



WITAN PACIFIC INVESTMENT TRUST PLC
Annual Reports and Financial Statements 2010

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History

- Witan Pacific is today an investment trust that invests in the Asia Pacific region including Japan.
- The Company began its life in 1907 as General Investors and Trustees Limited investing in a diverse range of assets. In 1984 under the management of F&C it was renamed F&C Pacific Investment Trust plc to reflect its regional investment trust policy.
- Following the appointment of Witan Investment Services as Executive Manager and the Company's change of structure to multi-manager it was renamed Witan Pacific Investment Trust plc in 2005.
- A history of the Company written by financial historian John Newlands is available by visiting www.witanpacific.com or by calling 0800 082 8180.

Our **Investment Objective** is to provide shareholders with a balanced portfolio of investments in the Asia Pacific region with the aim of outperforming the MSCI AC Asia Pacific Free Index (£)

Strategy

- Use an active multi-manager approach to add value and diversify risk.
- Manage the fund for growth predominantly through capital return.
- Employ share buy-backs when the Company's shares are standing at a substantial discount to their net asset value.
- Deploy tactical gearing giving discretion to the Investment Managers to hold up to 10% of the portfolio in cash or borrow up to 10%.
- Distribute as much income as may be prudent on an annual basis to shareholders.
- Control costs and expenses to maintain a total expense ratio of less than 1%.

Board of Directors



Gillian Nott



Alan Barber

Gillian Nott OBE

Chairman

Appointed November 1999 –
Chairman June 2006.

Gill Nott is a director of Martin Currie Portfolio Investment Trust plc, Blackrock Smaller Companies Trust Plc, Baronsmead VCT 2 plc and Baronsmead VCT 3 plc. She is also on the board of Liverpool Victoria, the UK's largest friendly society and is a deputy chairman of the Association of Investment Companies. From 1994 to 1999 she was chief executive of ProShare, the organisation which promotes individual share ownership and was a director of the Financial Services Authority from 1998 to 2004. Age 64.



Leslie Atkinson



Sarah Bates

Leslie Atkinson

Senior Independent Director

Appointed June 1999.

Dr. Atkinson is a non-executive director of Samworth Brothers (Holdings) Limited. He has had a distinguished career with BP and was chairman of BP Asia Pacific, based in Singapore, where he was a member of the Council of the National University of Singapore. Previously, he was for two years a member of the UK Government's Central Policy Review Staff "think tank". Age 66

Alan Barber

Audit Committee Chairman

Appointed July 2007.

Alan Barber is executive chairman of Management Consultancy Group plc and a non-executive director of Western & Oriental plc, Invesco English and International Trust plc, JPMorgan Japanese Investment Trust plc and Impax Asian Environmental Markets plc. He was previously a non-executive director of Teather & Greenwood Holdings plc and lastminute.com plc and worked for KPMG for 35 years; 25 years as a partner. Age 62.

Sarah Bates

Appointed January 2004.

Sarah Bates is a non-executive director of Invesco English and International Trust plc, St James's Place plc, New India Investment Trust plc, JPMorgan American Investment Trust plc, MTI Partners Limited and Development Securities PLC. She is a member of or advisor to a number of other investment committees or panels and is Chairman of Stena UK Pension Fund, the Cancer Research UK Pension Fund investment committee and of the Rutley Russia Property Fund. Age 51.

All the Directors are members of the Audit and Management Engagement Committee and of the Nomination and Remuneration Committee.

Directors' Report

Financial Highlights

Summary of Results

attributable to equity shareholders

	31 January 2010	31 January 2009	% change
Share price	165.00p	122.75p	34.4
Net asset value per share	199.02p	152.30p	30.7
Discount	-17.1%	-19.4%	
Dividend per share: Ordinary	2.10p	1.85p	13.5
Dividend per share: Special	–	1.00p	
Gearing [#]	-0.1%	-2.7%	
Total expense ratio (excluding performance fees) [†]	0.8%	0.8%	
Total expense ratio (including performance fees) [†]	1.3%	1.1%	

[#]Bank loan at Balance Sheet value, less cash and fixed interest stocks, as a percentage of net assets ("Effective" or "Actual" gearing).

[†]Excluding the VAT refund on management fees and share plan administration fees paid in prior years.

Cumulative Performance (Total Returns)

to 31 January 2010

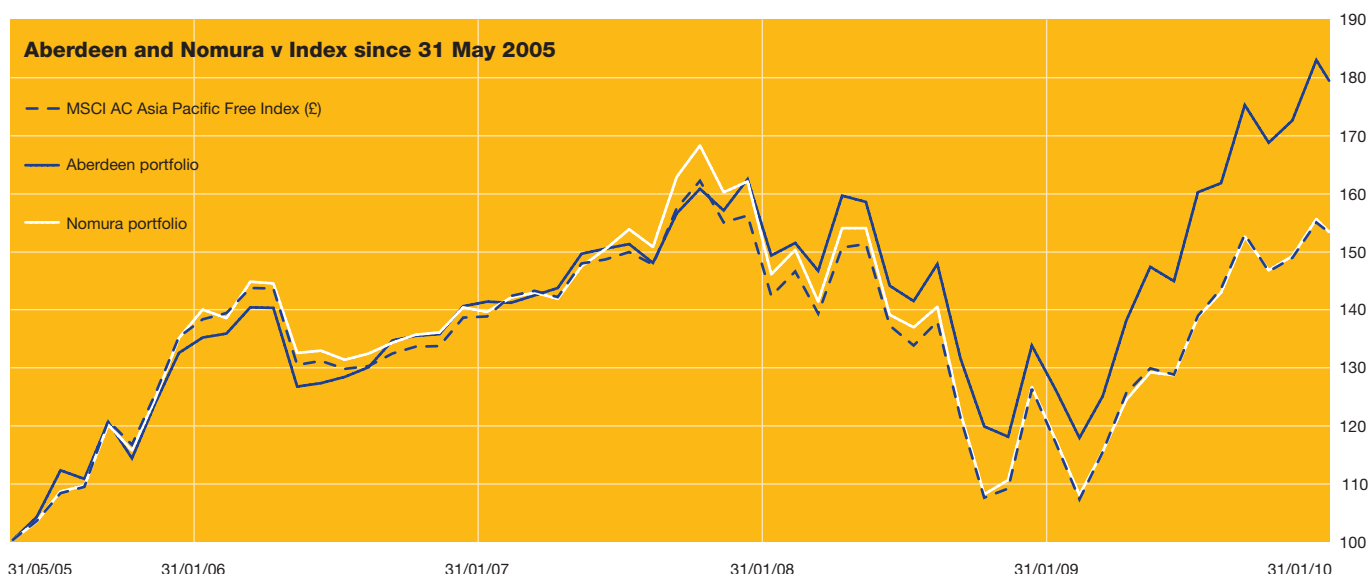
	1 year %	3 years %	5 years %
Total shareholder return [†]	36.1	5.4	50.6
Net asset value total return [†]	33.4	12.2	59.4
MSCI AC Asia Pacific Free Index (£)* total return	29.6	9.2	54.1

[†]Source: AIC Services Ltd. Returns include dividends reinvested.

*Source: Datastream.

Investment Managers' Performance (Total Returns)

(since inception of the multi-manager structure)



Source: WM Company and Lipper

Chairman's Statement



Market Background

The past year has seen a transformational change in investor confidence and equity market returns. Government and central bank initiatives to contain the financial crisis and reverse its negative effects on economic growth have started to bear fruit. The recovery underway at the time of our interim results has continued, with the MSCI Asia Pacific Free Index (our benchmark) recording a return in local currency terms of 35.3% during our financial year. The pound strengthened somewhat during the year, so in Sterling terms the rise was less, but still robust at 29.6%.

Against this background of an unexpectedly sharp rally in markets it is pleasing to record not only a year of strong absolute returns by the Fund but also outperformance in NAV terms of nearly 4% relative to the Company's stated benchmark.

Economic growth in the region recovered in response to the normalisation of international trade and to local economic stimuli, particularly the huge fiscal boost in China. In response to this success, as our financial year ended the Beijing authorities were taking steps to curb the risk that the economy will overheat later in 2010. At the opposite extreme of the region's economic fortunes, Japan was badly hit by the recession and is struggling to break out of its two decade era of stagnation. Its equity index returned 17.4% over the year but remains down almost a third on January 2008. The changes in Sterling terms have been more muted, owing to swings in the Yen, with the index returning 4.7% during our financial year and -0.1% since two years ago.

Performance

The Company's NAV total return was 33.4% (Sterling adjusted) which compares favourably with the MSCI AC Asia Pacific Index return of 29.6% (£). Total shareholder return was 36.1% which reflects a narrowing of the discount since the end of January 2009.

The Company's multi-manager strategy is in its fifth year and since adoption of this investment approach the portfolio investment outperformance has averaged 1.7% per annum (source: WM Performance Measurement Services). Shareholders

† all returns expressed in Sterling

Against this background of an unexpectedly sharp rally in markets it is pleasing to record not only a year of strong absolute returns but also outperformance in NAV terms of nearly 4% relative to the Company's stated benchmark.

The Company's multi-manager strategy is in its fifth year and since adoption of this investment approach the portfolio investment outperformance has averaged 1.7% per annum

will be aware that a key rationale for the multi-manager strategy is the diversification benefit of not relying on one manager to drive returns and therefore smooth out the volatility of returns. To this end the Company has engaged two Managers with very distinct styles. Aberdeen are less likely to embrace the individual country weightings which comprise the benchmark; in particular they have for many years maintained a strong preference for the Asian markets over Japan and consequently have a very low exposure to Japan. Such a stance continues to be a major positive for their portfolio and as a result Aberdeen's portfolio return was 39.8% (£) an outperformance of 10.2% over the Index. Nomura take a much more index-like position to their country weightings and whilst they too preferred the growth characteristics of Asian markets over Japan their degree of over and underweighting was far less marked. Consequently their portfolio return was more index-like, being +29.2% (£). Further details of each Manager's performance, country and stock selection are given in the Investment Review section of the Business Review on pages 14 to 19.

The Board meets both Managers regularly throughout the year to monitor their progress. During the year the Board also conducted in depth interviews at the Managers' offices in Singapore and Tokyo to gain an on-site understanding of their investment and control processes.

Dividend

Our revenue was lower in the year, for a number of reasons. The receipts related to the previous year's VAT reclaim were not repeated and there was a recession-linked fall in dividend payouts, offset by a decline in the taxation charge for overseas dividend income. We are therefore able to continue with our practice in recent years of increasing the dividend and are declaring a final dividend of 2.10p per share, a 13.5% rise on the 1.85p ordinary dividend paid last year (excluding last year's one-off special dividend of 1.00p per share attributable to the VAT refund). This is a doubling of the level of dividends paid prior to 2005 and represents compound dividend growth of 14.9% p.a. over 5 years. Subject to shareholder approval, the final dividend will be paid on 25 June 2010 to shareholders on the register at the close of business on 28 May 2010 (ex-dividend 26 May 2010).

Share Buy-Backs

Your Board believes that it is in shareholders' interests to buy back the Company's shares when they are standing at a substantial discount to their NAV and with the objective that the discount should be comparable to that of our peers, taking account of the prevailing market conditions. The Company repurchased a total of 50,000 shares for cancellation during the year. It is intended to seek renewal of the buy-back authority at the forthcoming Annual General Meeting ("AGM"). In addition, the Board proposes to seek the renewal of authority to take shares into treasury for re-sale in the market at a later date. This power will be used to issue shares only at NAV or a premium to NAV.

Asia Pacific

In both of the last two years, one part of our benchmark has performed dramatically better than the other. In 2008, it was Japan which performed well, whereas in 2009 it was the Pacific region ex-Japan. By holding shares in Witan Pacific, shareholders have been able to participate in the Far East's good relative equity returns, without the risk of being caught on the wrong side of these fluctuating relative fortunes within the region.

Our underweight exposure to Japan over the past year has resulted in outperforming our benchmark, the MSCI index as described above and shows once again the advantage of using a fund that makes the asset allocation between countries in the region on the investor's behalf. Looking ahead, the Board will continue to review with its Managers the appropriate balance of exposure to Japan and the other regional equity markets.

Shareholder Information

As you know we outsource the day to day management of the Trust to Witan Investment Services Limited and Andrew Bell, an experienced investment trust professional, was appointed in February as the new Chief Executive of Witan. I would like to take this opportunity of thanking the previous CEO Robert Clarke for all the help he has given during his tenure.

The Witan Pacific web site, www.witanpacific.com, has recently been completely revamped and is an excellent and easy to use source of up to date information on the Trust. In addition you will find regular market commentary from Andrew Bell on the website, covering both the Asia Pacific and other regions.

By holding shares in Witan Pacific, shareholders have been able to participate in the Far East's good relative equity returns, without the risk of being caught on the wrong side of these fluctuating relative fortunes within the region.

Witan Wealthbuilder provides a cost effective facility for regular savers to invest either through a regular share savings scheme or through an ISA. Details of investing through Witan Wealthbuilder are available at www.witanwealthbuilder.com.

Board Changes

I am very sad to report that, after six years on the Board William Courtauld recently passed away, after a courageous fight with a long illness. I would like to take this opportunity to record the Board's appreciation of his insights and invaluable contribution to the Company. We send our condolences to his family.

William was intending to stand down from the Board this year, so we have initiated a search for a replacement Director using professional advisers to assist us.

Outlook

The economic resilience of Asian economies has become better appreciated during the past year, as regional economies shrugged off the worst of the global recession and have since regained momentum. Although the region is integrated with the global economy, its vulnerability is less than many believed in 2008. Whilst those sectors heavily dependent on exports to Western and more developed economies have not fully recovered from the late 2008 slump in world trade, the ability of Asian governments to spend on domestic infrastructure and the growth of personal consumption in relatively underleveraged economies has mitigated these negative external factors. This has helped drive a substantial recovery in the region's markets. A key test in the coming year will be whether the authorities can sustain the momentum in their domestic economies without sparking off inflation and, particularly, whether China's unique mix of free markets and central political direction will succeed in moderating lending growth without bringing the economy to a grinding halt.

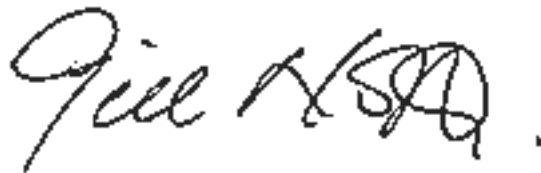
The other major conundrum in the region is Japan. It seems extraordinary after nearly twenty years of negligible growth and flat or declining prices that no political consensus has emerged to adopt more aggressive policies to promote growth. The sweeping election victory by the opposition parties last autumn, ending half a century of almost unbroken LDP rule, raised hopes of economic and fiscal changes but these have not

Our two Managers' complementary styles have enabled your Company to outperform in a variety of market conditions during recent years.

been forthcoming as yet. Although the Japanese equity market appears relatively cheap, the catalyst to unlock this value and improve investment returns remains elusive.

Our two Managers' complementary styles have enabled your Company to outperform in a variety of market conditions during recent years. We will continue to review the appropriate balance of investment styles and geographical exposure to deliver benefits for shareholders from what we believe to be the Asia-Pacific region's enduring growth story.

The AGM of the Company will be held on Tuesday, 8 June 2010 at 12 noon at the J.P. Morgan Cazenove Auditorium, 20 Moorgate, London EC2R 6DA, and I look forward to meeting as many of you as are able to attend the meeting.



Gillian Nott
Chairman
28 April 2010

Executive Manager and Investment Managers

 Witan investment services

Executive Manager

Witan Investment Services Limited (“Witan”) is the Executive Manager of Witan Pacific Investment Trust plc.

Witan’s role is to implement the Board’s strategy and includes the following:

- Advising on, monitoring and liaising with the Company’s Investment Managers;
- Advising on, monitoring and liaising with the Company’s service providers (custodian, fund accountant, company secretary etc); and
- Providing public and investor relations and marketing services for the Company.

www.witan.com

Investment Managers

Aberdeen and Nomura each manage approximately 50% of the Company’s assets. The Board believes that this investment strategy uses the expertise of Investment Managers with specialist market knowledge and successful track records in order to seek improved returns to shareholders. The blend of differing investment styles is intended to result in outperformance over market cycles.

Aberdeen Asset Managers Limited was established in Asia in 1992 and at 31 January 2010 was managing some £39bn of funds in the region. The 34 fund managers in the equity team, led by Hugh Young, follow a fundamental investment style emphasising the identification of good quality companies on low valuations relative to growth potential. These companies are likely to deliver above average growth in earnings and dividends over the long term. www.aberdeenasset.com.sg



NOMURA

Nomura Asset Management U.K. Limited manages the Company’s Pacific Basin equity mandate using a research driven and value orientated approach where their fund managers select stocks with a market price below “intrinsic” value to maximise returns over the long-term. At 31st December 2009, Nomura had £53bn invested in the Asia Pacific region.

Nomura’s specialist investment approach relies on their significant regional presence in Asia and the insights gained from their locally-based investment managers and research analysts. The team itself is comprised of 186 equity investment professionals, who made a total of 7,045 company visits in 2009. Their investment team has received a number of awards including the 2008 “Global Investor” Asia Equity Investment Manager of the Year (awarded for two years running) and the 2009 “Global Pensions” Specialist Investment Manager of the Year. The nominated portfolio managers of the Company are Yasuhiro Mimbuta (Senior Portfolio Manager – Tokyo) and Vipul Mehta (Senior Portfolio Manager – Singapore). www.nomura.com/nam-europe/

This Business Review provides shareholders and other readers with information about the Company's business and results for the year ended 31 January 2010 and comments on the main trends and factors likely to affect the future development of the business. It is divided into two sections: Corporate Review and Investment Review.

CORPORATE REVIEW

- Objectives and Strategy
- Management Arrangements
- Dividend Policy
- Buy-back Policy
- Borrowings & Gearing
- Key Performance Indicators
- Principal Risks
- Priorities for 2010

Objectives and Strategy

The Company's investment objective is to provide shareholders with a balanced portfolio of investments in the Asia Pacific region designed to outperform the MSCI AC Asia Pacific Free Index ("MSCI Index") in Sterling terms. From an investment perspective this means that your Company will seek to provide steady above average performance compared with the relevant MSCI Index in Sterling terms predominantly aiming to achieve this through growth in capital. Your Company aims to outperform by using an active multi-manager approach. Currently the Board has appointed two Investment Managers but their performance is subject to regular review and the Board has the ability, should it wish, to change the Managers and to increase/decrease the number of Managers used.

The Company has a policy of deploying gearing in a tactical sense, when circumstances point to the prospect of additional benefit for shareholders. Your Company will distribute as much income as may be prudent on an annual basis to shareholders. The Board employs share buy-backs to manage the discount appropriately expecting that the level will be comparable to that of its peers. Share buy-backs provide liquidity and enhance the NAV per share of the Company. In addition, your Company sponsors an ongoing marketing programme provided by Witan Investment Services Limited. This programme reaches out to both the private and professional investor using a blend of targeted marketing programmes.

Your Board aims to provide the best possible return to shareholders. The unbundling of the investment management services and other necessary services has provided greater transparency of the Company's cost base. Your Board applies strict controls on costs and expenses. For the last financial year the total expense ratio (TER) including performance fees has risen to 1.3% as a result of performance fees. Excluding performance fees the TER is 0.8%, the same as last year.

Management Arrangements

The management of the Company's assets is entirely outsourced to third parties. Witan Investment Services Limited acts as Executive Manager to manage and monitor the outsourced structure and relationships and to assist the Board on investment strategy and marketing. In summary, the Board sets the Company's strategy and the Executive Manager monitors and implements this same strategy. The following table shows the investment management arrangements:

Equity Mandate	Investment Manager	Mandate Benchmark (£)	% of Initial Portfolio as at 31 May 2005	Actual % as at 31 January 2010
Asia Pacific	Aberdeen	MSCI AC Asia Pacific Free Index	50%	53%
Asia Pacific	Nomura	MSCI AC Asia Pacific Free Index	50%	47%

Your Company has also appointed third parties for the various supporting services it requires. The principal ones are J.P. Morgan Chase for global custody, BNP Paribas Securities Services for investment accounting and administration and Phoenix Administration Services Limited for company secretarial services. From time to time, as required, the Company also buys in services for legal, investment consulting, financial and tax advice.

As a result of its outsourced structure the Company has no employees. Accordingly it has no direct impact on social matters. However it reviews its Managers' reports on their policies relating to social issues and on corporate governance standards. Both Managers are prepared to use their votes in these areas in the interests of the investments made on our behalf.

Dividend Policy

As the Chairman has said in her statement, the Company will continue the policy of distributing as much income as may be prudent. The future level of income from the portfolio is carefully monitored, taking account of forecasting uncertainties and the Company has substantial revenue reserves which can be used if necessary to smooth its distribution policy.

Buy-back Policy

Your Board believes that it is in shareholders' interests to buy back the Company's shares when they are standing at a substantial discount to NAV. The purchase of shares priced at a discount to the Company's net asset value (NAV) per share will, all other things being equal, increase the Company's NAV per share and support the Company's share price. In the year ended 31 January 2010 the Company bought back and cancelled a total of 50,000 Ordinary shares of 25p at a cost of £59,000 including stamp duty.

The Board has an active marketing programme designed to promote and create demand for Witan Pacific shares. The Witan Pacific web site, www.witanpacific.com, has recently been completely revamped and is an excellent and easy to use source of up to date information on the Trust.

Witan Wealthbuilder provides a cost effective facility for regular savers to invest in the Company's shares either through a regular share savings scheme or through an ISA. Details of investing through Witan Wealthbuilder are available at www.witanwealthbuilder.com

Borrowings & Gearing

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, borrow more than 20%. Over the past five years fully invested gearing as defined on page 53 has varied between 0% and 5%. At the start of the year the Company had in place a borrowing facility of £4m and during the course of the year it arranged an additional facility of £5m to enable it to further enhance returns in times of rising markets. At the end of the year the Company was effectively ungeared.

Key Performance Indicators

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

- Net asset value return
- Total shareholder return
- Performance against the benchmark
- Discount to net asset value
- Dividend payout
- The level of buy-back activity
- Total expense ratio
- Growth in number of private investors

The Board also reviews both absolute and relative volatility and risk statistics for the portfolio.

Principal Risks

Because the Company is essentially a vehicle for overseas equity investment, your Board is likely in normal conditions to be fully invested subject to the tactical positions of the Investment Managers. The prime risks, therefore, of investing in the Company, are a fall in equity prices and adverse movements in foreign currency exchange rates. There are also other risks relating to the selection of Investment Managers and more generic risks associated with any international or regional equity portfolio relating to strategy, country, industrial sector and stock selection. Your Board seeks to manage these risks through the regular monitoring and review of portfolio information including adherence to the investment mandates, the monitoring of the investment policies and stock selection activities of the Investment Managers and the appropriate application of gearing and liquidity criteria. While foreign currency exposures are reviewed on a regular basis, these are inherent in investing in overseas securities and at present there are no currency hedging contracts in place.

The adverse effects of a failure, however defined, by an individual Investment Manager are reduced by the multi-manager structure, the different styles of the two Investment Managers and by the Board's regular reviews of the Investment Managers' performance against the relevant Key Performance Indicators. In addition, your Company also faces the risk that its objective and strategy become inappropriate due to changes in the financial services and savings market. This is a matter which is reviewed regularly at meetings of your Board. These reviews focus on investment policy, the role of marketing and the Witan Wealthbuilder savings schemes and discount control policies, as well as wider industry trends.

Finally, there are operational and regulatory risks, and the risk of errors and omissions. We are affected by a complex set of regulations and laws and changes in any of these may affect returns to shareholders. In particular, the consequences of the EC Directive on Alternative Investment Fund Managers could be adverse although the details are far from settled at this point.

All of these risks are regularly reviewed by the Company's Audit Committee. Your Board also takes professional legal, accounting and tax advice in advance, concerning any material proposed activity of your Company.

Operationally, the multi-manager structure is robust as each of the Investment Managers, the custodian and the fund accountants keep their own records which are reconciled on a monthly basis. In addition, our Executive Manager, Witan Investment Services Limited monitors the activities of all third parties and reports any issues to the Board.

Comprehensive contractual obligations and indemnification provisions have been put in place with each of the third party service providers. 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"). 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.

Compliance with the requirements of section 842 is continually monitored by the Fund Administrators.

The Company must comply with the provisions of the Companies Act 2006, 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 and Transparency 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. A 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 Executive Manager, the Company Secretary and the Company's professional advisers to ensure compliance with the Companies Act 2006 and UKLA Rules.

The Audit Committee regularly reviews these risks by considering a Risk Map which assesses the likelihood of such risks occurring and the severity of the potential impact of such risks. This enables the Board to take action and develop strategies in order to mitigate the effect of such risks to the extent possible. An analysis of financial risks can be found in note 20 to the financial statements on pages 46 to 51.

Priorities for 2010

At its annual 'Strategy Away Day', the Board agreed that over the coming year it would:

- Continue to monitor and assess the Investment Managers' performance against the Company's MSCI AC Asia Pacific Free Index (£) benchmark.
- Conduct market research to gain a better understanding of what investment advisors and shareholders seek from investing in the Company.
- Consider making greater use of tactical gearing to seek to enhance returns.

INVESTMENT REVIEW

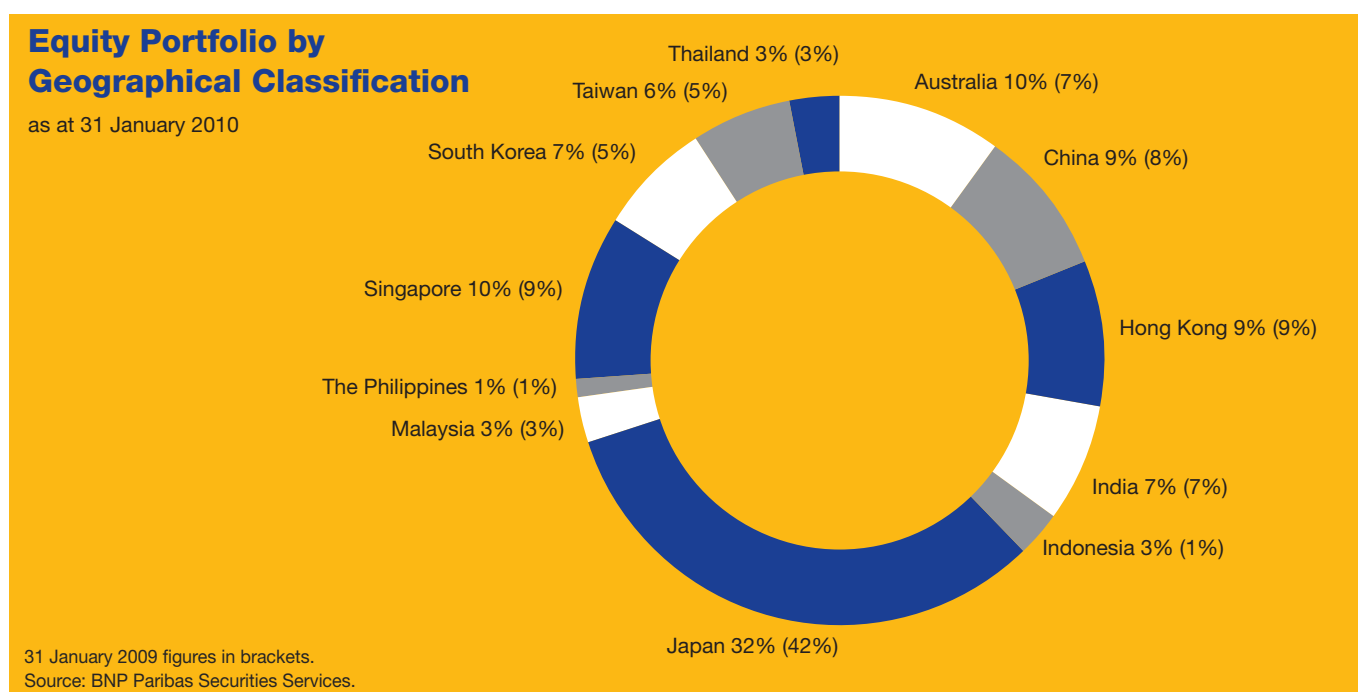
In February 2009 investors were shell shocked after the catastrophic events of 2008 and the outlook was uniformly pessimistic. The MSCI Asia Pacific index fell to a level in early March 2009 which was nearly 40% below its late-2007 high. This low marked the start of an astounding period that saw Asian equities soar across the region. Returns for the year under review ranged from +127% in Indonesia to +34% in Hong Kong. Japan was the laggard as the strong Yen and uncertain economic outlook weighed heavily on expectations. Consequently the Japan stockmarket was by far the poorest performer out of the countries that make up the Company's benchmark registering a rise of just 4.7%. (Source for all indices quoted is MSCI Sterling adjusted).

By mid 2009 investors were relieved that concerted action by governments and Central Banks had averted a depression. Investors returned to the fray, encouraged by signs of economic stabilisation and by low interest rates. The stock markets of Asia were a major beneficiary of this new found appetite for risk

and the MSCI AC Asia Pacific ex Japan Index (£) rose some 70% before profit taking in early 2010 trimmed the return to +58% for the year.

The Company's investments are managed by Aberdeen Asset Managers and Nomura Asset Management, each of whom manages approximately half the total assets. Although both have strong investment philosophies their approaches differ substantially. Aberdeen are bottom up stock pickers and their country weightings are dictated more by the stock selection process than by market capitalisation weightings. Nomura operate by first assessing country and industry weightings before selecting stocks. Nomura hold a large number of stocks, in excess of 200, while Aberdeen hold a more concentrated portfolio of around 50 stocks.

During the year under review the combined portfolio as measured by WM Performance Measurement Services returned +34.6% (net of management fees but before taking account of corporate overheads). This compares with the benchmark MSCI AC Asia Pacific Index return of +29.6%, both figures being Sterling adjusted.



Aberdeen

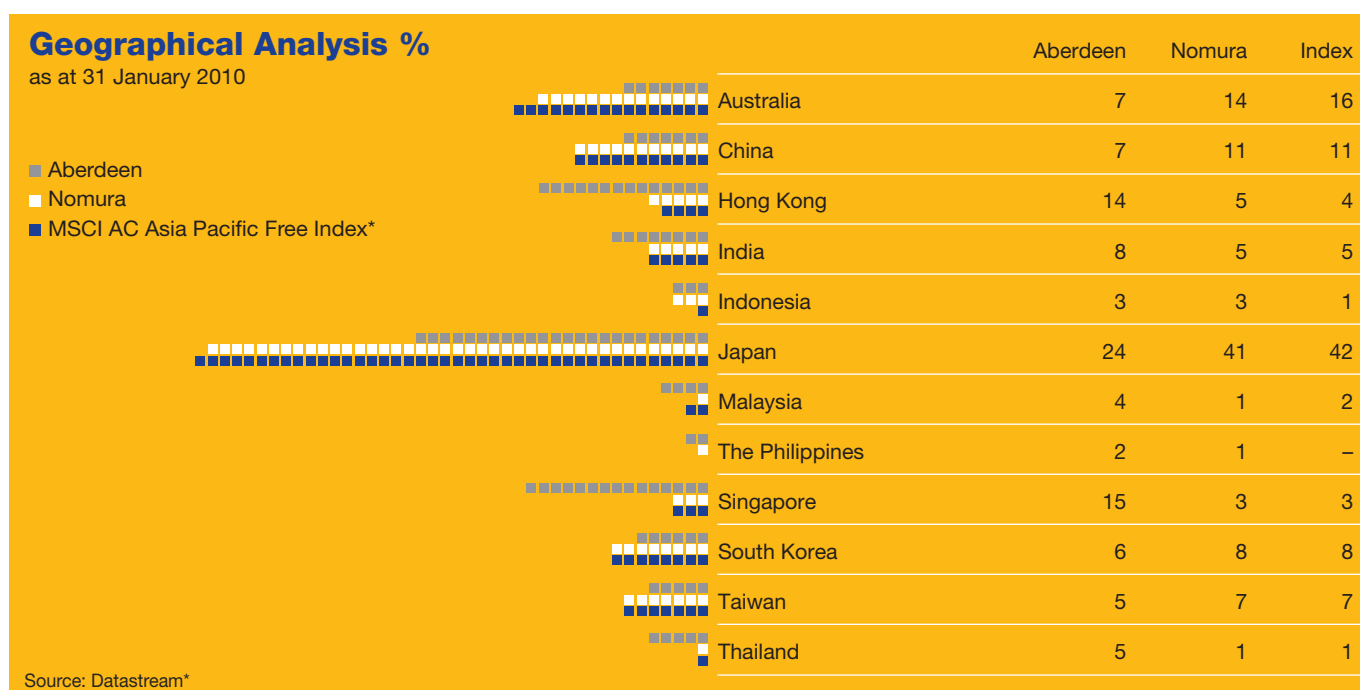
Aberdeen Asset Managers' portfolio rose by 39.8% (Sterling adjusted), an outperformance of 10.2 percentage points. Both stock selection and country allocation contributed to the outperformance. The biggest contributors to asset allocation were the underweight position in Japan, along with overweight positions in both Singapore and India. Conversely, the underweight positions in Australia, China and Korea detracted the most.

The holding in the Aberdeen Global Indian Equity Fund was among the biggest contributors to relative return. The Indian market as a whole was lifted by strong corporate earnings growth and its resilience to the global downturn, given its domestically-driven economy. In Indonesia, where the economy is similarly insulated from the external environment because of its large, domestically-driven economy, leading automobile-distributor PT Astra International was among the best performers. In contrast, the Japanese holdings, Seven & I Holdings and Bank of Kyoto proved costly, as the entire Japanese market lagged its regional peers.

There was minimal activity in the portfolio during the year. Aberdeen introduced Unicharm – a leading personal products manufacturer in Japan with a growing Asian presence, as well as BHP Billiton, a low-cost Australian mining group which has a solid balance sheet and top-quality assets. Aberdeen consider the investment case for BHP to be both simple and compelling: roughly two thirds of the world's population is in the early stages of a path to prosperity, a path that will require the consumption of vast quantities of minerals over the next few decades.

Aberdeen's outlook for the region:

“Last year's stellar performance posted by Asian equity markets is unlikely to be repeated in the year ahead as share prices have far outpaced the economic rebound that has been largely the result of government support. With the recent improvements on the economic front has come a growing anticipation that the time will soon come for governments to dismantle the raft of stimulus measures.



The good news for Asia is that for most countries, withdrawal of stimulus is a matter of choice, thanks to strong economic recoveries. In the developed economies on the other hand, it is the fear of unmanageable deficits that is causing governments to consider reining in stimulus programs.

We remain optimistic about the long-term prospects for Asia. While valuations are no longer cheap following last year's run-up, they still appear reasonable, given the region's low levels of corporate and government debt. Stock picking will become increasingly important as investors refocus on the fundamentals. Given our disciplined and careful approach, we believe we are well placed to identify stocks that are undervalued and will do well in the long run."

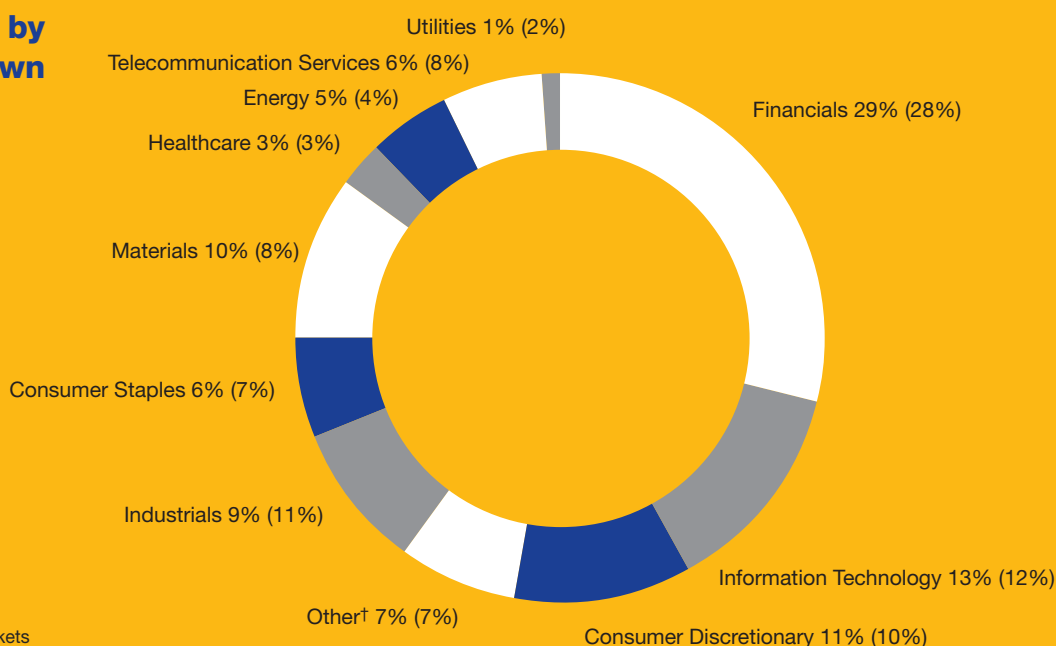
Nomura

Nomura's portfolio returned +29.2% (Sterling adjusted) compared with the benchmark's return of +29.6% (£). This slight underperformance was mainly attributable to negative stock selection while the overall country selection was positive. The underweight position in Japan was a positive and stock selection there also added value. Negative stock selection results were mainly concentrated in India, China and Taiwan.

Nomura's defensive positions in China with holdings such as China Resources Power and China Railway Construction lagged the more cyclical stocks. In Taiwan, HTC had a negative impact as margins declined despite the launch of new smart-phones. On the positive side an overweight position in Australia's Rio Tinto was one of the largest contributors to positive stock selection as it was a potential acquisition target. Australian banks such as Westpac and ANZ also performed strongly due to their attractive valuations and lower than expected bad debt charges.

Equity Portfolio by Sector Breakdown

as at 31 January 2010



*Investment in India Funds
 31 January 2009 figures in brackets
 Source: Aberdeen Asset Managers Limited and Nomura Asset Management U.K. Limited

The Japan portion of the portfolio outperformed with both sector and stock selection contributing positively. Under the very uncertain economic conditions Nomura favoured companies with solid demand prospects and a focus on cost reduction. Stocks in the electronics sector contributed most, for example Makita produced a strong earnings recovery on the back of strong global demand and well controlled inventory levels.

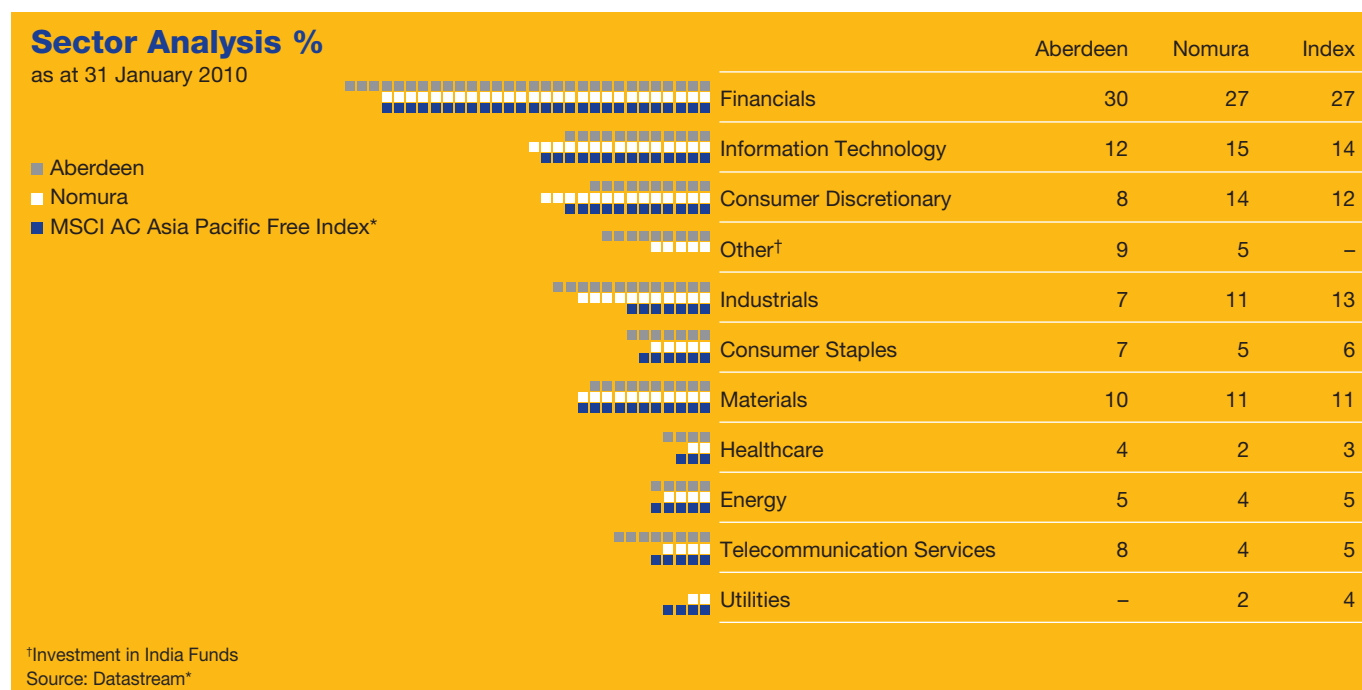
Nomura's outlook for the region:

“There are several reasons for adopting a more cautious approach. One reason is that surveys of investor sentiment now indicate an excessive degree of optimism. Although we agree that the outlook for Asian equities is very positive, relative to the rest of the world, we believe market participants have already acted accordingly. For example, Asian equities are historically high, while institutional cash levels are historically low. ...

Therefore we believe there is room for disappointment that could induce further selling pressure.

Such disappointments could materialize chiefly due to the inflationary pressures that are growing rapidly, especially in the two largest regional economies of China and India. ...

However we should emphasise that such a “mid cycle” correction is normal and that once the element of uncertainty has been reduced and inflationary expectations moderate, Asian markets will resume their upward trend.”



Portfolio Information

at 31 January 2010

Twenty Largest Investments of the Company

This period	Last period*	Company	Country	2009 Value £'000	2010 Value £'000	% of total investments
1	(1)	Aberdeen Global Indian Equity Fund	India	5,122	5,870	4.4
2	(6)	Samsung Electronics	South Korea	2,153	3,841	2.9
3	(7)	Nomura India Equity Fund	India	1,936	3,364	2.5
4	(-)	Rio Tinto	Australia/UK	1,040	3,188	2.4
5	(2)	China Mobile	China	2,850	3,082	2.3
6	(3)	Toyota Motor Corporation	Japan	2,393	2,933	2.2
7	(8)	Canon	Japan	1,873	2,633	2.0
8	(17)	Petrochina	China	1,421	2,626	2.0
9	(9)	Swire Pacific	Hong Kong	1,758	2,525	1.9
10	(16)	United Overseas Bank	Singapore	1,505	2,495	1.9
11	(-)	BHP Billiton	Australia/UK	839	2,480	1.9
12	(13)	Takeda Pharmaceutical	Japan	1,637	2,450	1.8
13	(11)	OCBC	Singapore	1,713	2,438	1.8
14	(5)	Honda Motor Company	Japan	2,342	2,409	1.8
15	(4)	Shin-etsu Chemical	Japan	2,384	2,297	1.7
16	(12)	QBE Insurance Group	Australia	1,707	2,279	1.7
17	(-)	PT Astra International	Indonesia	675	2,275	1.7
18	(10)	Taiwan Semiconductor Manufacturing	Taiwan	1,727	2,203	1.7
19	(-)	Mitsubishi Estate	Japan	1,266	2,191	1.6
20	(-)	Standard Chartered	Hong Kong/UK	1,088	2,075	1.5
Total					55,654	41.7

*The figures in brackets denote their position within the top 20 at the previous year end. The country shown is the country of incorporation. The value of the twenty largest holdings represents 41.7% (31 January 2009: 40.0%) of the Company's total investments.

Twenty Largest Investments of the Company

1. Aberdeen Global Indian Equity Fund

An Aberdeen Mutual Fund, whose objective is to invest in the equity of companies which are incorporated in India or which derive significant revenue or profit from India. This is a cost effective way of investing in India and does not affect Aberdeen's overall remuneration.

2. Samsung Electronics

The leading semiconductor company and a major player in mobile phones and TFT-LCDs.

3. Nomura India Equity Fund

A Nomura fund whose objective is to achieve long term capital growth through investment in an actively managed portfolio of Indian securities. This is a cost effective and less time consuming process than investing directly in Indian securities and does not affect Nomura's overall remuneration.

4. Rio Tinto

Rio Tinto is a leading international mining group, combining Rio Tinto plc, a London listed public company headquartered in the UK, and Rio Tinto Limited, which is listed on the Australian Stock Exchange, with executive offices in Melbourne.

5. China Mobile

China's largest mobile telephone operator. The company has been adding two to three million subscribers a month, and has a subscriber base of over 245 million.

6. Toyota Motor Corporation

The largest automobile producer in Japan and also one of the world's top automakers. Toyota has numerous model lineups from the popular models (under the Toyota brand) to luxury models (under the Lexus brand).

7. Canon

A world leader in photographic and imaging equipment. It has benefited from strong digital camera sales.

8. Petrochina

A Chinese oil company which is the listed arm of state-owned China National Petroleum Corporation, mainland China's biggest producer of oil.

9. Swire Pacific

Diversified Hong Kong based conglomerate that has operations in property, aviation, beverage, marine and industrial businesses. Its businesses are spread across the greater China region.

10. United Overseas Bank

This Singaporean bank has earned a higher return on its business than its competitors. It has a strong capital base and impressive cost-to-income ratio.

11. BHP Billiton

BHP Billiton is a global leader in the resources industry. Formed from a merger between BHP and Billiton, it brings together an exceptional mix of quality, low-cost resource assets, complemented by a strong management team determined to operate their assets in an efficient manner.

12. Takeda Pharmaceutical

A Japanese company that manufactures and distributes pharmaceuticals, food supplements and chemical products. It operates internationally, deriving overseas revenue from the United States and Europe.

13. OCBC

A Singaporean bank which continues to generate shareholder value through the restructuring of its non-core assets.

14. Honda Motor Company

A leading car manufacturer. It has continued to make headway in the US and European auto markets. It is also seeing growing profitability at its motorbike division.

15. Shin-etsu Chemical

A leading manufacturer of polyvinyl chloride, silicon, and silicon wafer for semiconductors.

16. QBE Insurance Group

Australian insurance group that underwrites commercial/ industrial and individual policies. It enjoys a wide geographical spread across the Americas, Europe and the Asia Pacific region.

17. PT Astra International

An Indonesia-based automotive manufacturer. It comprises five business divisions: Automotive, Financial Services, Heavy Equipment and Mining, Agribusiness, and Information Technology.

18. Taiwan Semiconductor Manufacturing ("TSMC")

The world's largest dedicated semiconductor foundry, TSMC provides wafer manufacturing, wafer probing, assembly and testing, mask production and design services.

19. Mitsubishi Estate

Mitsubishi Estate Company, is a Japan-based real estate company engaged in nine business segments including a building business, international business, residential business, hotel business, real estate services, custom-built housing, urban development & investment management, architectural design & engineering, and a real estate consulting & solutions department.

20. Standard Chartered

Standard Chartered PLC is a holding company. Through its subsidiaries, the Company is engaged in the business of retail and commercial banking and the provision of other financial services.

Directors' Report

Statutory Information

at 31 January 2010

The Directors have pleasure in presenting their report and audited financial statements for the year ended 31 January 2010. The Chairman's Statement and Business Review should be read in conjunction with this report.

Principal Activity

The principal activity of the Company is to carry on the business of an investment trust.

Status of the Company

The Company is an investment company as defined by section 833 of the Companies Act 2006.

The Company operates as an investment trust in accordance with section 842 of the Income and Corporation Taxes Act 1988. Her Majesty's Revenue & Customs ("HMRC") approval of the Company's status as an investment trust has been received in respect of the year ended 31 January 2009. This approval is subject to there being no subsequent enquiry under the Corporation Tax Self-Assessment. In the opinion of the Directors, the Company has subsequently conducted its affairs so that it would continue to qualify.

The Company's shares are eligible for inclusion in an Individual Savings Account ("ISA").

Life of the Company

The Company has no limited life provisions in its Articles of Association.

Business Review

The Business Review on pages 10 to 19 has been prepared in accordance with the requirements of section 417 of the Companies Act 2006 ("section 417"). It is designed to provide shareholders with information about your Company's business and results for the year ended 31 January 2010 and contains financial and where applicable, non-financial key performance indicators ("KPIs"). The Directors consider that, in line with the activities and objectives of the Company, the KPIs set out on page 12 are those which communicate the performance of the Company.

Results and Dividend

Revenue attributable to equity shareholders	£'000
Net revenue return after taxation	1,654
Proposed dividend: 66,273,868 Ordinary shares	
Final dividend of 2.1p per share	(1,392)

Share Capital

At 31 January 2010, there were 66,308,868 Ordinary shares of 25p each in issue (2009: 66,358,868 Ordinary shares). During the year to 31 January 2010 the Company bought back 50,000 Ordinary shares, representing 0.08% of issued shares at the year end, at an average price of £1.18 per Ordinary share, for a total cost of £59,000 including dealing costs. All the shares bought back were cancelled and at 31 January 2010 there were no shares being held in treasury.

Subsequent to the year end, the Company has purchased and cancelled a further 35,000 Ordinary shares at an average price of £1.83 per Ordinary share.

Continued Appointment of the Investment Managers

The Company's assets are managed by Aberdeen Asset Managers Limited ("Aberdeen"), a subsidiary of Aberdeen Asset Management PLC, and Nomura Asset Management U.K. Limited ("Nomura"). Each of the Investment Managers is entitled to a base management fee calculated according to the value of the assets under their management, and a performance fee. The performance fee is calculated according to investment performance over a three year rolling period and is subject to a cap. The base investment management fees range from 0.20% to 0.25% per annum and the performance fees range from 10% to 15% per annum of the relevant portfolio outperformance. Each Investment Management Agreement can be terminated at one month's notice in writing. Upon termination, the Company will pay the accrued fees to the date of termination and will reimburse each Investment Manager all of the outstanding expenses payable or incurred.

The Board conducted a thorough review of the Investment Managers' performance during the year and concluded that the continued appointment of Aberdeen and Nomura, on the current terms, is in the interests of shareholders. Such review is carried out on an annual basis.

Administration and Company Secretarial Services

Fund accounting administration services are provided to the Company by BNP Paribas Securities Services (“BPSS”) pursuant to an Agreement dated 22 March 2005 as amended between the Company and BNP Paribas Fund Services UK Limited and novated to BPSS on 1 December 2008. The fee for these services is £35,000 per annum plus an ad valorem charge applied to the gross assets of the Company at the rate of 0.02%, up to gross assets of £300m, and at the rate of 0.01% on gross assets over £300m. The Agreement with BPSS continues until terminated by either party on giving not less than six months’ written notice.

Company Secretarial services are provided by Phoenix Administration Services Limited (Phoenix) pursuant to an Agreement dated 26 November 2008, for a fee of £37,000 per annum. Phoenix were appointed as the Company Secretary to the Company on 26 November 2008. The Agreement with Phoenix continues until terminated by either party on giving not less than six months’ written notice.

Directors

The Directors of the Company and their biographical details are shown on page 2. All the Directors held office throughout the year under review. In addition, Mr. William Courtauld OBE was a Director of the Company during the year but died on 7 March 2010.

At the forthcoming Annual General Meeting (“AGM”), in accordance with the requirements of the Articles of Association and the Association of Investment Companies’ Code of Corporate Governance (“AIC Code”), Mrs. Bates is required to retire by rotation pursuant to Article 81 and Principle 3 of the AIC Code and Mrs. Nott and Dr. Atkinson, who have both served as Directors for more than nine years, are required to retire annually pursuant to Principle 3 of the AIC Code. All three Directors, being eligible, intend to seek re-election at the forthcoming AGM.

The Nomination and Remuneration Committee reviewed the performance of Mrs. Bates, Mrs. Nott and Dr. Atkinson and their individual contributions to the operation of the Company and concluded that the Company benefitted from the services of these Directors and accordingly recommended to the Board that separate resolutions be put to shareholders at the AGM that, being eligible, Mrs. Sarah Bates, Mrs. Gillian Nott and Dr. Leslie Atkinson each be re-elected as Directors of the Company. The Board concurred with the recommendations of the Committee and recommends that shareholders vote in favour of each resolution.

None of the Directors has a service contract with the Company.

The Corporate Governance Statement is set out on pages 24 to 30 of the Directors’ Report.

Directors’ Interests

The beneficial and family interests of the Directors in the Ordinary shares of the Company were as follows:

	31 January 2010	31 January 2009
G Nott	17,500	17,500
Dr. L Atkinson	15,000	15,000
A J Barber	12,000	–
S C Bates	31,500	25,000
W M Courtauld	–	–

No changes to these holdings have been notified as at the date of this report.

The following information is disclosed in accordance with section 992 of the Companies Act 2006:

- In respect of the Company’s shares, there are no:
 - (i) restrictions on the transfer of or in respect of the voting rights of the Company’s shares;
 - (ii) agreements, known to the Company, between holders of securities regarding the transfer of such shares; and
 - (iii) special rights with regard to control of the Company attaching to any such shares.
- Details of the significant direct or indirect holdings of the Company’s shares are shown in the table overleaf.
- The rules on the appointment and replacement of the Directors are set out in the Company’s Articles of Association (the Articles).
- The Company may by ordinary resolution suspend or relax to any extent, in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of the Directors or of a Committee of the Directors.
- Subject to the provisions of the Companies Act, the Articles, and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. The powers shall not be limited by any special power given to the Directors by the Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- There are no agreements:
 - (i) to which the Company is a party that might affect its control following a takeover bid; and
 - (ii) between the Company and its Directors concerning compensation for loss of office.

Substantial Share Interests

Significant Direct or Indirect Interests	At 31 January 2010		At 31 March 2010	
	Ordinary shares	% of Voting Rights	Ordinary shares	% of Voting Rights
LR Nominees Limited for Witan Wealthbuilder Savings Schemes	10,972,189	16.55	10,907,926	16.46
1607 Capital Partners LLC	5,978,409	9.02	6,103,409	9.21
Wesleyan Assurance Society	2,980,000	4.49	2,680,000	4.04
Legal & General Investment Management Limited	2,752,658	4.15	2,738,583	4.13
Rock Nominees Limited for Charles Stanley private clients	2,674,386	4.03	2,693,837	4.06
Rathbone Nominees Limited for Rathbone private and charitable clients	2,315,461	3.49	2,304,484	3.48
F&C Share Schemes	2,073,618	3.13	2,053,675	3.10
Chase Nominees Limited for NFU Mutual	2,070,000	3.12	2,070,000	3.12

Policy on Payment of Suppliers

It is the Company's payment policy to obtain the best possible terms for all business and therefore there is no single policy as to terms used. The Company agrees with its suppliers the terms on which the business will take place and it is the Company's policy to abide by such terms. There were no trade creditors as at 31 January 2010 (31 January 2009: nil).

Donations

No political or charitable donations have been made during the year ended 31 January 2010 (31 January 2009: nil).

A charitable donation of £500 was made in March 2010 to Maggie's Cancer Caring Centres in memory of Mr. William Courtauld OBE.

Going Concern

The Directors believe that it is appropriate to continue to adopt the going concern basis as, after due consideration, they believe that the Company has the resources to continue in operation into the foreseeable future.

Special Business of the Annual General Meeting

Resolutions 9 to 11 seek shareholders' approval for the following authorities to be granted for a period of 18 months or until the conclusion of the 2011 Annual General Meeting ("AGM") if earlier.

Authority to Allot Shares Generally

Resolution 9 authorises the Board to allot shares generally and unconditionally in accordance with the section 551 of the Companies Act 2006 up to an aggregate nominal value of £2,483,750.

Authority to Dis-apply Pre-emption Rights and to sell or transfer Treasury shares

Resolution 10 authorises the Board to allot shares or to sell or transfer any shares held in treasury for cash in the circumstances described in the Resolution otherwise than on a *pro rata* basis up to an aggregate nominal value of £828,000.

The Directors do not intend to allot Ordinary shares pursuant to this authority other than to take advantage of opportunities in the market as they arise and would do so only if they believe it to be advantageous to the Company's existing shareholders and would not result in any dilution of the net asset value per Ordinary share.

Authority for the Company to purchase and cancel its own Ordinary shares and to hold Treasury shares

Resolution 11 authorises the Company to purchase its own shares in the market up to a maximum of 9,935,000 Ordinary shares representing approximately 14.99 per cent of the issued share capital (excluding treasury shares) at the date of this Report for cancellation or for up to an equivalent of 10 per cent of the issued share capital to be held as treasury shares. The shares would be bought for a minimum of 25p per share and a maximum of 5 per cent above the average of the Daily Official List middle market quotation for the five business days immediately preceding the date of purchase.

The authority will allow the Company to hold Ordinary shares so purchased in treasury, as an alternative to immediate cancellation, provided that the number of Ordinary shares held in treasury is not at any time more than 10% of the Company's issued share capital.

Recommendation

The Board considers that Resolutions 9 to 11 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings.

Independent Auditors

PricewaterhouseCoopers LLP, the independent auditors of the Company, have indicated their willingness to continue in office. The Audit Committee has responsibility for making a recommendation to the Board on the re-appointment of the external auditors. After careful consideration of the services provided to the Company during the year and a review of the effectiveness of the external auditors; the Audit Committee has recommended that PricewaterhouseCoopers LLP be re-appointed as the Company's auditors. Accordingly, resolutions are to be proposed at the forthcoming AGM for their re-appointment and to authorise Directors to agree their remuneration for the ensuing year.

Information to Auditors

The Directors who held office at the date of the approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Annual General Meeting

The AGM of the Company will be held on Tuesday, 8 June 2010 at 12 noon at the J.P. Morgan Cazenove Auditorium, 20 Moorgate, London EC2R 6DA.

By order of the Board

Phoenix Administration Services Limited

Secretary
28 April 2010

Corporate Governance Statement

Background

The Listing Rules and the Disclosure Rules and Transparency Rules (“Disclosure Rules”) of the UK Listing Authority require listed companies to disclose how they have applied the principles and complied with the provisions of the Combined Code on Corporate Governance (“Combined Code”), as issued by the Financial Reporting Council (“FRC”). The provisions of the Combined Code issued by the FRC in June 2008 are applicable to the year under review. The related Code of Corporate Governance (the AIC Code) issued by the Association of the Investment Companies (“AIC”) in March 2009 provides specific corporate governance guidelines to investment trusts. 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 obligations in relation to the Combined Code and the associated disclosure requirements of the Disclosure Rules. The Combined Code can be viewed at <http://www.frc.org.uk/corporate/combinedcode.cfm>

The AIC Code can be viewed at <http://www.theaic.co.uk/files/technical/AICCode.pdf>

Compliance

Throughout the year ended 31 January 2010 the Company complied with the provisions of the AIC Code. The Board attaches great importance to the matters set out in the Code and strives to observe its principles. It should be noted that as an investment trust, all the Directors are non-executive and most of the Company’s day to day responsibilities are delegated to third parties.

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

The Principles of the AIC Code

The AIC Code is made up of twenty-one principles over three sections covering:

- The Board
- Board Meetings and relations with the Investment Manager
- Shareholder Communications

BOARD

AIC Code

Principle

<p>1 The chairman should be independent.</p>	<p>The Chairman, Mrs. Nott, was at the time of her appointment, and remains, independent. There is a clear division of responsibility between the Chairman, the Directors, the Executive Manager, the Investment Managers and the Company’s other third party service providers. No one individual has unfettered powers of decision. The Chairman is responsible for leading the Board, ensuring its effectiveness on all aspects of its role and is responsible for ensuring that all Directors receive accurate, timely and clear information.</p>
<p>2 A majority of the board should be independent of the manager.</p>	<p>As at 31 January 2010, the Board comprised five non-executive independent Directors the independence of whom is reviewed annually. Mrs. Nott is Chairman of the Board and Dr. Atkinson is the Senior Independent Director. The Board considers that it is able to act independently of Witan Investment Services Limited, the Executive Manager, and of both Investment Managers, Aberdeen Asset Managers Limited and Nomura Asset Management U.K. Limited. All the Directors are independent of the Company itself as, in the opinion of the Board, each Director is independent in character and judgement and there are no relationships or circumstances relating to the Company that are likely to affect their judgement. Mrs. Bates has been a non-executive director of New India Investment Trust plc (“New India”) since 9 December 2004. New India is an independent listed investment trust managed on an arms length basis by Aberdeen Asset Management Asia Limited (“Aberdeen Asia”), a member of the Aberdeen Group. Mrs. Bates is not a director of, nor does she receive any fees from, Aberdeen Asia and neither she, New India nor the Company holds shares in Aberdeen Asia. The Board does not consider that this appointment compromises Mrs. Bates’ independence as a Director of the Company. Whilst the Board currently comprises only Directors who are considered to be independent, it is nevertheless prepared to have a minority of non-independent directors should this be considered appropriate at any stage. There is no chief executive position within the Company, and the day to day management of the Company’s affairs have been delegated to third party providers.</p>

<p>2 <i>continued</i></p>	<p>A procedure is in place for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. There has been no professional advice taken by the Directors during the year which has incurred expense to the Company.</p>
<p>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.</p>	<p>New Directors stand for election at the first AGM following their appointment and thereafter all Directors submit themselves for re-election at least every three years in accordance with the Code. The Board, through the Nomination and Remuneration Committee, considers the structure of the Board and recognises that any term beyond six years should be subject to particularly rigorous review and should take into account the need for progressive refreshing of the Board.</p>
<p>4 The board should have a policy on tenure, which is disclosed in the annual report.</p>	<p>The Board acknowledges the Code provisions relating to tenure. Directors serving longer than nine years are subject to annual re-election. The Board does not, however, have a pre-set criterion for retirement based on length of service believing that recommendation for re-election should be on an individual basis following rigorous review. All the terms and conditions of non-executive Directors are available for inspection at the registered office of the Company and at the AGM.</p>
<p>5 There should be full disclosure of information about the board.</p>	<p>All the Directors are resident in the UK and their biographical details which are set out on page 2 of this Report demonstrate the wide range of skills and experience that they bring to the Board.</p>
<p>6 The board should aim to have a balance of skills, experience, ages and length of service.</p>	<p>The Board conducts a skills audit to enable the Board to identify any skill shortages to be filled by new Directors. When considering new appointments, the Board reviews the skills of the Directors and seeks to add persons with complementary skills and experience.</p>
<p>7 The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.</p>	<p>The Board has formalised a process to evaluate its own performance and that of its Chairman on an annual basis. This process is based on open discussion and assessment of the strengths and weaknesses of the Board and its Committees, with the Chairman making recommendations to improve performance where necessary. The assessment covers the functioning of the Board as a whole and a similar review of the effectiveness of the Board Committees is also carried out. The Chairman also reviews with each of the Directors their individual performance, contribution and commitment to the Company and any further development of skills. Following discussions with the other Directors, the Senior Independent Director similarly reviews with the Chairman, her performance. The Nomination and Remuneration Committee receives relevant points arising from the performance evaluation process and then considers the information when making a recommendation to the Board regarding the election and re-election of Directors.</p> <p>The Board does not consider it necessary to employ the services of or to incur the additional expenses of an external third party to conduct the evaluation process.</p>
<p>8 Director remuneration should reflect their duties, responsibilities and the value of their time spent.</p>	<p>The Nomination and Remuneration Committee each year reviews the fees paid to the non-executive Directors and compares these with the fees paid by the Company's peer group and the investment trust industry generally, taking into account the level of commitment and responsibility of each Board member. Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on page 31 and in note 4 in the accounts.</p>

<p>9 The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.</p>	<p>The Nomination and Remuneration Committee considers the criteria for future Board appointments and the methods of recruitment, selection and appointment.</p> <p>All members of the Committee are independent and its Chairman is the Senior Independent Director.</p>
<p>10 Directors should be offered relevant training and induction.</p>	<p>New appointees to the Board are provided with a full induction programme which covers the Company's investment strategy, policies and practices. Thereafter, Directors are given key information on the Company's regulatory and statutory requirements as they arise including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board Committees, the Company's corporate governance practices and procedures and the latest financial information. It is the Chairman's responsibility to ensure that the Directors have sufficient knowledge to fulfil their role and Directors are encouraged to participate in training courses where appropriate.</p> <p>The Directors have access to the advice and services of a Company Secretary through its appointed representative which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible for ensuring good information flows between all parties.</p>
<p>11 The chairman (and the board) should be brought into the process of structuring a new launch at an early stage.</p>	<p>Principle 11 applies to the launch of new investment companies and is therefore not applicable to the Company.</p>

BOARD MEETINGS AND RELATIONS WITH THE INVESTMENT MANAGER

AIC Code	Principle
<p>12 Boards and managers should operate in a supportive, co-operative and open environment.</p>	<p>The Board meets formally at least five times each year and representatives of the Investment Managers attend at least three Board meetings a year. Representatives of the Executive Manager attend each Board meeting and certain committee meetings. The Board is chaired by Mrs. Nott who encourages open and constructive debate to foster a supportive and co-operative approach for its own meetings and for those with its Managers.</p>
<p>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.</p>	<p>The Board sets the boundaries within which the Investment Managers operate. The Investment Managers decide on the purchase and sale of individual investments and also ensure that the Board receives all relevant management and financial information in a timely manner. Representatives of the Investment Managers attend at least three Board meetings a year enabling the Board to review the Investment Managers' performance against the Company's investment objective, the portfolio risk and attribution analysis and to seek clarification on specific investment issues.</p> <p>The Board has agreed a schedule of matters specifically reserved for decision by the Board including:</p> <ul style="list-style-type: none"> ■ Corporate strategy ■ Setting the overall objectives and investment restrictions within which the Managers are free to operate

13 *continued*

- Setting gearing and asset allocation limits and imposing limits on investment powers/changes, within which the Managers have discretion to act
- Approving unquoted investments

The Marketing Committee of the Board has established a marketing and shareholder communication strategy which is implemented by the Executive Manager.

Prior to each Board and Committee meeting, Directors are provided with a comprehensive set of papers giving detailed information on the Company's transactions and financial position and all Directors have timely access to all relevant management, financial and regulatory information.

14 Boards should give sufficient attention to overall strategy.

The Board is responsible for determining the strategic direction of the Company. The Board meets at least five times each year and has established a predetermined annual programme of agenda items under which it reviews the objectives and strategy for the Company, management, investment and marketing performance as well as other high-level management information including financial reports. The Board also meets on one additional day each year when it focuses on strategy and any specific issues that require greater attention.

15 The board should regularly review both the performance of, and contractual arrangements with, the manager (or executives of a self-managed fund).

The Board meets with the Investment Managers at least three times each year to review their performance.

The Investment Management Agreements (IMAs) were entered into after full and proper consideration by the Board of the quality and cost of services offered including the financial control systems in operation in so far as they relate to the affairs of the Company, and each contract is monitored on an annual basis by the Audit and Management Engagement Committee.

In accordance with the requirements of the IMAs, the Investment Managers confirm to the Board on a monthly basis that an independent check has been carried out on compliance with the investment guidelines set by the Board.

16 The board should agree policies with the manager covering key operational issues.

The Board has agreed detailed investment guidelines with the Managers and takes the opportunity to review them at regular Board meetings. The Board has delegated discretion to the Investment Managers to exercise voting powers on its behalf.

17 Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.

The Board considers the discount of the Company at every Board meeting.

The Board has a share repurchase programme that seeks to address imbalances in the supply of and the demand for the Company's shares within the market.

18 The board should monitor and evaluate other service providers.

The Audit and Management Engagement Committee reviews annually the performance of all the Company's third-party providers including the level and structure of fees payable and the length of the notice period, to ensure that they remain competitive and in the best interests of shareholders.

SHAREHOLDER COMMUNICATIONS

AIC Code	Principle
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 view to shareholders.	A regular dialogue is maintained with the Company's institutional shareholders and private client asset managers. Representatives of the Executive Manager meet with institutional shareholders and private client asset managers during the course of the year. Shareholders wishing to communicate with the Chairman, the Senior Independent Director or any other member of the Board may do so by writing to the Company, for the attention of the Company Secretary at the Registered Office. All shareholders are encouraged to attend the AGM, where they are given the opportunity to question the Chairman, the Board and representatives of the Investment Managers.
20 The board should normally take responsibility for, and have direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.	The Executive Manager discusses with the Board all substantive communications regarding corporate issues. The Executive Manager also discusses with the Marketing Committee of the Board relevant promotional material that it is proposing to issue.
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 Chairman is responsible for ensuring that there is effective communication with shareholders. The Board has established a Marketing Committee which meets regularly to review the marketing strategy of the Company and communications with its shareholders. The Company places great importance on communication with shareholders and aims to provide shareholders with a full understanding of the Company's activities and performance by means of informative Annual and Half Year reports and the Interim Management Statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares and by regular updating of the Company's website.

Board and Committee Meetings

Attendance or participation by telephone conference call

	Board	Audit and Management Engagement Committee	Nomination and Remuneration Committee	Away Day
Number of meetings	5	3	2	1
G Nott	5	3	2	1
L Atkinson	5	3	1	1
A J Barber	5	3	2	1
S C Bates	5	3	2	1
W M Courtauld	3	3	1	1

No individuals other than the Committee chairman and its members are entitled to be present at Committee meetings unless invited to attend by its members. Copies of the terms of reference for the Board Committees are available from the Company Secretary.

Board Committees

The Board has agreed a schedule of matters specifically reserved for decision by the full Board subject to which the Board has delegated specific duties to an Audit and Management Engagement Committee and a Nomination and Remuneration Committee, both of which operate within written terms of reference. Committee membership is set out on page 2 of this report. Phoenix Administration Services Limited acts as Secretary to each Committee.

Audit and Management Engagement Committee

The Audit and Management Engagement Committee (the "Audit Committee") of the Company meets at least three times a year. The main responsibilities of the Audit Committee include monitoring the integrity of the Company's financial statements and appropriateness of its accounting policies, reviewing the internal control systems and the risks to which the Company is exposed, and making recommendations to the Board regarding the appointment of the external auditors, their independence, objectivity and effectiveness of the audit process. The Audit Committee also meets annually to review the terms of engagement of the Investment Managers and the other third party service providers to the Company.

The Audit Committee has direct access to PricewaterhouseCoopers LLP, who act as independent auditors to the Company. The auditors attend the Audit Committee meeting to review the annual results and to discuss with the Audit Committee their comprehensive review of the scope and audit of the Company. Through these meetings and the ongoing dialogue with the auditors, the Audit Committee is able to assess the effectiveness of the external auditors. The Audit Committee has approved and implemented a policy on the engagement of the auditors to supply non-audit services, taking into account the recommendations of the Accounting Practices Board and does not believe there to be any impediment to the auditors' objectivity and independence.

A meeting has been held with the Auditors to review the work carried out for the audit of the annual financial statements. The Auditors also attend each of the scheduled Audit Committee meetings. The appointment of the auditors was put out to tender in 2004 and on the basis of their attendance at the scheduled meetings, the Audit Committee has been able to assess the effectiveness of the external audit. In completing this review, the Audit Committee has taken into account the standing, experience and tenure of the audit partner and his team, the nature and level of services provided, and confirmation that they have complied with the relevant UK independence standards. The Auditors are required to rotate the audit partner every five years and this is the first year that the current partner has been in place. The Manager and the Company use different audit firms. On the basis of its assessment, the Audit Committee has recommended to the Board the continuing appointment of the Auditors.

It has been agreed that all non-audit work to be carried out by the auditors must be approved by the Audit Committee in advance. The cost of non-audit services for the financial year ended 31 January 2010 was £5,000 as detailed in note 4 on the accounts and is not material in nature in the context of these accounts.

The Company does not have an internal audit function; it delegates to third parties most of its operations and does not employ any staff. The Administrator has established an internal controls framework to provide reasonable assurance on the effectiveness on the internal controls operated on behalf of its clients. The Investment Managers, the Administrator and the Company Secretary report on any breaches of law or regulation as and when they arise and in scheduled Board reports. The Audit Committee considers annually whether there is any need for an internal audit function, and it has agreed that it is appropriate for the Company to rely on the internal audit controls which exist within its third party providers and that it is not necessary to have an internal audit function.

Mr. Barber, the Chairman of the Audit Committee is considered to have relevant financial and investment

experience as a result of his employment in accountancy and financial services sectors. As the Company has no employees there is no dedicated resource to the Audit Committee. However, representatives from BNP Paribas Securities Services, which produces the financial information for the Company, are invited to attend and present on issues as required. In addition, representatives of the Executive Manager are invited to attend the Audit Committee meetings and are asked to present on specific issues.

The Company does not have a whistleblowing policy and procedure in place. The Company delegates its main functions to third party providers who have such policies in place and the Audit Committee understands that these policies meet the industry standards.

The Audit and Management Engagement Committee also has responsibility for annually reviewing the performance of all the Company's third party providers including the level and structure of fees payable and the length of the notice period. The appointment and removal of the Company Secretary is a matter for the whole Board.

Nomination and Remuneration Committee

The primary role of the Nomination and Remuneration Committee (the "Nomination Committee") is to review and make recommendations with regard to the Board structure, size and composition, balance of knowledge, experience and skills of the Board members and consider succession planning and tenure policy as well as considering the Directors' level of remuneration. It also considers the criteria for future Board appointments and the methods of recruitment, selection and appointment.

The Committee considers and makes recommendations with regard to Committee membership, the re-appointment of those Directors standing for re-election at AGM's, variations in terms of appointment and the question of each Director's independence prior to publication of the Annual Report and Accounts. The Nomination and Remuneration Committee is chaired by Dr. Atkinson, except when the Committee is evaluating Dr. Atkinson's performance, when an independent non-executive Director chairs the Committee.

The Nomination Committee meets at least twice each year, receives feedback from the Chairman on the Directors' performance through the evaluation process and considers those Directors who are to retire by rotation at the Annual General Meeting, making recommendations to the Board on their re-election.

At a recent meeting, the Nomination Committee considered the requirement for Mrs. Bates to retire at the forthcoming AGM by rotation pursuant to Article 81 and Principle 3 of the AIC Code and for Mrs. Nott and Dr. Atkinson, who have both served as Directors for more than nine years, to retire at the AGM pursuant to Principle 3 of the AIC Code – all three Directors having confirmed their intention to seek re-election at the AGM.

The Nomination Committee reviewed the performance and the individual contributions to the Board of all three Directors seeking re-election and, in view of their length of service, undertook a rigorous review of Mrs. Nott and Dr. Atkinson, and concluded that their extensive experience within the investment company sector enabled each to make a significant contribution to Board and its management of the Company. After due consideration, the Nomination Committee recommended to the Board that separate resolutions be put to shareholders at the AGM that, being eligible, Mrs. Sarah Bates, Mrs. Gillian Nott and Dr. Leslie Atkinson each be re-elected as Directors of the Company. The Board concurred with the recommendations of the Committee and recommends that shareholders vote in favour of each resolution.

The Nomination Committee, in conjunction with a professional recruitment advisor, is presently engaged in the search for a new Director to join the Board as Mr. William Courtauld had previously indicated his intention not to seek re-election at the forthcoming AGM.

Internal Controls and Management of Risk

The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness, ensuring that the risk management and control processes are embedded in day to day operations. These controls aim to ensure that assets of the Company are safeguarded, proper accounting records maintained and the financial information used within the business and for publication is reliable. The Board has exercised its control of financial, operational and compliance risks and of overall risk management by relying on regular reports on performance attribution and other management information provided by the Executive Manager and the Investment Managers. The systems of internal controls are designed to manage rather than eliminate risk of failure to achieve the investment objective and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The key procedures which have been established to provide effective internal controls are as follows:

- The Board has carried out and documented a risk and control assessment, which was reviewed during the year, is monitored regularly and is subject to detailed annual review.
- The responsibilities for the investment management, accounting and custody of assets are segregated. The procedures of the individual parties are designed to complement each other to safeguard the Company's assets.
- The Board is responsible for setting the overall investment policy and monitoring the actions of the Investment Managers at regular Board Meetings. The Board reviews information produced by the Investment Managers in detail on a monthly basis.

- Administration and Company Secretarial services are provided by BNP Paribas Securities Services ("BPSS") and Phoenix Administration Services Limited ("Phoenix") respectively. BPSS and Phoenix report to the Board on a quarterly basis and ad hoc as necessary. In addition the Board reviews BPSS's independently tested report on its internal controls.
- Safekeeping of the Company's assets is undertaken by JPMorgan Chase Global Custody Services.
- The duties and responsibilities of the Company's agents and advisers are clearly defined in the terms of their contracts of engagement. The appointment of agents and advisers is conducted by the Board after consideration of the expertise of each party and the Board monitors their ongoing performance and contractual arrangements to ensure that they remain effective.
- Mandates for authorisation of investment transactions and expense payments are set by the Board.

Through the application of the procedures set out above, and in accordance with the Financial Reporting Council's Internal Control – Revised Guidance for Directors on the Combined Code dated October 2005, the Directors have kept under review the effectiveness of the Company's internal controls throughout the year under review and up to the date of this Report. During the course of its review of the system of internal controls, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant.

Statement of Compliance

The Directors have reviewed the principles outlined in the AIC Code and consider that the Company has complied with the provisions of the AIC Code during the year ended 31 January 2010 and up to the date of this Report.

Annual General Meeting

The AGM of the Company will be held on 8 June 2010 at 12 noon at the J.P. Morgan Cazenove Auditorium, 20 Moorgate, London EC2R 6DA. In accordance with the Code, the Notice of Meeting as set out on pages 57 to 60 of this Annual Report has been issued not less than 20 working days before the meeting. Details of proxy votes received in respect of each resolution will be made available to shareholders at the meeting and will be subsequently available on the Company's website.

By order of the Board

Phoenix Administration Services Limited

Secretary
28 April 2010

Directors' Remuneration Report

The Directors are pleased to present their report on remuneration for the year ended 31 January 2010 prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The Company's auditors are required to verify certain information within this report subject to statutory audit by the Companies Act 2006. Where information set out below has been audited it is clearly indicated. The Independent Auditors' Report can be found on page 33.

The Board

The Board is comprised entirely of non-executive Directors. A Nomination and Remuneration Committee has been appointed which considers the Directors' remuneration and makes recommendations to the Board, based on industry reviews of fees paid to Directors of other investment trusts.

As at 31 January 2010, the Board comprised five non-executive Directors, all of whom were independent of the Investment Managers. In accordance with the Company's Articles of Association, new Directors are required to stand for election at the first AGM following their appointment, and thereafter, are required to retire by rotation, so that over a three-year period all Directors have retired from the Board and have offered themselves for re-election.

No Director has a contract of service with the Company but are instead appointed by letters of appointment. A Director may resign in writing to the Board at any time; there are no fixed notice periods nor any entitlement to compensation for loss of office.

Policy on Directors' Remuneration

The Company's Articles of Association limit the aggregate fees payable to the Board of Directors to a total of £175,000 per annum. Subject to this overall limit, it is the Company's policy to determine the level of Directors' fees having regard to the level of fees payable to non-executive directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities, and the time committed to the Company's affairs.

The Company's policy is for the Chairman of the Board to be paid a higher fee than the other Directors, to reflect the more onerous role and for the Directors' fees to be reviewed from time to time.

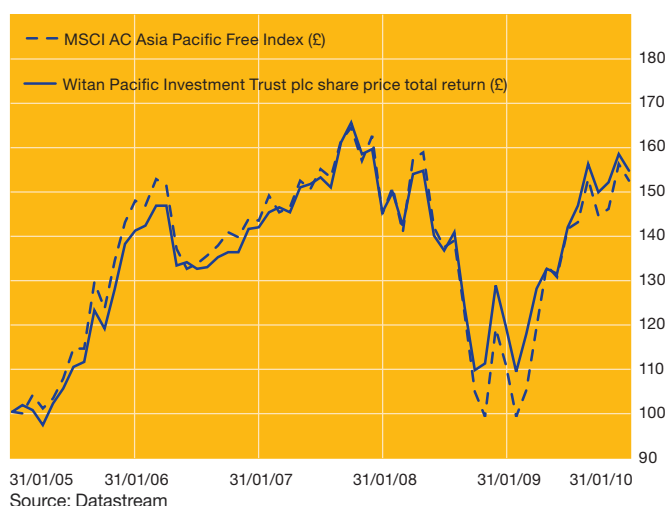
It is also the Company's policy that no Director shall be entitled to any benefits in kind, share options, long term incentives, pensions or other retirement benefits, nor compensation for loss of office. It is also considered appropriate that no aspect of Directors' remuneration should be performance-related in light of the Directors' non-executive status. Directors are entitled to claim expenses in respect of duties undertaken in connection with the management of the Company.

It is the intention of the Board, that unless deemed appropriate to implement a revision, the above

remuneration policy will continue to apply for the forthcoming financial year.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors and is renewed annually.

Performance Graph



The performance graph above shows the share price total return to ordinary shareholders since 31 January 2005 compared to the total return of the MSCI AC Asia Pacific Free Index (£), the benchmark index against which the Company's performance is measured.

Remuneration for Qualifying Services (Audited)

The Directors who served during the year received the following emoluments:

Director	2010 Fees for services to the Company £	2009 Fees for services to the Company £
G Nott (Chairman)	30,000	30,000
Dr. L Atkinson	18,000	18,000
A J Barber	20,000	20,000
S C Bates	18,000	18,000
W M Courtauld	18,000	18,000
Totals	104,000	104,000

The amounts paid by the Company to the Directors were for services as non-executive Directors. Mr. Barber receives an additional fee of £2,000, included in the fee shown above, for chairing the Audit and Management Engagement Committee. The fees have remained unchanged since 1998.

By order of the Board

Phoenix Administration Services Limited

Secretary
28 April 2010

Directors' Report

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, the Directors' Remuneration 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 have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 net return of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 and the Directors' Remuneration Report 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 financial statements are published on www.witanpacific.com, which is a website maintained by the Company's Executive Manager, Witan Investment Services Limited ("Witan"). The Directors are responsible for the maintenance and integrity of the Company's website. The work carried out by the Auditors does not involve consideration of the maintenance and integrity of the website and accordingly, the Auditors accept no responsibility for any changes that have occurred to the Annual Report and Financial Statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Statement under DTR 4.1.12

Each of the Directors, whose names and functions are listed on page 2, confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and net return of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

By order of the Board

Gillian Nott
Chairman
28 April 2010

Independent Auditors' Report

to the members of Witan Pacific Investment Trust plc

We have audited the financial statements of Witan Pacific Investment Trust plc for the year ended 31 January 2010 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 32, 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 Company's affairs as at 31 January 2010 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, set out on page 22, in relation to going concern; and
- the parts 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.

Alex Bertolotti (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 April 2010

Income Statement

for the year ended 31 January 2010

	Revenue notes	Capital notes	Year ended 31 January 2010			Year ended 31 January 2009		
			Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss		9	–	32,078	32,078	–	(26,220)	(26,220)
Exchange (losses)/gains		16	–	(222)	(222)	–	592	592
Investment income	2		2,950	–	2,950	3,812	–	3,812
Management fees	3		(305)	–	(305)	(283)	–	(283)
Refund of prior years' VAT	3/4		–	–	–	557	–	557
Performance fees		3	–	(638)	(638)	–	(318)	(318)
Other expenses	4	16	(663)	(57)	(720)	(576)	(45)	(621)
Net return/(loss) before finance charges and taxation			1,982	31,161	33,143	3,510	(25,991)	(22,481)
Finance charges	5		(129)	–	(129)	(203)	–	(203)
Net return/(loss) on ordinary activities before taxation			1,853	31,161	33,014	3,307	(25,991)	(22,684)
Taxation on ordinary activities	6	6	(199)	34	(165)	(963)	90	(873)
Net return/(loss) on ordinary activities after taxation			1,654	31,195	32,849	2,344	(25,901)	(23,557)
Return/(loss) per Ordinary share – pence	7	7	2.49	47.05	49.54	3.50	(38.66)	(35.16)

All revenue and capital items in the above statement derive from continuing operations.

The total columns of this statement represent the Income Statement of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The Company had no recognised gains or losses other than those disclosed in the Income Statement.

The notes on pages 38 to 51 form an integral part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 January 2010

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Year ended 31 January 2010							
At 31 January 2009		16,590	5	40,981	33,339	10,151	101,066
Net return on ordinary activities after taxation		-	-	-	31,195	1,654	32,849
Dividends paid in respect of year ended 31 January 2009	8	-	-	-	-	(1,890)	(1,890)
Purchase of own shares	14	(13)	-	13	(59)	-	(59)
At 31 January 2010		16,577	5	40,994	64,475	9,915	131,966
Year ended 31 January 2009							
At 31 January 2008		16,887	5	40,684	61,091	8,916	127,583
Net (loss)/return on ordinary activities after taxation		-	-	-	(25,901)	2,344	(23,557)
Dividends paid in respect of year ended 31 January 2008	8	-	-	-	-	(1,109)	(1,109)
Purchase of own shares	14	(297)	-	297	(1,851)	-	(1,851)
At 31 January 2009		16,590	5	40,981	33,339	10,151	101,066

The notes on pages 38 to 51 form an integral part of these financial statements.

Balance Sheet

at 31 January 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Investments held at fair value through profit or loss	9	133,318	99,470
Current assets			
Debtors	10	1,485	708
Cash at bank and short term deposits		5,992	5,686
		7,477	6,394
Creditors: amounts falling due within one year			
Bank loan	11	(5,900)	(3,000)
Other	12	(2,929)	(1,768)
		(8,829)	(4,768)
Net current (liabilities)/assets		(1,352)	1,626
Total assets less current liabilities		131,966	101,096
Provisions for liabilities and charges	13	–	(30)
Net assets		131,966	101,066
Capital and reserves			
Called up share capital	14	16,577	16,590
Share premium account		5	5
Capital redemption reserve	15	40,994	40,981
Capital reserves	16	64,475	33,339
Revenue reserve	16	9,915	10,151
Shareholders' funds	17	131,966	101,066
Net asset value per Ordinary share – pence	17	199.02	152.30

Authorised and approved by the Board on 28 April 2010 and signed on its behalf by:

Gillian Nott, Chairman

The notes on pages 38 to 51 form an integral part of these financial statements.

Company Registration Number 91798

Cash Flow Statement

for the year ended 31 January 2010

	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Net cash inflow from operating activities	18		1,717		3,349
Servicing of finance					
Bank and loan interest paid		(177)		(207)	
Net cash outflow from servicing of finance			(177)		(207)
Taxation					
UK Corporation tax paid		(497)		(476)	
Net tax paid			(497)		(476)
Capital expenditure and financial investment					
Purchases of investments		(47,813)		(36,382)	
Sales of investments		46,404		39,667	
Capital expenses and performance fee payments		(57)		(208)	
Net cash (outflow)/inflow from financial investment			(1,466)		3,077
Equity dividends paid			(1,890)		(1,109)
Net cash (outflow)/inflow before financing			(2,313)		4,634
Financing					
Drawdown of loan		2,900		–	
Repurchase of own shares		(59)		(1,851)	
Net cash inflow/(outflow) from financing			2,841		(1,851)
Increase in cash			528		2,783
Reconciliation of net cash flow to movements in net funds					
Increase in cash as above			528		2,783
Net cash inflow from drawdown of loan			(2,900)		–
Exchange movements			(222)		592
Movement in net funds in the year			(2,594)		3,375
Net funds/(debt) at 1 February			2,686		(689)
Net funds at 31 January	19		92		2,686

The notes on pages 38 to 51 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 January 2010

1 Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared on a going concern basis and under the historical cost convention, modified to include revaluation of fixed asset investments at fair value and in accordance with the Companies Act 2006, accounting standards applicable in the United Kingdom and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' revised December 2009 (the revised SORP).

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.

(b) Valuation of investments

Listed investments have been designated by the Board as held at fair value through profit or loss and accordingly are valued at fair value, deemed to be bid market prices for quoted investments.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as "Gains or losses on investments held at fair value through profit or loss". Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase. All purchases and sales are accounted for on a trade date basis.

(c) Foreign currency

The results and financial position of the Company are expressed in pounds Sterling, which is the functional and presentational currency of the Company. The Directors, having regard to the currency of the Company's share capital and the predominant currency in which the Company operates, have determined the functional currency to be pounds Sterling. The results and financial position of the Company are therefore expressed in pounds Sterling.

Transactions recorded in foreign currencies during the year are translated into Sterling at the appropriate daily exchange rates. Assets and liabilities denominated in overseas currencies (including equity investments) at the Balance Sheet date are translated into Sterling at the exchange rates ruling at that date.

Any gains or losses on the translation of foreign currency balances, whether realised or unrealised, are taken to the capital or the revenue return of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature.

(d) Income

Income from equity shares is brought into the revenue return of the Income Statement (except where, in the opinion of the Directors, its nature indicates it should be recognised as capital return) on the ex-dividend date or, where no ex-dividend date is quoted, when the Company's right to receive payment is established.

Dividends receivable are accounted for on the basis of gross income actually receivable, without adjustment for the tax credit attaching to the dividends.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in the capital reserve.

Bank interest, underwriting commission and stock lending fees are accounted for on an accruals basis.

(e) Expenses including finance costs

Finance costs are accounted for on an accruals basis. Finance costs are fully allocated to revenue.

Management fee rebates of the fee on the Aberdeen Global Indian Equity Fund are offset against Management fees paid to Aberdeen on the total portfolio.

All expenses are charged to the revenue return of the Income Statement, with the exception of the following which are charged to the capital reserve arising on investments sold:

- performance fees/repayments insofar as they relate to capital performance;
- expenses incurred buying back the Company's own shares; and
- expenses incidental to the acquisition or disposal of investments.

All expenses are accounted for on an accruals basis.

(f) Taxation

The tax effect of different items of expenditure is allocated between capital and revenue on the marginal basis using the Company's effective rate of corporation taxation for the accounting period.

Deferred taxation is provided on all timing differences that have originated but not been reversed by the Balance Sheet date other than those differences regarded as permanent. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the reversal of timing differences can be deducted. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

(g) Bank borrowings

Interest bearing bank loans and overdrafts are recorded as the proceeds are received, net of direct issue costs. Finance charges, including interest payable, premiums on settlement or redemption and direct issue costs are accounted for on an accruals basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(h) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

(i) Capital redemption reserve

The nominal value of ordinary share capital repurchased for cancellation is transferred out of share capital and into the capital redemption reserve.

(j) Capital reserves

Capital reserve arising on investments sold

The following transactions are accounted for in this reserve:

- gains and losses on the realisation of fixed asset investments;
- realised exchange differences of a capital nature;
- costs of professional advice, including irrecoverable VAT, relating to the capital structure of the Company;
- other capital charges and credits charged or credited to this account in accordance with the above policies; and
- cost of purchasing ordinary share capital.

Capital reserve arising on investments held

The following transactions are accounted for in this reserve:

- increase and decrease in the valuation of investments held at year end; and
- unrealised exchange differences of a capital nature.

(k) Dividends payable

Under FRS 21 final dividends should not be accrued in the financial statements unless they have been approved by shareholders before the Balance Sheet date. Interim dividends should not be accrued in the financial statements unless they have been paid. Dividends payable to equity shareholders are recognised in the Reconciliation of Movements in Shareholders' Funds when they have been approved by shareholders in the case of a final dividend, or paid in the case of an interim dividend and become a liability of the Company.

2 Investment income

	2010 £'000	2009 £'000
Income from investments held at fair value through profit or loss:		
Overseas dividends	2,654	3,244
UK dividends	78	60
Overseas scrip dividends	210	23
Total dividend income	2,942	3,327
Other income:		
Bank interest	2	75
Interest relating to refund of prior years' VAT	–	379
Stock lending fees	–	29
Underwriting commissions	6	2
Total other income	8	485
Total income	2,950	3,812

3 Management and performance fees

	2010 £'000	2009 £'000
Charged to the revenue return: Management fee	403	386
Management fee rebates	(98)	(103)
	305	283
Refund of prior years' VAT relating to management fees	–	(523)
	305	(240)
Charged to the capital return:		
Performance fees	638	318
	638	318

On 27 May 2005, your Board appointed Witan Investment Services Limited as Executive Manager and Aberdeen and Nomura as the Investment Managers. Each of the Investment Managers is entitled to a base management fee, calculated according to the value of the assets under their management, and a performance fee. The performance fee is calculated according to investment performance over a 3 year rolling period and is subject to a cap. Each Investment Management Agreement can be terminated at one month's notice. The base management fees range from 0.20% to 0.25% per annum of net asset value and the performance fees range from 10% to 15% of average net asset value per annum of the relevant portfolio outperformance.

The performance fees included in the Income Statement at 31 January 2010, are calculated based on the performance of each Investment Manager relative to the benchmark index for the year ended 31 January 2010. The calculation of the provision for performance fees assumes that both the benchmark and each Investment Managers' assets under management remain unchanged to 31 May 2010, being the date the fourth performance period ends.

4 Other expenses

	2010 £'000	2009 £'000
Auditors' remuneration:		
for audit services	25	24
for non-audit services – tax	5	8
Custody fees	45	42
Directors' emoluments: fees for services to the Company	104	104
Marketing	175	175
Printing and postage	37	48
Loan commitment fees	56	9
Secretarial and Administration fees	104	82
Directors' and Officers' liability insurance	13	13
Registrars' fees	17	15
Sundry expenses	82	56
	663	576
Refund of prior years' VAT relating to other operating expenses	–	(34)
	663	542

The total auditors' remuneration, exclusive of VAT, for non-audit services (tax advisory services) amounts to £5,000 (2009: £8,000).

5 Finance charges

	2010 £'000	2009 £'000
On bank loans and overdrafts repayable within one year, not by instalments	129	203

6 Taxation on ordinary activities

(a) Analysis of tax charge for the year

	2010 Revenue return £'000	2010 Capital return £'000	2010 Total £'000	2009 Revenue return £'000	2009 Capital return £'000	2009 Total £'000
Corporation tax payable at 28% (2009: 28.33%)	103	(34)	69	978	(90)	888
Relief for overseas taxation	(69)	–	(69)	(185)	–	(185)
	34	(34)	–	793	(90)	703
Overprovision in prior years	–	–	–	(7)	–	(7)
Overseas taxation	195	–	195	190	–	190
Total current taxation charge (note 6(b))	229	(34)	195	976	(90)	886
Deferred tax on accrued income	(30)	–	(30)	(13)	–	(13)
Taxation on ordinary activities	199	(34)	165	963	(90)	873

6 Taxation on ordinary activities (continued)

(b) Factors affecting the charge for the year

The taxation assessed for the year is lower than the standard rate of corporation taxation in the UK for a large company of 28% (2009: 28.33%).

	2010 Revenue return £'000	2010 Capital return £'000	2010 Total £'000	2009 Revenue return £'000	2009 Capital return £'000	2009 Total £'000
Return on ordinary activities before tax	1,853	31,161	33,014	3,307	(25,991)	(22,684)
Corporation tax at 28% (2009: 28.33%)	519	8,725	9,244	937	(7,363)	(6,426)
Effects of:						
Income taxable in different periods	45	–	45	44	–	44
Non-taxable overseas dividends	(463)	–	(463)	(7)	–	(7)
Non-taxable UK dividend	(22)	–	(22)	(17)	–	(17)
Overseas taxation	195	–	195	190	–	190
Relief for overseas taxation	(69)	–	(69)	(185)	–	(185)
Disallowed expenses	24	–	24	21	–	21
Prior year adjustments	–	–	–	(7)	–	(7)
Net capital returns not subject to tax*	–	(8,759)	(8,759)	–	7,273	7,273
Current tax charge	229	(34)	195	976	(90)	886

The increase in non taxable overseas dividends is due to a change in UK tax legislation. As a result, the majority of overseas dividends received after 1 July 2009 are no longer subject to UK Corporation tax.

*These items are not subject to corporation tax within an investment trust company provided the Company obtains approval from HM Revenue & Customs that Section 842 ICTA tests have been met.

(c) Deferred tax

	2010 Revenue return £'000	2010 Capital return £'000	2010 Total £'000	2009 Revenue return £'000	2009 Capital return £'000	2009 Total £'000
Balance brought forward	30	–	30	43	–	43
Credit for the year (note 6(a))	(30)	–	(30)	(13)	–	(13)
Balance carried forward	–	–	–	30	–	30

The Company has not recognised a deferred tax asset of £247,000 (2009: £nil) arising as a result of eligible unrelieved management expenses and loan relationship deficits. These expenses will only be utilised if the Company has profits chargeable to corporation tax in the future.

7 Return/(loss) per Ordinary share

The total return per Ordinary share is based on the net return attributable to the Ordinary shares of £32,849,000 (2009: loss £23,557,000) and on 66,312,703 Ordinary shares (2009: 67,001,745) being the weighted average number of shares in issue during the year.

7 Return/(loss) per Ordinary share (continued)

The total return can be further analysed as follows:

	2010 £'000	2009 £'000
Revenue return	1,654	2,344
Capital return/(loss)	31,195	(25,901)
Total return/(loss)	32,849	(23,557)
Weighted average number of Ordinary shares	66,312,703	67,001,745
Revenue return per Ordinary share – pence	2.49	3.50
Capital return/(loss) per Ordinary share – pence	47.05	(38.66)
Total return/(loss) per Ordinary share – pence	49.54	(35.16)

The Company does not have any dilutive securities.

8 Dividends

Dividends on Ordinary shares	Record date	Payment date	2010 £'000	2009 £'000
Final dividend (1.65p) for the year ended 31 January 2008	30 May 2008	27 June 2008	–	1,109
Final dividend (2.85p) (includes 1.00p special) for the year ended 31 January 2009	27 May 2009	26 June 2009	1,890	–
			1,890	1,109

The proposed final dividend is subject to approval by shareholders at the AGM and has not been included as a liability in these financial statements.

The total dividend payable in respect of the financial year which forms the basis of Section 842 of the ICTA 1988 is set out below.

	2010 £'000
Revenue available for distribution by way of dividend for the year	1,654
Proposed final dividend of 2.10p for the year ended 31 January 2010 (based on 66,273,868 Ordinary shares in issue at 27 April 2010)	(1,392)
Undistributed revenue for Section 842 ICTA purposes*	262

*Undistributed revenue comprises 8.9% of income from investments of £2,942,000 (see note 2).

9 Investments held at fair value through profit or loss

	Total £'000
Cost at 1 February 2009	98,918
Investment holding gains at 1 February 2009	552
Valuation at 1 February 2009	99,470
Movements in the year:	
Purchases at cost	48,944
Sales – proceeds	(47,174)
– realised gains on sales	1,277
Increase in investment holding gains	30,801
Valuation at 31 January 2010	133,318
Cost at 31 January 2010	101,965
Investment holding gains at 31 January 2010	31,353
	133,318

9 Investments held at fair value through profit or loss (continued)

Purchase transaction costs for the year ended 31 January 2010 were £96,000 (2009: £68,000). Sale transaction costs for the year ended 31 January 2010 were £99,000 (2009: £79,000). These comprise mainly charges and commission.

Gains/(losses) on investments

	2010 £'000	2009 £'000
Gains/(losses) on investments sold based on historical cost	1,277	(2,055)
Add/(less): amounts recognised as unrealised in previous years	134	(2,734)
Realised gains/(losses) based on carrying value at previous balance sheet date	1,411	(4,789)
Net movement in investment holding gains/(losses) in the year	30,667	(21,431)
Gains/(losses) on investments held at fair value through profit or loss	32,078	(26,220)

Stock lending

	2010 £'000	2009 £'000
Aggregate value of securities on loan at 31 January	–	–
Maximum aggregate value of securities on loan during the year	–	9,423
Income from stock lending during the year	–	29

Substantial interests

At 31 January 2010 the Company did not hold more than 5% of one class of the share capital of any of the undertakings held as investments.

10 Debtors

	2010 £'000	2009 £'000
Sales for future settlement	1,307	537
Prepayments and accrued income	178	171
	1,485	708

11 Creditors: amounts falling due within one year

Loans	2010 £'000	2009 £'000
Bank loans	5,900	3,000
	5,900	3,000

The effective interest rate on the loans at 31 January 2010 was 2.79% (2009: 6.74%).

12 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Purchases for future settlement	1,298	475
Corporation tax	–	497
Other creditors and accruals	610	413
Performance fee accrual	1,021	383
	2,929	1,768

13 Provisions for liabilities and charges

Deferred taxation in respect of timing differences:

	2010 £'000	2009 £'000
At 1 February	30	43
Transfer during the year	(30)	(13)
At 31 January	–	30

14 Called up share capital

Equity share capital	Number	Authorised £'000	Issued and fully paid Number	£'000
Ordinary shares of 25p each:				
Balance brought forward	280,000,000	70,000	66,358,868	16,590
Shares purchased by the Company*	–	–	(50,000)	(13)
Balance carried forward	280,000,000	70,000	66,308,868	16,577

*50,000 (2009: 1,186,983) Ordinary shares were purchased and cancelled during the year at a total cost of £59,000 (2009: £1,851,000). Since the year end 35,000 Ordinary shares have been purchased and cancelled.

15 Capital redemption reserve

	2010 £'000	2009 £'000
Balance brought forward	40,981	40,684
Transferred from share capital on purchase of Ordinary shares	13	297
Balance carried forward	40,994	40,981

16 Reserves

	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Capital reserve total £'000	Revenue reserve £'000
Balance brought forward	32,787	552	33,339	10,151
Movement during the year:				
Gains on investments sold	1,411	–	1,411	–
Transfer on disposal of investments	(134)	134	–	–
Increase in investment holding gains	–	30,667	30,667	–
Exchange losses on currency balances	(222)	–	(222)	–
Performance fee	(638)	–	(638)	–
Other capital charges	(57)	–	(57)	–
Tax relief on expenses charged to capital	34	–	34	–
Cost of purchase of Ordinary shares	(59)	–	(59)	–
Revenue return for the year	–	–	–	1,654
Dividends paid	–	–	–	(1,890)
Balance carried forward	33,122	31,353	64,475	9,915

Under the terms of the Company's Articles of Association, sums standing to the credit of Capital Reserves are available for distribution only by way of redemption or purchase of any of the Company's own shares. The Company may only distribute accumulated "realised" profits.

17 Net asset value per Ordinary share

Net asset values are based on net assets of £131,966,000 (2009: £101,066,000) and on 66,308,868 (2009: 66,358,868) Ordinary shares in issue at the year end.

18 Reconciliation of net revenue return before finance costs and taxation to net cash inflow from operating activities

	2010 £'000	2009 £'000
Total return before finance charges and taxation	33,143	(22,481)
(Less)/add: net capital (return)/loss before finance charges and taxation	(31,161)	25,991
Net revenue return before finance charges and taxation	1,982	3,510
Scrip dividends	(210)	(23)
Management fee rebate	(98)	(103)
(Increase)/decrease in accrued income	(7)	133
Decrease in debtors	–	21
Increase/(decrease) in creditors	245	(43)
Overseas withholding tax suffered	(195)	(146)
Net cash inflow from operating activities	1,717	3,349

19 Analysis of changes in net funds

	1 February 2009 £'000	Cash flow £'000	Exchange movement £'000	31 January 2010 £'000
Net cash				
Cash at bank	5,686	528	(222)	5,992
Debt				
Debts falling due within one year	(3,000)	(2,900)	–	(5,900)
Net funds	2,686	(2,372)	(222)	92

20 Risk management policies and procedures

As an Investment Trust the Company invests in equities and other investments for the long term so as to achieve its objective as stated on page 1. In pursuing its investment objective, the Company is exposed to a variety of financial 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 financial risks: market risk (comprising market price risk, currency risk and interest rate risk), liquidity risk and credit risk, and the Directors' approach to the management of these risks, are set out below. The Board of Directors and the Executive Manager, coordinates the Company's risk management. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Board determines the objectives, policies and processes for managing the risks that are set out below, under the relevant risk category. The policies for the management of risk have not changed from the previous accounting period.

(a) Market risk

The fair value of a financial instrument held by the Company may fluctuate due to changes in market prices. Market risk comprises – market price risk (see note 20(b)), currency risk (see note 20(c)) and interest rate risk (see note 20 (d)). The Investment Managers assess the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(b) Market price risk

Market 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 investments.

Management of the risk

The Board of Directors manages the risks inherent in the investment portfolios by ensuring full and timely access to relevant information from the Investment Managers. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the Investment Manager's compliance with the Company's objectives, and is directly responsible for investment strategy and asset allocation, including between countries and economies.

The Company's exposure to changes in market prices at 31 January 2010 on its quoted investments was £133,318,000 (2009: £99,470,000).

Concentration of exposure to market price risk

A geographical analysis of the Company's investment portfolio is shown on page 14. This shows the significant amounts invested in Australia, Hong Kong, China, Japan and Singapore. Accordingly, there is a concentration of exposure to those countries, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and the equity to an increase or decrease of 25% (2009: 30%) in the fair value of the Company's investments. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's investments at each Balance Sheet date and the investment management fees for the year ended 31 January 2010, with all other variables held constant.

	2010 Increase in fair value £'000	2010 Decrease in fair value £'000	2009 Increase in fair value £'000	2009 Decrease in fair value £'000
Income statement – return after tax				
Revenue return	(75)	75	(48)	48
Capital return	33,330	(33,330)	29,841	(29,841)
Impact on total return after tax for the year and net assets	33,255	(33,255)	29,793	(29,793)

(c) Currency risk

Most of the Company's assets, liabilities and income are denominated in currencies other than Sterling (the Company's functional currency, and in which it reports its results). As a result, movements in exchange rates may affect the Sterling value of those items.

Management of the risk

The Investment Managers monitor the Company's exposure to foreign currencies and report to the Board on a regular basis. The Executive Manager monitors the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the exchange rates to which the Company's assets, liabilities, income and expenses are exposed.

Income denominated in foreign currencies is converted into Sterling on 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.

20 Risk management policies and procedures (continued)

Foreign currency exposure

The table below shows, by currency, the split of the Company's non-sterling monetary assets and investments that are denominated in currencies other than Sterling.

2010	AUS\$ £'000	HK\$ £'000	Yen £'000	SG\$ £'000	Other £'000
Debtors (due from brokers, dividends and other income receivable)	–	–	627	93	192
Cash at bank and on deposit	–	41	313	15	748
Creditors (due to brokers, accruals and other creditors)	–	–	(257)	–	(1,041)
Total foreign currency exposure on net monetary items	–	41	683	108	(101)
Investments at fair value through profit or loss	10,793	12,545	42,531	13,426	41,648
Total net foreign currency exposure	10,793	12,586	43,214	13,534	41,547
2009	AUS\$ £'000	HK\$ £'000	Yen £'000	SG\$ £'000	Other £'000
Debtors (due from brokers, dividends and other income receivable)	–	–	476	17	–
Cash at bank and on deposit (less temporary overdrafts)	293	7	230	–	1,368
Creditors (due to brokers, accruals and other creditors)	(38)	–	(221)	–	(216)
Total foreign currency exposure on net monetary items	255	7	485	17	1,152
Investments at fair value through profit or loss	5,993	9,486	41,507	9,173	32,595
Total net foreign currency exposures	6,248	9,493	41,992	9,190	33,747

Foreign currency sensitivity

The sensitivity of the total return after tax for the year and the net assets in regard to the movements in the Company's foreign currency financial assets and financial liabilities and the exchange rates for the £/AUS\$, £/HK\$, £/Japanese Yen, £/SG\$ and £/Other are set out below:

It assumes the following changes in exchange rates:

£/AUS\$ +/-15% (2009: 25%)

£/HK\$ +/-15% (2009: 25%)

£/Japanese Yen +/-15% (2009: 25%)

£/SG\$ +/-15% (2009: 25%)

£/Other +/-15% (2009: 25%)

These percentages have been determined based on the average market volatility in exchange rates in the previous 5 years and using the Company's foreign currency financial assets and financial liabilities held at each Balance Sheet date.

If Sterling had strengthened against the currencies shown, this would have had the following effect:

	2010 AUS\$ £'000	2010 HK\$ £'000	2010 Yen £'000	2010 SG\$ £'000	2010 Other £'000	2009 AUS\$ £'000	2009 HK\$ £'000	2009 Yen £'000	2009 SG\$ £'000	2009 Other £'000
Income statement										
– return after tax										
Revenue return	(44)	(56)	(68)	(50)	(63)	(62)	(52)	(130)	(60)	(157)
Capital return	(1,408)	(1,636)	(5,548)	(1,751)	(5,871)	(1,199)	(1,964)	(8,301)	(1,835)	(5,132)
Impact on total return after tax for the year and net assets	(1,452)	(1,692)	(5,616)	(1,801)	(5,934)	(1,261)	(2,016)	(8,431)	(1,895)	(5,289)

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

	2010 AUS\$ £'000	2010 HK\$ £'000	2010 Yen £'000	2010 SG\$ £'000	2010 Other £'000	2009 AUS\$ £'000	2009 HK\$ £'000	2009 Yen £'000	2009 SG\$ £'000	2009 Other £'000
Income statement – return after tax										
Revenue return	59	75	92	67	85	104	128	335	50	209
Capital return	1,905	2,214	7,505	2,369	7,944	1,998	3,273	13,836	3,058	8,566
Impact on total return after tax for the year and net assets	1,964	2,289	7,597	2,436	8,029	2,102	3,401	14,171	3,108	8,775

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently.

(d) Interest rate risk

Interest rate movements may affect the interest payable on the Company's variable rate borrowings.

Management of the risk

The majority of the Company's financial assets are non-interest bearing. As a result, the Company's financial assets are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

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 and borrowing under the loan facility.

The Company finances part of its activities through borrowings at levels approved and monitored by the Board. Derivative contracts are not used to hedge against the exposure to interest rate risk.

Interest rate exposure

The exposure at 31 January 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.

	2010 Within one year £'000	2010 Total £'000	2009 Within one year £'000	2009 Total £'000
Exposure to floating interest rates:				
Cash at bank	5,992	5,992	5,686	5,686
Creditors – within one year:				
Borrowings under loan facility	(5,900)	(5,900)	(3,000)	(3,000)
Total net exposure to interest rates	92	92	2,686	2,686

The Company does not have any fixed interest rate exposure at 31 January 2010 (2009: nil). Interest receivable, and finance costs are at the following rates:

- Interest received on cash balances, or paid on bank overdrafts, is at a margin over LIBOR or its foreign currency equivalent (2009: same).
- Interest paid on borrowings under the loan facility is at a margin over LIBOR. The weighted average interest rate of these is 2.8% (2009: 6.9%).

20 Risk management policies and procedures (continued)

Interest rate sensitivity

The Company is not materially exposed to changes in interest rates as the majority of financial assets are equity shares which do not pay interest. Therefore, the Company's total return and net assets are not materially affected by changes in interest rates.

(e) Liquidity risk

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

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities that are readily realisable. It has a loan facility of £9,000,000 (2009: £4,000,000) and an overdraft facility which is determined by the custodian on a regular basis by reference to the value of the securities held by it on behalf of the Company. The facilities are subject to regular review.

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.

Liquidity risk exposure

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

	3 months or less £'000	More than 3 months, not more than one year £'000	2010 Total £'000	3 months or less £'000	More than 3 months, not more than one year £'000	2009 Total £'000
Creditors: amounts falling due within one year						
Borrowings under the loan facility (including interest)	–	6,012	6,012	–	3,091	3,091
Amounts due to brokers and accruals	2,929	–	2,929	888	880	1,768
	2,929	6,012	8,941	888	3,971	4,859

The Company does not have any creditors: amounts falling due over more than 1 year.

(f) 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 not significant, and is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Investment Managers, and limits are set on the amount that may be due from any one broker; and
- cash at bank is held only with reputable banks with high quality external credit ratings.

None of the Company's financial assets have been pledged as collateral.

(g) Fair values of financial assets and financial liabilities

Investments are held at fair value through profit and loss. All liabilities are held in the Balance Sheet at a reasonable approximation of fair value.

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments) or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and amounts due under the loan facility).

Fair value hierarchy disclosures

The table below sets out fair value measurements using the FRS 29 fair value hierarchy.

Financial assets and financial liabilities at fair value through profit or loss At 31 January 2010	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Equity investments	133,318	124,084	9,234	–
Total	133,318	124,084	9,234	–

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/(liabilities).
- 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(b).

There were no transfers during the year between Level 1 and Level 2.

(h) 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 policy is that debt as shown below should be no more than 20% of shareholders' funds.

The Company's capital at 31 January 2010 comprises its equity share capital, reserves and debt that are shown in the Balance Sheet at a total of £137,866,000 (2009: £104,066,000).

The Board with the assistance of the Executive Manager 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 Investment Managers' views on the market;
- the need to buy back equity shares, either for cancellation or to hold in treasury, 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);
- the need for new issues of equity shares, including issues from treasury; 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:

- Bank borrowings under the £4m loan facility are not to exceed 30% of Ordinary share capital plus reserves and gross borrowings are not to exceed 35% of the Adjusted Portfolio Value as defined in the £5m loan facility agreement;
- As a public company, the Company has a minimum 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 last year, and the Company has complied with them.

Ten Year Record

Assets at 31 January (£'000)

	2000	2001 [#]	2002	2003	2004*	2005*	2006	2007	2008	2009	2010
Total assets less current liabilities (excluding loans and Yen convertible bonds)	675,281	424,825	292,021	181,982	235,752	214,058	158,591	135,595	130,626	104,096	137,866
Deferred taxation	(101)	(62)	-	-	(61)	(34)	(38)	(46)	(43)	(30)	-
Loans	(63,399)	(80,964)	(39,670)	(5,072)	(24,887)	(14,845)	(3,000)	(3,000)	(3,000)	(3,000)	(5,900)
Yen convertible bonds	(57,636)	-	-	-	-	-	-	-	-	-	-
Available for Ordinary shares	554,145	343,799	252,351	176,910	210,804	199,179	155,553	132,549	127,583	101,066	131,966

Net Asset Value at 31 January

	2000	2001 [#]	2002	2003	2004*	2005*	2006	2007	2008	2009	2010
NAV per share	242.3p	156.3p	119.7p	93.3p	123.3p	129.6p	179.2p	181.9p	188.9p	152.3p	199.0p

Share Price at 31 January

	2000	2001 [#]	2002	2003	2004*	2005*	2006	2007	2008	2009	2010
Mid-market price per share	188.0p	124.8p	98.3p	81.3p	110.7p	115.0p	168.0p	161.5p	161.8p	122.8p	165.0p
Discount to NAV	19.5	20.2	17.9	12.9	10.2	11.3	6.3	11.2	14.4	19.4	17.1
Share price High	204.3p	202.0p	134.8p	120.5p	112.5p	121.7p	169.3p	177.5p	188.0p	176.0p	177.0p
Share price Low	102.8p	109.0p	75.0p	73.3p	73.0p	98.5p	113.4p	138.5p	156.0p	110.0p	106.2p

Total Returns (per AIC)

		5 years to 31 January 2010 %	10 years to 31 January 2010 %
NAV		59.4	-8.7
Share price		50.6	-3.7

Revenue for the year ended 31 January

	2000	2001 [#]	2002	2003	2004*	2005*	2006	2007	2008	2009	2010
Available for Ordinary shares (£'000)	2,998	868	(78)	911	2,001	1,200	1,445	1,430	1,407	2,344	1,654
Earnings per share	1.30p	0.39p	(0.03p)	0.45p	1.10p	0.74p	1.33p	1.75p	2.00p	3.50p [†]	2.49p
Dividends per share	1.85p	1.05p	1.05p	1.05p	1.05p	1.05p	1.33p	1.50p	1.65p	2.85p [†]	2.10p

*Restated for changes in accounting policies in respect of valuation of investments and dividends payable. Years 2000 to 2003 have not been restated.

[#]Restated to comply with FRS 19 "Deferred Tax". Earlier years have not been affected.

[†]Includes a special dividend of 1.00p.

Performance (rebased as at 31 January 2000)

	2000	2001 [#]	2002	2003	2004*	2005*	2006	2007	2008	2009	2010
NAV per share*	100.0	64.5	49.4	38.5	50.9	53.5	74.0	75.1	78.0	62.9	82.1
Benchmark†	100.0	84.5	64.9	52.0	69.4	76.5	107.6	108.0	110.8	91.0	117.9
Mid-market price per share	100.0	66.4	52.3	43.2	58.9	61.2	89.4	85.9	86.1	65.3	87.8
Earnings per share	100.0	30.0	-2.3	34.6	84.6	56.9	102.3	134.6	153.8	269.2	191.5
Dividends per share	100.0	56.8	56.8	56.8	56.8	56.8	71.9	81.1	89.2	154.1	113.5
RPI	100.0	102.7	104.0	107.1	109.9	113.4	116.1	121.0	125.9	126.1	130.8

Cost of running the Company (total expense ratio) for the year ended 31 January

	2000	2001 [#]	2002	2003	2004*	2005*	2006	2007	2008	2009	2010
Operating costs (excluding performance fees) as a percentage of:											
Average net assets	0.9	0.9	1.3	1.5	0.9	0.9	0.9	0.8	0.7	0.8	0.8

For years ended 31 January 2004, 2005, 2006, 2007, 2008, 2009 and 2010 the operating costs as a percentage of average net assets inclusive of performance fees were 0.6, 0.6, 1.0, 0.9, 0.8, 1.1 and 1.3 respectively.

Gearing as at 31 January

	2000	2001 [#]	2002	2003	2004*	2005*	2006	2007	2008	2009	2010
Effective gearing	15.4	15.2	10.1	0.8	10.1	4.7	(1.4)	0.1	0.5	(2.7)	(0.1)
Fully invested gearing	21.9	23.6	15.7	2.9	11.8	7.5	1.9	2.3	2.4	3.0	4.5

*Restated for changes in accounting policies in respect of valuation of investments and dividends payable.

Years 1998 to 2003 have not been restated.

[#]Restated to comply with FRS 19 "Deferred Tax". Earlier years have not been affected.

†The benchmark which is the MSCI AC Asia Pacific Free Index, adjusted to Sterling, was adopted with effect from 1 February 2004 (prior year figures are only included for comparative purposes).

Definitions

Prior charges	All convertible bonds, loans, overdrafts, etc., used for investment purposes.
Operating costs	All costs charged to revenue and capital, except performance related management fees, all taxation and taxation relief, finance charges, the costs of purchase of share capital and the costs of buying and selling investments.
Effective gearing	Prior charges at Balance Sheet value, less cash and fixed interest stocks, as a percentage of net assets (also termed "Actual gearing").
Fully invested gearing	Prior charges at Balance Sheet value as a percentage of net assets (also termed "Potential gearing").
Total assets	Total assets less current liabilities before deducting prior charges.
NAV	Net asset value (assuming prior charges at Balance Sheet value).
RPI	All-items Retail Price Index.
Average net assets	Average of net assets at end of each quarter.
Average total assets	Average of total assets at end of each quarter.
NAV total return	Return on net assets per share assuming that all dividends paid to shareholders were reinvested.
Share price total return	Return to the investor on mid-market prices assuming that all dividends received were reinvested.
AIC	Association of Investment Companies.
TER	Total expense ratio.

Analysis of Ordinary Shareholders

	Category % holding
Witan Wealthbuilder	16.55
Retail nominees	39.19
Direct individuals	14.16
Institutional Investors	30.10
	100.00

Source: RDIR as at 31 January 2010.

Information for Shareholders

Website

The Company's website is www.witanpacific.com. The site provides visitors with a comprehensive range of performance statistics, Company information and literature downloads. The Company's profile is also available on third party sites such as www.trustnet.com and www.hemscott.com

Annual and Half Year Reports

Copies of the annual and half year reports may be obtained from Witan Investment Services by calling 0800 0828180 or by visiting www.witanpacific.com

Share Prices and Net Asset Value Information

The Company's ordinary 25p shares are quoted on the London Stock Exchange:

SEDOL number 0365602

ISIN number GB0003656021

EPIC code WPC

The codes above may be required to access trading information relating to the Company on the internet.

Warning to Shareholders - Boiler Room Scams

In recent years, 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. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority ("FSA") has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/register/
- Report the matter to the FSA either by calling 0300 500 5000 or visiting www.moneymadeclear.fsa.gov.uk
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at: www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

More detailed information on this or similar activity can be found on the FSA website www.moneymadeclear.fsa.gov.uk

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. 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 an unsolicited phone call, please call either the Company Secretary or the Registrar at the numbers provided at the back of this Annual Report.

Share Price Listings

The Company's share price is listed daily in selected national newspapers including the Financial Times, The Times and The Daily Telegraph.

AIC

The Company is a member of the Association of Investment Companies www.theaic.co.uk

Financial Calendar

Year End 31 January

Result announced:

Annual April

Half Year September

Annual General Meeting June

Company Registration

Company registration number 91798

Enquiries

Witan Wealthbuilder Saving Plans 0800 082 8180

Witan Investment Services Limited 020 7227 9770

Company Secretary 01245 398950

Email address help@witan.com

How to Invest

Witan wealthbuilder

There are a variety of ways to invest in Witan Pacific Investment Trust plc. Primarily Witan Pacific is available on the Witan Wealthbuilder savings platform managed by Witan Investment Services Limited. Witan Wealthbuilder offers a variety of different savings plans which carry benefits to shareholders in excess of many nominee accounts. These include:

- Regular savings
- Dividend reinvestment
- Ability to vote at EGMs and AGMs
- Statements twice a year
- Annual and half year finance reports
- Dedicated help line

Shares in the Company may be purchased through these saving schemes online at www.witanwealthbuilder.com, 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 straight forward 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 tax efficiently up to a limit of £10,200 per tax year. 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 investment retains its tax free status during and after transfer.

Potential 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.

Full information about the savings schemes is available on our website www.witanwealthbuilder.com or by calling our helpline 0800 082 8180, or email us at help@witan.com

Issued and approved by Witan Investment Services Limited – Registered in England no. 5272533 of 201 Bishopsgate, London EC2M 3AE.

Witan Investment Services Limited provides investment products and services and is authorised and regulated by the Financial Services Authority.

Other ways to invest

Private Client Stockbrokers

If you have a lump sum to invest you may want to contact a private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. A list of private client stockbrokers is available from the Association of Private Client Stockbrokers and Investment Managers at www.apcims.co.uk

Online Stockbroking Services

In addition to the Witan Wealthbuilder service there are a number of real time execution only stockbroker services which allow you to trade online, manage a portfolio and buy UK listed shares. Many such websites ask for a Stock Exchange code which for Witan Pacific is WPC.

Notice of Annual General Meeting

Notice is hereby given of the Annual General Meeting of Witan Pacific Investment Trust plc to be held at the J.P. Morgan Cazenove Auditorium, 20 Moorgate, London EC2R 6DA on Tuesday, 8 June 2010 at 12 noon for the following purposes:

To consider and if thought fit, pass the following resolutions of the Company, resolutions 1 to 8 being ordinary resolutions and resolutions 9 to 11 being special resolutions.

Ordinary Business

1. To receive and adopt the Directors' Report and audited Financial Statements for the year ended 31 January 2010.
2. To declare a dividend of 2.10p per Ordinary share.
3. To re-elect Mrs. Sarah Bates* as a Director.
4. To re-elect Mrs. Gillian Nott* as a Director.
5. To re-elect Dr. Leslie Atkinson* as a Director.
6. To re-appoint PricewaterhouseCoopers LLP as Independent Auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which the Financial Statements are laid before Members.
7. To authorise the Directors to determine the remuneration of PricewaterhouseCoopers LLP as Independent Auditors of the Company.
8. To approve the Directors' Remuneration Report for the year ended 31 January 2010.

*The biography of each Director is set out on page 2.

Special Business

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

9. THAT, the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot Ordinary shares of 25p each in the capital of the Company ('Ordinary shares') and to grant rights to subscribe for or to convert any security into Ordinary shares in the Company up to a maximum nominal value of £2,483,750, provided that such authority shall expire on the date which is 18 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company in 2011, save that the Company may before such expiry make offers or agreements which would or might require Ordinary shares to be allotted, or rights to be granted, after such expiry and the Directors may allot Ordinary shares, or grant such rights, in pursuance of such offers or agreements as if the authority conferred hereby had not expired; and all unexercised authorities previously granted to the Directors to allot Ordinary shares be and are hereby revoked.

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

10. THAT, subject to the passing of Resolution 9 above, the Directors of the Company be and are hereby generally authorised and empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in Section 560 of the Act) (including the grant of rights to subscribe for, or to convert any securities into, Ordinary shares in the capital of the Company ('Ordinary shares') and the sale of Ordinary shares held by the Company in treasury) wholly for cash pursuant to any existing authority given in accordance with Section 551 of the Act, as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:
 - (a) to the allotment of equity securities in connection with an offer of equity securities by way of rights to holders of Ordinary shares on the Register of Members of the Company on a fixed record date in proportion (as nearly as may be practicable) to their respective holdings of Ordinary shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems arising under the laws of, or the requirements of, any territory or any regulatory or governmental body or authority or stock exchange; and
 - (b) to the allotment (otherwise than pursuant to subparagraph (a) above) of equity securities up to an aggregate nominal value of £828,000 being approximately 5 per cent of the Ordinary share capital currently in issue; and
 - (c) to the allotment of equity securities at a price (excluding expenses) not less than the net asset value per Ordinary share applicable for the business day immediately preceding the allotment, or of the agreement to allot, if earlier;

and such authority shall expire on the date of the next Annual General Meeting of the Company to be held in 2011, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

Notice of Annual General Meeting continued

11. THAT, the Company be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 (the “Act”) to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 25p each in the capital of the Company (“Ordinary shares”) either for cancellation or to hold as treasury shares (within the meaning of Section 724 of the Act) provided that:

- (a) the maximum aggregate number hereby authorised to be purchased is 9,935,000 Ordinary shares;
- (b) the Directors be authorised to determine at their discretion that any Ordinary shares purchased be cancelled or held by the Company as treasury shares, save that the maximum number of Ordinary shares held in treasury shall not exceed 10 per cent of the issued Ordinary share capital of the Company at any time;
- (c) the minimum price which may be paid for a share shall be 25 pence (exclusive of associated expenses);
- (d) the maximum price which may be paid for an Ordinary share is an amount equal to the higher of
(i) 105 per cent of the average of the middle market quotations of the Ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding the date on which the relevant share is contracted to be purchased (exclusive of associated expenses); (ii) the price of the last independent trade; and (iii) the highest current independent bid; and
- (e) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on the date which is 18 months after the date of the passing of this Resolution, save that the Company may prior to such expiry enter into a contract or arrangement to purchase Ordinary shares under this authority which will or may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary shares pursuant to any such contract or arrangement as if the authority hereby conferred had not expired.

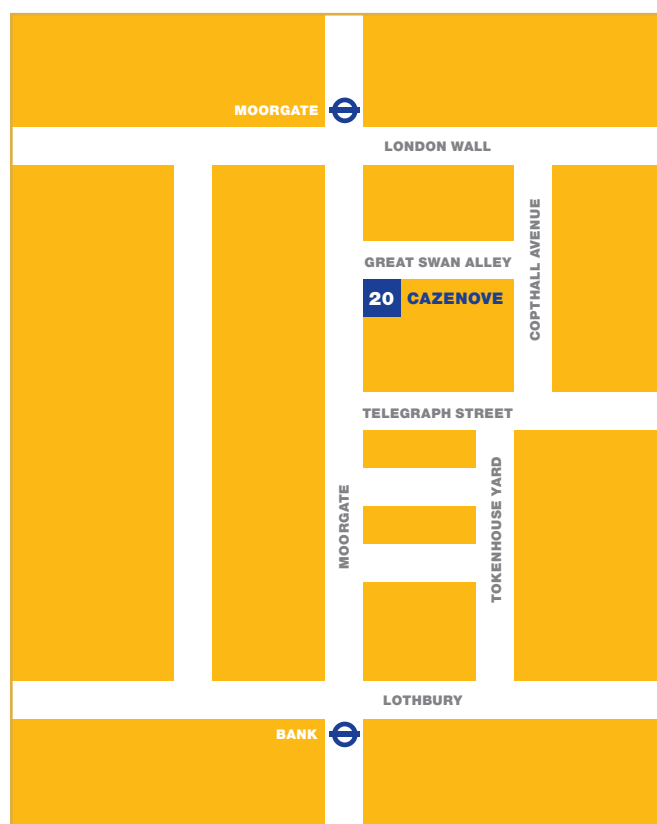
By order of the Board

Phoenix Administration Services Limited

Secretary
28 April 2010

Registered office:
Springfield Lodge
Colchester Road
Chelmsford
Essex CM2 5PW

Location of Annual General Meeting



Notes to the Notice of Annual General Meeting

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you require additional forms, please contact the Registrar's helpline on 0870 707 1410.

Where two or more valid appointments of proxy are received in respect of the same share in relation to the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others. If the Company is unable to determine which is last sent, the one which is last received shall be so treated. If the Company is unable to determine either which is last sent or which is last received, none of such appointments shall be treated as valid in respect of that share.

2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by 12 noon on Friday, 4 June 2010, or at www.eproxyappointment.com
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at the close of business on Friday, 4 June 2010 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. As at 27 April 2010 (being the latest practicable business day prior to the publication of this Notice) the Company's issued share capital consisted of 66,273,868 Ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 27 April 2010 are 66,273,868.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by close of business on Friday, 4 June 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application 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.

Notes to the Notice of Annual General Meeting continued

10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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, 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 members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
13. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) 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 Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
14. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at www.witanpacific.com

Directors and Advisers

Directors

Gillian Nott OBE
Chairman

Dr. Leslie Atkinson
Senior Independent Director

Alan Barber
Audit Committee Chairman

Sarah Bates

All the Directors are Members of the Audit and Management Engagement Committee and of the Nomination and Remuneration Committee.

Executive Manager

Witan Investment Services Limited
14 Queen Anne's Gate
London SW1H 9AA

Investment Managers

Aberdeen Asset Managers Limited
10 Queen's Terrace
Aberdeen AB10 1YG

Nomura Asset Management U.K. Limited
Nomura House
1 St. Martin's-le-Grand
London EC1A 4NT

Company Secretary and Registered Office

Phoenix Administration Services Limited
Springfield Lodge
Colchester Road
Chelmsford Essex CM2 5PW

Telephone: 01245 398950

Email: info@phoenixfundservices.com

Website: www.phoenixfundservices.com

Fund Accountants and Administrator

BNP Paribas Securities Services
55 Moorgate
London EC2R 6PA

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hay's Galleria
1 Hay's Lane
London SE1 2RD

Custodian and Bankers

J.P. Morgan Chase Bank, N.A.
London Branch
125 London Wall
London EC2Y 5AJ

The Royal Bank of Scotland plc
7th Floor
135 Bishopsgate
London EC2M 3UR

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Telephone: 0870 707 1410

Facsimile: 0870 703 6101

Calls cost approximately 8.0p per minute plus network extras

Email: web.queries@computershare.co.uk

Website: www.computershare.com

Authorised and regulated in the UK by the UK Financial Services Authority

Stockbrokers

J.P. Morgan Cazenove
20 Moorgate
London EC2R 6DA

Printed on Revive 50:50 Silk, a recycled paper containing 50% recycled waste and 50% virgin fibre. Pulps used are elemental chlorine free process, manufactured at a mill certified with the ISO 14001 environmental management standard.

The FSC logo identifies products which contain wood from well managed forests certified in accordance with the rules of the Forest Stewardship Council.



