

# WITAN PACIFIC INVESTMENT TRUST PLC

Report & Accounts 2007



*“The secret to winning  
is constant, consistent  
management”*

*Tom Landry*

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## Financial Calendar

Annual General Meeting	13 June 2007
Interim results for 2007 announced	October 2007
Final results for 2008 announced	April 2008

Company Registration No. 91798

## Investment Objective

To provide shareholders with a balanced portfolio of investments in the Asia Pacific region designed to outperform the MSCI Index†.

## Strategies

- 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%.

† MSCI AC Asia Pacific Free Index (£)

## Highlights

### Summary of Results

attributable to equity shareholders

	31 Jan 2007	31 Jan 2006	% change
Share price	161.50p	168.00p	-3.9
Net asset value per share (as per the Balance Sheet)	181.85p	179.20p	1.5
Discount	-11.2%	-6.3%	
Dividend per share	1.50p	1.33p	12.8
Gearing	0.1%	-1.4%	
Total expense ratio (excluding performance fees)	0.8%	0.9%	
Total expense ratio (including performance fees)	0.9%	1.0%	

### Cumulative Performance (Total Returns)

to 31 January 2007

	1 year %	3 years %	5 years %
Share price (with dividends reinvested) <sup>#</sup>	-3.0	49.7	72.4
Net asset value per share <sup>#</sup>	2.1	50.6	56.1
MSCI AC Asia Pacific Free Index (£) <sup>*</sup>	0.4	55.7	66.4

<sup>#</sup> Source: AIC Services Ltd

<sup>\*</sup> Source: Datastream

## Chairman's Statement



Gillian Nott

It is a pleasure to present my first Annual Report and Accounts to shareholders since being appointed Chairman of Witan Pacific Investment Trust plc (the "Company"), particularly as the Company has now been in existence for 100 years.

At the end of the Company's first complete year under the new management arrangements it is pleasing to report that the Company's Net Asset Value ("NAV") outperformed its Index, the MSCI AC Asia Pacific Free Index (the "Index"), for the first time in several years and did so by 1.7%. However this was against a less positive background for UK investors as the Index returned 0.4% in sterling terms. The Company's discount widened in line with the sector over the year from 6.3% to 11.2% and this led to a fall in the share price to 161.5p giving a share price total return for the year of -3.0% (with dividends reinvested).

Our objective as a Company is to provide investors with a balanced portfolio of investments in the Asia Pacific region designed to give returns ahead of general market performance. Despite the region's modest result this year, we continue to believe that an exposure to it through a vehicle such as the Company is appropriate for many investors, particularly individuals, who do not wish to make their own asset allocation within the region. It is noteworthy that over the last three years the region's stockmarkets on average have risen by 46% when viewed

in sterling. However this has masked wide variations in return, for example over the same period Japan rose 34% in sterling terms whilst India rose 131% again in sterling terms. Growth throughout Asia is being driven strongly by China and India, whose economies grew by around 11% and 9% respectively last year. As the region becomes more interdependent we believe this will benefit many of the other countries in which we invest and provide the capital growth we seek to deliver to our shareholders.

The arrangements for the management of your Company which were put in place in May 2005 are working well. These are outlined in some detail in the new section in this report, the Business Review on pages 7 to 11, and I urge you to read it to gain a closer understanding of how your Board runs the Company.

The two Investment Managers, Aberdeen Asset Managers Limited ("Aberdeen") and Nomura Asset Management U.K. Limited ("Nomura") have very different investment styles. We regard this as a strength as it should substantially reduce volatility in our performance. For example Aberdeen are well known for their stock picking ability and are generally very underweight in Japan compared with the Index, both of which can at times lead to considerable swings in performance. By contrast Nomura are more conservative in their approach. They pay more attention to regional weightings and overlay them with a stock

## Chairman's Statement

continued

selection bias. They have a particularly strong investment team in Japan where they maintain a higher exposure than Aberdeen. Over this year Nomura have delivered lower returns than Aberdeen but during the course of the year there were times when they were ahead and their returns during the year have been much less volatile compared with our benchmark than have Aberdeen's. At the end of the year Aberdeen had outperformed the benchmark by 4.2%, mainly due to a relatively low weighting in Japan, whilst Nomura had underperformed by 0.7%, partially as a result of their overweight position in resource companies. Since inception Aberdeen have outperformed the benchmark at an annualised rate of 1.1% and Nomura by 0.3% per annum.

The Company aims to keep its expense ratio below 1% and I am pleased to say that last year our expense ratio was 0.8%. The ten year record of operating cost as a percentage of net assets is shown on page 48. Investment trust expense ratios are much lower than comparable unit trusts which are often in excess of 2%.

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. During the year the Company bought back 13,914,940 shares which had the effect of enhancing the NAV by approximately 1.6%.

During the year those shareholders who held their shares through F&C share plans were offered the opportunity to transfer their holdings from F&C to Witan Wealthbuilder following F&C's decision to remove the Company as one of the options on their platform. Those who did not transfer had their shares sold giving rise to the unusually large number of shares bought back. 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-issuance at a later date. This power will be used to issue shares only at NAV or at a premium to NAV.

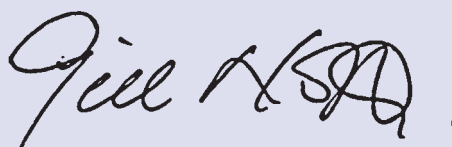
However, many shareholders did transfer their savings plans from F&C to Witan Wealthbuilder. Shareholders wishing to add to their shareholding can now invest in the Company in a straight forward savings plan or in a tax sheltered ISA. Further details are given on page 50.

In line with our policy of distributing as much income as may be prudent, we are recommending a final dividend of 1.50p per share, an increase of 12.8% compared with last year's dividend. This dividend is payable on 27 June 2007 to shareholders on the register at the close of business on 11 May 2007.

Mr Kevin Jones has indicated his desire to stand down at the forthcoming AGM. I take this opportunity to thank him for his valuable service since he was appointed in 1999.

Looking ahead both Investment Managers remain optimistic for the coming year although they both recognise that in some markets valuations may be somewhat high. They will be taking this into account in the asset allocation between markets and in their stock selection seeking to invest in those areas that will deliver most value to shareholders. Despite some concerns, they and the Board are confident of the region's long term attractiveness.

The AGM will be held on Wednesday, 13 June 2007 at noon in the Main Reception, Chartered Accountants' Hall, One Moorgate Place, London EC2R 6EA. I will present my report and the Executive Manager will give a review of the Investment Managers' performance for the year. I look forward to welcoming you to my first AGM as Chairman.



**Gillian Nott**

*Chairman*

27 April 2007

## Directors



**Gillian Nott OBE†\***  
**Chairman**

Appointed in November 1999. She was, for four years until 1999, the chief executive of ProShare, the organisation which promotes individual share ownership. At ProShare, she was deeply involved in all matters relating to the investment environment for private individuals. Mrs Nott brings to the Board considerable experience of the investment management industry and is also a former non-executive director of the Financial Services Authority. She is chairman of Baronsmead VCT plc and of SITKA Health Fund VCT plc and is also on the board of Martin Currie Portfolio Investment Trust plc and Merrill Lynch British Smaller Companies Investment Trust plc. She is also on the board of Liverpool Victoria, the UK's largest Friendly Society. She is a deputy chairman of the Association of Investment Companies. She has the specific role of liaising with the Executive Manager's marketing team in respect of Witan Pacific. Age 62.



**Leslie Atkinson†\***  
**Senior Independent Director**

Appointed in June 1999. He has had a distinguished career with BP and, latterly, as a main board director of Tarmac. At BP, he was chairman of BP Asia Pacific, based in Singapore. Whilst there, he was a member of the Council of the National University of Singapore and a member of the board of the Insead Euro-Asia Centre. Previously, he was a member of the UK Government's Central Policy Review Staff (the "think tank") for two years and has served on the board of the Securities and Futures Authority in London. He thus brings broad commercial experience, gained in Asia and elsewhere, to the deliberations of the Board. Having worked for major industrial enterprises he is able to help transfer best practice in management processes to the Board. He is also a non-executive director of AEA Technology, Electrocomponents and Samworth Brothers Holdings. Age 63.



**Sarah Bates†\***

Appointed to the Board in January 2004. She has considerable experience of the investment management industry and is currently a non-executive director of INVESCO English and International Trust plc, St James's Place Capital, New India Investment Trust plc, JPMorgan Fleming American Investment Trust plc and MTI Partners Ltd. She is a director of the Association of Investment Companies. She is also an independent adviser to Merseyside and East Riding Pension Funds, a lay adviser to the investment committee of the Royal College of Surgeons and a member of the investment committee of the Cancer Research UK Pension Scheme and of Newnham College, and chairman of the trustees of the Stena UK Pension Scheme. She had previous responsibilities as CEO of Invesco Institutional UK (which included their investment trust activities) and was managing director of their investment trust business in the 1990s. Age 48.



**William Courtauld OBE †\***

Appointed in April 2001. He has lived and worked in Asia since 1976 and has run or directed businesses in all the key economies of the Asia Pacific region. These have covered a wide range of activities with a particular focus on financial services including investment focussed businesses such as life insurance. The majority of his time in Asia was with the Jardine Matheson Group where he was an executive director of Jardine Pacific for nearly a decade. Most recently, for five years he led the Asian insurance business of the Fortis Group culminating in an important joint venture in China. He is currently developing his own specialised Asian investment business from a base in Hong Kong. Age 64.



**Kevin Jones †\***

Appointed in February 1999. He is an independent management consultant. He currently acts as a senior adviser to groups in Hong Kong, India and South Korea. From 1992 to 1998 he was a partner of Booz Allen & Hamilton leading the practice in China and Korea. From 1983 to 1992 he was a partner of McKinsey & Company based in Tokyo. He has worked with leading Japanese, Korean and mainland Chinese companies and has published extensively on the region. He led Booz Allen's work for the Korean government on a restructuring strategy for the Korean economy. He speaks and reads Japanese and Mandarin, as well as several European languages. He is a non-executive director of INTAC Ltd. Age 58.

† Members of the Audit and Management Engagement Committee  
\* Members of the Nomination and Remuneration Committee

## Directors and Advisers

*“An ounce of performance is worth pounds of promise”* Mae West

### Directors

Gillian Nott OBE (Chairman) †

Leslie Atkinson (Senior Independent Director) †

Sarah Bates †

William Courtauld OBE †

Kevin Jones †

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

### Executive Manager

Witan Investment Services Limited

4 Broadgate

London EC2M 2DA

### 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

### Administrator, Company Secretary and Registered Office

BNP Paribas Fund Services UK Limited

(Company secretarial services delegated to

BNP Paribas Secretarial Services Limited)

55 Moorgate

London EC2R 6PA

Telephone: 020 7410 3132

Facsimile: 020 7477 5849

Email: [secretarialservice@uk.bnpparibas.com](mailto:secretarialservice@uk.bnpparibas.com)

### Auditors

PricewaterhouseCoopers LLP

Southwark Towers

32 London Bridge Street

London SE1 9SY

### Bankers and Custodian

JPMorgan Chase

London Branch

125 London Wall

London EC2Y 5AJ

The Royal Bank of Scotland

7th Floor

135 Bishopsgate

London EC2M 3UR

### Registrars

Computershare Investor Services PLC

PO Box 82

The Pavilions

Bridgwater Road

Bristol BS99 7NH

Telephone: 0870 707 1410

Facsimile: 0870 703 6143

Website: [www.computershare.com](http://www.computershare.com)

Email: [webqueries@computershare.co.uk](mailto:webqueries@computershare.co.uk)

Authorised and regulated in the UK

by the Financial Services Authority

### Stockbrokers

JPMorgan Cazenove Limited

20 Moorgate

London EC2R 6DA

An investment company as defined under Section 266 of the Companies Act 1985.

Registered Number: 91798

## 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 for the Company.

[www.witan.com](http://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 now manages some £15bn funds invested in the region. They possess a team of some 37 fund managers who 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. The investment team is directed by Hugh Young. Peter Hames (Investment Director) and Pascal Masse (Head of Japanese Equities) are involved with the day to day investment of the Company's portfolio.

[www.aberdeenasset.com.sg](http://www.aberdeenasset.com.sg)

## NOMURA

Nomura Asset Management U.K. Limited has been managing Pacific Basin assets since 1981 and has some £20bn invested in the region. They believe that markets are not fully efficient and that active management based on fundamental research can add value.

Nomura has considerable resource in the area with 44 analysts making some 6,500 company visits during 2006. Their process is research driven with an emphasis on stock selection whilst applying rigid risk controls. The nominated portfolio managers of the Company are Yosake Uchida (Senior Portfolio Manager – Tokyo) and Graham Muirhead (Senior Portfolio Manager – Singapore).

[www.nomura.com/nam-europe/](http://www.nomura.com/nam-europe/)

## Business Review

*The Business Review which follows is designed to provide shareholders with information about the Company's business and results for the year ended 31 January 2007. The Business Review is addressed only to shareholders as a body and no liability can be admitted by the Directors to any other party in connection herewith. Any forward looking statements contained in the Business Review reflect the knowledge and information available to Directors at the time the Business Review was prepared.*

*This Business Review has been prepared in accordance with the requirements of Section 234 ZZB of the Companies Act 1985, Schedule 7, Part I of the Companies Act 1985 and current best practice.*

All of the matters previously dealt with in the Executive Manager's Review are now included in this review which covers the following:

- Objective and Strategy;
- Management Arrangements;
- Portfolio Review;
- Investment Manager review process;
- Share buy-back policy;
- Third Party Service Providers review process;
- Principal Risks;
- Key performance indicators;
- Your Board's priorities for the current financial year; and
- Outlook.

### Objective 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 through growth in capital.

Your Company aims to outperform by using an active multi-manager approach. The Company has a policy of deploying gearing in a tactical sense, giving its Investment Managers discretion to hold up to 10% of their portfolio in cash or borrow up to 10%. 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 most of its peers. Share buy-backs provide liquidity and enhance the NAV 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 disciplines.

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 to costs and only undertakes expenditure when necessary. It is your Board's aim to control the level of costs and expenses, maintaining a total expense ratio for the Company of less than 1%.

### 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 control 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 the strategy.

The following table shows the investment management arrangements:

Equity Mandate	Investment Manager	Mandate Benchmark (£)	% of Initial Portfolio
Asia-Pacific	Aberdeen	MSCI AC Asia Free Pacific Index	50%
Asia-Pacific	Nomura	MSCI AC Asia Free Pacific Index	50%

Your Company has also appointed third parties for the various support services it requires. The principal ones are JPMorgan Chase for global custody, BNP Paribas Fund Services UK Limited for investment accounting and administration and BNP Paribas Secretarial Services Limited for company secretarial services. From time to time, as

## Business Review

continued

required, the Company also buys in services for legal, investment consulting, financial and tax advice.

Although multi-manager arrangements can prove expensive, the Company's careful cost control has resulted in a total expense ratio of 0.8% which is much lower than any open ended fund with this regional mandate.

### Portfolio Review

At first glance, the year ended 31 January 2007 would appear to have been a dull one for UK-based investors in the Asia Pacific region. The MSCI Index in sterling terms gave a total return of only 0.4% which means that excluding income the markets fell by 1.6%. This, however, masks two important factors. First, the strength of sterling over the year dramatically reduced the returns to UK investors. In local currency terms these markets returned a much more acceptable 11.9% as measured by the Index. Secondly, this year's most notable feature was the volatility of the underlying markets. Indeed the year could also be viewed as a year of mainly strong markets punctuated by a period of extreme weakness – in May and June of 2006, caused by inflationary fears and heightened risk aversion in the face of geopolitical tensions. There was also a great deal of variability across markets. In sterling terms, the best performer was the relatively minor market of the Philippines which returned 52.2% whilst China, Indonesia, Malaysia, Singapore and India all returned in excess of 30%. Conversely, Japan, Korea and Thailand all gave negative returns.

Economies across the region made healthy progress over the period, led by China and India. However, the rapid pace of economic expansion stoked inflationary pressures and prompted a further tightening of monetary policy by Asian central banks, most notably in China, Taiwan and India. Indonesia and Japan were the economic laggards, with the former making multiple interest rate cuts to spur GDP growth. Japanese private consumption remained patchy which partially explains why the Bank of Japan left monetary policy unchanged after its July hike, which followed nearly six years of zero interest rates.

Thailand's political upheaval was the main blemish in an otherwise positive year. After a protracted period of political uncertainty, triggered by the then prime minister

Thaksin Shinawatra's tax-free sale of Shin Corp, the military seized power in a bloodless coup on September 19 and installed former army chief Surayud Chulanont as premier. However, the initial steps taken by the new government have given foreign investors cause for concern; in particular, a bungled attempt to stem the appreciation of the baht through indirect capital controls in December 2006. Although most of the measures were rescinded within 24 hours, the volte-face poses further questions over the credibility of the military regime.

In Japan, the key political development was the election of Shinzo Abe as successor to Junichiro Koizumi as head of the ruling Liberal Democratic Party and the country's new prime minister. Although the news was generally well received by the market, the prime minister's approval ratings have taken a slide since taking office last September, in turn raising the stakes of the upper house parliamentary elections this July.

As noted above, your Company is now managed in two approximately equal-sized portfolios by Aberdeen and Nomura. Each is expected to outperform the MSCI Index over the medium to long term. Although both have strong investment philosophies based on fundamental research and a long term track record of outperformance, they manage their portfolios in very different ways.

**Aberdeen** is a pure stockpicker, investing in a relatively small number of stocks that have met their exacting research criteria. They do not take top down country or even sector views – instead these become a reflection of the individual stock preferences. They focus on *“well-managed businesses with strong balance sheets and cashflows, sensible management with regard for minority shareholders and attractive valuations.”* They pay little regard to Index construction and therefore will deviate significantly from the Index returns. Their track record built up over a very long time period does suggest that they have the capability to outperform the Index substantially.

During the year under review, the Aberdeen portfolio returned 4.6% against the benchmark MSCI Index increase of 0.4% in sterling terms, an outperformance of 4.2%. The main reason for this outperformance was that Aberdeen stock positions had resulted in them being overweight in

## Business Review

continued

Singapore and India, where market indices continued to post new records, and underweight in Japan, a market that lagged the rest of the region.

New holdings in their portfolio included Hong Kong's Hang Lung Group and its subsidiary Hang Lung Properties which is expected to benefit from its exposure to China's commercial property market, Bumiputra-Commerce Holdings, which is expected to benefit from domestic growth in Malaysia and Mitsubishi UFS Financial Group, one of Japan's leading banks. These purchases were financed by the sale of Astellas Pharmaceutical (Japan) and a reduction in weightings of Leighton Holdings (Australia), Shinsegae (Korea), Samsung (Korea) and China Mobile.

On the outlook for the region Aberdeen comment: *"Looking ahead, the widely anticipated slowdown in the global economy is likely to affect Asian corporate earnings' growth, which is estimated to ease marginally to around 10% this year. Corporate fundamentals, however, remain intact as company balance sheets are generally strong and there has been substantial improvement in corporate governance standards. Meanwhile, excess profits are increasingly being paid out to shareholders in the form of higher dividends and share buy-backs. Japan's economy is expected to improve gradually, led by capital expenditure and exports, the latter given a boost by the depreciation of the yen against the major currencies, most notably the euro and the US dollar. However, a sustainable recovery still hinges on a turnaround in consumer spending, which has been elusive so far. Overall, valuations across the region continue to be reasonable, despite the sharp rise in share prices in recent years. However, this masks a disparity in performance: there are signs of frothiness in markets such as India and China, while the laggard markets, such as Thailand and Korea, appear undervalued. We remain comfortable with our holdings and feel that a pause at current levels is healthy, and even welcome, if only to allow earnings to catch up with the gains in share prices."*

**Nomura** regard themselves as a 'core' or 'flexible' manager in terms of style. They focus on identifying stocks, through fundamental research, which are trading at less than fair value. Nomura also take top down country and sector views and control the size of positions they take against the Index. Their relative approach is designed to add value

in all market conditions over the medium to longer term. Their long term track record supports this claim.

During the year under review, the Nomura portfolio returned -0.3%; an underperformance of the Index of 0.7%. All of this underperformance came from stock selection within markets. Poor relative selection in Japan, Australia and India was only partially offset by positive contributions from China, Korea and Taiwan.

Nomura have a positive view on domestic economic momentum in China and consequently are overweight in consumer oriented stocks like China Life and China Mobile. Given the strong demand for the products of these companies, those stocks were significant outperformers in the period. Similarly in Singapore, the domestic economy has been enjoying significant momentum and property stocks have seen significant rises in their net asset values. These stocks performed very well as did stocks related to the marine industry which includes activities such as oil exploration and shipbuilding. Exposure to stocks like Hon Hai Precision and Johnson Health, and financials in South Korea, in addition to stocks like Dacom and GS Construction, also helped outperformance.

On the other hand Nomura also have a very positive stance on diversified resources on the premise that due to a shortage of long term investment in mining the prices of base materials like iron ore and coal will remain high. These stocks were extremely volatile through the year but ultimately contributed negatively to performance.

In Japan, Nomura are underweight in the infrastructure sector which includes the defensive utilities and the high beta real estate stocks. Although these areas have performed well any rise in interest rates would be negative for the outlook for this area of the market.

On the outlook, Nomura say: *"Economic growth in the region remains robust, led by China. Interest rates have stabilised in most countries at relatively low levels and asset prices and bank lending is accelerating throughout the region. We do acknowledge that the corporate result season to date has been slightly disappointing in some markets like Korea, but this has been due largely to the appreciation of most Asian currencies versus the US dollar. We had already*

## Business Review

continued

*anticipated that and have been readjusting our positions towards stocks that benefit from rising domestic demand. We are becoming more positive towards both Hong Kong and China. Property prices in Hong Kong are beginning to move ahead again; Hong Kong interest rates are more than 100bp below US rates despite the currency peg, whilst liquidity from mainland China is finding its way into Hong Kong. As such, we are increasing the overweight exposure to this market. Japanese stocks are now looking fairly priced, and therefore offer less attractive opportunity compared with markets in the rest of Asia, and we will be progressively reducing exposure to this market."*

### Investment Manager Review Process

During the year ended 31 January 2007, as in the previous year, the Board reviewed the Company's benchmark and the investment management structure to ensure that they were still appropriate for your Company's objective.

In addition, the Board met with the Investment Managers four times during the year under review. At these meetings the Investment Managers were asked, among other things, to:

- explain their choice of investments, which enabled the Board to check that these were within the Company's mandate guidelines and in accordance with the Investment Manager's own investment philosophies;
- provide a detailed analysis of their performance to date and the reasons behind it;
- report on any significant changes to the organisation; and
- re-affirm their investment strategy and philosophy.

If the Board had felt any dissatisfaction on any of these points then this would have led to a formal review.

### 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. Any purchase of shares at a discount to their NAV will lead to an increase in that NAV and will support an increase in the Company's share price, all other things being equal.

In the year ended 31 January 2007, the Company bought back and cancelled a total of 13,914,940 of its ordinary shares at a cost of £22,060,000 including stamp duty. The result of this in terms of performance enhancement was to add just over 1.6% to the NAV per share as at 31 January 2007.

### Third Party Service Providers

As described in Management Arrangements above, the Company has outsourced all of its operational infrastructure to third party organisations. Contracts and service level agreements have been defined to ensure that the service provided by each of the third party organisations is of a sufficiently professional and technically high standard required. All third party service providers are reviewed by the Audit and Management Engagement Committee on an annual basis.

### Principal Risks

Because the Company is essentially a vehicle for overseas equity investment, your Board is unlikely, in normal conditions to be anything other than fully invested subject to the tactical positions of the Investment Managers. The prime risk, therefore, of investing in the Company, remains a fall in equity prices. The other generic risks associated with any international or regional equity portfolio are those of strategy and of country, currency, industrial sector and stock selection. There are also risks

### Performance for the year 1 February 2006 to 31 January 2007 and from inception to 31 January 2007

Investment Manager	Value of funds under management £m at 31.01.07	% of the Company's assets under management at 31.01.07	Performance in the year 01.02.06 to 31.01.07 %	Benchmark performance 01.02.06 to 31.01.07 %	Performance in the period 01.05.05 to 31.01.07 % (annualised)	Benchmark performance 01.05.05 to 31.01.07 % (annualised)
Aberdeen	67.2	49.6	4.6	0.4	22.8	21.5
Nomura	67.6	49.9	-0.3	0.4	21.9	21.5

## Business Review

continued

associated with the selection of Investment Managers. Your Board seeks to manage these risks through the appropriate application of gearing, liquidity and investment mandates and by monitoring the investment activities of your Investment Managers. Moreover, the adverse effects of a failure, however defined, by an individual Investment Manager are reduced significantly by the multi-manager structure, and the different styles of each of the two Investment Managers. Further, your Board regularly reviews the Investment Managers.

In addition, your Company also faces the risk that its objective and strategy become inappropriate in a rapidly changing 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 unavoidable risks of errors and omissions. These are regularly reviewed by the Company's Audit Committee and the external auditors. Your Board also takes professional legal, accounting and tax advice in advance if there is a doubt concerning any proposed activity of your Company. Operationally, the multi-manager structure is a fairly robust one as each of the Investment Managers, the custodian and the fund accountants keep their own records which are reconciled on a monthly basis. In addition, our Executive Manager, Witan Investment Services Limited monitors the activities of all third parties and escalates any issues to the Board. Comprehensive contractual obligations and indemnification provisions have been put in place with each of the third party service providers.

### Key Performance Indicators

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

- Net asset value return;
- Share price return;
- Performance against the benchmark;
- Discount to net asset value;
- Dividend payout;

- The level of buy-back activity;
- Total expense ratio; and
- Growth in number of investors.

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

### Your Board's Priorities for 2007

Every year in January your Board has an "away day" at which it sets its priorities for the next twelve months. In January 2007 the Board agreed that it would: continue to strengthen its working relationships with the Investment and Executive Managers; improve its knowledge of the Company's shareholder base; and develop a succinct marketing message.

### Outlook

Since the multi-manager arrangements were put in place in May 2005 markets in the Asia Pacific region (and around the world) have continued to perform well. The outlook for the Asia Pacific region is still very attractive over the medium to long term but, as the Investment Managers have indicated, these markets are no longer cheap and will be vulnerable to any negative event elsewhere in the world.

By order of the Board

### BNP Paribas Secretarial Services Limited

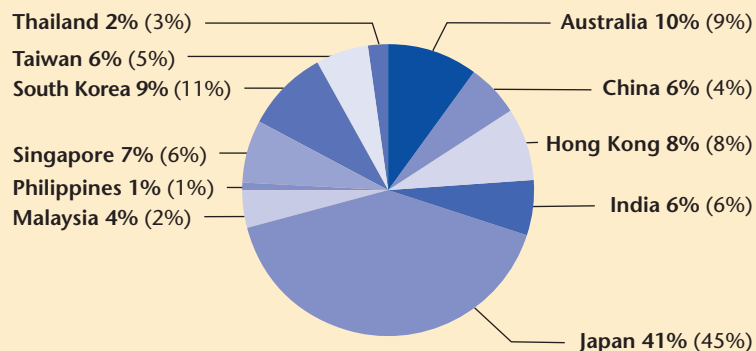
Secretary

27 April 2007

# Portfolio Summary

## Equity Portfolio by Geographical Classification

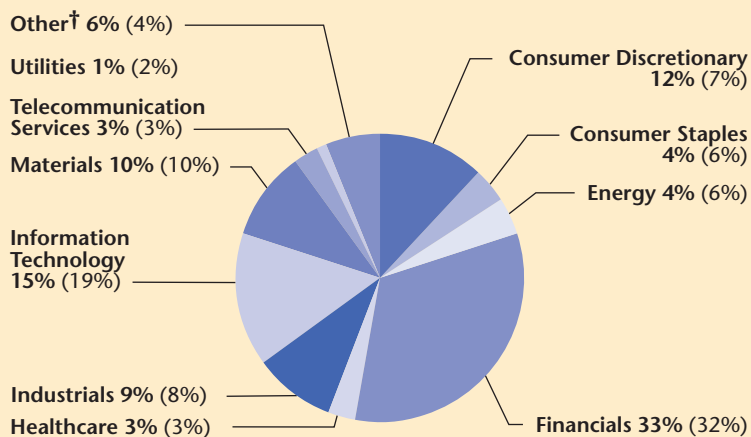
as at 31 January 2007



31 January 2006 figures in brackets.

## Equity Portfolio by Sector Breakdown

as at 31 January 2007



31 January 2006 figures in brackets.

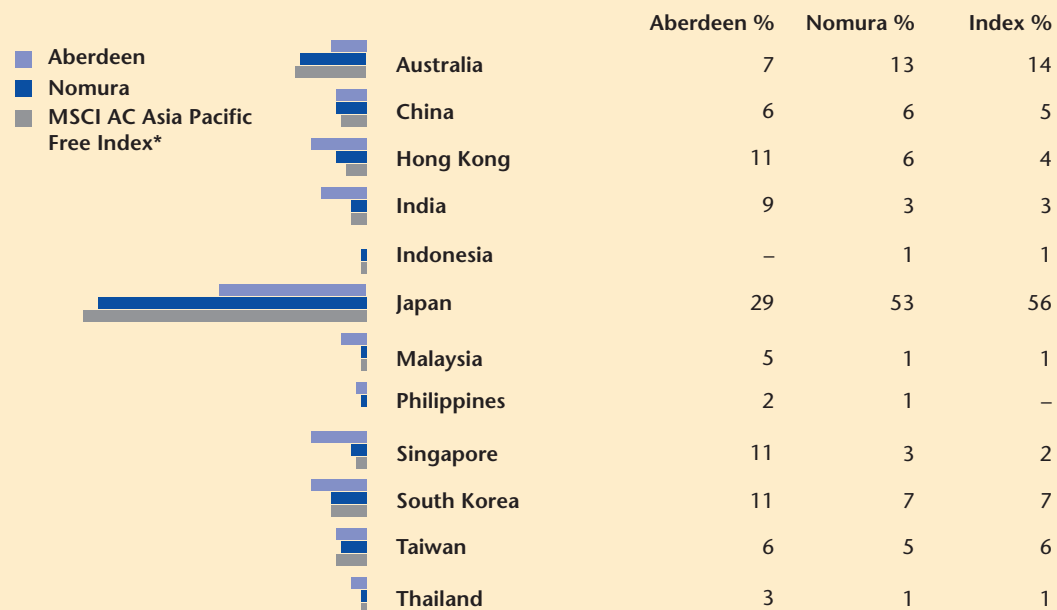
† Investment in India Funds.

# Portfolio Summary

continued

## Geographical Analysis

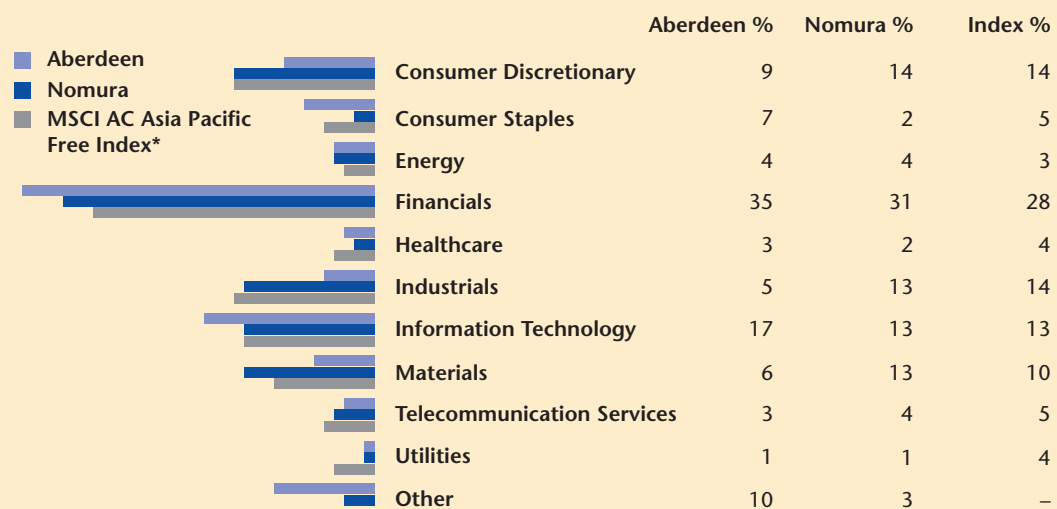
as at 31 January 2007



\*Source: Datastream.

## Sector Analysis

as at 31 January 2007



\*Source: Datastream.

## Portfolio Information

at 31 January 2007

### Twenty Largest Investments of the Company

This period	Last period*	Company/Country	% of total investments	Value £'000
1	(2)	Aberdeen Global India Opportunities Fund India	4.7	6,312
2	(1)	Samsung Electronics South Korea	3.0	4,027
3	(7)	Mitsubishi UFJ Financial Group Japan	2.5	3,265
4	(5)	Honda Motor Japan	2.3	3,102
5	(3)	Rohm Company Japan	1.9	2,592
6	(9)	China Mobile China	1.8	2,409
7	(-)	Yamaha Motor Company Japan	1.8	2,388
8	(4)	Rio Tinto Australia	1.7	2,244
9	(15)	Canon Japan	1.7	2,217
10	(-)	Nomura India Equity Fund India	1.6	2,138
11	(-)	Swire Pacific Hong Kong	1.5	2,011
12	(12)	United Overseas Bank Singapore	1.5	1,948
13	(20)	Petrochina China	1.5	1,928
14	(-)	Takeda Pharmaceutical Japan	1.4	1,920
15	(14)	OCBC Singapore	1.4	1,905
16	(10)	Taiwan Semiconductor Manufacturing Taiwan	1.4	1,894
17	(18)	Omron Corporation Japan	1.4	1,894
18	(11)	Bank of Kyoto Japan	1.4	1,829
19	(8)	Sumitomo Mitsui Financial Japan	1.3	1,726
20	(-)	QBE Insurance Group Australia	1.3	1,704
			<b>37.1</b>	<b>49,453</b>

\* The figures in brackets denote their position at the previous year end.

The value of the twenty largest holdings represents 37.1% (31 January 2006: 37.1%) of the Company's total investments.

## Portfolio Information

at 31 January 2007

continued

### Twenty Largest Investments of the Company

#### **Aberdeen Global India Opportunities 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.

#### **Samsung Electronics**

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

#### **Mitsubishi UFJ Financial Group**

Japan's largest banking group formed through the merger of Tokyo Mitsubishi and UFJ groups.

#### **Honda Motor**

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.

#### **Rohm Company**

A chip maker for the consumer electronics industry that has in-house design and customisation capabilities.

#### **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.

#### **Yamaha Motor Company**

One of the leading global motorcycle manufacturers. It is well positioned to take advantage of growth in large markets like Indonesia, China, India and Brazil.

#### **Rio Tinto**

A globally diversified resources company which has a dominant position in most of its product markets, especially iron-ore.

#### **Canon**

A world leader in photographic and imaging equipment. It has benefited from strong digital camera sales, particularly in the high-end SLR segment.

#### **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.

#### **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.

#### **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.

#### **Petrochina**

China's largest onshore oil and gas exploration and production company.

#### **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.

#### **OCBC**

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

#### **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.

#### **Omron Corporation**

A manufacturer of components and systems used for factory automation.

#### **Bank of Kyoto**

A regional bank with strong ties to top electronics companies, and has a solid portfolio of assets and an improving loans business.

#### **Sumitomo Mitsui Financial**

One of the largest banking groups in Japan. Through its subsidiaries, it provides banking, trust banking and brokerage services.

#### **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.

# Report of the Directors

The Directors have pleasure in presenting their report and audited financial statements for the year ended 31 January 2007. 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 266 of the Companies Act 1985.

The Company operates as an investment trust in accordance with Section 842 of the Income and Corporation Taxes Act 1988. Inland Revenue approval of the Company's status as an investment trust has been received in respect of the year ended 31 January 2006. 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") and are also eligible as an investment for Personal Equity Plan ("PEP") transfers.

## Life of the Company

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

## Business Review

The Business Review on pages 7 to 11 has been prepared in accordance with the requirements of Section 234 ZZB of the Companies Act 1985 ("Section 234"); Schedule 7 Part 1 of the Companies Act 1985. It is designed to provide shareholders with information about your Company's business and results for the year ended 31 January 2007. All of the matters previously dealt with in the Executive Manager's Review are now included in this Review.

## Investment Objective and Policy

The objective of the Company 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 (£).

In accordance with the Listing Rules issued by the Financial Services Authority, no more than 10% of the value of the gross assets of a listed investment company can be invested in other listed investment companies which have not stated that they will not invest more than 15% of their gross assets in other listed investment companies. The Company is therefore restricted to investing no more than 10% of its gross assets in those companies that have not made such a statement. The Company made its own statement on 13 October 2003 that it would not invest more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

## Key Performance Indicators

Section 234 requires that business reviews contain financial and where applicable, non-financial key performance indicators ("KPIs"). The Directors consider that, in line with the activities and objectives of the business, the KPIs set out on page 11 are those, which communicate the performance of the Company as a whole.

## Results and Dividend

Revenue attributable to equity shareholders	£'000
Net revenue return after taxation	1,430
Proposed dividend:	
72,315,323 ordinary shares	
Final dividend of 1.50p per share	(1,085)
Payable on 27 June 2007 to shareholders on the register at the close of business on 11 May 2007.	

## Share Capital

The authorised and issued share capital of the Company is detailed in note 15 on page 42 of the financial statements. The total number of ordinary shares in issue is 72,315,323 at the date of this report.

## Subsidiary Undertaking

Details of subsidiary undertakings are given in note 10 of the financial statements on page 41. The Directors applied to Companies House for the striking off of all of these subsidiaries under Section 652a of the Companies Act 1985 as these were dormant companies.

# Report of the Directors

continued

## Management Agreements

Pursuant to an agreement dated 22 March 2005, Witan Investment Services Limited ("the Executive Manager"), a wholly owned subsidiary of Witan Investment Trust plc, has been appointed as Executive Manager with the responsibility for the commercial management of the Company, including advising on, liaising with and monitoring the Company's investment managers and other third party service providers. The Executive Manager also has responsibility for the marketing of the Company, and this includes the administration and servicing of savings plans. In summary, the Board sets the Company's strategy and the Executive Manager monitors and implements this same strategy. The agreement may be terminated by either party by giving the other party six months written notice.

The Company's assets are managed by Aberdeen Asset Managers Limited ("Aberdeen") and Nomura Asset Management U.K. Limited ("Nomura").

Aberdeen is a subsidiary of Aberdeen Asset Management PLC. The Aberdeen Group is an international investment management group, managing assets for both institutional and retail clients from offices around the world. The management of the portfolio is delegated to Aberdeen Asia. Total group funds under management and advice as at 31 January 2007 were approximately £76.3 billion, with £15 billion in Asia.

The Nomura Asset Management Group is headquartered in Tokyo, with investment offices in London, Singapore, Hong Kong, Malaysia and New York. It manages over \$213 billion of assets globally as at 31 December 2006.

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 0.2% to 0.25% per annum and the performance fees range from 10% to 15% per annum of the relevant portfolio outperformance. Each 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.

## Continued Appointment of the Investment Managers

Aberdeen and Nomura manage the assets of the Company. 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 Agreement

Administration and company secretarial services are provided to the Company by BNP Paribas Fund Services UK Limited and its wholly owned subsidiary, BNP Paribas Secretarial Services Limited, pursuant to an Agreement dated 22 March 2005 as amended on 5 October 2005. The Agreement continues until terminated by either party giving not less than six months' written notice. The fees for these services are set at £47,000 per annum, plus an *ad valorem* charge where the Company's gross assets are up to £300m, a rate of 0.02% is charged and where the Company's assets are over £300m, a rate of 0.01% will be charged.

## Directors

The Directors of the Company and their biographical details are shown on page 4. All the Directors held office throughout the year under review.

In accordance with the Company's Articles of Association, Mrs Bates and Mr Courtauld will retire by rotation and, being eligible, will be seeking re-election by shareholders at the forthcoming Annual General Meeting. The Nomination and Remuneration Committee (excluding Mrs Bates and Mr Courtauld), having reviewed the performance of Mrs Bates and Mr Courtauld and their individual contribution to the operation of the Company, concluded that the Company benefited from their services and advice, and accordingly recommended to the Board that a resolution be put to shareholders at the 2007 Annual General Meeting that they be re-elected. The Board concurred with the Nomination and Remuneration Committee's recommendation and recommends that shareholders vote in favour of this re-election.

# Report of the Directors

continued

Mr Jones has expressed his wish to stand down at the forthcoming AGM. The Company has retained the services of Stephenson & Co, an executive search firm, to find a replacement Director.

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

## Directors' Interests

The beneficial and family interests of the Directors in the share capital of the Company were as follows:

	31 January 2007	31 January 2006
G Nott	17,500	17,500
L Atkinson	15,000	15,000
S C Bates	25,000	25,000
W M Courtauld	–	–
K K Jones	9,875	9,875
C T B Purvis*	n/a	75,000

\* Mr Purvis resigned on 22 June 2006

There have been no changes in the Directors' interests in shares detailed above since the Company's year end. No Directors held any interests in the issued shares of any of the Company's subsidiary undertakings.

## Substantial Share Interests

At the date of this report the Company had been notified of the following interests exceeding 3% in the ordinary shares of the Company.

	No. of ordinary shares held	% of issued share capital
L R Nominees Limited	12,313,456	16.89
Rathbone Nominees Limited	2,928,710	4.02
BNY (OCS) Nominees Limited	2,717,887	3.73

## 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 2007 (31 January 2006: nil).

## Donations

No political or charitable donations have made during the year ended 31 January 2007 (31 January 2006: nil).

## 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

### *Authorities to Allot Shares and to Disapply Pre-Emption Rights*

Approval is sought authorising the Directors to allot new ordinary share capital or shares held in treasury for cash, and for the granting of an authority to allot ordinary shares other than on a pro rata basis to existing shareholders, with a maximum aggregate nominal amount of £903,942, representing 3,615,766 ordinary shares being 5% of the Company's issued ordinary share capital as at 27 April 2007 (being the latest practicable date prior to publication of this document). Accordingly, Resolutions 8 and 9 as set out in the Notice of Meeting on page 51 will be proposed as an ordinary resolution and a special resolution respectively.

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

If Resolutions 8 and 9 are approved, the authorities will expire at the conclusion of the Annual General Meeting of the Company in 2008.

### *Authority to Purchase Own Shares*

At an Extraordinary General Meeting held on 10 November 2006, shareholders renewed the Board's authority to buy back up to 14.99% of the Company's ordinary shares. Pursuant to this authority, a total of 13,914,940 ordinary shares were purchased and cancelled during the year under review. This represented 19.09% of the issued share capital at 31 January 2007. The prices paid for these shares ranged from 138.32p pence to 176.88p pence per share and the total cost amounted to £22,060,000. A further 575,000 ordinary shares have been bought back since the Company's year end.

# Report of the Directors

continued

The Board considers that the Company should continue to have the authority to make market purchases of its own shares.

Accordingly a special resolution will be proposed at the Annual General Meeting to authorise the Company to make market purchases of up to 14.99% of the ordinary shares in issue, equivalent to 10,840,067 ordinary shares as at the date of this report. Under the Listing Rules of the Financial Services Authority, this is the maximum percentage of its equity share capital that a company may purchase through the market pursuant to such authority.

The authority for the Company to purchase its own ordinary shares will, by virtue of the Treasury Shares Regulations, 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 more than 10% of the Company's issued share capital.

## *Electronic Communications with Shareholders*

General authority from shareholders is sought to send or supply documents or information to shareholders in electronic form (e.g. by email) or by means of a website, so taking advantage of new company legislation regarding electronic communications with shareholders, which became effective on 20 January 2007.

Various amendments to the Articles of Association are proposed to reflect the new legislation on electronic communications, and to make a number of minor consequential amendments required by the Companies Act 2006. An explanation of the effect of the proposed amendments to the Articles of Association is set out in the Note 6 to the Notice of Meeting on page 54.

Existing company legislation permits the Company to communicate with shareholders electronically (e.g. by fax, email or by means of a website) in respect of certain types of information they receive from the Company and many shareholders have already signed up for this means of communication. However, the new legislation makes two important changes:

- all company notices, documents and other information ("shareholder information") can now be provided to

shareholders electronically, provided that they agree to this and provide an appropriate (e.g. email) address;

- if shareholders are invited to agree that the Company may send or supply shareholder information by means of a website, those who do not respond within 28 days are deemed to have agreed to the Company communicating shareholder information to them by means of a website.

Where shareholders agree (or are deemed to have agreed) to communication of shareholder information by means of a website, shareholders must be notified of the availability of the relevant document or information on the website, the address of the website, the place on the website where it may be accessed and how to access the document or information. This information will be provided to shareholders by post or by email (if they have provided us with an email address for this purpose). Increased use of electronic communications will deliver significant savings to the Company in terms of administration, printing and postage costs. It will also speed up the communication of information to shareholders in a convenient form, whilst at the same time delivering environmental benefits through reduced use of paper and of the energy required for its production and distribution. Accordingly, Resolution 11 as set out in the Notice of Meeting on page 52 is being proposed to confer the necessary authority on the Company and to make necessary amendments to the Articles of Association.

## *Amend Articles of Association*

Resolution 12 propose amendments to the Articles of association to reflect the coming into force of certain provisions of the Companies Act 2006. The Board expects to make additional amendments to the Articles of Association at the Annual General Meeting of the Company in 2008 to reflect other changes in the law resulting from the Companies Act 2006.

## **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

# Report of the Directors

continued

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 Annual General Meeting 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 Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information. The confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act, 1985.

## **Annual General Meeting**

The Annual General Meeting of the Company will be held on Wednesday, 13 June 2007 at noon at the Main Reception, Chartered Accountants' Hall, Moorgate Place, London EC2R 6EA.

By order of the Board

## **BNP Paribas Secretarial Services Limited**

Secretary

27 April 2007

# Corporate Governance Report

## Background

The UK Listing Authority requires all listed companies to disclose how they have applied the principles and complied with the provisions of the Combined Code on Corporate Governance, as issued by the Financial Reporting Council in July 2003. In addition, the AIC Code of Corporate Governance (the "Code") was issued by the Association of the Investment Companies and provides specific corporate governance guidelines to investment trusts. The Financial Reporting Council has endorsed the AIC Code of Corporate Governance in February 2006 and 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 associated disclosure requirements of the FSA Listing Rules.

## Compliance

Throughout the year ended 31 January 2007 the Company complied with the provisions of the AIC Code. Throughout the year, the Board have attached great importance to the matters set out in the Code and aim 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

The Board is responsible for determining the strategic direction of the Company. The Board 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 monitors compliance with the Company's objective and is directly responsible for approving the asset allocation, investment and gearing ranges within which Aberdeen Asset Managers Limited and Nomura Asset Management UK Limited (together "the Investment Managers") have been given discretion to act. The Board meets at least six times a year and also meets on one additional day each year where it focuses on particular issues that require greater attention.

Matters specifically reserved for decision by the full Board of the Company have been defined and 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.

The Board sets the boundaries within which the Investment Managers operate. The Investment Managers take decisions as to 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 Manager's performance against the Company's investment objective, the portfolio risk and attribution analysis. In addition, their attendance allows the Board to seek clarification on specific issues.

The Directors have access to the advice and services of the Company Secretary through its appointed representatives, who are 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. The appointment and removal of the Company Secretary is a matter for the whole Board. 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 as appropriate.

## The Chairman

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, Mrs Nott, was at the time of her appointment, and remains, independent. The Chairman is responsible for leading the Board and ensuring its effectiveness on all aspects of its role. In addition, the Chairman is responsible for ensuring that all Directors receive accurate, timely and clear information as well as ensuring that there is effective communication with shareholders.

## Directors and their Independence

As at 31 January 2007, the Board comprised of five non-executive Directors who annually review the independence of its members. The Board considers that it is able to act independently of Witan Investment Services Limited, the Executive Manager, and both

# Corporate Governance Report

continued

Investment Managers. 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 this appointment compromises Mrs Bates’s 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.

Mrs Nott is Chairman of the Board and Dr Atkinson is the Senior Independent Director. The majority of the Directors are resident in the UK and their biographical details are on page 4 of this Report and demonstrate the wide range of skills and experience that they bring to the Board.

New Directors stand for election at the first Annual General Meeting following their appointment and thereafter all Directors submit themselves for re-election at least every three years in accordance with the Code. The Board acknowledges the Code provisions relating to tenure. 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.

Any Directors serving longer than nine years will be 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 Annual General Meeting.

## Board and Committee Meeting Dates and Attendance

	Audit and Management Engagement Board	Nomination and Remuneration Committee	Away Day	
Number of meetings	6	4	2	1
G Nott	6	4	1 of 1	1
L Atkinson	6	4	2	1
S C Bates	6	4	–	1
W M Courtauld	6	4	–	1
K K Jones	5	3	2	1
C T B Purvis†	3 of 3	2 of 2*	–	–

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

† Retired from the Board on 22 June 2006.

All six directors attended the Annual General Meeting.

## Performance Evaluation and Succession Planning

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. The Nomination and Remuneration Committee then considers the information when making recommendation to the Board regarding the election and re-election of Directors. 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.

# Corporate Governance Report

continued

## Professional Development

New appointees are provided with a full induction programme which covers the Company's investment strategy, policies and practices by the Executive Manager. 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.

## Board Committees

In order to enable the Directors to discharge their duties, the Board has operated an Audit and Management Engagement Committee and a Nomination and Remuneration Committee during the year under written terms of reference. Committee membership is set out on page 5 of this report. BNP Paribas Secretarial Services Limited acts as Company Secretary to each Committee. 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. The auditors attend the Audit and Management Engagement Committee reviewing the annual results. Copies of the terms of reference for the Board Committees are available from the Company Secretary.

### *Audit and Management Engagement Committee*

The Audit and Management Engagement Committee (the "Audit Committee") of the Company operates within written terms of reference clearly setting out its authority and duties and meets at least twice a year. The members of the Audit Committee met four times during the year under review. All members attended these meetings except Mr K Jones who submitted apologies for one meeting.

The Audit Committee operates within clearly defined terms of reference and provides a forum through which the Company's external auditors report to the Board. 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 and the external auditors' independence, objectivity and effectiveness of the audit process.

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 final results and provide a comprehensive review of the scope and audit of the Company. On the basis of these meetings and of the ongoing dialogue with the auditors, the Audit Committee has been 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. It has been agreed that all non-audit work to be carried out by the external auditors must be approved by the Audit Committee in advance. The cost of non-audit services for the financial year ended 31 January 2007 was £3,000 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 their clients. The Investment Managers and the Administrator report on any breaches of law or regulation as and when they arise and on a quarterly basis. 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. Accordingly, it was agreed that it would be inappropriate to have an internal audit function.

Mr Jones, the Chairman of the Audit Committee is considered to have relevant financial and investment experience as a result of his employment in the financial services and other industries. As the Company has no employees there is no dedicated resource to the Audit Committee. However, representatives from BNP Paribas Fund Services UK Limited, which produces the financial

# Corporate Governance Report

continued

information for the Company, are invited to attend and present on issues as required.

The Secretary to the Audit Committee is BNP Paribas Secretarial Services Limited. 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 is happy to accept that these policies meet the industry standards.

The Audit 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.

## *Nomination and Remuneration Committee*

The primary role of the Committee is to review and make recommendations with regard to the Board structure, size and composition, the balance of knowledge, experience and skill ranges and consider succession planning and tenure policy. 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 Annual General Meetings, 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 on those occasions when the Committee is evaluating Dr Atkinson's performance. In such instances, an independent non-executive Director chairs the Committee. The Nomination and Remuneration Committee meets at least annually.

As described above, the Nomination and Remuneration Committee receives feedback from the Chairman on the Directors' performance evaluation process. In light of this information, the Nomination and Remuneration Committee considers those Directors who are retiring by rotation and makes recommendations to the Board on their

re-election. After due consideration by the Nomination and Remuneration Committee, the Board recommends to shareholders the re-election of Mrs Bates and Mr Courtauld, who are retiring by rotation at the forthcoming Annual General Meeting.

In November 2006, the Board decided that the then Nomination Committee should also be responsible for remuneration policy matters. Hence the Committee has been renamed Nomination and Remuneration Committee and the terms of reference have been amended. Before this date, the Board as a whole was responsible for reviewing the Directors' remuneration. A review is carried out once a year, assessing fees paid to the non-executive Directors against the Company's peer group and the investment trust industry generally and giving consideration to the level of commitment and responsibility required for the Company. Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on pages 26 and 27 and in note 4 in the accounts.

## **Investor Relations**

A regular dialogue is maintained with the Company's institutional shareholders and private client asset managers. Representatives of Witan Investment Services Limited met 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 Annual General Meeting, where they are given the opportunity to question the Chairman, the Board and representatives of the Investment Managers. The Annual General Meeting of the Company will be held on Wednesday, 13 June 2007 at noon. Details of proxy votes received in respect of each resolution will be made available to shareholders at the meeting.

## **Voting Policy**

The Board has delegated discretion to the Investment Managers to exercise voting powers on its behalf.

# Corporate Governance Report

continued

## Internal Controls and Management of Risk

The Board has overall responsibility of 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 a number of reports on performance attribution and other management information provided by Witan Investment Services Limited and the Investment Managers. The systems of internal controls are designed to manage rather than eliminate risk of failure to achieve the business 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 and will be kept under ongoing review and at least an 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.
- 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 regular basis.
- Administration and Company Secretarial services are provided by BNP Paribas Fund Services UK Limited and BNP Paribas Secretarial Services Limited respectively (together "BNP Paribas"). BNP Paribas reports to the Board on a quarterly basis and ad hoc as necessary. In addition the Board reviews BNP Paribas' annual audited report on their internal controls.
- Safekeeping of the Company's assets is undertaken by JPMorgan Chase.

- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted by the Board after consideration of the quality of parties involved; 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.

By the procedures set out above, and in accordance with the Turnbull "Guidance for Directors on the Combined Code" published by the Institute of Chartered Accountants in England and Wales, 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.

The Board confirms that necessary actions have been or are being taken to remedy any significant failings or weaknesses identified from the annual review of the effectiveness of internal controls.

## Statement of Compliance with the Code

The Directors have reviewed the principles outlined in the Code and consider that, the Company has complied with the provisions of the Code during the year ended 31 January 2007 and up to the date of this report.

# Directors' Remuneration Report

The Directors are pleased to present their report on remuneration for the year ended 31 January 2007 in accordance with the Directors' Remuneration Report Regulations 2002 (the "Regulations").

The Company's auditors are required to verify certain information within this report subject to statutory audit by the Companies Act 1985. Where information set out below has been audited it is clearly indicated. The Independent Auditors' Report can be found on pages 30 and 31.

## The Board

The Board is comprised entirely of non-executive Directors. A Nomination and Remuneration Committee has been appointed which looks at remuneration matters and makes recommendations to the Board. The Board has not been provided with advice or services by any person to assist it to make its remuneration decisions, although the Directors will carry out reviews from time to time of the fees paid to Directors of other investment trusts.

As at 31 January 2007, the Board comprised five non-executive Directors, all of whom are 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 Annual General Meeting 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 been offered up 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 £150,000 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.

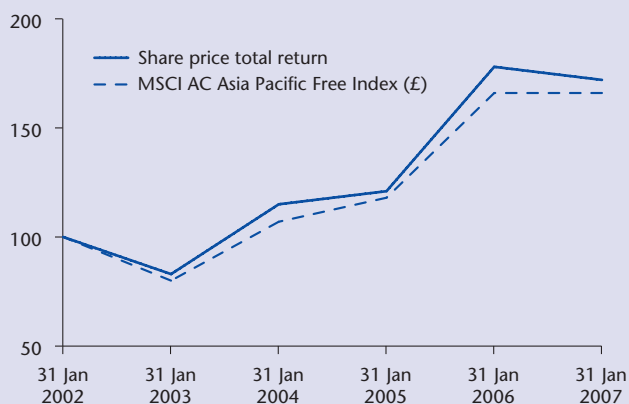
The Company's policy is for the Chairman of the Board to be paid a higher fee than the other Directors, to reflect her more onerous role and for the Directors' fees to be reviewed from time to time.

It is 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, or 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



In accordance with the Regulations, the performance graph above shows the share price total return to ordinary shareholders since 31 January 2002. This return is compared to the total return of the MSCI AC Asia Pacific Free Index (£), which is the Index against which the Company's performance is measured.

The MSCI AC Asia Pacific Free Index, adjusted to sterling, was selected for presentation here because it has been the Company's benchmark during the year under review. The data has been rebased to 100 at 31 January 2002 (the start of the period covered by the graph).

# Directors' Remuneration Report

continued

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 receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

## Remuneration for Qualifying Services (Audited)

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

Director	2007 Fees for services to the Company £	2006 Fees for services to the Company £
G Nott (Chairman) <sup>†</sup>	25,332	18,000
Dr L Atkinson	18,000	18,000
S C Bates	18,000	28,000*
W M Courtauld	18,000	18,000
K K Jones	18,000	18,000
C T B Purvis (ex-Chairman) <sup>#</sup>	11,671	40,000*
Totals	<u>109,003</u>	<u>140,000</u>

\* Includes a one off payment of £10,000 in respect of work carried out during the transition process.

<sup>†</sup> Appointed Chairman on 22 June 2006.

<sup>#</sup> Retired as Chairman on 22 June 2006.

The Chairman receives a fee of £30,000 per annum and the other Directors receive £18,000 per annum and this has remained unchanged since 1998. The information in the above table has been audited (see the Independent Auditors' Report on pages 30 and 31).

The amounts paid by the Company to the Directors were for services as non-executive Directors.

By order of the Board,

**BNP Paribas Secretarial Services Limited**

Secretary

27 April 2007

## Directors' Statement of Responsibilities

The Directors are responsible for preparing the Annual Report and the Accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these accounts, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that the accounts comply with the aforementioned requirements.

The accounts are published on [www.witanpacific.com](http://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 corporate and financial information included on the above website. Legislation in the United Kingdom governing the preparation and dissemination of the accounts may differ from legislation in other jurisdictions.

# Analysis of Ordinary Shareholders

## Analysis of Ordinary Shareholders at 31 January 2007

Category	% holding
Witan Wealthbuilder	16.49
Retail nominees	41.56
Direct individuals	17.58
Institutions	24.37
	<hr/>
	<b>100.00</b>

Source: ROIR as at 31 January 2007.

# Independent Auditors' Report

to the members of Witan Pacific Investment Trust plc

We have audited the accounts of Witan Pacific Investment Trust plc for the year ended 31 January 2007 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

## Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. The Directors are also responsible for preparing the Directors' Remuneration Report.

Our responsibility is to audit the accounts and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the accounts give a true and fair view and whether the accounts and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the accounts.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the Combined Code 2003 specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited accounts. The other information comprises only the Highlights, Chairman's Statement, Business Review, Portfolio Summary, Portfolio Information, Report of the Directors, the Corporate Governance Report and the unaudited part of the Directors' Remuneration Report and Ten Year Record. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts and the part of the Directors' Remuneration Report to be audited.

# Independent Auditors' Report

continued

## Opinion

In our opinion:

- the Accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 January 2007 and of its net return and cash flows for the year then ended;
- the Accounts and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the Accounts.

## PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

27 April 2007

# Income Statement

for the year ended 31 January 2007

Revenue Notes Capital Notes	Year ended 31 January 2007			Year ended 31 January 2006			
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	
9	(Losses)/gains on investments held at fair value through profit or loss	–	(966)	(966)	–	40,221	40,221
17	Exchange (losses)/gains	–	(144)	(144)	–	82	82
2	Investment income	3,491	–	3,491	3,825	–	3,825
3	Management fees	(323)	–	(323)	(598)	–	(598)
3	Performance fees	–	(134)	(134)	–	(92)	(92)
4 17	Other expenses	(826)	(40)	(866)	(788)	(58)	(846)
	<b>Net return before finance charges and taxation</b>	<b>2,342</b>	<b>(1,284)</b>	<b>1,058</b>	<b>2,439</b>	<b>40,153</b>	<b>42,592</b>
5	Finance charges	(173)	–	(173)	(208)	–	(208)
	<b>Net return on ordinary activities before taxation</b>	<b>2,169</b>	<b>(1,284)</b>	<b>885</b>	<b>2,231</b>	<b>40,153</b>	<b>42,384</b>
6 6	Taxation on ordinary activities	(739)	40	(699)	(786)	(63)	(849)
	<b>Net return on ordinary activities after taxation</b>	<b>1,430</b>	<b>(1,244)</b>	<b>186</b>	<b>1,445</b>	<b>40,090</b>	<b>41,535</b>
7 7	<b>Return per ordinary share – pence</b>	<b>1.75</b>	<b>(1.52)</b>	<b>0.23</b>	<b>1.33</b>	<b>36.84</b>	<b>38.17</b>

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 and Reconciliation of Movements in Shareholders' Funds.

The notes on pages 36 to 46 form an integral part of these accounts.

## Reconciliation of Movements in Shareholders' Funds

for the year ended 31 January 2007

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Year ended 31 January 2007</b>						
At 31 January 2006	21,701	5	35,870	89,691	8,286	155,553
Net return on ordinary activities after taxation	–	–	–	(1,244)	1,430	186
Dividends paid in respect of year ended						
31 January 2006	–	–	–	–	(1,130)	(1,130)
Purchase of own shares	(3,478)	–	3,478	(22,060)	–	(22,060)
At 31 January 2007	<u>18,223</u>	<u>5</u>	<u>39,348</u>	<u>66,387</u>	<u>8,586</u>	<u>132,549</u>
<b>Year ended 31 January 2006</b>						
At 31 January 2005	38,420	5	19,151	133,148	8,455	199,179
Net return on ordinary activities after taxation	–	–	–	40,090	1,445	41,535
Dividends paid in respect of year ended						
31 January 2005	–	–	–	–	(1,614)	(1,614)
Tender offer (including costs)	(15,547)	–	15,547	(77,451)	–	(77,451)
Purchase of own shares	(1,172)	–	1,172	(6,096)	–	(6,096)
At 31 January 2006	<u>21,701</u>	<u>5</u>	<u>35,870</u>	<u>89,691</u>	<u>8,286</u>	<u>155,553</u>

The notes on pages 36 to 46 form an integral part of these accounts.

# Balance Sheet

at 31 January 2007

Notes	2007 £'000	2006 £'000
<b>Fixed assets</b>		
9	133,353	153,733
<b>Current assets</b>		
11	673	2,384
	2,903	5,233
	3,576	7,617
<b>Creditors: amounts falling due within one year</b>		
12	(3,000)	(3,000)
13	(1,334)	(2,759)
	(4,334)	(5,759)
	(758)	1,858
	132,595	155,591
14	(46)	(38)
	132,549	155,553
<b>Capital and reserves</b>		
15	18,223	21,701
	5	5
16	39,348	35,870
17	66,387	89,691
17	8,586	8,286
18	132,549	155,553
18	181.85	179.20

Authorised and approved by the Board on 27 April 2007 and signed on its behalf by:

**Gillian Nott**  
Chairman

The notes on pages 36 to 46 form an integral part of these accounts.



# Notes to the Accounts

for the year ended at 31 January 2007

## 1 Significant accounting policies

### (a) Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include fixed asset investments at valuation and in accordance with the Companies Act 1985, accounting standards applicable in the United Kingdom and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' revised December 2005 (the revised SORP).

### (b) Valuation of investments

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.

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 at the Balance Sheet date are translated into sterling at the exchange rates ruling at the 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. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the investment.

Dividends are accounted for in accordance with Financial Reporting Standard 16 "Current Tax" on the basis of 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.

The bank interest and stock lending fees are accounted for on an accruals basis.

### (e) Expenses including finance costs

Management fee rebates received in the form of new units in the Aberdeen Global India Opportunities Fund are offset against Management fees paid.

Expenses are charged to the revenue return of the Income Statement, other than:

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

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 using the marginal basis.

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.

# Notes to the Accounts

for the year ended 31 January 2007 (continued)

## 1 Significant accounting policies (continued)

### (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.

## 2 Investment income

	2007 £'000	2006 £'000
<b>Income from investments held at fair value through profit or loss</b>		
Overseas dividends	3,204	3,445
UK dividends	27	3
Overseas scrip dividends	81	116
	<u>3,312</u>	<u>3,564</u>
<b>Other income</b>		
Interest on loans and deposits	155	225
Stock lending fees	24	36
	<u>179</u>	<u>261</u>
<b>Total income</b>	<u>3,491</u>	<u>3,825</u>
<b>Total income comprises:</b>		
Dividends	3,312	3,564
Other income	179	261
	<u>3,491</u>	<u>3,825</u>
<b>Income from investments comprises:</b>		
Listed overseas	3,285	3,557
UK listed	27	–
Unlisted overseas	–	7
	<u>3,312</u>	<u>3,564</u>

## 3 Management and performance fees

	2007 £'000	2006 £'000
<b>Charged to the revenue return:</b>		
Management fee	451	651
Management fee rebates	(128)	(53)
	<u>323</u>	<u>598</u>
<b>Charged to the capital return:</b>		
Provision for performance fees	134	92
	<u>134</u>	<u>92</u>

On 27 May 2005, your Board appointed Witan as Executive Manager and Aberdeen and Nomura as the new 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 and the performance fees range from 10% to 15% per annum of the relevant portfolio outperformance.

# Notes to the Accounts

for the year ended 31 January 2007 (continued)

## 3 Management and performance fees (continued)

The provisions included in the Income Statement at 31 January 2007, are calculated based on the performance of each Investment Manager relative to the benchmark index for the year ended 31 January 2007. Each provision assumes that both the benchmark and each Investment Managers' assets under management remain unchanged to 31 May 2007, being the date the second performance period ends.

## 4 Other expenses

	2007	2006
	£'000	£'000
Auditors' remuneration:		
for audit services	23	23
for non-audit services (including amounts paid in relation to change of Investment Managers)	3	22
Custody fees	54	54
Directors' emoluments:		
fees for services to the Company	109	140
Marketing	134	133
Private Investor Plan expenses	126	107
Private Investor Plan migration costs	82	–
Printing and postage	101	68
Loan commitment fees	5	19
Reorganisation costs (in respect of change of Investment Managers)	–	58
Secretarial and Administration fees (paid to BNP Paribas)	87	61
Directors' and Officers' liability insurance	14	16
Registrars' fees	18	20
Sundry expenses	70	67
	<u>826</u>	<u>788</u>

The total auditors' remuneration, exclusive of VAT, for non audit services amounts to £3,000 (2006: £22,000) of this £nil (2006: £18,000 inclusive of VAT) was charged to capital reserves as part of the cost of repurchasing ordinary shares.

## 5 Interest payable and similar charges

	2007	2006
	£'000	£'000
On bank loans and overdrafts repayable within one year, not by instalments	<u>173</u>	<u>208</u>

## 6 Taxation on ordinary activities

### (a) Analysis of tax charge for the year

	2007	2007		2006	2006	
	Revenue	Capital	2007	Revenue	Capital	2006
	return	return	Total	return	return	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporation tax payable at 30% (2006: 30%)	680	(40)	640	646	35	681
Relief for overseas taxation	(170)	–	(170)	(185)	–	(185)
	<u>510</u>	<u>(40)</u>	<u>470</u>	<u>461</u>	<u>35</u>	<u>496</u>
Under provision in prior years	–	–	–	5	–	5
Overseas taxation	221	–	221	316	28	344
Total current taxation charge (note 6b)	<u>731</u>	<u>(40)</u>	<u>691</u>	<u>782</u>	<u>63</u>	<u>845</u>
<b>Deferred tax</b>						
On accrued income	8	–	8	4	–	4
Taxation on ordinary activities	<u>739</u>	<u>(40)</u>	<u>699</u>	<u>786</u>	<u>63</u>	<u>849</u>

## Notes to the Accounts

for the year ended 31 January 2007 (continued)

### 6 Taxation on ordinary activities (continued)

#### (b) Factors affecting the charge for the year

	2007	2007	2007	2006	2006	2006
	Revenue	Capital	2007	Revenue	Capital	2006
	return	return	Total	return	return	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Return on ordinary activities before tax	<u>2,169</u>	<u>(1,284)</u>	<u>885</u>	<u>2,231</u>	<u>40,153</u>	<u>42,384</u>
Return on ordinary activities multiplied by the standard rate of UK corporation tax of 30% (2006: 30%)	651	(385)	266	669	12,046	12,715
Effects of:						
Income taxable in different periods	(14)	–	(14)	(11)	–	(11)
Non-taxable scrip dividends	(12)	–	(12)	(18)	–	(18)
Franked investment income	(8)	–	(8)	(1)	–	(1)
Under provision in prior years	–	–	–	5	–	5
Overseas taxation	221	–	221	316	28	344
Relief for overseas taxation	(170)	–	(170)	(185)	–	(185)
Disallowed expenses	63	–	63	32	–	32
Overseas tax expensed	–	–	–	(25)	(8)	(33)
Other capital returns*	–	345	345	–	(12,003)	(12,003)
Total current tax charge (note 6a)	<u>731</u>	<u>(40)</u>	<u>691</u>	<u>782</u>	<u>63</u>	<u>845</u>

\* These items are not subject to corporation tax within an investment trust company.

#### (c) Deferred tax

	2007	2007	2007	2006	2006	2006
	Revenue	Capital	2007	Revenue	Capital	2006
	return	return	Total	return	return	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance brought forward	38	–	38	34	–	34
Charge for the year (note 6a)	<u>8</u>	<u>–</u>	<u>8</u>	<u>4</u>	<u>–</u>	<u>4</u>
Balance carried forward	<u>46</u>	<u>–</u>	<u>46</u>	<u>38</u>	<u>–</u>	<u>38</u>

### 7 Return per ordinary share

The total return per ordinary share is based on the net return attributable to the ordinary shares of £186,000 (2006: £41,535,000) and on 81,701,101 ordinary shares (2006: 108,816,460) being the weighted average number of shares in issue during the year.

The total return can be further analysed as follows:

	2007	2006
	£'000	£'000
Revenue return	1,430	1,445
Capital return	(1,244)	40,090
Total	<u>186</u>	<u>41,535</u>
Weighted average number of ordinary shares	<b>81,701,101</b>	108,816,460
Revenue return per ordinary share – pence	1.75	1.33
Capital return per ordinary share – pence	(1.52)	36.84
Total per ordinary share – pence	<u>0.23</u>	<u>38.17</u>

The Company does not have any dilutive securities.

# Notes to the Accounts

for the year ended 31 January 2007 (continued)

## 8 Dividends

Dividends on ordinary shares	Record date	Payment date	2007 £'000	2006 £'000
Final dividend (1.05p) for the year ended 31 January 2005	13 May 2005	24 June 2005	–	1,614
Final dividend (1.33p) for the year ended 31 January 2006	12 May 2006	30 June 2006	<b>1,130</b>	–
			<b>1,130</b>	<b>1,614</b>

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

The total dividend payable in respect of the financial year which form the basis of Section 842 of the Income and Corporation Taxes Act 1988 are set out below.

	<b>2007</b>
	<b>£'000</b>
Revenue available for distribution by way of dividend for the year	<b>1,430</b>
Proposed final of 1.50p for the year ended 31 January 2007 (based on 72,315,323 ordinary shares in issue at 27 April 2007)	<b>(1,085)</b>
Undistributed revenue for Section 842 purposes *	<b>345</b>

\* Undistributed revenue comprises 10.4% of income from investments of £3,312,000 (see note 3).

## 9 Investments designated as held at fair value through profit or loss

	<b>Total</b>
	<b>£'000</b>
Cost at 1 February 2006	114,317
Unrealised appreciation at 1 February 2006	39,416
Valuation at 1 February 2006	153,733
Movements in the year:	
Purchases at cost	35,467
Sales – proceeds	(54,881)
– realised gains on sales	11,815
Decrease in unrealised appreciation	(12,781)
Valuation at 31 January 2007	<b>133,353</b>
Cost at 31 January 2007	106,718
Unrealised appreciation at 31 January 2007	26,635
	<b>133,353</b>

Purchase transaction costs for the year ended 31 January 2007 were £55,000 (2006: £105,000). These comprise mainly charges and commission. Sale transaction costs for the year ended 31 January 2007 were £98,000 (2006: £243,000).

# Notes to the Accounts

for the year ended 31 January 2007 (continued)

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

### Gains on investments

	2007 £'000	2006 £'000
Realised gains based on historical cost	11,815	21,194
Less: amounts recognised as unrealised in previous years	(13,717)	(18,594)
Realised (losses)/gains based on carrying value at previous balance sheet date	(1,902)	2,600
Net movement in unrealised appreciation in the year	936	37,621
(Losses)/gains on investments held at fair value through profit or loss	<u>(966)</u>	<u>40,221</u>

### Stock lending

	2007 £'000	2006 £'000
Aggregate value of securities on loan at 31 January	<u>3,325</u>	<u>–</u>
Maximum aggregate value of securities on loan during the year	<u>4,351</u>	<u>22,231</u>
Income from stock lending during the year	<u>24</u>	<u>36</u>

### Substantial interests

At 31 January 2007 the Company did not hold more than 5% of one class of the share capital of any of the undertakings held as investments.

## 10 Subsidiary undertakings

The following were subsidiary undertakings of the Company at 31 January 2007:

Company and business	Country of registration & incorporation	Country of operation	Number & class of shares held	Holding <sup>†</sup> %	Capital and reserves £'000	Profit after tax £'000
General Investors and Trustees Limited (a dormant trustee company)	England	England	250,000 ordinary shares of £1	100	101	–
Lothbury Assets Limited (a dormant share dealing company)	England	England	416,757 ordinary shares of 25p	100	126	–

<sup>†</sup> The percentage shareholding specified above corresponds directly to the voting rights of the parent undertaking in each subsidiary.

Both of the subsidiaries are dormant and immaterial and as such Group accounts are not prepared. These companies are in the process of winding up.

## 11 Debtors

	2007 £'000	2006 £'000
Sales for future settlement	357	2,127
Prepayments and accrued income	316	257
	<u>673</u>	<u>2,384</u>

## 12 Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Loans		
Sterling loan repayable September 2007	<u>3,000</u>	<u>3,000</u>
	<u>3,000</u>	<u>3,000</u>

The effective interest rate on the loan at 31 January 2007 was 5.75% (2006: 4.99%).

# Notes to the Accounts

for the year ended 31 January 2007 (continued)

## 13 Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Other		
Purchases for future settlement	355	1,834
Purchase of ordinary shares	5	–
Corporation tax	237	243
Other creditors and accruals	623	590
Provision for performance fees	114	92
	<u>1,334</u>	<u>2,759</u>

## 14 Provisions for liabilities and charges

Deferred taxation in respect of timing differences:

	2007	2006
	£'000	£'000
At 1 February	38	34
Transfer during the year	8	4
At 31 January	<u>46</u>	<u>38</u>

## 15 Called up share capital

Equity share capital	Authorised		Issued and fully paid	
	Number	£'000	Number	£'000
Ordinary shares of 25p each:				
Balance brought forward	280,000,000	70,000	86,805,263	21,701
Shares purchased by the Company*	–	–	(13,914,940)	(3,478)
Balance carried forward	<u>280,000,000</u>	<u>70,000</u>	<u>72,890,323</u>	<u>18,223</u>

\*13,914,940 (2006: 66,873,571) ordinary shares were purchased during the year at a total cost of £22,060,000 (2006: £83,547,000).

Since the year end 575,000 ordinary shares have been purchased.

## 16 Capital redemption reserve

	2007	2006
	£'000	£'000
Balance brought forward	35,870	19,151
Transferred from share capital on purchase of ordinary shares	3,478	16,719
Balance carried forward	<u>39,348</u>	<u>35,870</u>

# Notes to the Accounts

for the year ended 31 January 2007 (continued)

## 17 Reserves

	Capital reserve (realised) £'000	Capital reserve (unrealised) £'000	Capital reserve total £'000	Revenue reserve £'000
Equity shareholders' funds brought forward	50,275	39,416	89,691	8,286
Realised losses on investments	(1,902)	–	(1,902)	–
Transfer on disposal of investments	13,717	(13,717)	–	–
Increase in unrealised appreciation on investments	–	936	936	–
Exchange losses on currency balances	(144)	–	(144)	–
Performance fee gross of taxation	(134)	–	(134)	–
Other capital charges and credits	(40)	–	(40)	–
Tax relief on expenses charged to capital	40	–	40	–
Cost of purchase of ordinary shares	(22,060)	–	(22,060)	–
Amount transferred to revenue reserve	–	–	–	1,430
Dividends paid	–	–	–	(1,130)
Equity shareholders' funds carried forward	<u>39,752</u>	<u>26,635</u>	<u>66,387</u>	<u>8,586</u>

## 18 Net asset value per ordinary share

Net asset values are based on net assets of £132,549,000 (2006: £155,553,000) and on 72,890,323 (2006: 86,805,263) ordinary shares in issue at the year end.

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

	2007 £'000	2006 £'000
Total return before finance charges and taxation	1,058	42,592
Add/(less): capital return before finance charges and taxation	1,284	(40,153)
Revenue return before finance charges and taxation	2,342	2,439
Scrip dividends	(81)	(116)
Management fee rebate	(117)	(53)
Increase in accrued income	(38)	(11)
(Increase)/decrease in debtors of a revenue nature	(21)	27
Increase in creditors of a revenue nature	24	323
Net cash inflow from operating activities	<u>2,109</u>	<u>2,609</u>

## 20 Analysis of changes in net funds/(debt)

	1 February 2006 £'000	Cash flow £'000	Exchange movement £'000	31 January 2007 £'000
<b>Net cash</b>				
Cash at bank and on deposit less bank overdrafts	5,233	(2,186)	(144)	2,903
<b>Debt</b>				
Debts falling due within one year	(3,000)	–	–	(3,000)
<b>Net funds/(debt)</b>	<u>2,233</u>	<u>(2,186)</u>	<u>(144)</u>	<u>(97)</u>

# Notes to the Accounts

for the year ended 31 January 2007 (continued)

## 21 Financial instruments

### (a) Management of risk

The Company's financial instruments comprise:

- Equity shares that are held in accordance with the Company's investment objective as set out on page 1;
- Term loans and bank overdrafts, the main purpose of which is to raise finance for the Company's operations; and
- Cash, liquid resources and short term debtors and creditors that arise directly from the Company's operations.

During the year under review the Company's investment objective was to maximise shareholders' total return, predominantly through growth in capital, by investing in the Asia Pacific region. The portfolio held throughout the year and at the year end was in line with the Company's investment objective. The Company has the power to take out both short and long term borrowings. In pursuing the investment objective, the Company faces risks to both assets and revenue. The Directors' approach to the management of these risks, which has been applied consistently throughout the current and preceding year, is set out on pages 7 to 11.

During the year ended 31 January 2007 the Company did not use derivative transactions.

The main risks arising from the Company's financial instruments are market price risk, cash flow interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained constant throughout the year under review.

#### Market price risk

Market price risk arises mainly from uncertainty about the future prices of financial instruments used in the Company's operations. It represents the potential loss the Company might suffer through holding investments in the face of price movements and movements in exchange rates. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets across different international markets and the number of stocks held are other methods which can serve to reduce market risk. The Investment Managers actively monitor market prices throughout the year.

#### Cash flow interest rate risk

The Company finances its operations through its equity capital and reserves and its short term loans as well as bank overdrafts and any retained revenues arising from its activities. The Company borrows in the desired currencies at both fixed and floating rates of interest and the Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis.

#### Liquidity risk

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary. The maturity profile of the Company's existing borrowings are set out in paragraph (b) below. Short term flexibility is achieved through the use of term borrowings and overdraft facilities.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. This is mitigated by the Investment Managers reviewing the credit ratings of broker counterparties. The risk attached to dividend flows is mitigated by the Investment Managers' research of potential investee companies. The Company's custodian bank is responsible for the collection of income on behalf of the Company and their performance is reviewed by the Board on a regular basis. The maximum credit risk at 31 January 2007 is £241,000 (31 January 2006: £201,000) consisting of dividends receivable from equity shares.

#### Foreign currency risk

The Company's total return and net assets can be significantly affected by currency translation movements as most of the Company's assets and revenue are denominated in currencies other than sterling. The Investment Managers mitigate the individual currency risks through the international spread of investments. Borrowings in foreign currencies will be limited to levels appropriate to the asset exposure to these currencies, or to a currency which is closely aligned to the underlying asset exposure. During the year the Company did not enter into any foreign currency hedging transactions.

### (b) Interest rate risk profile of financial assets and liabilities

#### Financial assets

Investments designated as held at fair value through profit or loss consist of equity shares which neither pay interest nor have a stated maturity date. The Company does not have any fixed rate financial assets.

# Notes to the Accounts

for the year ended 31 January 2007 (continued)

## 21 Financial instruments (continued)

The interest rate profile of the Company's floating rate financial assets (excluding short term debtors) at 31 January was:

	2007	2006
	Floating rate	Floating rate
	financial	financial
	assets	assets
	£'000	£'000
Taiwan dollar (undated)	18	334
US dollar (undated)	333	300
Japanese yen (undated)	680	149
Sterling (undated)	2,079	4,442
Other (undated)	466	8
	<u>3,576</u>	<u>5,233</u>

The floating rate financial assets comprise sterling and currency bank deposits that earn interest at competitive rates.

### Financial liabilities

The interest rate and maturity profile of the Company's financial liabilities (including short term loans and overdrafts but excluding other short term creditors) at 31 January was:

	2007	2006
	Floating rate	Floating rate
	financial	financial
	liabilities	liabilities
	£'000	£'000
Sterling (repayable on demand within one year)	<u>3,000</u>	<u>3,000</u>

Interest payable on financial liabilities is calculated with reference to local interbank lending rates. There were no fixed rate financial liabilities at 31 January 2007 (2006: £nil). No collateral has been pledged against the loans. The effective interest rate on the loan at 31 January 2007 was 5.75% (2006: 4.99%).

The Company had a committed loan facility of £4,000,000 (2006: £4,000,000), of which £3,000,000 (2006: £3,000,000) was drawn down at the year end. A commitment fee of 0.15% per annum is charged on any undrawn amounts.

Standard commercial covenants, relating amongst other things, to the maintenance of a minimum level of net asset value, limits on the exposure to any one investment and the total value of the ten largest investments, apply to the Company's loan facility. A breach of these covenants could result in the loan becoming repayable immediately.

### (c) Currency exposure

Most of the financial assets and financial liabilities of the Company are denominated in currencies other than sterling and the net assets and total return can be significantly affected by currency movements.

	Investments	Net monetary	Investments	Net monetary
	denominated in	assets/	denominated in	assets
	overseas currencies	(liabilities)	overseas currencies	assets
	2007	2007	2006	2006
	£'000	£'000	£'000	£'000
Japanese yen	54,991	331	69,351	515
Australian dollar	11,281	119	14,387	34
Hong Kong dollar	17,992	-	17,266	29
Taiwan dollar	7,128	18	7,529	334
Korean won	11,918	186	16,713	165
US dollar	879	333	10,225	-
Other	29,164	(1,791)	18,262	743
	<u>133,353</u>	<u>(804)</u>	<u>153,733</u>	<u>1,820</u>

## Notes to the Accounts

for the year ended 31 January 2007 (continued)

### 21 Financial instruments (continued)

#### (d) Fair values of financial assets and financial liabilities

All of the financial assets of the Company are held at fair value. Financial liabilities are held at nominal value.

As the Company's loans are repayable in one year or less, or on demand, there is no material difference between the nominal and fair values. At the Balance Sheet date there were no assets or liabilities valued using assumption based techniques.

# Ten Year Record

## Assets at 31 January (£'000)

	1997	1998	1999	2000	2001 <sup>#</sup>	2002	2003	2004*	2005*	2006	2007
Total assets less current liabilities (excluding loans and yen convertible bonds)	536,227	399,854	406,262	675,281	424,825	292,021	181,982	235,752	214,058	158,591	<b>135,595</b>
Deferred taxation	(131)	(161)	(136)	(101)	(62)	–	–	(61)	(34)	(38)	<b>(46)</b>
Loans	(52,592)	(36,176)	(39,262)	(63,399)	(80,964)	(39,670)	(5,072)	(24,887)	(14,845)	(3,000)	<b>(3,000)</b>
Yen convertible bonds	(51,402)	(48,235)	(52,349)	(57,636)	–	–	–	–	–	–	–
Available for ordinary shares	<u>432,102</u>	<u>315,282</u>	<u>314,515</u>	<u>554,145</u>	<u>343,799</u>	<u>252,351</u>	<u>176,910</u>	<u>210,804</u>	<u>199,179</u>	<u>155,553</u>	<u><b>132,549</b></u>

## Net Asset Value at 31 January

	1997	1998	1999	2000	2001 <sup>#</sup>	2002	2003	2004*	2005*	2006	2007
NAV per share	187.6p	136.9p	136.6p	242.3p	156.3p	119.7p	93.3p	123.3p	129.6p	179.2p	<b>181.9p</b>
NAV per share – diluted	183.5p	136.9p <sup>Ø</sup>	136.6p <sup>Ø</sup>	233.5p	†	†	†	†	†	†	†

## Share Price at 31 January

	1997	1998	1999	2000	2001 <sup>#</sup>	2002	2003	2004	2005	2006	2007
Mid-market price per share	162.8p	123.3p	104.8p	188.0p	124.8p	98.3p	81.3p	110.7p	115.0p	168.0p	<b>161.5p</b>
Discount/(premium) to NAV – diluted %	11.3	9.9	23.3	19.5	20.2	17.9	12.9	10.2	11.3	6.3	<b>11.2</b>
Share price High	207.0p	175.3p	130.0p	204.3p	202.0p	134.8p	120.5p	112.5p	121.7p	169.3p	<b>177.5p</b>
Share price Low	156.3p	101.5p	80.5p	102.8p	109.0p	75.0p	73.3p	73.0p	98.5p	113.4p	<b>138.5p</b>

## Total Returns (per AIC)

		5 years to 31 January 2007 %	10 years to 31 January 2007 %
NAV		<b>56.1</b>	<b>7.6</b>
Share price		<b>72.4</b>	<b>10.2</b>

## Revenue for the year ended 31 January

	1997	1998	1999	2000	2001 <sup>#</sup>	2002	2003	2004	2005	2006	2007
Available for ordinary shares (£'000)	4,828	4,414	6,732	2,998	868	(78)	911	2,001	1,200	1,445	<b>1,430</b>
Earnings per share	2.10p	1.92p	2.93p	1.30p	0.39p	(0.03p)	0.45p	1.10p	0.74p	1.33p	<b>1.75p</b>
Dividends per share	1.85p	1.85p	1.85p	1.85p	1.05p	1.05p	1.05p	1.05p	1.05p	1.33p	<b>1.50p</b>

\* Restated for changes in accounting policies in respect of valuation of investments and dividends payable. Years 1997 to 2003 have not been restated.

<sup>#</sup> Restated to comply with FRS 19 "Deferred Tax". Earlier years have not been affected.

<sup>Ø</sup> Assumes loan stock would not be converted at year end.

† There is no dilution. The convertible loan stock was redeemed at par on 13 November 2000.

# Ten Year Record

continued

## Performance (rebased as at 31 January 1997)

	1997	1998	1999	2000	2001 <sup>#</sup>	2002	2003	2004	2005	2006	2007
NAV per share	100.0	73.0	72.8	129.2	83.3	63.8	49.7	65.7	69.1	95.5	97.0
NAV per share - diluted	100.0	74.6	74.4	127.2	†	†	†	†	†	†	†
Benchmark *	100.0	80.4	78.9	121.2	102.4	78.7	63.1	84.1	92.7	130.4	130.9
Mid-market price per share	100.0	75.7	64.4	115.5	76.7	60.4	49.9	68.0	70.6	103.2	99.2
Earnings per share	100.0	91.4	139.5	61.9	18.6	(1.4)	21.4	52.4	35.2	63.3	83.3
Dividends per share	100.0	100.0	100.0	100.0	56.8	56.8	56.8	56.8	56.8	71.9	81.1
RPI	100.0	103.3	105.8	107.9	110.8	112.2	115.5	118.6	122.3	125.3	130.6

## Cost of running the Company for the year ended 31 January

	1997	1998	1999	2000	2001 <sup>#</sup>	2002	2003	2004	2005	2006	2007
Operating costs as a percentage of:											
Average net assets	0.9	1.1	1.2	0.9	0.9	1.3	1.5	0.9	0.9	0.9	0.8

For years ended 31 January 2004, 2005, 2006 and 2007, the operating costs as a percentage of average net assets (inclusive of performance fees) were 0.6, 0.6, 1.0 and 0.9 respectively.

## Gearing as at 31 January

	1997	1998	1999	2000	2001 <sup>#</sup>	2002	2003	2004	2005	2006	2007
Effective gearing	7.9	(9.7)	(13.8)	15.4	15.2	10.1	0.8	10.1	4.7	(1.4)	0.1
Fully invested gearing	24.1	26.8	29.2	21.9	23.6	15.7	2.9	11.8	7.5	1.9	2.3

<sup>#</sup> Restated to comply with FRS 19 "Deferred Tax". Earlier years have not been affected.

† There is no dilution. Loan stock was redeemed at par on 13 November 2000.

\* 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.

# Information for Shareholders

## Share Capital

Ordinary 25p shares

## Share Prices and Net Asset Value Information

The Company's ordinary 25p shares are traded on the London Stock Exchange.

SEDOL number: 0365602  
ISIN number: GB0003656021  
EPIC code: WPC

The Company's share price is listed in the *Financial Times*, *Daily Telegraph* and *The Times* under the 'Investment Companies' sector.

The Company releases its net asset value per share to the London Stock Exchange on a daily basis.

## Financial calendar

Year end 31 January  
Results announced:  
    Annual April  
    Interim October  
Annual General Meeting June

## Annual and interim reports

Copies of the annual and interim reports can be obtained from the Company Secretary at the registered office.

Telephone: 020 7410 3132  
or  
Facsimile: 020 7477 5849  
or  
Email: [secretarialservice@uk.bnpparibas.com](mailto:secretarialservice@uk.bnpparibas.com)

## Company registration

Company registration number: 91798

## AIC

The Company is a member of the Association of Investment Companies.

## Website

[www.witanpacific.com](http://www.witanpacific.com)

## Witan Wealthbuilder – How to Invest

Witan wealthbuilder

There are a variety of ways to invest in the Company. The Trust is available for investment through the Witan Wealthbuilder savings platform managed by Witan Investment Services Limited.

Witan Wealthbuilder offers a variety of different savings wrappers:

- The Share Plan is a straightforward savings scheme with minimum lump sum investments 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 £7,000 per annum. Minimum lump sum investment is £2,000 with regular savings from £50 per month.
- The Transfer PEP allows investors to transfer all or any number of their existing PEP holdings to Witan Wealthbuilder. The investments retain their tax free status during and after transfer.

Further information is available by calling 0800 082 8180 or can be found online via [www.witanpacific.com](http://www.witanpacific.com). If you would prefer to write to request further information the address is:

Witan Wealthbuilder  
PO Box 4605  
Worthing  
West Sussex  
BN99 6QY

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.

Issued and approved by Witan Investment Services Limited. Witan Investment Services Limited, registered in England number 5272533, of 4 Broadgate, London EC2M 2DA, provides investment products and services and is authorised and regulated by the Financial Services Authority.

We may record telephone calls for our mutual protection and to improve customer service.

The information on this page has been issued and approved by Witan Investment Services Limited.

Witan Investment Services Limited of 4 Broadgate, London EC2M 2DA provides investment products and services and is authorised and regulated by the Financial Services Authority to provide Investment Products and Services.

# Notice of Annual General Meeting

Notice is hereby given that the one hundredth Annual General Meeting of Witan Pacific Investment Trust plc to be held at the Main Reception, Chartered Accountants' Hall, One Moorgate Place, London EC2R 6EA on Wednesday, 13 June 2007 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 Accounts for the year ended 31 January 2007.
2. To declare a dividend of 1.50p per ordinary share.
3. To re-elect Mrs Sarah Bates\* as a Director, in accordance with the Articles of Association.
4. To re-elect Mr William Courtauld\* as a Director, in accordance with the Articles of Association.
5. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which the accounts are laid before Members.
6. To authorise the Directors to determine the remuneration of PricewaterhouseCoopers LLP as auditors of the Company.

## Special Business

To consider and, if thought fit, pass resolution 7 as an ordinary resolution and resolutions 8, 9, 10, 11 and 12 as special resolutions:

7. To approve the Directors' Remuneration Report for the year ended 31 January 2007.
8. THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (as defined in Section 80 (2) of that Act) up to an aggregate nominal amount of £903,942 provided that this authority shall expire on the date of the next Annual General Meeting of the Company in 2008, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the

Directors shall be entitled to allot relevant securities pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot relevant securities be and are hereby revoked.

9. THAT the Directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of that Act) for cash pursuant to the authority conferred by resolution 8 above or by way of a sale of Treasury Shares as if Section 89(1) of that Act did not apply to any such allotment provided that this power shall be limited to:

(i) the allotment of equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of ordinary shares on the register of members at such record date as the Directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them on any such record date, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with Treasury Shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatever; or

(ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) to any person or persons of equity securities up to an aggregate nominal amount of £903,942;

and shall expire upon the expiry of the general authority conferred by resolution 8 above (unless previously revoked, varied or extended by the Company in general meeting), save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

# Notice of Annual General Meeting

continued

10. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 166 of the Companies Act 1985 (the "Act") to make market purchases (within the meaning of Section 163 of the Act) of ordinary shares of 25p each in the capital of the Company ("ordinary shares") on such terms and in such a manner as the Directors may from time to time determined, provided that:

- (a) The maximum number of ordinary shares hereby authorised to be purchased shall be 10,840,066 or, if less, that number of ordinary shares which is equal to 14.99% of the issued ordinary shares as at the date of passing of this resolution;
- (b) The minimum price which may be paid for an ordinary share is 25p;
- (c) The maximum price which may be paid for an ordinary share is an amount equal to the higher of:
  - (i) 105% of the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased; or
  - (ii) the higher of the price of the last independent trade and the highest current bid as stipulated by Article 5(1) of Commission Regulation (Directive 2003/6/EC) 22 December 2003 implementing the Market Abuse Directive with regard to exemptions for buy back programmes and stabilisation of Financial Instruments (No. 2273/2003);
- (d) The minimum and maximum prices per ordinary share referred to in sub-paragraphs (b) and (c) of this resolution are in each case exclusive of any expenses payable by the Company;
- (e) The authority hereby conferred shall expire on 10 July 2008 or, if earlier, at the conclusion of the Annual General Meeting of the Company in 2008, unless such authority is

varied, revoked or renewed prior to such time by the Company in general meeting by special resolution; and

- (f) The Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiration of such authority.

11. THAT:

- (a) the Company be authorised, subject to and in accordance with the provisions of the Companies Act 2006, to send, convey or supply all types of notices, documents or information to the shareholders by means of electronic equipment for the processing (including digital compression), storage and transmission of data, employing wires, radio optical technologies, or any other electromagnetic means, including by making such notices, documents or information available on a website; and
- (b) the Articles of Association of the Company be amended as set out in Note 6 to this Notice of Meeting with effect from the end of the Annual General Meeting on 13 June 2007.

12. THAT:

- (a) all references to "section 212 CA 1985" in Article 81 of the Articles of Association be replaced by "section 793 Companies Act 2006": and
- (b) Article 94 of the Articles of Association be replaced in its entirety (including the heading) with the words "Intentionally left blank".

By order of the Board

**BNP Paribas Secretarial Services Limited**

Secretary

27 April 2007

Registered office:

55 Moorgate, London EC2R 6PA

\* The biographies of Mrs Bates and Mr Courtauld are set out on page 4.

# Notice of Annual General Meeting

continued

## Location of Meeting



## Notes

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered on the register of member of the Company at 12 noon on 11 June 2007 (the “specified time”) shall be entitled to attend and vote or be represented at the Meeting in respect of the shares registered in their name at that time. Changes to entries on the register of members after 11am on 11 June 2007 shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. If the Meeting is adjourned to a time not more than 48 hours after the time applicable to the original meeting, the above specified time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If, however, the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company’s register of members at 11.00 am on the day which is two dates before the time of the adjourned meeting, at any time specified in that notice.
3. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and to vote instead of him/her. A proxy need not be a member of the Company. To be valid, a form of proxy for use at the Meeting and the power of attorney or other authority (if any) under which it is signed or a notially certified or office copy of such power or authority, must be deposited with the Company’s registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FB, not less than 48 hours before the time appointed for holding the Meeting. In view of this requirement, investors holding shares in the Company through the Witan Wealthbuilder Savings Plans (ISA, PEP, Share Plan) should ensure that forms of direction are returned to Computershare Investor Services PLC not later than 96 hours before the time appointed for holding the Meeting.
4. Members (and any proxies or corporate representatives appointed) agree, by attending the Annual General Meeting, that they are expressly requesting and that they are willing to receive any communications relating to the Company’s securities made at the Annual General Meeting.

# Notice of Annual General Meeting

continued

5. The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (except Public Holidays) until the date of the meeting and at the place of the meeting for a period of 15 minutes prior to and during the meeting:

- a) A statement of all transactions of each Director and of their family interests in the share capital of the Company;
- b) The Memorandum and Articles of Association; and
- c) Terms and conditions of appointment of non-executive Directors.

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

6. Members will be sent personalised invitations to consent to the use of electronic means for the communication to them of shareholder information prior to the first such communication being made. **If a member does not respond to this letter, when received, s/he will be deemed to have agreed to the communication of shareholder information by means of a website.**

A copy of the Articles of Association as proposed to be amended by Resolution 11 will be available for inspection during usual business hours on weekdays (Saturdays and public holidays excepted) at the Company's registered office, 55 Moorgate, London EC2R 6PA, until the conclusion of the Annual General Meeting on 13 June 2007, and will also be available for inspection at the meeting from at least 30 minutes prior to the commencement of the meeting until its conclusion.

## Schedule of amendments

6.1 Article 2.1 shall be amended by:

- (i) adding above the definition of "Company" a definition for "Companies Acts" which reads "shall have the same meaning given thereto by Section 2 of the Companies Act 2006 but shall only extend to provisions that are in force at the relevant date";

- (ii) adding below the definition of "Company" a definition for "Company Communications Provisions" which reads "shall have the same meaning as in the Companies Acts";

- (iii) in the definition of "Seal":

- (a) adding "kept by the Company for sealing securities issued by itself or for sealing documents creating or evidencing securities so issued as permitted by the Companies Acts" after "securities seal"; and
- (b) deleting the words "that the Company may be permitted to have under CA 1985";

- (iv) in the definition of "writing or written" inserting "(including anything in electronic form) or partly one and partly another" after "non-transitory form".

6.2 Article 75.1(a) shall be amended by:

- (i) inserting "or authenticated in accordance with Article 131" after "that behalf".

6.3 Article 76.1 shall be amended by:

- (i) inserting "or authenticated in accordance with Article 131" after "is signed".

6.4 Article 131 will be amended by inserting after Article 131.1 the following text:

"131.2 Where these Articles require a notice or other document to be signed or authenticated by a member of other person then any notice or other document sent or supplied in electronic form is sufficiently authenticated in any manner authorised by the Company Communications Provisions or in such other manner as may be approved by the Directors. The Directors may designate mechanisms for validating any such notice or other document, and any such notice or other document not so validated by use of such mechanisms shall be deemed not to have been received by the Company."

# Notice of Annual General Meeting

continued

6.5 Article 156.1 shall be replaced in its entirety with the following text:

“The Company may, subject to and in accordance with the Companies Acts and these Articles, send or supply all types of notices, documents or information to members by electronic means and/or including by making such notices, documents or information available on a website. The Company Communications Provisions have effect for the purposes of any provision of the Companies Acts or these Articles that authorises or requires notices, documents or information to be sent or supplied by or to the Company.”

6.6 Article 158 shall be amended by:

(i) replacing Article 158.2 in its entirety with the following text:

“Any notice, document or information (including a share certificate) which is sent or supplied by the Company in hard copy form, or in electronic form but to be delivered other than by electronic means, and which is sent by pre-paid post and properly addressed shall be deemed to have been received by the intended recipient at the expiration of 24 hours (or, where first class mail is not employed, 48 hours) after the time it was posted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed, pre-paid and posted.”; and

(ii) inserting after Article 158.2 the following text:

“158.3 Any notice, document or information which is sent or supplied by the Company by electronic means shall be deemed to have been received by the intended recipient 24 hours after it was transmitted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed.

158.4 Any notice, document or information which is sent or supplied by the Company by means of a website shall be deemed to have been received when

the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

158.5 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or proceeding.

158.6 The provisions of this Article shall have effect in place of the Company Communications Provisions relating to deemed delivery of notices, documents or information.”

6.7 Article 161.1 shall be amended by inserting the following text after the sentence ending with “practicable”:

“In any such case, the Company shall (i) make such notice available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof and (ii) send confirmatory copies of the notice by post to such members if at least seven days prior to the meeting the posting of notices again becomes practicable.”



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