financial position of the Group or the Company:

- Amendment to IFRS 2 *Share-based Payments – Vesting Conditions and Cancellations*
- Amendment to IAS 23 *Borrowing Costs*
- IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement*
- IFRIC 13 *Customer Loyalty Programmes*
- IFRIC 15 *Agreements for the Construction of Real Estate*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*
- IFRIC 18 *Transfer of Assets from Customers*

(ii) Improvements to IFRSs
In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The amendments to the following standards have not had any impact on the accounting policies or the financial position of the Group or the Company:

- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations: Plan to sell the controlling interest in a subsidiary*
- IFRS 7 *Financial Instruments Disclosures: Presentation of finance costs*
- IAS 1 *Presentation of Financial Statements: Current/non-current classification of derivatives*
- IAS 8 *Accounting Policies, Change in Accounting Estimates and Errors: Status of implementation guidance*
- IAS 10 *Events after the Reporting Period: Dividends declared after the end of the reporting period*
- IAS 16 *Property, Plant and Equipment: Recoverable amount*
- IAS 16 *Property, Plant and Equipment: Sale of assets held for rental*
- IAS 18 *Revenue: Costs of originating a loan*
- IAS 19 *Employee Benefits: Curtailments and negative past service costs*
- IAS 19 *Employee Benefits: Plan administration costs*
- IAS 19 *Employee Benefits: Replacement of the term 'fall due'*

1 Accounting policies *continued*

(m) Adoption of new and revised accounting standards *continued*

- IAS 19 *Employee Benefits: Guidance on contingent liability*
- IAS 20 *Accounting for Government Grants and Disclosures of Government Assistance: Government loans with a below-market rate of interest*
- IAS 20 *Accounting for Government Grants and Disclosures of Government Assistance: Consistency of terminology with other IFRSs*
- IAS 23 *Borrowing Costs: Components of borrowing costs*
- IAS 27 *Consolidated and Separate Financial Statements: Measurement of subsidiary held for sale in separate financial statements*
- IAS 28 *Investment in Associates: Required disclosures when investments in associates are accounted for at fair value through profit or loss*
- IAS 28 *Investment in Associates: Impairment of investment in associate*
- IAS 29 *Financial Reporting in Hyperinflationary Economies: Description of measurement basis in financial statements*
- IAS 29 *Financial Reporting in Hyperinflationary Economies: Consistency of terminology with other IFRSs*
- IAS 31 *Interest in Joint ventures: Required disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss*
- IAS 34 *Interim Financial Reporting: Earnings per share disclosures in interim financial reporting*
- IAS 36 *Impairment of Assets: Disclosure of estimates used to determine recoverable amount*
- IAS 38 *Intangible Assets: Advertising and promotional activities*
- IAS 38 *Intangible Assets: Unit of production method of amortisation*
- IAS 39 *Financial Instruments: Recognition and Measurement: Reclassification of derivatives into or out of the classification of at fair value through profit or loss*
- IAS 39 *Financial Instruments: Recognition and Measurement: Designation and documentation of hedges at the segment level*
- IAS 39 *Financial Instruments: Recognition and Measurement: Applicable effective interest rate on cessation of fair value hedge accounting*
- IAS 40 *Investment Property: Property under construction or development for future use as investment property*
- IAS 40 *Investment Property: Consistency of terminology with IAS 8, Investment property held under lease*
- IAS 41 *Agriculture: Discount rate for fair value calculations*
- IAS 41 *Agriculture: Additional biological transformations*
- IAS 41 *Agriculture: Examples of agricultural produce and products, Point-of-sale costs*

In April 2009 the IASB issued a second omnibus of amendments to its standards and interpretations. The following amendment has not had any impact on the accounting policies or the financial position of the Group or the Company.

- IAS 18 *Revenue: Determining whether an entity is acting as a principal or as an agent*
- *International Financial Reporting Standard (IFRS) for Small and Medium-sized Entities (SMEs)*

The standard was issued in July 2009 and is effective immediately. The standard covers all of the recognition, measurement, presentation and disclosure requirements for SMEs. The standard cannot be applied to entities that have ‘public accountability’ and therefore cannot be applied by the Group or the Company.

The following standards, amendments and interpretations are not effective and are not expected to have material impact on the financial position of the Group or the Company:

- IFRS 3 (Revised 2008) *Business Combinations* and IAS 27 (Revised 2008) *Consolidated and Separate Financial Statements*
  The revised standards were issued in January 2008 and become effective for financial years beginning on or after 1 July 2009. IFRS 3 (Revised 2008) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. IAS 27 (Revised 2008) requires that a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Application of the revised standards will become mandatory for the Group’s 2010 financial statements.
- Amendment to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
  This amendment to IAS 39 *Financial Instruments: Recognition and Measurement* was issued on 31 July 2008 and is applicable for annual periods beginning on or after 1 July 2009 with early application permitted. The amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations.
- IFRS 1 *First Time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters*
- IFRS 2 *Share-based Payments – Group cash-settled share-based payment transactions*
- IFRIC Interpretation 17 *Distributions of Non-Cash Assets to Owners*

Financial Statements
Notes to the Financial Statements *continued*
for the year ended 31 December 2009

1 Accounting policies *continued*

(m) Adoption of new and revised accounting standards *continued*
(iii) Further improvements to IFRSs
In April 2009 the IASB issued a second omnibus of amendments to its standards and interpretations. The following are not expected to have any impact on the accounting policies or the financial position of the Group or the Company:

- IFRS 2 *Share-based Payment: Scope of IFRS 2 and revised IFRS 3*
- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations: Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations*
- IFRS 8 *Operating Segments: Disclosure of information about segment assets*
- IAS 1 *Presentation of Financial Statements: Current/non-current classification of convertible instruments*
- IAS 7 *Statement of Cash Flows: Classification of expenditures on unrecognised assets*
- IAS 17 *Leases: Classification of leases of land and buildings*
- IAS 36 *Impairment of Assets: Unit of accounting for goodwill impairment test*
- IAS 38 *Intangible Assets: Additional consequential amendments arising from revised IFRS 3*
- IAS 38 *Intangible Assets: Measuring the fair value of an intangible asset acquired in a business combination*
- IAS 39 *Financial Instruments: Recognition and Measurement: Treating loan prepayment penalties as closely related embedded derivatives*
- IAS 39 *Financial Instruments: Recognition and Measurement: Scope exemption for business combination contracts*
- IAS 39 *Financial Instruments: Recognition and Measurement: Cash flow hedge accounting*
- IFRIC 9 *Reassessment of Embedded Derivatives: Scope of IFRIC 9 and revised IFRS 3*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation: Amendment to the restriction on the entity that can hold hedging instrument*

(n) Derivative financial instruments
The Group's activities expose it primarily to the financial risks of changes in market prices, foreign currency exchange rates and interest rates. Derivative transactions which the Company may enter into comprise forward exchange contracts (the purpose of which is to manage currency risks arising from the Company's investing activities), quoted options on shares held within the portfolio, or on indices appropriate to sections of the portfolio (the purpose of which is to provide protection against falls in the capital values of the holdings) and futures contracts on indices appropriate to sections of the portfolio (one purpose for which may be to provide protection against falls in the capital values of the holdings). The Company may also write options on shares represented in the portfolio where such options are priced attractively relative to the investment managers' longer term expectations for the relevant share prices. The Group does not use derivative financial instruments for speculative purposes.

The use of financial derivatives is governed by the Group's policies as approved by the Board, which has set written principles for the use of financial derivatives.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Income Statement as they arise. If capital in nature, the associated change in value is presented as a capital item in the Income Statement.

2 Investment income

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Franked:		
UK dividends from listed investments	13,401	13,224
Special dividends from listed investments	–	48
UK dividends from unquoted investments	308	379
	13,709	13,651
Unfranked:		
Overseas dividends from listed investments	14,754	14,798
Scrip dividends from listed investments	94	537
Special dividends from listed investments	–	582
Overseas fixed interest and convertible bonds	642	9
	15,490	15,926
Total investment income	29,199	29,577

2 Investment income *continued*

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Analysis of investment income by geographical segment:		
United Kingdom	14,075	14,054
North America	3,429	3,114
Continental Europe	7,346	7,658
Japan	1,994	2,180
Asia Pacific (ex Japan)	2,111	2,032
South America	229	526
Other	15	13
Total investment income	29,199	29,577

3 Other income

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Deposit interest	252	6,903
Stock lending income	30	268
Underwriting commission	134	11
Income from the subsidiary company's third party business	724	766
Interest on VAT recovered	984	207
Other income	180	30
	2,304	8,185

At 31 December 2009 the total value of securities on loan by the Company for stock lending purposes was £21,672,000 (2008: £75,000). The maximum aggregate value of securities on loan at any time during the year ended 31 December 2009 was £35,033,000 (2008: £113,852,000). Collateral, revalued on a daily basis at a level equivalent to at least 105% of the market value of the securities lent, was provided against all loans. Collateral in respect of UK securities is usually in the form of Crest DBVs (Delivery by Values); the content of Crest DBVs is subject to a concentration limit of 10%.

4 Management fees

	Year ended 31 December 2009			Year ended 31 December 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fees	583	1,747	2,330	490	1,470	1,960
Performance fees	–	2,563	2,563	–	1,361	1,361
	583	4,310	4,893	490	2,831	3,321

A summary of the terms of the management agreements is given on page 12 in the Business Review section of the Directors' Report.

Financial Statements
Notes to the Financial Statements *continued*
for the year ended 31 December 2009

5 Other expenses

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	46	46
Fees payable to the Company's auditors and their associates for other services to the Group:		
– the audit of the Company's subsidiary pursuant to legislation	5	4
Directors' fees (see the Directors' Remuneration Report on pages 36 to 38)	218	208
Employers' national insurance contributions on the directors' fees	28	22
Employee costs:		
– salaries and bonuses	621	773
– employers' national insurance contributions	84	104
– pension contributions (or payments in lieu thereof)	55	52
Advisory and consultancy fees	250	54
Investment accounting fees	190	189
Company secretarial fees	76	76
Insurances	70	68
Occupancy costs	108	114
Bank charges and overseas safe custody fees	322	313
Marketing expenses	1,723	1,690
Savings scheme expenses (Witan Wealthbuilder)	283	243
Savings Scheme expenses (Child Trust Fund)	50	73
Third party marketing costs	99	109
Other expenses	683	579
Irrecoverable VAT	261	328
	5,172†	5,045†

†The total includes £899,000 (2008: £925,000) in respect of the subsidiary company's third party business which are offset by the subsidiary company's income from that business.

The average number of employees during the year was 6.0 (2008: 6.0).

6 Finance costs

	Year ended 31 December 2009			Year ended 31 December 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest payable on overdrafts repayable within one year	23	70	93	23	70	93
Interest payable on the secured bonds and debenture stock repayable in more than 5 years	2,040	6,119	8,159	2,421	7,264	9,685
Preference share dividends	83	–	83	83	–	83
	2,146	6,189	8,335	2,527	7,334	9,861

7 Taxation

	Year ended 31 December 2009			Year ended 31 December 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a) Analysis of the charge for the year						
UK corporation tax at 28% (2008: 28.5%)	2,058	–	2,058	1,650	–	1,650
Double taxation relief	(2,058)	–	(2,058)	(1,650)	–	(1,650)
	–	–	–	–	–	–
Foreign tax suffered	1,794	–	1,794	1,994	–	1,994
Foreign tax recoverable	(248)	–	(248)	(292)	–	(292)
Write-off of overseas tax reclaimable	58	–	58	–	–	–
Tax relief to capital	723	(723)	–	2,878	(2,878)	–
Total current tax for the year (see note 7(b))	2,327	(723)	1,604	4,580	(2,878)	1,702

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower than that resulting from applying the effective standard rate of corporation tax in the UK for a large company of 28% (2008: 28.5%). The difference is explained below.

	Year ended 31 December 2009			Year ended 31 December 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net profit/(loss) on ordinary activities before taxation	24,851	186,312	211,163	29,841	(307,355)	(277,514)
Corporation tax at 28% (2008: 28.5%)	6,958	52,167	59,125	8,505	(87,596)	(79,091)
Effects of:						
Non-taxable UK dividends	(3,839)	–	(3,839)	(3,891)	–	(3,891)
Non-taxable stock dividends	(26)	–	(26)	(68)	–	(68)
Non-taxable overseas dividends	(1,306)	–	(1,306)	–	–	–
Withholding tax written off	1,546	–	1,546	1,702	–	1,702
Double tax relief	(2,058)	–	(2,058)	(1,650)	–	(1,650)
Income taxable in different years	187	–	187	(40)	–	(40)
Write off of overseas tax reclaimable	58	–	58	–	–	–
Non taxable (gains)/losses on investments held at fair value through profit or loss	–	(55,128)	(55,128)	–	84,820	84,820
Excess management expenses not utilised in period	1,282	–	1,282	–	–	–
Unused loan relationship deficits for the period	1,740	–	1,740	(104)	–	(104)
Preference dividends not deductible in determining taxable profit	23	–	23	24	–	24
Capitalised expenses	(2,238)	2,238	–	102	(102)	–
Current tax charge/(credit)	2,327	(723)	1,604	4,580	(2,878)	1,702

(c) Deferred tax

Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

No provision has been made for deferred tax on income outstanding at the end of the year as this will be covered by unrelieved business charges and eligible unrelieved foreign tax (2008: £nil).

Financial Statements
Notes to the Financial Statements *continued*
for the year ended 31 December 2009

7 Taxation *continued*

(d) Factors that may affect future tax charges
The Company has not recognised a deferred tax asset of £19,178,000 (2008: £11,752,000) arising as a result of having unrelieved loan relationship deficits and eligible unrelieved foreign tax.

It is unlikely that the Company will obtain relief for these in the future so no deferred tax asset has been recognised.

8 Dividends

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Amounts recognised as distributions to equity holders in the year:		
Second interim dividend for the year ended 31 December 2008 of 5.90p (2007: 5.80p) per ordinary share	12,629	12,849
First interim dividend for the year ended 31 December 2009 of 4.30p (2008: 4.30p) per ordinary share	9,162	9,288
	21,791	22,137
Second interim dividend for the year ended 31 December 2009 of 6.20p (2008: 5.90p) per ordinary share	12,407	12,629

The second interim dividend has not been included as a liability in these financial statements.

Total in respect of the year:
Set out below is the total dividend to be paid in respect of the year. This is the basis on which the requirements of section 842 of the Income and Corporation Taxes Act 1988 are considered.

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
First interim dividend for the year ended 31 December 2009 of 4.30p (2008: 4.30p) per ordinary share	9,162	9,288
Second interim dividend for the year ended 31 December 2009 of 6.20p (2008: 5.90p) per ordinary share	12,407	12,629
	21,569	21,917

9 Earnings/(loss) per ordinary share

The earnings per ordinary share figure is based on the net profit for the year of £209,559,000 (2008: loss of £279,216,000) and on 211,898,833 ordinary shares (2008: 217,695,259), being the weighted average number of ordinary shares in issue during the year.

The earnings per ordinary share figure detailed above can be further analysed between revenue and capital, as below. The Company has no securities in issue that could dilute the return per ordinary share. Therefore the basic and diluted earnings per ordinary share are the same.

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Net revenue profit	22,524	25,261
Net capital profit/(loss)	187,035	(304,477)
Net total profit/(loss)	209,559	(279,216)
Weighted average number of ordinary shares in issue during the year	211,898,833	217,695,259

9 Earnings/(loss) per ordinary share *continued*

	Year ended 31 December 2009 *Pence*	Year ended 31 December 2008 *Pence*
Revenue earnings per ordinary share	10.63	11.60
Capital earnings/(loss) per ordinary share	88.27	(139.86)
Total earnings/(loss) per ordinary share	98.90	(128.26)

10 Investments held at fair value through profit or loss

(i) Analysis of investments held at fair value through profit or loss

	2009		2008	
	Group *£'000*	Company *£'000*	Group *£'000*	Company *£'000*
Listed in the United Kingdom	379,111	379,111	282,552	282,552
Listed abroad	687,983	687,983	594,011	594,011
Unquoted at directors' valuation (see note 10(v))	7,095	7,095	3,450	3,450
Investment in subsidiary undertaking	–	1,016	–	1,041
	1,074,189	1,075,205	880,013	881,054

(ii) Group changes in investments held at fair value through profit or loss

	Valuation 31 December 2008 *£'000*	Purchases *£'000*	Sales *£'000*	Movement in investment holding gains/(losses) *£'000*	Valuation 31 December 2009 *£'000*	Cost 31 December 2009 *£'000*
United Kingdom	286,002	156,434	142,978	86,748	386,206	354,526
North America	222,656	44,040	64,932	34,651	236,415	213,137
Continental Europe	165,380	135,244	126,143	57,055	231,536	203,061
Japan	125,719	19,290	33,129	(14,089)	97,791	105,592
Asia Pacific (ex Japan)	68,250	31,197	21,274	27,397	105,570	95,068
South America	8,855	1,520	4,023	5,553	11,905	11,882
Other	3,151	6,043	5,989	1,561	4,766	3,671
	880,013	393,768	398,468	198,876	1,074,189	986,937

Included in the above figures are purchase costs of £962,000 (2008: £976,000) and sales costs of £444,000 (2008: £388,000). These comprise mainly stamp duty and commission.

(iii) Gains/(losses) on investments held at fair value though profit or loss

	Year ended 31 December 2009 *£'000*	Year ended 31 December 2008 *£'000*
Realised losses on sales of investments	(29,456)	(22,566)
Movement in investment holding gains/(losses)	229,309	(276,748)
Realised loss on buy-backs of secured bonds and debenture stock	(2,038)	(618)
Net movement on foreign exchange on cash and cash equivalents	(930)	2,318
	196,885	(297,614)

Financial Statements
Notes to the Financial Statements *continued*
for the year ended 31 December 2009

10 Investments held at fair value through profit or loss *continued*

(iv) Substantial share interests
The Company has no interests of 3% or more of any class of capital in any investee companies.

(v) Unquoted investments
The value of the unquoted investments as at 31 December 2009 was £7,095,000 (2008: £3,450,000) and the portfolio comprised the following holdings:

Investments	Valuation *£'000*
Cazenove Group Limited	6,375
Cazenove Capital Holdings Limited	720
	7,095

Cazenove Group Limited (formerly Cazenove Group plc) ("Cazenove") was established by the partners of Cazenove & Co. to incorporate the business of that firm. It combined its investment banking business with that of JP Morgan to form JP Morgan Cazenove and, since the year end, JP Morgan has acquired the entire business, enabling the Company to realise its holding at the valuation shown.

Cazenove Capital Holdings Limited is a separate asset management business which split away from Cazenove Group in 2005. The holding is valued on the basis of an independent valuation of the company that was used in May 2009 to set the price for a tender offer to the company's shareholders; the directors consider this price to be supported by information about the company's business over the remainder of 2009.

11 Other receivables

	2009		2008	
	Group *£'000*	Company *£'000*	Group *£'000*	Company *£'000*
Sales for future settlement	2,521	2,521	14,791	14,791
Unrealised gain on derivatives designated as held at fair value through profit or loss	194	194	318	318
Taxation recoverable	440	440	531	531
Intercompany account	–	869	–	752
Prepayments and accrued income	1,826	1,825	1,861	1,859
Other debtors	997	402	2,329	1,953
	5,978	6,251	19,830	20,204

12 Other payables

	2009		2008	
	Group *£'000*	Company *£'000*	Group *£'000*	Company *£'000*
Purchases for future settlement	294	294	110	110
Share buy-backs awaiting settlement	286	286	406	406
Preference dividends	38	38	38	38
Accruals	5,202	4,937	4,338	4,185
	5,820	5,555	4,892	4,739

13 Non current liabilities

	2009 Group £'000	2009 Company £'000	2008 Group £'000	2008 Company £'000
Financial instruments redeemable other than in instalments are as follows:				
8½ per cent. Debenture Stock 2016	44,589	44,589	45,779	45,779
6.125 per cent. Secured Bonds due 2025	63,022	63,022	91,753	91,753
2,055,000 3.4 per cent. cumulative preference shares of £1 (see note 17 on page 65)	2,055	2,055	2,055	2,055
500,000 2.7 per cent. cumulative preference shares of £1 (see note 17 on page 65)	500	500	500	500
	110,166	110,166	140,087	140,087

On 15 December 2000 the Company issued £100,000,000 (nominal) 6.125 per cent. Secured Bonds due 2025, net of discount and issue costs totalling approximately £2,000,000. The discount and the issue costs will be written back over the life of the Secured Bonds. The nominal value of the Secured Bonds is redeemable on 15 December 2025. The nominal value of the Debenture Stock is redeemable on 1 October 2016. The Debenture Stock and the Secured Bonds are secured by floating charges over all the undertaking and assets of the Company. The security of the charges applies pari passu to both issues.

During the year the Company purchased for cancellation £1,190,000 of the Debenture Stock and £28,810,000 of the Secured Bonds at an aggregate cost of £32,038,000 (including dealing commission).

14 Financial instruments

Risk management policies and procedures

As an investment company, Witan invests in equities and other investments for the long term so as to secure its investment objective as stated on page 1. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction in the profits available for distribution by way of dividends.

These risks, market risk (comprising price risk, currency risk and interest rate risk), liquidity risk and credit risk, and the directors' approach to the management of them, are set out below.

The objectives, policies and processes for managing the risks and the methods used to manage the risks, as set out below, have not changed from the previous accounting period, although in some instances additional resources have been allocated to some areas.

14.1 Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate due to changes in market prices. This market risk comprises: price risk (see note 14.2), currency risk (see note 14.3) and interest rate risk (see note 14.4). The Board reviews and agrees policies for managing these risks, which policies have remained substantially unchanged from those applying in the year ended 31 December 2008. The investment managers assess the exposure to market risk when making each investment decision and monitor the overall level of market risk on the whole of their investment portfolios on an ongoing basis.

14.2 Price risk

Price risks (i.e. changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the quoted and the unquoted investments.

Management of the risk

The Board manages the risks inherent in the investment portfolios by regularly reviewing relevant information from the investment managers. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the managers' compliance with their mandates and also whether each mandate and asset allocation is compatible with Witan's objective.

When appropriate, Witan has the ability to manage its exposure to risk by buying/selling put or call options on indices and on equity investments in its portfolios.

Financial Statements
Notes to the Financial Statements *continued*
for the year ended 31 December 2009

14 Financial instruments *continued*
The Company's exposure to other changes in market prices at 31 December on its quoted and unquoted equity investments, and on options on indices and investments, was as follows:

	2009 £'000	2008 £'000
Investments held at fair value through profit or loss	1,074,189	880,013

Concentration of exposure to price risks
An analysis of the Company's investment portfolio is shown on page 17. This shows that the greater geographical weighting is to UK companies, with significant exposure also to North America, Continental Europe and Japan. Accordingly, there is a concentration of exposure to those regions, although an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Price risk sensitivity
The following table illustrates the sensitivity of the profit after taxation for the year and the value of the shareholders' funds to an increase or decrease of 15% in the fair values of the Company's equity investments (including equity exposure through options). This level of change is considered to be reasonably possible based on observation of market conditions and historic trends. The sensitivity analysis is based on the Company's equities and equity exposure through options at each balance sheet date, with all other variables held constant. The results of these example calculations are significant but not unreasonable, given that most of the Company's assets are equity investments.

	2009		2008	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Income statement – profit after tax				
Revenue return	–	–	–	–
Capital return	161,128	(161,128)	132,002	(132,002)
Change to the profit after tax for the year	161,128	(161,128)	132,002	(132,002)
Change to the shareholders' funds	161,128	(161,128)	132,002	(132,002)

14.3 Currency risk
A proportion of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency, and the currency in which it reports its results). As a consequence, movements in exchange rates may affect the sterling value of those items.

Management of the risk
The investment managers monitor their exposure to currencies as part of their normal investment processes. The Board receives a monthly report on the currency exposures of the entire fund.

Income denominated in foreign currencies is converted into sterling upon receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

Foreign currency exposure
The fair values of the Company's monetary items that have foreign currency exposure at 31 December are shown below. Where the Company's equity investments (which are not monetary items) are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

14 Financial instruments *continued*

2009	US$ £'000	Euro £'000	Yen £'000	Other £'000
Receivables (due from brokers, dividends and other income receivable)	576	2,350	76	435
Cash at bank and on deposit	15,919	1,622	313	591
Payables (due to brokers, accruals and other creditors)	(120)	(92)	(42)	–
Total foreign currency exposure on net monetary items	16,375	3,880	347	1,026
Investments at fair value through profit or loss that are equities	202,697	188,187	97,791	145,206
Total net foreign currency exposure	219,072	192,067	98,138	146,232

2008	US$ £'000	Euro £'000	Yen £'000	Other £'000
Receivables (due from brokers, dividends and other income receivable)	1,284	392	110	224
Cash at bank and on deposit	4,034	3,423	218	1,316
Payables (due to brokers, accruals and other creditors)	–	(65)	–	(13)
Total foreign currency exposure on net monetary items	5,318	3,750	328	1,527
Investments at fair value through profit or loss that are equities	176,477	145,422	125,719	103,531
Total net foreign currency exposure	181,795	149,172	126,047	105,058

The above amounts are not representative of the exposure to risk during the year as levels of monetary foreign currency exposure change significantly throughout the year.

Foreign currency sensitivity

The following table illustrates the sensitivity of the profit after tax for the year and the Company's equity in regard to the Company's monetary financial assets and financial liabilities and the exchange rates for the £/US dollar, £/Euro and £/Japanese yen. The results of these example calculations are significant but not unreasonable in the context of the majority of the Company's assets being invested overseas.

It assumes the following changes in exchange rates:
£/US dollar +/- 15% (2008: 15%)
£/Euro +/- 15% (2008: 15%)
£/Japanese yen +/- 15% (2008: 15%)

These percentages have been determined by taking in each case the highest range seen in each of the last seven calendar years. The sensitivity analysis is based on the Company's monetary foreign currency financial instruments held at the balance sheet date and takes account of forward foreign exchange contracts that offset the effects of changes in currency exchange rates.

If sterling had depreciated against the currencies shown, this would have had the following effect:

	2009			2008		
	US$ £'000	Euro £'000	Yen £'000	US$ £'000	Euro £'000	Yen £'000
Income statement – profit after tax						
Revenue return	555	960	333	481	1,042	350
Capital return	35,868	33,379	17,282	31,229	25,867	22,212
Change to the profit after tax	36,423	34,339	17,615	31,710	26,909	22,562
Change to the shareholders' funds	36,423	34,339	17,615	31,710	26,909	22,562

Financial Statements
Notes to the Financial Statements *continued*
for the year ended 31 December 2009

14 Financial instruments *continued*

If sterling had appreciated against the currencies shown, this would have had the following effect:

	2009			2008		
	US$ £'000	Euro £'000	Yen £'000	US$ £'000	Euro £'000	Yen £'000
Income statement – profit after tax						
Revenue return	(410)	(709)	(246)	(356)	(770)	(259)
Capital return	(26,511)	(24,672)	(12,774)	(23,080)	(19,089)	(16,418)
Change to the profit after tax	(26,921)	(25,381)	(13,020)	(23,436)	(19,859)	(16,677)
Change to the shareholders' funds	(26,921)	(25,381)	(13,020)	(23,436)	(19,859)	(16,677)

In the opinion of the directors, neither of the above sensitivity analyses are representative of the year as a whole since the level of exposure changes frequently, as part of the currency risk management process used to meet the Company's objective.

14.4 Interest rate risk
Interest rate movements may affect the level of income receivable from fixed interest securities and cash at bank and on deposit.

Management of the risk
The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

The Company holds significant cash balances, partially to meet payments as they fall due but also to offset the long term borrowings that it has in place.

The Company finances part of its activities through preference shares (that do not have redemption dates) and through debenture stock and secured bonds that were issued as part of the Company's planned gearing.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

Interest rate exposure
The exposure at 31 December 2009 of financial assets and financial liabilities to interest rate risk is shown by reference to:

– floating interest rates: when the interest rate is due to be re-set; and

– fixed interest rates: when the financial instrument is due be repaid.

The Company's exposure to floating interest rates on assets is £58,638,000 (2008: £124,383,000).

The Company's exposure to fixed interest rates on liabilities is £110,166,000 (2008: £140,087,000).

Interest receivable and finance costs are at the following rates:

– interest received on cash balances, or paid on bank overdrafts, is at margin over LIBOR or its foreign currency equivalent (2008: same);

– the finance charge on the preference shares is at a weighted average interest rate of 3.3% (2008: 3.3%);

– the finance charge on the debenture stock is at a weighted average interest rate of 8.5% (2008: 8.5%); and

– the finance charge on the secured bonds is at a weighted average interest rate of 6.125% (2008: 6.125%).

The above year end amounts are not representative of the exposure to interest rates during the year, as the level of exposure changes as investments are made in fixed interest securities, long term debt is partially redeemed and as the level of cash balances varies during the year. In the context of the Company's balance sheet, the exposure to interest rate risk is not considered to be material.

Interest rate sensitivity
Based on the Company's monetary financial instruments at each balance sheet date, an increase or decrease of 200 basis points in interest rates would increase or decrease revenue return after tax by £845,000 (2008: £1,791,000), capital return after tax by £328,000 (2008: £697,000), and total profit after tax and shareholders funds by £1,173,000 (2008: £2,488,000).

14 Financial instruments *continued*

This level of change is considered to be reasonably possible based on observation of current market conditions. This is not representative of the year as a whole, since the exposure changes as investments are made. In the context of the Company's balance sheet, the outcome is not considered to be material.

14.5 Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities and other quoted securities that are readily realisable.

The Board gives guidance to the investment managers as to the maximum amount of the Company's resources that should be invested in any one company. The policy is that the Company should remain fully invested in normal market conditions.

Liquidity risk exposure

The remaining contractual maturities of the financial liabilities at 31 December 2009, based on the earliest date on which payment can be required, was as follows:

			2009			2008
	Within 1 year £'000	Between 1 and 5 years £'000	More than 5 years £'000	Within 1 year £'000	Between 1 and 5 years £'000	More than 5 years £'000
Debenture stock*	3,790	15,160	51,222	3,891	15,565	56,480
Secured bonds*	3,938	15,751	107,433	5,702	22,810	161,279
Preference shares†	83	332	2,555	83	332	2,555
Other creditors and accruals	5,820	–	–	4,892	–	–
	13,631	31,243	161,210	14,568	38,707	220,314

*The above figures show interest payable over the remaining terms of each instrument. The figures in the more than 5 years column also include the capital to be repaid.

†The figures in the "more than 5 years" columns do not include the ongoing annual finance cost of £83,000.

14.6 Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

The risk is managed as follows:

– transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;

– investment transactions are carried out with a large number of brokers, whose credit standard is reviewed periodically by the investment managers, and limits are set on the amount that may be due from any one broker;

– cash at bank is held only with reputable banks with high quality external credit ratings.

None of the Company's financial liabilities are past their due dates or impaired.

14.7 Fair values of financial assets and financial liabilities

Except for those financial liabilities measured at amortised cost that are shown below, the financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments and derivatives) or the balance sheet amount is a reasonable approximation of fair value (amounts due from brokers, dividends and interest receivable, amounts due to brokers, accruals, cash at bank and bank overdrafts).

Financial Statements
Notes to the Financial Statements *continued*
for the year ended 31 December 2009

14 Financial instruments *continued*

	2009 Fair value £'000	2009 Balance sheet amount £'000	2008 Fair value £'000	2008 Balance sheet amount £'000
Financial liabilities measured at amortised cost:				
Non current liabilities				
Preference shares	1,357	2,555	1,362	2,555
Debenture stock	54,480	44,589	58,756	45,779
Secured bonds	65,968	63,022	100,911	91,753
	121,805	110,166	161,029	140,087

The fair values shown above are derived from the offer price at which the securities are quoted on the London Stock Exchange.

Note 1(h) on page 47 sets out the Board's policy for determining the fair values of the unquoted investments. The directors are of the opinion that changing one or more of those assumptions to reasonably possible alternative assumptions would not change those fair values significantly. The amount of change in fair value for such investments recognised in the profit or loss for the year was a profit of £3,645,000 (2008: loss of £16,723,000).

Fair value hierarchy disclosures

The table below sets out fair value measurements using the IFRS 7 fair value hierarchy.

Financial assets at fair value through profit or loss

At 31 December 2009	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	993,194	–	7,095	1,000,289
Investments in other funds	–	73,900	–	73,900
Derivatives	194	–	–	194
Total	993,388	73,900	7,095	1,074,383

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in an active market for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Company are explained in the accounting policies in note 1(h). There were no transfers during the year between Level 1 and Level 2. A reconciliation of fair value measurements in Level 3 is set out below.

Level 2 Financial assets

Level 2 Financial assets refer to two Open Ended Investment Company investments managed by Henderson Global Investors (North America) and Orbis Investment Management (Australasia).

Level 3 Reconciliation of Level 3 fair value measurement of financial assets

At 31 December 2009	£'000
Opening fair value	3,450
Purchases at cost	–
Sales proceeds	–
Total gains or losses included in gains/(losses) on investments in the Income Statement:	
– on sold assets	–
– on assets held at the end of the year	3,645
Closing fair value	7,095

Level 3 valuation techniques used by the Company are explained in the accounting policies in note 1(h).

14 Financial instruments *continued*

Capital management policies and procedures

The Company's capital management objectives are:

– to ensure that it will be able to continue as a going concern; and

– to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt.

The Company's total capital employed at 31 December 2009 was £1,132,985,000 (2008: £1,019,334,000) comprising £110,166,000 of debt (2008: £140,087,000) and £1,022,819,000 of equity share capital and other reserves (2008: £879,247,000).

The Company's policy is to manage the effective gearing in the portfolio to not normally exceed +20%. Effective gearing is defined to be the total market value of investments less shareholders' funds as a percentage of shareholders' funds. At 31 December 2009 effective gearing was 5.0% (2008: 0.1%).

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

– the planned level of gearing, which takes into account the Chief Executive Officer's view on the market;

– the need to buy back equity shares for cancellation, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium); and

– the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to several externally imposed capital requirements:

– the terms of issue of the Company's debenture stock and secured bonds require the aggregate amount outstanding in respect of borrowings, measured in accordance with the policies used to prepare the annual financial statements, not to exceed a sum equal to the Company's capital and reserves at any time;

– as a public company, the Company has a minimum issued share capital of £50,000; and

– in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

These requirements are unchanged since the previous year end and the Company has complied with them.

15 Called up share capital

	Group and Company 2009 *£'000*	Group and Company 2008 *£'000*
Authorised:		
389,780,000 ordinary shares of 25p each (2008: 389,780,000)	97,445	97,445
Called up, issued and fully paid:		
203,464,280 ordinary shares of 25p each (2008: 214,398,654)	50,866	53,600

During the year, 10,934,374 ordinary shares were bought back for cancellation at a cost of £44,196,000 (2008: 9,027,845 ordinary shares at a cost of £38,706,000).

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for the year ended 31 December 2009

16 Share premium and reserves

	Share premium account £'000	Capital redemption reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Revenue reserve £'000
Group					
At 1 January 2009	16,237	40,226	858,619	(141,863)	52,428
Net movement on investments	–	–	(29,456)	229,309	–
Net movement on foreign exchange	–	–	(930)	–	–
Expenses and interest payable charged to capital net of tax relief	–	–	(9,850)	–	–
Buy-backs of ordinary shares	–	2,734	(44,196)	–	–
Loss on buy-backs of secured bonds and debenture stock	–	–	(2,038)	–	–
Profit for the year	–	–	–	–	22,524
Ordinary dividends paid	–	–	–	–	(21,791)
At 31 December 2009	16,237	42,960	772,149	87,446	53,161
Company					
At 1 January 2009	16,237	40,226	858,619	(141,722)	52,287
Net movement on investments	–	–	(29,456)	229,284	–
Net movement on foreign exchange	–	–	(930)	–	–
Expenses and interest payable charged to capital net of tax relief	–	–	(9,850)	–	–
Buy-backs of ordinary shares	–	2,734	(44,196)	–	–
Loss on buy-backs of secured bonds and debenture stock	–	–	(2,038)	–	–
Profit for the year	–	–	–	–	22,549
Ordinary dividends paid	–	–	–	–	(21,791)
At 31 December 2009	16,237	42,960	772,149	87,562	53,045

17 Preference shares
Included in non current liabilities is £2,555,000 in respect of issued preference shares as follows:

	Group and Company 2009 £'000	Group and Company 2008 £'000
2,055,000 3.4 per cent. cumulative preference shares of £1	2,055	2,055
500,000 2.7 per cent. cumulative preference shares of £1	500	500
	2,555	2,555

17 Preference shares *continued*

The 3.4 per cent. and 2.7 per cent. cumulative preference shares constitute a single class and confer the right, in priority to any other class of shares:

(i) to receive a fixed cumulative preferential dividend at the respective rates (exclusive of tax credit thereon) of 3.4 per cent. and 2.7 per cent. per annum, such dividend being payable half-yearly on 15 January and 15 July in each year, in respect of the 3.4 per cent. cumulative preference shares, and on 1 February and 1 August in each year, in respect of the 2.7 per cent. cumulative preference shares; and

(ii) to receive repayment of capital at par in a winding up of the Company (but do not confer any further right to participate in profits or assets).

The preference shareholders are entitled to receive notices of general meetings of the Company but are not entitled to attend or vote thereat (except on a resolution for the voluntary liquidation of the Company or for any alteration to the objects of the Company as set out in its Memorandum of Association).

In the event of a poll at a general meeting of the Company, every member of the Company who is present in person or by proxy and who is entitled to vote thereat, whether an ordinary shareholder or, in the circumstances outlined above, a preference shareholder, has one vote for every £1 nominal value of shares registered in their name. Accordingly, on a poll each ordinary shareholder has one vote for every four shares held.

18 Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £1,022,819,000 (2008: £879,247,000) and on the 203,464,280 ordinary shares in issue at 31 December 2009 (2008: 214,398,654).

The movements during the year of the net assets attributable to the ordinary shares were as follows:

	£'000
Total net assets at 1 January 2009	879,247
Total profit for the year	209,559
Dividends paid in the year on the ordinary shares (see note 8)	(21,791)
Buy-backs of ordinary shares	(44,196)
Net assets attributable to the ordinary shares at 31 December 2009	1,022,819

An alternative net asset value per ordinary share can be calculated by deducting from the total assets less current liabilities of the Company the preference shares, the debenture stock and the secured bonds at their market (or fair) values rather than at their par (or book) values. Details of the alternative values are set out in note 14.7. The net asset value per ordinary share at 31 December 2009 calculated on this basis is 497.0p (2008: 400.3p).

19 Note to the cash flow statement

Purchases and sales of investments are considered to be operating activities of the Company, given its purpose, rather than investing activities. However, the cash flows associated with these activities are presented below.

	Group and Company Year ended 31 December 2009 *£'000*	Group and Company Year ended 31 December 2008 *£'000*
Proceeds on disposal of fair value through profit or loss investments	410,738	665,559
Purchases of fair value through profit or loss investments	(393,490)	(576,232)
	17,248	89,327

20 Capital commitments and contingent liabilities

At 31 December 2009 there were capital commitments in respect of securities not fully paid up of £nil (2008: £nil) and underwriting liabilities of £nil (2008: £nil). In November 2005 the Company took a five year lease on office premises at 14 Queen Anne's Gate, London SW1 which expires in October 2010.

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for the year ended 31 December 2009

21 Operating lease arrangements

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Minimum lease payments under operating leases recognised for the year	58	58

At the balance sheet date, the Group had outstanding commitments for the future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2009 £'000	2008 £'000
Within one year	51	58
In the second to fifth years inclusive	–	51
	51	109

The operating lease payments represent rentals payable by the Group for its office property.

The lease was negotiated for a term of five years and rentals are fixed for an average of five years.

The lease is expected to be renewed on the same terms.

22 Subsidiary undertaking
The Company has an investment in the issued ordinary share capital of its wholly owned subsidiary undertaking, Witan Investment Services Limited, which was incorporated on 28 October 2004, is registered in England and Wales and operates in the United Kingdom.

Transactions between the Company and its subsidiary, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

23 Segment Reporting
The Group has adopted IFRS 8 *Operating Segments* with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed regularly by the Chief Executive Officer and that are used to allocate resources to the segments and to assess their performance. The identification of the Group's reportable segments has not changed as a result of the adoption of IFRS 8.

Geographical segments
Geographical segments are considered to be the primary reporting segment. An analysis of investment income by geographical segment is set out in note 2 on page 50. Analyses of expenses by geographical segment and of profit by geographical segment have not been given as it is not possible to prepare such information in a meaningful way. An analysis of the investments by geographical segment is set out in note 10 on page 55. Analyses of the remaining assets and liabilities by geographical region have not been given as either it is not possible to prepare such information in a meaningful way or the results are not considered to be significant.

Business segments
Business segments are considered to be the secondary reporting segment. The Group has two business segments: (i) its activity as an investment trust, which is the business of the parent company, Witan Investment Trust plc, and recorded in the accounts of that company; and (ii) the provision of executive and marketing management services and the management of savings schemes, which is the business of the subsidiary company, Witan Investment Services Limited, and recorded in the accounts of that company.

	Year ended 31 December 2009		Year ended 31 December 2008	
	Investment trust £'000	Management services £'000	Investment trust £'000	Management services £'000
Revenue from external customers	30,779	724	36,996	766
Carrying amount of assets	1,021,803	1,016	878,206	1,041
Interest expense	8,335	–	9,861	–

24 Value Added Tax on management fees

In 2004 the Association of Investment Companies ("the AIC"), together with JPMorgan Claverhouse Investment Trust plc, launched a case against HM Revenue & Customs ("HMRC") to challenge whether Value Added Tax ("VAT") should have been charged on fees paid for management services provided to investment trust companies. On 28 June 2007 the European Court of Justice delivered its judgement on the case in favour of the AIC. Since then HMRC has accepted that the provision of investment management services to investment trust companies is VAT exempt and has acknowledged its liability to pay claims in respect of VAT borne by investment companies in respect of much, but not all, of the period from 1 January 1990 to the point in 2007 from which VAT ceased to be applied to investment management fees.

Henderson Global Investors Limited ("Henderson"), which was the Company's sole investment manager until 2004 and has been one of the Company's investment managers since 2004, has now been able, on behalf of the Company, to reclaim from HMRC the VAT borne, together with simple interest thereon. Similarly, the Company has been able to recover the VAT borne in respect of its other investment management contracts.

An aggregate amount of £2,015,000, in respect of the VAT on investment management fees borne by the Company in the period from October 2000 to 2007, was written back in the years ended 31 December 2007 and 2008. An amount of £1,249,000, in respect of the period from 1 January 1990 to 4 December 1996, has been written back in the year ended 31 December 2009. These amounts have been received in full by the Company and represent all the VAT on investment management fees borne by the Company in respect of the two periods. The write-backs of VAT have been allocated between revenue return and capital return according to the allocation of the amounts originally paid.

The Company has also received from Henderson the interest paid by HMRC on the amounts of VAT that it recovered. Interest totalling £207,000 was recognised in the year ended 31 December 2008 and a further £984,000 has been recognised in the year ended 31 December 2009. These amounts have been received in full by the Company and are included in other income.

See also note 3 on page 51.

25 Subsequent events

Since the year end, the Company has bought back 3,716,127 of its ordinary shares (see also page 26).

Since the year end, the Board has declared a second interim dividend in respect of the year ended 31 December 2009 of 6.2p per ordinary share (see also pages 22 and 23 and note 8 on page 54).

Notice of Annual General Meeting

Notice is hereby given that the one hundred and second Annual General Meeting of Witan Investment Trust plc will be held at Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB on Tuesday 27 April 2010 at 2.30 pm for the following purposes:

Ordinary Business

all as Ordinary Resolutions

1 To receive the Report and Financial Statements for the year ended 31 December 2009.

2 To receive and approve the Directors' Remuneration Report for the year ended 31 December 2009.

3 To elect Mr A L C Bell as a director of the Company.

4 To re-elect Mr J E B Bevan as a director of the Company.

5 To re-elect Mr R W Boyle as a director of the Company.

6 To re-elect Mr H M Henderson as a director of the Company.

7 To re-elect Mr R H McGrath as a director of the Company.

8 To re-appoint Deloitte LLP as Statutory Auditors to the Company.

9 To authorise the directors to determine the remuneration of the Statutory Auditors.

Other Business

To consider and, if thought fit, pass the following resolutions:

as a Special Resolution

10 THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693 of the Act) of ordinary shares of 25p each in the capital of the Company ("Ordinary Shares"), provided that:

(a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall be 29,942,248 (representing approximately 14.99% of the Ordinary Shares in issue at 12 March 2010, the date of this Notice of Annual General Meeting);

(b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 25p;

(c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to 105% of the average middle market quotations for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Company agrees to purchase an Ordinary Share, or such other amount as may be specified by the UK Listing Authority from time to time;

(d) the authority hereby conferred will expire at the conclusion of the Annual General Meeting of the Company in 2011, or, if earlier, on the expiry of 18 months from the passing of this resolution, unless such authority is renewed, varied or revoked prior to such time; and

(e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract provided that all Ordinary Shares purchased pursuant to the said authority shall be cancelled immediately upon completion of the purchase.

as a Special Resolution

11 THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693 of the Act) of 3.4 per cent Cumulative Preference Shares of £1 each and 2.7 per cent Cumulative Preference Shares of £1 each in the capital of the Company ("Preference Shares"), provided that:

(a) the maximum aggregate number of Preference Shares hereby authorised to be purchased shall be the entire issued capital amount of the Preference Shares as at 12 March 2010, the date of this Notice of Annual General Meeting, being (i) 2,055,000 of the 3.4 per cent Cumulative Preference Shares of £1 each and (ii) 500,000 of the 2.7 per cent Cumulative Preference Shares of £1 each;

(b) the minimum price (exclusive of expenses) which may be paid for a Preference Share is £1;

(c) the maximum price (exclusive of expenses) which may be paid for an Preference Share is an amount equal to 105% of the average middle market quotations for the relevant Preference Share taken from the London Stock Exchange Daily Official List for the business day immediately preceding the day on which the Company agrees to purchase the relevant Preference Share, or such other amount as may be specified by the UK Listing Authority from time to time;

(d) the authority hereby conferred will expire at the conclusion of the Annual General Meeting of the Company in 2011, or, if earlier, on the expiry of 18 months from the passing of this resolution, unless such authority is renewed, varied or revoked prior to such time; and

(e) the Company may make a contract to purchase Preference Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Preference Shares pursuant to any such contract provided that all Preference Shares purchased pursuant to the said authority shall be cancelled immediately upon completion of the purchase.

as a Special Resolution

12 THAT

(a) the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and

(b) the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board
G S Rice ACIS
For and on behalf of
Henderson Secretarial Services Limited,
Secretary
12 March 2010

Registered Office
201 Bishopsgate
London EC2M 3AE
Telephone: 020 7818 1818

Registered as an investment company in England and Wales
Number 101625

Notes

Resolutions 1 to 9 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 10 to 12 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

1. Voting record date

Only those shareholders registered in the Register of Members of the Company at close of business on Friday 23 April 2010 shall be entitled to attend and vote at the meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after close of business on Friday 23 April 2010 shall be disregarded in determining the rights of any person to attend and vote at the meeting.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

2. Rights to attend and vote

Holders of ordinary shares are entitled to attend and vote at the meeting or at any adjournment(s) thereof. On a poll, every ordinary shareholder who is present in person or by proxy shall have one vote for every £1 nominal value of shares held by him or her. Accordingly, on a poll each ordinary shareholder has one vote for every four shares held.

3. Right to appoint proxies

Pursuant to section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided

Notice of Annual General Meeting *continued*

that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

A form of proxy is enclosed. The completion of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting.

Section 324 does not apply to persons nominated to receive information rights pursuant to section 146 of the Companies Act 2006. Persons nominated to receive information rights under section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

4. Proxies' rights to vote at the meeting
On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, section 285(4) of the Companies Act 2006 does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

5. Voting by corporate representatives
Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with section 323 of the Companies Act 2006.

6. Receipt and termination of proxies
A form of proxy is enclosed and to be valid must be lodged with the Company's Registrar before 2.30pm on Friday 23 April 2010.

A member may terminate a proxy's authority at any time before the commencement of the meeting. Termination must be provided in writing and submitted to the Company's Registrar.

In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

7. Electronic receipt of proxies
CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual, which is available to download from the Euroclear 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 made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the Issuer's agent (ID 3RA50) by the latest time for receipt of proxy appointments specified in note 6 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

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

8. Questions at the meeting

Section 319A of the Companies Act 2006 requires the directors to answer any question raised at the AGM which relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting that the question be answered.

Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter, relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last annual general meeting, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time at which it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting.

9. Website

A copy of the notice of the meeting, including these explanatory notes, is included on the Company's website, www.witan.com

10. Total voting rights

As at 11 March 2010 (being the latest business day prior to the publication of this Notice), the Company's issued ordinary share capital consists of 199,748,153 ordinary shares of 25p each. On a poll ordinary shareholders have one vote for every £1 in nominal value (i.e. four ordinary shares are required for one vote). The Company does not hold any ordinary shares in treasury. Therefore the total number of voting rights in the Company on a poll were 49,937,038.

11. Members' right to require circulation of resolution to be proposed at the meeting

Under section 338 of the Companies Act 2006, a member or members meeting the qualification criteria set out at note 13 below, may, subject to conditions, require the Company to give to members notice of a resolution which may properly be moved and is intended to be moved at that meeting.

The conditions are that:

(i) The resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise).

(ii) The resolution must not be defamatory of any person, frivolous or vexatious.

(iii) The request:

(a) may be in hard copy form or in electronic form (see note 14 below);

(b) must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported;

(c) must be authenticated by the person or persons making it (see note 14 below); and

(d) must be received by the Company not later than 6 weeks before the meeting.

12. Members' right to have a matter of business dealt with at the meeting

Under section 338A of the Companies Act 2006, a member or members meeting the qualification criteria set out in note 13 below, may, subject to conditions, require the Company to include in the business to be dealt with at the AGM a matter (other than a proposed resolution) which may properly be included in the business (a matter of business).

The conditions are that:

(i) The matter of business must not be defamatory of any person, frivolous or vexatious.

(ii) The request:

(a) may be in hard copy form or in electronic form (see note 14 below);

(b) must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported;

(c) must be accompanied by a statement setting out the grounds for the request;

Notice of Annual General Meeting *continued*

(d) must be authenticated by the person or persons making it (see note 14 below); and

(e) must be received by the Company not later than 6 weeks before the meeting.

13. Members' qualification criteria
In order to be able to exercise the members' right to require:

(a) circulation of a resolution to be proposed at the meeting (see note 11); or

(b) a matter of business to be dealt with at the meeting (see note 12)

the relevant request must be made by:

(i) a member or members having a right to vote at the meeting and holding at least 5% of the total voting rights of the Company; or

(ii) at least 100 members having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital.

For information on voting rights, including the total number of voting rights, see notes 2 and 10 above.

14. Submission of hard copy and electronic requests and authentication requirements
Where a member or members wishes to request the Company to:

(a) circulate a resolution to be proposed at the meeting (see note 11); or

(b) include a matter of business to be dealt with at the meeting (see note 12);

such request must be made in accordance with one of the following ways:

(i) a hard copy request, signed by the member, stating his or her full name and address and providing evidence of the number of shares held, sent to the Company Secretary, Witan Investment Trust plc, 201 Bishopsgate, London EC2M 3AE.

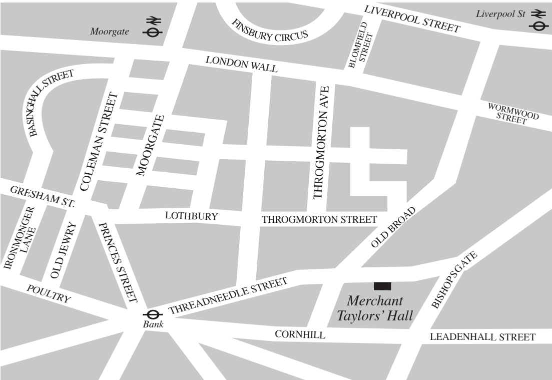
(ii) a scanned copy of a request, signed by the member, stating his or her full name and address and providing evidence of the number of shares held, sent to ITsecretariat@henderson.com. Please state "Witan AGM" in the subject line of the e-mail.

15. Receipt of communications at the meeting
The attendance at the meeting of members and their proxies and representatives is understood by the Company to confirm their agreement to receive any communications made at the meeting.

16. Preference shareholders and debenture stockholders
This notice is sent for information only to holders of the preference shares and the debenture stock who are not entitled to attend or vote at the meeting.

17. Chief Executive Officer's service agreement
The Chief Executive Officer's service agreement will be available for inspection at the meeting.

Annual General Meeting Venue



Location of Merchant Taylors' Hall
Merchant Taylors' Hall is located at 30 Threadneedle Street in the City of London. It is a few minutes' walk from Liverpool Street Station and from Bank Underground Station.

The Annual General Meeting will be held on Tuesday 27 April 2010 at 2.30 pm.

Appendix Explanatory Notes to the Notice of Annual General Meeting of the principal changes to the Company's Articles of Association

The Companies Act 2006 ("the 2006 Act"), which is replacing the Companies Act 1985 ("the 1985 Act") has been implemented in stages but is fully in force from 1 October 2009. In addition, the Shareholders' Rights Regulations, which amend certain provisions of the 2006 Act relating to meetings of the Company, came into force in August 2009. Under Resolution 12, the Company is adopting new Articles of Association ("the new Articles") which will reflect the changes in company law brought about by the Shareholders' Rights Regulations and by the provisions of the 2006 Act which came into effect on or before 1 October 2009. The new Articles also include some other modernising and clarificatory amendments, including, where appropriate, tracking the wording of the new model form articles for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008 ("the model form Articles"), which are replacing the Table A articles under the 1985 Act on which many of the Company's current articles are based.

A copy of the current Articles and a copy of the proposed new Articles that reflect the amendments will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the Company's Registered Office (201 Bishopsgate, London EC2M 3AE) up until the close of the AGM. Copies will also be available for inspection at the AGM venue (Merchant Taylors' Hall) on Tuesday 27 April 2010, from 1.50 pm until the close of the meeting.

Set out below is a summary of the principal changes.

1. The Company's objects

The 2006 Act significantly reduces the constitutional significance of a company's Memorandum of Association ("Memorandum"). The provisions governing the operations of the Company are currently set out in both its Memorandum and its Articles of Association ("Articles"). Under the 2006 Act, the Memorandum no longer contains an objects clause and simply records the names of the subscribers and the number of shares which each subscriber agreed to take in the Company. Under section 28 of the 2006 Act, the objects clause and all other provisions in the Memorandum are treated as part of the Articles with effect from 1 October 2009 but the Company can remove these provisions by special resolution. Unless the Articles provide otherwise, the Company's objects will be unrestricted. The Company is proposing to remove its objects clause together with all other provisions of its Memorandum which, by virtue of the 2006 Act, are treated as forming part of the Company's Articles as of 1 October 2009. Resolution 12 confirms the removal of these provisions and adopts the new Articles.

2. Authorised share capital and unissued shares

The 2006 Act abolishes the concept of authorised share capital and, under the 2006 Act, the Memorandum no longer contains a statement of the Company's authorised share capital. For existing companies, this statement is deemed to be a provision of the Company's Articles that sets out the maximum amount of share capital that may be allotted by the Company. The adoption by the Company of the new Articles will have the effect of removing this provision relating to the maximum amount of share capital. The directors will still need to obtain authority from the shareholders in general meeting should they wish to allot shares.

References to authorised share capital and to unissued shares have therefore been removed from the new Articles.

3. Redeemable shares (Article 5)

Under the 2006 Act, the Articles need not include the terms on which redeemable shares may be redeemed.

Notice of Annual General Meeting *continued*

The directors may determine the terms, conditions and manner of redemption of redeemable shares provided they are authorised to do so by the Articles. The new Articles contain such authorisation and the requirement for a special resolution of shareholders to approve the terms of any redeemable shares has been removed accordingly.

4. Share certificates (Article 12)
The new Articles contain new provisions for the issue of consolidated share certificates, in line with the model form Articles.

5. Transfer of shares (Articles 30 and 31)
The provision which gave the ability to suspend the registration of transfers of shares for periods not exceeding 30 days in any one year has been removed from the new Articles as there is no ability under the 2006 Act to close the register.

6. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital (Article 40)
Under the 1985 Act, a company required specific authorisations in its Articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital. Under the 2006 Act, public companies do not require specific authorisations in their Articles to undertake these actions; but shareholder authority is still required. Amendments have been made to the new Articles to reflect these changes.

7. Participation in meetings at different places and by electronic means (Article 51)
Amendments made to the 2006 Act by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The new Articles include amendments to provide greater scope for members to participate in meetings of the Company even if they are not present in person at the principal place where the meeting is being held. The amendments allow for members to participate not only by attendance at satellite meeting locations but also by any other electronic means of participation.

8. Adjournments (Article 53)
The Shareholders' Rights Regulations add a provision to the 2006 Act which requires that, when a general meeting is adjourned due to lack of quorum, at least ten days' notice must be given to reconvene the meeting. The new Articles include amendments to the provisions dealing with notice of adjourned meetings to make them consistent with this new requirement.

9. Voting rights (Article 62)
The Shareholders' Rights Regulations clarify the various powers of proxies and representatives of corporate members in respect of resolutions taken on a show of hands. Where a proxy has been duly appointed by one member, he has one vote on a show of hands unless he has been appointed by more than one member, in which case the proxy has one vote for and one vote against if the proxy has been appointed by more than one member to vote for the resolution and by more than one member to vote against the resolution. Where a corporate member appoints representatives to attend meetings on its behalf, each representative duly appointed by a corporate member has one vote on a show of hands. The new Articles contain provisions which clarify these rights and also clarify how the provisions giving a proxy a second vote on a show of hands should apply to discretionary powers.

10. Voting record date (Article 63)
The new Articles include a new provision which was not previously in the Company's Articles, dealing with the method for determining which persons are allowed to attend or vote at a general meeting of the Company and how many votes each person may cast. Under this new provision, when convening a meeting the Company may specify a time, not more than 48 hours before the time of the meeting (excluding any part of a day that is not a working day), by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting. This new provision is in line with a requirement for listed companies introduced by the Shareholders' Rights Regulations.

11. Validity of votes (Article 67)
Following the implementation of the Shareholders' Rights Regulations, proxies are expressly required to vote in accordance with instructions given to them by members. The new Articles contain a provision stating that the Company is not required to enquire whether a proxy or corporate representative has voted in accordance with instructions given to him and that votes cast by a proxy or corporate representative will be valid even if he has not voted in accordance with his instructions.

12. Termination of proxy authority (Article 73)
Article 73 provides that the termination of a proxy's authority should be in writing, as this is required by the Shareholders' Rights Regulations.

13. Corporate representatives (Article 75)
The new Articles provide that the Company can require a corporate representative to produce a certified copy of the resolution appointing him before permitting him to exercise his powers.

14. Retirement of directors by rotation (Article 81)
Article 81 continues to comply with Combined Code provision A.7.1 which recommends that all directors should be subject to re-election at intervals of not more than three years. New Article 81(5) requires any non-executive director who has held office for nine years or more to put himself up for re-election at each annual general meeting. This is in line with Combined Code provision A.7.2.

15. Alternate directors (Articles 87, 89 and 91)
Article 87 now clarifies that an alternative director is entitled to be paid expenses (but not directors' fees). Article 89 is a new provision which effectively applies the provisions of Article 85, regarding removal of directors, to alternate directors. Article 91(c) makes it clear that an alternate is subject to the same restrictions as the director who appointed him.

16. Borrowing powers (Article 93)
A number of presentational and descriptive amendments have been made to the borrowing powers provision:

(i) Article 93(1)(a) – a reference has been added to amounts "credited as paid up" on share capital to clarify that these should be included as well as amounts actually paid up.

(ii) Article 93(1)(b) – this has been amended to refer to the total of "any credit balance on the distributable and undistributable reserves of the Group", to clarify that all reserves of the Group will be relevant for the calculation and to reflect the language used by those preparing the accounts. The reference to "including share premium account, capital redemption reserve and credit balance on the profit and loss account reserve" has therefore been deleted.

(iii) Article 93(1) – the last paragraph has been amended to allow the Company also to adjust for variations in its capital redemption reserve since the balance sheet date as the directors may reasonably consider to be appropriate.

(iv) Articles 93(1)(a) and 93(3)(e) – additional wording has been included to clarify how any preference shares that might be issued should be treated for the purposes of the borrowing powers. Under IFRS and UK GAAP preference shares are now treated as a debt on a company's balance sheet rather than as equity. The additional wording included in Articles 93(1)(a) and 93(3)(e) reflects this accounting treatment. The effect of this wording is to exclude the amount of any preference share capital from the calculation of the Company's share capital and reserves and to include such amount in the calculation of the Company's borrowings.

17. Delegation to persons or committees (Article 95)
Article 95 follows the new, simplified approach to delegation adopted in the model form Articles, allowing the directors to delegate as they decide appropriate.

18. Directors' appointments, interests and conflicts of interest (Article 100)
Article 100, which is the provision for dealing with conflicts of interest in the current Articles, allowing directors to be interested in transactions and to be an officer of or employed by or interested in a body corporate in which the company is interested provided that he has disclosed his interest in accordance with the Articles and the provisions of the Act, has been amended so that it contains provisions relating to confidential information, attendance at Board meetings and availability of Board papers to protect a director from being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict falls within the situations covered by Article 100.

19. Procedures regarding Board meetings and resolutions in writing (Articles 102 & 105)
The provisions of Article 102 have been amended to make it clear that notice of a Board meeting may be given personally, by telephone, in hard copy or in electronic form. The requirements for giving notice to directors who are not in the United Kingdom have also been clarified. In order to clarify the procedure for written resolutions of directors, Article 105 has been amended so that, rather than referring to a resolution in writing by all directors, a resolution in writing will be valid and effectual as if it had been passed at a meeting if executed by all the directors entitled to receive notice of the meeting and who would have been entitled to vote (and whose vote would have been counted) on a resolution at a meeting.

20. Quorum (Article 106)
The proposed amendment to Article 106, which deals with the quorum requirement for Board meetings, clarifies that a director cannot count in the quorum for a matter or resolution on which he is not entitled to vote (or when his vote cannot be counted) but he may count in the quorum for the other matters or resolutions to be considered or voted on at the meeting.

21. Permitted interests and voting (Article 107)
Article 107 has been amended to allow a director to vote on a resolution which relates to giving him an indemnity or funding for expenditure incurred in defending proceedings, provided all the other directors have been given or are to be given arrangements on substantially the same terms. This exception has become a common exception for listed companies to include.

22. Notice when post not available (Article 127)
Article 127 is the article covering service of notice in the event of a postal strike. It has been amended to allow the Company in such circumstances to serve notices only on those members who receive notices via electronic means, provided that the Company also puts an advertisement in two national newspapers and sends a confirmatory hard copy notice if the postal service is available again within seven days of the meeting.

23. The seal (Articles 136 and 137)
Article 136 provides an alternative option (in the absence of specific instructions from the directors) for documents (other than share certificates) to which the seal is affixed to be signed by one authorised person in the presence of a witness, in addition to either two directors or a director the secretary.

24. Change of name (Article 139)
Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006 a company is able to change its name by other means provided for by its Articles. To take advantage of this provision, the new Articles enable the directors to pass a resolution to change the Company's name.

Historical Record

Year end	Market price per ordinary share in pence	Debt at fair value: Net asset value per ordinary share in pence[b]	Debt at fair value: Share price discount %[b]	Debt at par value: Net asset value per ordinary share in pence[c]	Debt at par value: Share price discount %[c]	Net revenue after taxation in £'000	Earnings per ordinary share in pence	Dividends per ordinary share in pence
31 December 1999	477.5	not recorded		560.7	14.8	28,272	7.54	7.60
31 December 2000	478.0	not recorded		521.5	8.3	32,541[d]	8.95[d]	7.75
31 December 2001	391.0	not recorded		429.3	8.9	29,634	8.40	7.95
31 December 2002	261.5	303.2	13.8	307.6	15.0	31,445[e]	8.92[e]	8.10
31 December 2003	303.0	354.7	14.6	358.2	15.4	31,362	8.98	8.30
31 December 2004	331.5	384.4	13.8	390.2[a]	15.0	29,330[a]	8.63[a]	8.60
31 December 2005	414.0	458.9	9.8	469.5[a]	11.8	28,002[a]	8.96[a]	8.80
31 December 2006	454.5	508.4	10.6	517.1	12.1	27,565	10.24	9.20
31 December 2007	478.5	537.9	11.0	545.7	12.3	27,137	11.08	9.90
31 December 2008	351.0	400.3	12.3[f]	410.1	14.4	25,261	11.60	10.20
31 December 2009	444.6	497.0	10.5[f]	502.7	11.6	22,524	10.63	10.50

(a) The figure for 2005 has been calculated in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and the figure for 2004 has been restated in accordance with IFRSs. The figures for the earlier years have not been restated.
(b) The net asset value per ordinary share is calculated by deducting from the total assets less current liabilities of the Group the fixed borrowings at their fair (or market) values. The share price discount shown reflects this calculation.
(c) The net asset value per ordinary share is calculated by deducting from the total assets less current liabilities of the Group the fixed borrowings at their par (not their market) values. The share price discount shown reflects this calculation.
(d) With effect from 1 January 2001, 75% of finance costs and management fees have been charged to capital. The 2000 figures were restated to reflect this change of accounting policy.
(e) With effect from 1 January 2002, tax relief has been allocated as described in note 1(g) on page 47.
(f) The average discount in 2009 was 11.2% (2008: 10.1%). (Source: Datastream)

Explanation of Share Buy-Backs
The impact of the Company buying in its own shares at a discount

Shareholders have in the past questioned the benefit of buying in shares for cancellation.

Below is a hypothetical example of how buying in shares can improve the share price of an investment trust. Typically, this happens in two ways: first, the buy-back, because it takes place at a discount, increases the NAV (net asset value) per share which, all other things being equal, leads to a rise in the share price; and, secondly, because a seller has been removed the discount may narrow, again leading to a rise in the share price.

Take an investment trust (ABC) whose shares are priced at 320p but which has a NAV per share of 400p. There are 100 shares in the company.

NAV per share of ABC Investment Trust	= 400p
Price per share of ABC Investment Trust	= 320p
Discount of ABC Investment Trust	= 20%
Value of ABC Investment Trust assets	100 x 400p = £400
Market value of ABC Investment Trust	100 x 320p = £320

If the company then buys back 15 shares at 320p the following happens:

Value of buy-back	15 x 320p = £48

As these shares are cancelled the value of the Company's total assets falls.

Value of Assets	£400 – £48 = £352

But there are now only 85 shares in issue so the NAV per share is
£352 ÷ 85 = 414p, a rise of 14p (3.5%).

If the discount remains at 20% then the share price will rise to 80% x 414p = 331p, an increase of 11p (3.4%). In practice because a large seller has been removed, the discount may well fall. Therefore, the share price may rise even more, benefiting all the remaining shareholders who will retain exactly the same number of shares.

Marketing Review

2009

James Frost, Marketing Director

The primary aim of Witan's marketing is to stimulate demand for Witan shares, thus providing a level of liquidity which boosts the share price and allows shareholders to purchase and sell shares at a price accurately reflecting the performance rating of the Company. The presence of liquidity in investment trust shares is increasingly important in an environment where demand can drop, discounts slip and price spreads widen. The effects and results of Witan's marketing is measured and the results are reported to the Board, to ensure all activity is effective, adheres to our key objectives, and above all provides value for money to shareholders.

Investor sentiment in 2009 has been as changeable as the markets. When we started the year sentiment was very fragile. As the markets bombed so too did the AIC investor confidence index, which fell to a record low point in February. As markets recovered so too did the demand for equity based products, thanks mainly to the speed of the recovery but also to continued low interest rates and changes to the ISA limits for the over 50s. These changes have led to an influx of ISA flows. Figures recently published by the Investment Managers Association show there were more equity ISAs opened in October 2009 than in any corresponding month outside of the ISA season since 2000.

Within Witan's savings schemes demand for shares remained strong throughout the year. We saw a slight net increase in the number of shares held on the Witan Wealthbuilder platform, and a generous net inflow of money into the Jump Savings products. Children's savings continues to be the main area of growth for Witan, and it is very encouraging to note that Witan now has more investors under the age of 5 that it has over the age of 70.

For many financial advisers the impending implementation of the Retail Distribution Review (RDR) is already having an impact on their businesses. The main aim of the RDR is to modernise the way in which financial advice is paid for – in short, renewal commission will be outlawed. Many financial advisers are moving to a fee-based approach. This is great news for investment trusts as historically they have been ignored by financial advisers in favour of unit trusts and OEICs because of their inability to pay a renewal commission. RDR represents a golden opportunity for investment trusts like Witan to reassert themselves as cost-effective direct competitors to open-ended funds.

2010

2010 is set to be a year of change for the financial services industry: progress towards the implementation of RDR in 2012; clarification of the implications of the AIFM Directive (as referred to on page 9 in the Business Review); and a change of government could bring wholesale change to the regulatory framework that governs the financial services industry. For Witan, the appointment of an investment-led Chief Executive Officer offers new opportunities to focus the Company's investment message for discretionary managers and private client brokers.

We have a number of new initiatives planned for 2010, and intend to make some significant improvements to the administration of our savings schemes (as referred to on page 9 in the Business Review), details of which we should be in a position to share later in the year. We will continue to deploy a wide range of activities across the full marketing mix, including advertising, direct mail, public and investor relations, e-commerce and sponsorship. Good marketing should be innovative, creative, and thought provoking, but what really matters is whether it works, and that it generates new investment into Witan. To this end all marketing activity will continue to be tracked and reported to the Board on a regular basis.

How to invest

There are a variety of ways to invest in Witan Investment Trust plc. Naturally, Witan's shares can be traded through any UK stockbroker. However, Witan is also available for investment through the Witan Wealthbuilder savings platform managed by Witan Investment Services. Witan Wealthbuilder offers different savings wrappers which carry the benefits of income reinvestment, regular saving and tax efficient investment. Saving scheme investments may be purchased online, by telephone or through the post. Online dealing is fixed at £15 per trade while telephone and postal business is charged at 1% per deal (subject to a minimum of £1.25).

The Share Plan is a straightforward savings scheme with a minimum lump sum investment from £500 and/or regular savings from £50 per month or quarter.

The ISA enables investors to save efficiently up to a limit of £7,200 per annum (£10,200 for the over 50s) rising to £10,200 for all eligible investors from 6 April 2010. Minimum lump sum investment is £2,000 with regular savings from £50 per month.

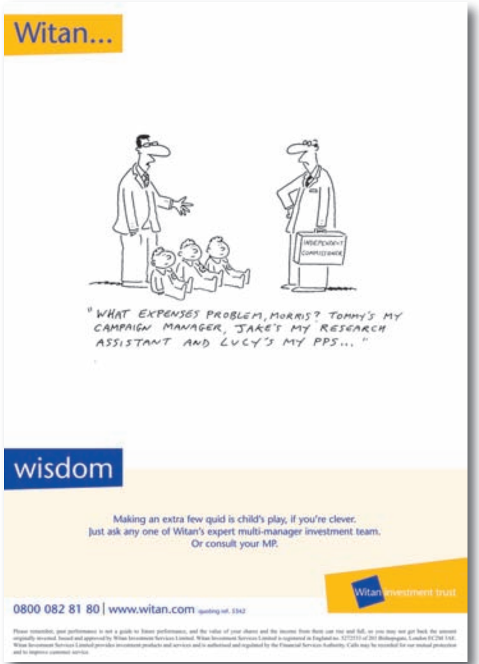
The Transfer ISA allows investors to transfer all or any number of their existing ISA holdings to Witan Wealthbuilder. The investments retain their tax free status during and after transfer.

Jump, Witan's savings scheme for children, now comes in two flavours, the Child Trust Fund (CTF) and the Savings Plan. The CTF is for new born children who are entitled to receive the £250 voucher issued by the Government. The Savings Plan is for older children who don't qualify for the CTF voucher or for investors who would prefer more investment flexibility than the CTF allows. Both the Jump Savings Plan and the CTF give parents, grandparents and other adults the chance to save effectively for children over the long term. Minimum lump-sum investments start at just £50, regular contributions can be made from as little as £25 a month or quarter. Please visit www.jumpsavings.com for more information and application forms.

Further information on all products is available by calling 0800 082 81 80 or online via www.witan.com. If you would prefer to write to request further information the address details can be found on page 80.

Investors are reminded that the value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Tax benefits may change if the law changes and their value will depend upon individual circumstances. Witan Investment Trust plc is an equity investment.

Issued and approved by Witan Investment Services Limited. Witan Investment Services Limited of 201 Bishopsgate, London EC2M 3AE is registered in England no. 5272533. Witan Investment Services provides investment products and services and is authorised and regulated by the Financial Services Authority. We may record telephone calls for our mutual protection and to improve customer service.



Shareholder Information

Points of Contact

If you have any questions or need more information concerning Witan, you may contact us in the following ways:

Freephone: 0800 082 8180

E-mail: help@witan.com

Post:
For Witan Wealthbuilder (and Jump) queries:
Witan Wealthbuilder
PO Box 4605
Worthing
West Sussex BN99 6QY

For Jump CTF queries:
FREEPOST JUMP CTF
Block C,
Western House,
Lynch Wood Business Park,
Lynch Wood,
Peterborough
PE2 6BP

Points of Reference

You can follow the progress of your investments through the newspapers. Witan's share price appears daily in the national press stock exchange listings under 'Investment Trusts' or 'Investment Companies' and is also included on the Witan website (www.witan.com).

The London Stock Exchange Daily Official List (SEDOL) code is 0974406.

Dividend

A second interim dividend of 6.2p per share has been declared, payable on 1 April 2010. The record date for the dividend is 5 March 2010 and the ex-dividend date for the dividend is 3 March 2010 (see pages 4 and 23).

Capital Gains Tax

The calculation of the tax on chargeable gains will depend on your personal circumstances. If you are in any doubt about your personal tax position, you are recommended to contact your professional adviser.

Disability Act

Copies of this annual report and other documents issued by Witan Investment Trust plc are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille, audio tape or larger type as appropriate.

You can contact our Registrar, Computershare Investor Services PLC, which has installed textphones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, by dialling 0870 702 0005. Specially trained operators are available during normal business hours to answer queries via this service.

Alternatively, if you prefer to go through a 'typetalk' operator (provided by The Royal National Institute for Deaf People), you should dial **18001** followed by the number you wish to dial.

Registered Office and Company Secretary

Henderson Secretarial Services Limited
201 Bishopsgate
London EC2M 3AE
Telephone: 020 7818 1818

Registered Number

Registered as an investment company in England and Wales, Number 101625.

Custodian and Investment Administrator

BNP Paribas Securities Services
55 Moorgate
London EC2R 7PA

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 707 1408

Auditors

Deloitte LLP
2 New Street Square
London EC4A 3BZ

Solicitors

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS

Stockbroker

JPMorgan Cazenove Limited
20 Moorgate
London EC2R 6DA

New Zealand Registrar

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand
Telephone (New Zealand):
(64) 09 488 8777

New Zealand Stockbrokers

Rose Capital Management Limited
PO Box 1630
Queenstown 9197
New Zealand

The Company is a member of:

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The Association of Investment Companies

Witan Investment Trust plc is the principal sponsor of Chemmy Alcott. Miss Alcott is Britain's number one female skier. She is pictured here in training for the Winter Olympic Games in Whistler, Canada.

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