Witan Pacific Investment Trust PLC

2013

Annual Report

Witan Pacific investment trust

CONTENTS

London Stock Exchange
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PREMIUM

Key information

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

Strategy

- Employ an active multi-manager approach to add value and diversify risk.
- Appoint managers to access a wide range of opportunities in the Asia Pacific region, seeking capital return and income growth.
- Aim to increase the dividend per share ahead of UK inflation rates.
- Employ share buy-backs when the Company's shares are standing at a substantial and anomalous discount to their net asset value.
- Control costs seeking to maintain ongoing charges (excluding performance fees) of less than 1%.

Why choose Witan Pacific Investment Trust?

- Access to the pan-Asian region – Witan Pacific invests in companies operating across the region including Japan, China, Australia and India.
- A multi-manager strategy – three experienced managers with proven track records.
- The combination of these three managers offers a carefully chosen portfolio of stocks reflecting the managers' best ideas, independent of index weightings.
- Investment performance – consistent outperformance of the benchmark since the introduction of the multi-manager approach in 2005.
- Growing income – twice yearly dividends and the aim of dividend growth in real terms.
- Governance by an experienced, independent board of directors.

History

- The Company began its life in 1907 as the General Investors and Trustees Ltd investing in a diverse range of assets. In 1984 under the management of F&C it was renamed F&C Pacific Investment Trust plc to reflect its regional investment policy.
- Following the appointment of Witan Investment Services as Executive Manager and the Company's change of structure to multi-manager it was renamed Witan Pacific Investment Trust plc in 2005.

Financial summary

Key data

	2013	2012	% change
Net Asset Value per share	**262.89p**	235.60p	↑ 11.6%
Share Price	**229.25p**	193.63p	↑ 18.4%
Discount	**12.8%**	17.8%	
Gearing#	**4.2%**	3.4%	

Total returns

	2013	2012
Net Asset Value per share†	**14.7%**	-4.1%
Share price†	**22.1%**	-7.4%
Benchmark*	**11.1%**	-6.0%

Income

	2013	2012	% change
Revenue per share	**4.78p**	4.55p	↑ 5.1%
Dividend per share	**4.30p**	4.00p	↑ 7.5%

Ongoing charges

	2013	2012
Excluding performance fees	**0.98%**	0.76%
Including performance fees	**1.29%**	1.52%

Calculated as the difference between the market value of investments and net assets as a percentage of net assets. (Equivalent to AIC definition of net gearing).
† Source: AIC Services Ltd. Returns include dividends reinvested.
* Source: Datastream. Gross dividends reinvested.

Long-term performance analysis

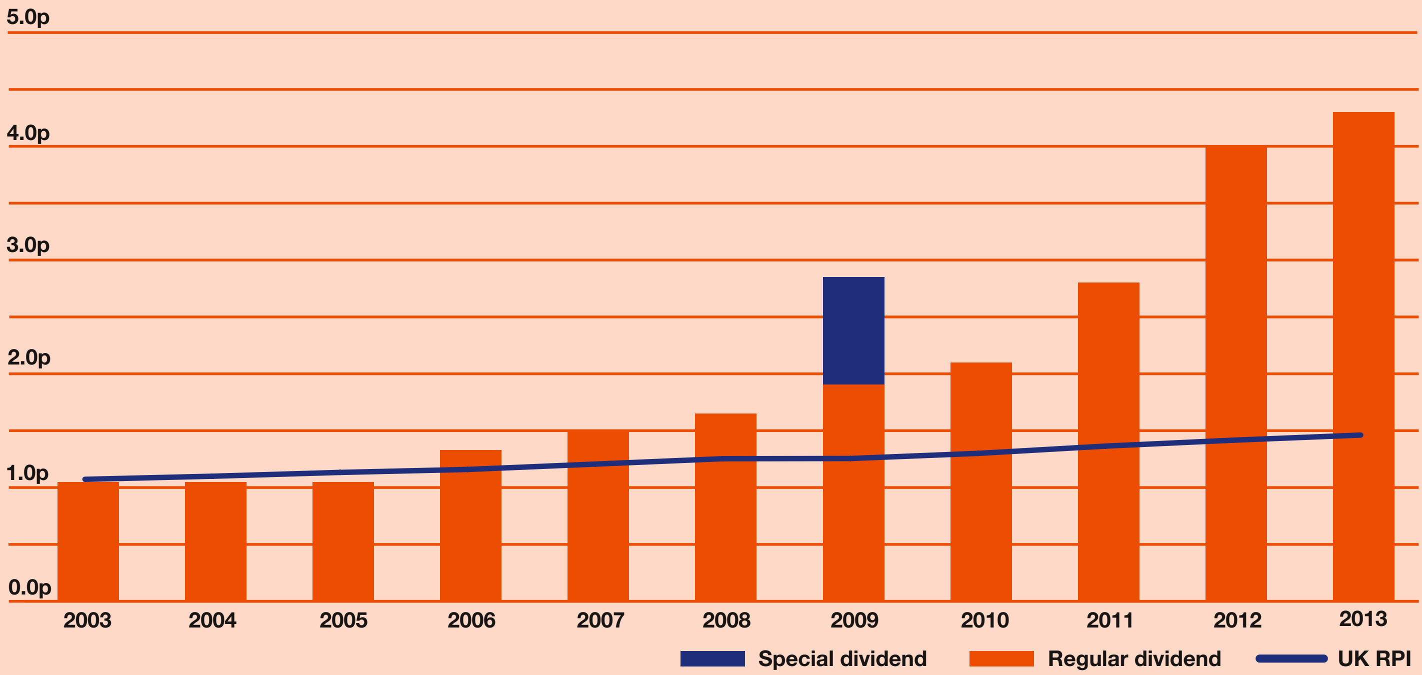
Total returns since inception of multi-manager structure

	Cumulative return since inception of the multi-manager structure 31/05/2005	Annualised return since the inception of the multi-manager structure 31/05/2005
Net Asset Value per share†	115.7%	10.6%
Share price†	113.2%	10.4%
Benchmark*	89.5%	8.7%

Total returns over the past 5 years

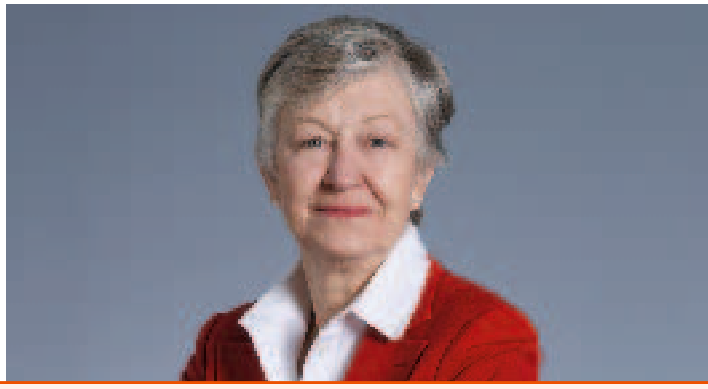
	31/01/12-31/01/13	31/01/11-31/01/12	31/01/10-31/01/11	31/01/09-31/01/10	31/01/08-31/01/09
Net Asset Value per share†	14.7%	-4.1%	25.8%	33.4%	-19.7%
Share price†	22.1%	-7.4%	30.0%	36.1%	-23.4%
Benchmark*	11.1%	-6.0%	20.0%	29.6%	-17.9%

Dividend record (Witan Pacific dividends vs UK RPI since 2003)*



† Source: AIC Services Ltd. Returns include dividends reinvested.
* Source: Datastream. Gross dividends reinvested.

Chairman's statement



Performance

The Board of your Company took the innovative step in 2005 of moving to a multi-manager structure. I am pleased to say that this decision has paid off and since then the trust has outperformed its benchmark, by some 1.9% per annum. Asian markets have been strong since May 2005 and over that period the NAV total return per share has grown by 115.7%. Following the changes made in April 2012, the Company now has three managers, Aberdeen Asset Managers Limited ("Aberdeen"), one of the initial appointments and two new managers Matthews International Capital Management LLC ("Matthews") and Marshall Wace GaveKal Asia Limited ("GaveKal"). All three managers, while having quite different investment strategies, have in common a fundamentally-driven rather than index-led approach to portfolio construction. Further details of each Manager's approach and performance are given in the Investment Review section of the Business Review on pages 8 to 15.

The Company's performance during the year was good. The NAV total return rose by 14.7%, 3.6% ahead of the regional benchmark, which saw a total return of 11.1%. During the year, the discount narrowed from 17.8% to 12.8%, as a result of which the total shareholder return during the year was 22.1%. It is encouraging to see the strong underlying investment performance being recognised by increased demand for the Company's shares in this way, reversing the previous year's widening in the discount.

The performance of the two new managers, Matthews and GaveKal, has been strong both in absolute terms and relative to the Company's benchmark since appointment. Aberdeen also significantly outperformed during the year. There was a benefit from diversification as the three managers did well at different times during the period.

Market background

Markets spent much of the first half of 2012 continuing 2011's preoccupation with the Euro's woes, a slowdown in China and the threat of rising commodity prices. Market volatility was less intense, since these risks had already been partly factored into investor expectations.

During the second half of our financial year, aside from signs that crisis management had improved in Europe, there were indications that the slowdown in growth in China was moderating. Furthermore, a new government was elected in Japan, committed to introducing economic policies to stimulate growth and end the long period of deflation which had weighed on confidence. This raised hopes that its underperforming economy would start to pull its weight, allowing the Tokyo stock market to share in the positive returns seen elsewhere in the region.

Overall, markets in the region provided a total return of just over 11% in sterling terms during the year to 31 January 2013.

A focused investment approach with three different managers

We have put in place a multi-manager strategy so that shareholders can benefit from several investment styles, which could smooth out the volatility of the combined returns. The vital but difficult task is to identify high calibre investment managers capable of delivering material outperformance in combination.

Following the changes in April 2012, the Company now operates a three-manager structure. These managers bring a range of skills to the management of the portfolio, although each has the same objective, which is to outperform the Company's regional equity benchmark. They approach this in rather different ways.

Aberdeen has continued to manage its portion of the portfolio (currently c.54%) in accordance with its stock-picking approach, independent of index weightings, focused on well-managed, strongly capitalised companies with scope to grow their business.

Matthews has managed c.36% of the Company's portfolio since April 2012, in accordance with its Asia Dividend strategy, investing in a portfolio of 50-80 stocks. These are chosen across the market capitalisation spectrum using a bottom-up approach, with an emphasis on a buy and hold strategy blending yield with potential dividend growth.

GaveKal manages approximately 10% of the portfolio, taking a distinct approach, varying the asset allocation between equities, bonds and cash, as well as selecting companies on their merits. The combination of stock picking and top-down decisions on asset allocation seeks to capture the benefits of the region's growth, while reducing absolute volatility and downside risk.

RDR

The implementation of the Retail Distribution Review ("RDR") from the start of 2013 has introduced changes in the qualification requirements for Financial Advisers as well as ending sales commissions paid by product providers to advisers. It is expected that this will 'level the playing field' between open-ended funds, whose managers were previously able to pay commissions to intermediaries, and closed-ended investment companies, such as Witan Pacific. It is very possible therefore that RDR may bring increased interest in the Investment Trust Sector, which could lead to increased demand for the Company's shares.

HIGHLIGHTS

- NAV total return of +14.7%
- Share price total return of +22.1%
- 3.6% NAV outperformance vs. the benchmark
- Final dividend of 2.3p, making 4.3p for the year (+7.5%)
- Successful transition to more "active" investment policy
- Discount narrowed from 17.8% to 12.8%

Ongoing Charges (formerly Total Expense Ratio)

The ongoing charges figure (which is the recurring operating and investment management costs of the Company, expressed as a percentage of average net assets) was 0.98% (2012: 0.76%). The principal reason for the rise was the higher base management fee payable to the new managers, who do not have a performance fee structure. Aberdeen continues to have a performance fee structure and since it outperformed its benchmark, a performance fee has been accrued for the year. Including provision for this, the ongoing charges figure was 1.29% (2012: 1.52%). The Company's total return of 14.7% is after deduction of all fees and expenses.

The Board will continue to manage costs closely in accordance with its objective of keeping the ongoing charges figure (excluding performance fees) below 1%.

Dividend

Overall, the Company's revenue earnings per share rose by 5.1%, to 4.78p per share. Although the combined income from the new managers exceeded that from the portfolio held by the previous manager, the base management fees were also higher because there is no performance element to their fees. The Company's revenues grew more slowly than in recent years, as dividend growth slowed with economic activity while a weaker Yen reduced the value of Japanese dividends when translated into sterling.

The Company recognises the importance to investors of regular and growing dividends, reflected in its policy of real dividend growth and the introduction of twice-yearly payments since 2012. In addition to the 2p per share interim dividend paid in October 2012, the Board is proposing a final dividend of 2.3p per share, making a total of 4.3p, a 7.5% increase on last year's payment of 4.0p. Subject to shareholder approval, the final dividend will be paid on 21 June 2013 to shareholders on the register at the close of business on 24 May 2013 (ex-dividend 22 May 2013). This increase is well ahead of the rise of 3.3% in the UK retail price index during the year.

The growth in dividends is subject to market conditions but the Board notes that the dividend proposed for 2013 will allow a further £0.3m to be added to revenue reserves. The Company's accumulated revenue reserves of £9.9m amount to more than three times the annual dividend payment, which provides considerable flexibility to sustain dividends during any future periods when the dividends received from the portfolio come under pressure.

In 2012, the investment trust tax rules were amended to allow companies to use capital reserves to fund dividend payments. The Company will be seeking investor approval at the 2013 Annual General Meeting ("AGM") to amend its Articles of Association to permit the use of capital reserves in this way. It remains the Company's policy that it is appropriate for dividends to be funded from revenue over the medium term. However, the change offers enhanced flexibility to sustain dividends at times when incoming dividend growth is slow or when better returns are available from lower yielding companies. The Company emphasises that it would be the norm for dividend payments to be funded from revenue over the cycle.

Share Buy-Backs

Your Board believes that it is in shareholders' interests to buy back the Company's shares when they are standing at a substantial and anomalous discount to their NAV, with the objective that the discount should be comparable to that of our peers and reflect the Company's investment performance, taking account of market conditions. The Company repurchased a total of 186,868 shares for cancellation during the year (2012: 10,000). The Board intends to seek renewal of the buy-back authority at the forthcoming Annual General Meeting. The Board regards it as sensible to seek to renew the authority to take shares into treasury for re-sale in the market at a later date. This power will be used to issue shares only at NAV or a premium to NAV.

Shareholder Information

The Company's website www.witanpacific.com is an easy to use source of up-to-date information on the Company. This contains an increased range of information compared with previous years and has a section specifically for the use of financial advisers. Further information, including the calendar of corporate announcements expected during the year as well as ways to invest in the Company's shares, is set out on pages 59 to 61.

Outlook

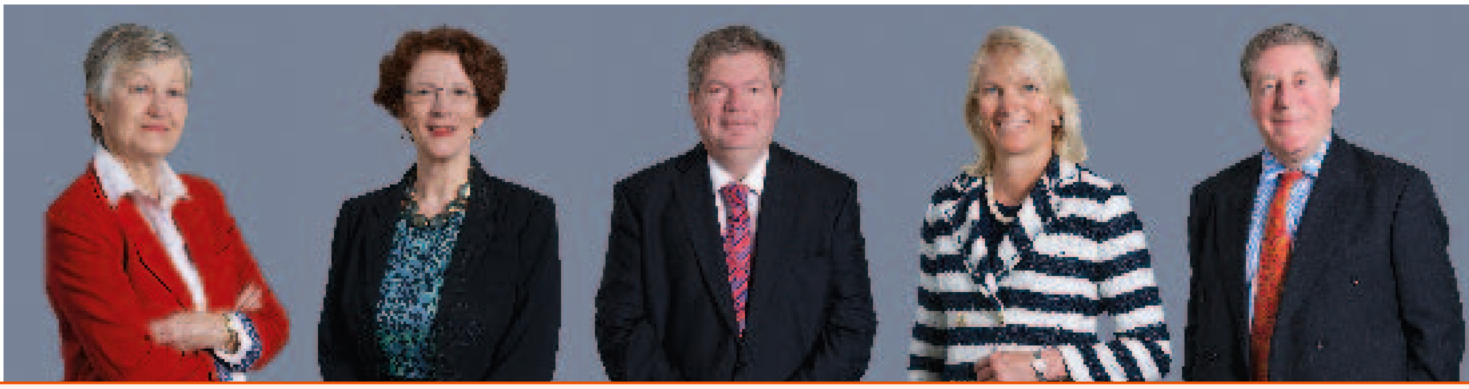
In the Asia Pacific region, two positive developments in late 2012 have contributed to a rally in the region's stock markets. The first was that the Chinese economy showed signs of responding to official measures designed to encourage economic growth, a change of emphasis after two years when monetary policy was tightened to bear down on inflation. The second was the election of a new government in Japan, after a campaign focused on the need to put pressure on the Bank of Japan to end the 20 year long period of deflation and to stimulate growth by seeking a more competitive level for the Yen. This policy shift is not without risk, but it has led some to reassess their assumptions that it was safe to ignore Japan, despite its importance in the region.

Although your Company's managers primarily seek opportunities on the basis of company-specific attractions a more positive growth backdrop from the region's two major economies would provide a helpful tailwind for investment returns.

The AGM of the Company will be held on Thursday, 13 June 2013 at 12 noon in the Piper Room, Grocers' Hall, Princes Street, London EC2R 8AD, and I look forward to meeting as many of you as are able to attend the meeting.

Gillian Nott
Chairman
24 April 2013

Board of directors



Gillian Nott OBE
Chairman
Appointed:
November 1999
Chairman: June 2006.

Gill Nott has a broad understanding of investment matters having worked earlier in her career for two large international companies. As a result of her work at Proshare and on the Board of the Financial Services Authority, she has a particular interest in the needs and concerns of individual investors. Gill is a non-executive director of Martin Currie Global Portfolio Trust plc, BlackRock Smaller Companies Trust Plc, Baronsmead VCT 2 plc, Baronsmead VCT 3 plc, Baronsmead VCT 5 plc and JP Morgan Russian Securities plc. She is also a deputy chairman of the Association of Investment Companies.

Sarah Bates
Senior Independent Director
Appointed:
January 2004.

Sarah Bates has more than 30 years' experience of investment and investment management businesses, gained through her past and current activities, as well as considerable technical knowledge of investment companies and understanding of the investment company sector. Sarah is a non-executive director of St James's Place plc, New India Investment Trust plc, JPMorgan American Investment Trust plc, Polar Capital Technology Trust plc and Development Securities PLC. Sarah is chairman of the Stena (UK) Pension Fund, the Cancer Research UK Pension Fund Investment Committee and of the Rutley Russia Property Fund Limited as well as being a member of or advisor to a number of other investment committees or panels and a director of the Association of Investment Companies.

Alan Barber
Audit Committee Chairman
Appointed:
July 2007.

Alan Barber is an experienced Chartered accountant and brings financial and corporate governance experience to the Board. He has also spent considerable time in the Far East and through this and his other directorships adds to the Boards experience in its key geographical areas. Alan is non-executive chairman of Management Consultancy Group plc and a non-executive director of JPMorgan Japanese Investment Trust plc and Impax Asian Environmental Markets plc. He previously worked for KPMG for 35 years; 25 years as a partner.

Diane Seymour-Williams
Appointed:
June 2010.

Diane Seymour-Williams adds to the Board some 30 years of investment experience, including the management of Asian equity portfolios and Asian asset management businesses at Morgan Grenfell and Deutsche Asset Management. Diane is currently Head of Client and Business Strategy at Lloyd George Management, an investment manager specialising in Asia and Global emerging markets equities. She is also a director of LG China Fund PLC, LG Investment Company PLC, Lloyd George Management (Europe) Limited and non-executive director of Brooks Macdonald Group plc. Diane sits on the Investment Committee of Newnham College, Cambridge.

Dermot McMeekin
Appointed:
May 2012.

Dermot McMeekin brings over 20 years of on the ground country experience in Asia as well as a deep understanding of the key strategic issues surrounding the corporate growth agenda across the region. Dermot is non-executive chairman of PMC Treasury Group Limited, a financial boutique advisory firm with offices in London, New York and Hong Kong. He is non-executive chair of the 2gether NHS Foundation Trust, and chairman of governors at Westonbirt Schools.

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

Business review

This Business review provides information about the Company's business and results for the year ended 31 January 2013 and comments on the main trends and factors likely to affect its future development. It is divided into two sections: The Investment Review and the Corporate Review.

Investment review

After the market disappointments of 2011, 2012 was a year of positive returns for the region, more than erasing the previous year's falls in most markets. As in 2011, there were a number of scares along the way but these appeared to have lost some of their capacity to unnerve investors.

Economic growth began 2012 with improving momentum but this faded under the dual impacts of financial austerity in Europe and higher oil prices, stemming from fears of supply interruptions in the Middle East. European concerns lingered on until late summer, as rumours swirled about Greece being forced to leave the Eurozone and fears grew that this would initiate a more widespread disintegration of the Euro, with potentially catastrophic effects on the financial sector. These concerns were put to rest in July by the European Central Bank governor saying that he would do "whatever it takes" to secure the future of the Euro, which led to a revival of investor confidence.

In the Asian region, a number of countries (notably China) moved from counter-inflationary policies towards seeking an upturn in economic growth, which began to be apparent in economic statistics towards the end of the year. After a further year of disappointment in Japan, in December the opposition LDP party was elected by a landslide on a platform of seeking a weaker Yen, pressing the Bank of Japan to introduce an official target of 2% inflation and increasing government spending on infrastructure. This led to a late revival in the Tokyo stock market, although much of the initial gain was offset by the weakening of the Yen.

During the year, the Company's NAV total return was +14.7%, 3.6% better than the 11.1% gain in the regional benchmark index. The Company's investments were managed during the year by Aberdeen (54%) and, from April, Matthews (36%) and GaveKal (10%). The Company's managers have differing approaches but their focus is on the best opportunities, independent of the weighting of countries in the index or of Companies within a particular national market.

Manager performance for the year ended 31 January 2013 and from appointment to 31 January 2013

	Manager appointment date	Value of Witan Pacific's assets managed £m at 31 January 2013	Witan Pacific's managed assets (Note 1) %	Performance to 31 January 2013 %	Benchmark performance to 31 January 2013 %	Performance since appointment to 31 January 2013 (Note 2) %	Benchmark performance since appointment to 31 January 2013 (Note 2) %
Aberdeen	31 May 2005	98.6	54.1	14.2	11.1	13.4	8.7
Matthews	30 April 2012	65.4	35.9	16.0*	11.2*	16.0	11.2
GaveKal	24 April 2012	18.3	10.0	15.2*	12.5*	15.2	12.5

Notes:

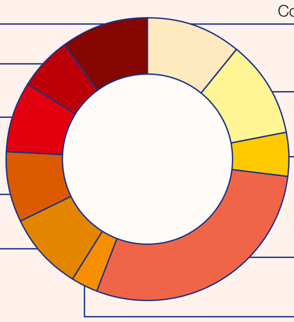
1. Excluding cash balances held centrally by Witan Pacific.
2. Manager returns are gross of management fees and are annualised where appointment was before 31 January 2012.

* Since appointment.

Source: WM Company.

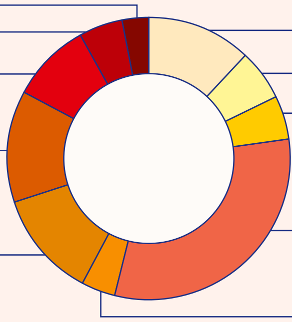
Sector allocation*

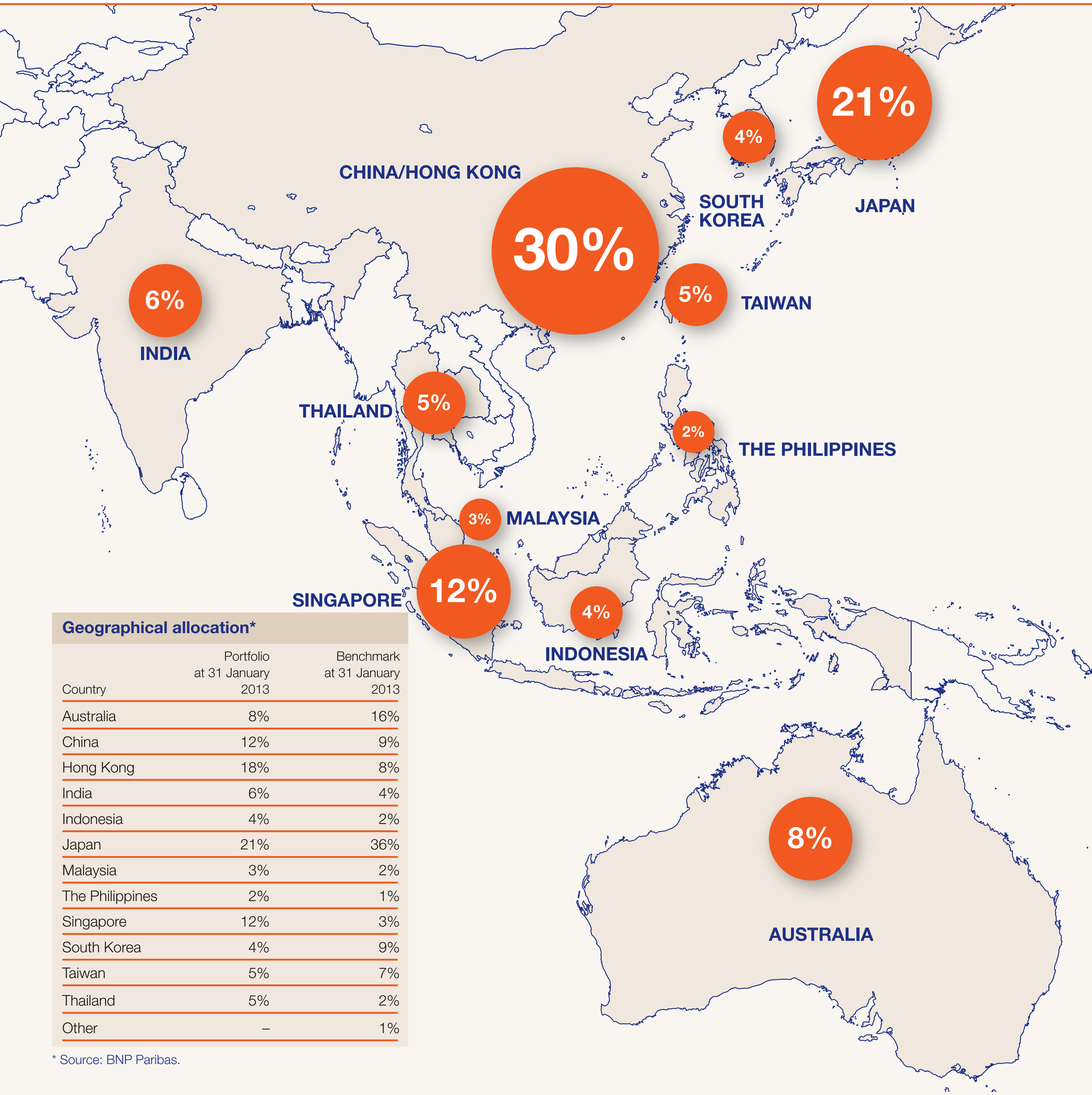
Portfolio at 31 January 2013



*Source: BNP Paribas.

Benchmark at 31 January 2013





Geographical allocation*

Country	Portfolio at 31 January 2013	Benchmark at 31 January 2013
Australia	8%	16%
China	12%	9%
Hong Kong	18%	8%
India	6%	4%
Indonesia	4%	2%
Japan	21%	36%
Malaysia	3%	2%
The Philippines	2%	1%
Singapore	12%	3%
South Korea	4%	9%
Taiwan	5%	7%
Thailand	5%	2%
Other	–	1%

* Source: BNP Paribas.

Portfolio information

Aberdeen

Aberdeen Asset Managers Limited

Aberdeen was established in Asia in 1992 and at 31 January 2013 was managing some £78.3bn of funds in the region. The 41 fund managers in the equity team, led by Hugh Young, follow a fundamental investment style emphasising the identification of good quality companies on low valuations relative to their growth potential.

Strategy

Aberdeen follow a stock-picking approach of investing in good quality, well-managed and soundly financed companies trading at attractive valuations, with the expectation of holding them for extended periods in order to benefit from the compounding of those companies' growth. Corporate governance and the alignment of management with shareholders' interests are additional important factors.

Review

Aberdeen has managed half of the Company's assets since the inception of the multi-manager structure in 2005. Since then, it has delivered portfolio returns of 13.4% p.a., outperforming the regional benchmark by 4.7% p.a. During the year under review, it achieved a total portfolio return of 14.2%, outperforming by 3.1%.

Performance record[1]

	Portfolio return in year to 31 January 2013	Annualised portfolio return since inception (31 May 2005)
Aberdeen[2]	14.2%	13.4%
MSCI AC Asia Pacific (£)	11.1%	8.7%

[1] Source: WM Company & Datastream.
[2] Manager returns are gross of management fees.

Geographical allocation (at 31 January 2013)*

Country	% Weighting	Under/Overweight
Australia	11%	-5%
China	5%	-4%
Hong Kong	20%	+12%
India	8%	+4%
Indonesia	2%	=
Japan	22%	-14%
Malaysia	2%	=
Philippines	2%	+1%
Singapore	15%	+12%
South Korea	4%	-5%
Taiwan	5%	-2%
Thailand	4%	+2%
Other	–	-1%

* Source: BNP Paribas and MSCI.

Sector allocation (at 31 January 2013)*

Sector	% Weighting	Under/Overweight
Consumer Discretionary	8%	-4%
Consumer Staples	8%	+2%
Energy	5%	=
Financials	29%	-2%
Healthcare	4%	=
Industrials	8%	-4%
Information Technology	13%	=
Materials	12%	+3%
Telecom Services	5%	=
Utilities	8%	+5%

* Source: BNP Paribas and MSCI.

www.witanpacific.com/multimanager/aberdeen

Matthews Asia®

Matthews International Capital Management LLC

Matthews is an independent, privately owned firm, which is the largest dedicated Asia-only investment specialist based in San Francisco. At 31 January 2013, Matthews had US$22.1bn in assets under management.

Strategy

The Company is invested in a segregated portfolio based upon Matthews' Asia Dividend strategy which is managed by Jesper Madsen and co-managed by Yu Zhang. They use a fundamental bottom-up investment process to select companies with sustainable long-term growth prospects, strong business models, quality management teams and reasonable valuations.

The Asia Dividend strategy focuses on dividend income and potential growth in that income from the companies in which it invests, as well as capital growth. The strategy invests in all sizes of company and has significant exposure to small and mid-cap stocks.

Review

During the 8 months between appointment and the end of the Company's financial year, Matthews' portfolio delivered a total return of 16.0%, 4.8% ahead of the Company's benchmark.

Performance record[1]

	Portfolio return in year to 31 January 2013	Portfolio return since inception (30 April 2012)
Matthews[2]	16.0%	16.0%
MSCI AC Asia Pacific (£)	11.2%	11.2%

[1] Source: WM Company & Datastream.
[2] Manager returns are gross of management fees.

Geographical allocation (at 31 January 2013)*

Country	% Weighting	Under/Overweight
Australia	6%	-10%
China	20%	+11%
Hong Kong	13%	+5%
India	1%	-3%
Indonesia	6%	+4%
Japan	22%	-14%
Malaysia	2%	=
Philippines	1%	=
Singapore	12%	+9%
South Korea	4%	-5%
Taiwan	8%	+1%
Thailand	5%	+3%
Other	–	-1%

* Source: BNP Paribas and MSCI.

Sector allocation (at 31 January 2013)*

Sector	% Weighting	Under/Overweight
Consumer Discretionary	16%	+4%
Consumer Staples	18%	+12%
Energy	5%	=
Financials	24%	-7%
Healthcare	4%	=
Industrials	13%	+1%
Information Technology	3%	-10%
Materials	3%	-6%
Telecom Services	9%	+4%
Utilities	5%	+2%

* Source: BNP Paribas and MSCI.

www.witanpacific.com/multimanager/matthewsasia

MW GAVEKAL

Marshall Wace GaveKal Asia Limited

The proportion of the trust's assets managed by GaveKal is invested through MW GaveKal Asian Opportunities UCITS Fund. During the year the Fund was managed by Marshall Wace GaveKal Asia Limited, a joint venture between Marshall Wace LLP and GaveKal Holdings. Since the year end, the joint venture has been restructured but the portfolio will continue to be managed by the same team at GaveKal Capital Limited. The Board has held discussions with GaveKal over the practical consequences of this change and is satisfied with their capabilities and commitment to increase resourcing in areas previously covered by the joint venture.

Strategy

The Asian Opportunities Fund in which the Company has invested, employs no leverage and does not "short" stocks. The portfolio is managed by Louis-Vincent Gave, a co-founder of GaveKal and Alfred Ho, ex CIO of Invesco Asia. They are supported by five analysts. They vary the asset allocation between equities, bonds and cash according to their top-down view of economic prospects. The equity portfolio is invested in growth oriented companies, focusing on earnings growth and valuation. Within the equity portfolio, weightings are driven by company-specific attractions not index weightings.

Review

During the period of just over 8 months between appointment and the end of the Company's financial year, GaveKal's portfolio delivered a total return of 15.2%, 2.7% ahead of the Company's benchmark.

Performance record[1]

	Portfolio return in year to 31 January 2013	Portfolio return since inception (30 April 2012)
GaveKal[2]	15.2%	15.2%
MSCI AC Asia Pacific (£)	12.5%	12.5%

[1] Source: WM Company & Datastream.
[2] Manager returns are gross of management fees.

Geographical allocation (at 31 January 2013)*

Country	% Weighting	Under/Overweight
Australia	2%	-14%
China	22%	+13%
Hong Kong	19%	+11%
India	14%	+10%
Indonesia	4%	+2%
Japan	13%	-23%
Malaysia	7%	+5%
Philippines	10%	+9%
Singapore	1%	-2%
South Korea	3%	-6%
Taiwan	1%	-6%
Thailand	4%	+2%
Other	–	-1%

* Source: BNP Paribas and MSCI.

Sector allocation (at 31 January 2013)*

Sector	% Weighting	Under/Overweight
Consumer Discretionary	8%	-4%
Consumer Staples	–	-6%
Energy	1%	-4%
Financials	47%	+16%
Healthcare	–	-4%
Industrials	3%	-9%
Information Technology	2%	-11%
Materials	7%	-2%
Telecom Services	–	-5%
Utilities	7%	-4%
Bonds & Futures	25%	+25%

* Source: BNP Paribas and MSCI.

www.witanpacific.com/multimanager/mwgavekal

Top twenty investments

as at 31 January 2013

This period	Last period*	Company	Country	% of total investments	Value £'000
1	(–)	**MW GaveKal Asian Opportunities UCITS Fund**	Far East & Pacific	**10.1**	**18,336**
2	(1)	**Aberdeen Global Indian Equity Fund**	India	**4.3**	**7,772**
3	(–)	**HSBC Holdings**	Hong Kong/UK	**3.3**	**5,907**
4	(9)	**Taiwan Semiconductor Manufacturing ("TSMC")**	Taiwan	**2.6**	**4,779**
5	(17)	**China Mobile**	China	**2.5**	**4,446**
6	(–)	**Japan Tobacco**	Japan	**2.1**	**3,893**
7	(–)	**QBE Insurance**	Australia	**2.1**	**3,789**
8	(2)	**Samsung Electronics**	South Korea	**2.0**	**3,595**
9	(–)	**Singapore Technologies Engineering**	Singapore	**2.0**	**3,551**
10	(7)	**Oversea – Chinese Banking Corporation**	Singapore	**2.0**	**3,547**
11	(11)	**Standard Chartered**	Hong Kong/UK	**1.9**	**3,492**
12	(10)	**Canon**	Japan	**1.9**	**3,476**
13	(18)	**United Overseas Bank**	Singapore	**1.9**	**3,373**
14	(4)	**BHP Billiton**	Australia/UK	**1.7**	**3,149**
15	(–)	**PTT Exploration & Production**	Thailand	**1.7**	**3,090**
16	(19)	**Shin-Etsu Chemical**	Japan	**1.7**	**2,989**
17	(8)	**Petrochina**	China	**1.6**	**2,968**
18	(3)	**Rio Tinto**	Australia/UK	**1.6**	**2,919**
19	(16)	**Honda Motor Company**	Japan	**1.5**	**2,722**
20	(–)	**Itochu Corporation**	Japan	**1.5**	**2,693**
Totals				**50.0**	**90,486**

* The figures in brackets denote their position within the top 20 at the previous year end.

Direct investments only. There are no positions within the MW GaveKal Asian Opportunities UCITS Fund (1) which would increase the stock weightings by more than 0.5% if accounted for on a look through basis.

The value of the twenty largest holdings represents 50.0% (31 January 2012: 41.1%) of the Company's total investments.

Summary of Top Twenty Investments

1	**MW GaveKal Asian Opportunities UCITS Fund**	A UCITS fund investing in a growth oriented Asian equity portfolio, Asian bonds and cash. The Manager will vary the asset allocation amongst the three in response to market conditions.
2	**Aberdeen Global Indian Equity Fund**	An Aberdeen fund, whose objective is to invest in the equity of companies which are incorporated in India or which derive significant revenue or profit from India. This is a cost effective way of investing in India and does not affect Aberdeen's overall remuneration.
3	**HSBC Holdings**	One of the world's largest and best capitalised banks offering the full range of banking and financial services.
4	**Taiwan Semiconductor Manufacturing**	The world's largest dedicated semiconductor foundry, TSMC provides wafer manufacturing, wafer probing, assembly and testing, mask production and design services.
5	**China Mobile**	China's largest mobile telephone operator. The company has been adding four to five million subscribers a month, and has a subscriber base of over 700 million.
6	**Japan Tobacco**	Global manufacturer and marketer of cigarettes and tobacco products with operations in 120 countries.
7	**QBE Insurance**	Diversified insurance company providing commercial and personal insurance and reinsurance services globally.
8	**Samsung Electronics**	The leading semiconductor company and a major player in mobile phones and TFT-LCDs.
9	**Singapore Technologies Engineering**	Global integrated engineering group spanning aerospace, electronics, marine and land systems sectors. It is the largest commercial aircraft maintenance operator.
10	**Oversea – Chinese Banking Corporation**	A Singaporean bank which continues to generate shareholder value through the restructuring of its non-core assets.
11	**Standard Chartered**	Standard Chartered PLC is a holding company. Through its subsidiaries, the Company is engaged in the business of retail and commercial banking and the provision of other financial services.
12	**Canon**	A world leader in photographic and imaging equipment. It has benefited from strong digital camera sales.
13	**United Overseas Bank**	This Singaporean bank has earned a higher return on its business than its competitors. It has a strong capital base and an impressive cost-to-income ratio.

Summary of Top Twenty Investments

14	**BHP Billiton**	BHP Billiton is a global leader in the resources industry. Formed from a merger between BHP and Billiton, it brings together a mix of quality, low-cost resource assets.
15	**PTT Exploration & Production**	Thai oil and gas company which is a subsidiary of the Petroleum Authority of Thailand. It operates oil and gas facilities in several Asian countries.
16	**Shin-Etsu Chemical**	A leading manufacturer of polyvinyl chloride, silicon, and silicon wafers for semiconductors.
17	**Petrochina**	A Chinese oil company which is the listed arm of state-owned China National Petroleum Corporation, mainland China's biggest producer of oil.
18	**Rio Tinto**	Rio Tinto is a leading international mining group, combining Rio Tinto plc, a London listed public company headquartered in the UK, and Rio Tinto Limited, which is listed on the Australian Stock Exchange, with executive offices in Melbourne.
19	**Honda Motor Company**	A leading car manufacturer. It has continued to make headway in the US and European auto markets. It is also seeing growing profitability at its motorbike division.
20	**Itochu Corporation**	A general trading firm which handles a wide range of textiles, chemicals and food products and has diversified into satellite and data communications.

Corporate review

Objectives and Strategy

The Company's investment objective is to provide shareholders with capital and income growth from a diversified portfolio consisting principally of equity investments in the Asia Pacific region, designed to outperform the MSCI AC Asia Pacific Free Index ("MSCI Index") in Sterling terms. Although the Company's portfolio will be predominantly invested in equities, it may also hold bonds or cash from time to time, if the managers judge that this is desirable. Your Company seeks to outperform the MSCI Index in Sterling terms, expecting to achieve this through growth in capital as well as income by employing an active multi-manager approach.

Prior to 2013, the Company had two investment managers, Aberdeen and Nomura Asset Management UK Limited ("Nomura") who had been in place since 2005. In 2012, following a formal search process, Nomura was replaced by two new managers, Matthews and GaveKal. Managers' performance is subject to regular review, with the Board's objective being to use managers who offer the best prospects of outperforming the benchmark index referred to, with an acceptable level of diversification and risk.

Your Company sponsors an ongoing marketing programme provided by Witan Investment Services Limited. This programme reaches out to private investors and their financial advisers, as well as professional investors, to help them make informed decisions about whether investing in our shares can help meet their investment objectives.

The unbundling of investment management from the Company's other necessary services has provided transparency of the Company's cost base as well as flexibility in case it becomes desirable to change the service provider in a particular area. Your Board takes care to ensure strict monitoring and control of costs and expenses.

Board Responsibility and Management Arrangements

The management of the Company's assets is outsourced to third parties. However, the Board sets and reviews all the key elements of the Company's strategy, including the choice of investment benchmark, the selection of suitable investment managers, investment guidelines and limits and the appointment of providers for other services required by the Company. The Board ensures that, taking specialist advice as appropriate, its Directors have the appropriate mix of skills and time available to address the management of its outsourced, multi-manager investment approach.

Witan Investment Services Limited, which has experience of the issues arising in operating a multi-manager structure, acts as Executive Manager to manage and monitor the outsourced structure and relationships and to assist the Board on investment strategy and marketing. The Executive Manager reports to the Board on key aspects at all Board meetings as well as drawing attention as required to matters requiring non-routine review by the Board. The table on page 8 provides a summary of the Investment Managers' performance for the year ended 31 January 2013.

Your Company has also appointed third parties for the various supporting services it requires. The principal providers are J.P. Morgan Chase Bank, N.A. for global custody, BNP Paribas Securities Services for investment accounting and administration and Capita Company Secretarial Services Limited acting as Company Secretary. From time to time, as required, the Company also makes use of specialist services for legal, investment consulting, financial and tax advice.

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

Dividend Policy

As indicated in the Chairman's statement, the Company aims to grow its dividend in real terms over time, subject to the underlying trend in the Company's net income. The Company has substantial levels of revenue reserves available to smooth the effect of temporary fluctuations in dividends from investments, where this is viewed as prudent and beneficial for shareholders. Shareholder permission is being sought at the 2013 AGM to amend the Articles of Association to permit the distribution of capital reserves as dividends. The Company has stated that this is to confer flexibility in pursuing its investment objectives and that it would be the norm for dividend payments to be funded from revenue over the cycle.

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 and anomalous discount to the Company's net asset value (NAV). The purchase of shares priced at a discount to NAV per share will, all other things being equal, increase the Company's NAV per share and benefit the Company's share price.

Borrowings and Gearing

The Company has the power under its Articles of Association to borrow up to 100% of the adjusted total of capital and reserves. This permits the Board to seek to improve performance through gearing by borrowing amounts equivalent in value to shareholders' funds. In practice, the policy on gearing in recent years has been modest and well within this theoretical limit. Over the past five years fully invested gearing as defined on page 58 has mostly varied between 0% and 5% with, on occasion, a small net cash position. At the end of January 2013, the Company was 4.2% geared.

Key Performance Indicators

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

- **Net asset value total return and total shareholder return**, for which outperformance of the combined portfolios, compared with our benchmark is a key objective.
- **Investment performance by the individual managers**, where outperformance relative to the benchmark is sought.
- **Annual growth in the dividend**, where the Company's policy is to achieve increases in real terms, ahead of inflation (subject to market circumstances).
- **Discount to net asset value**, where the objective is to be at least in line with the sector peer group, seeking a sustainable narrowing over time, subject to market conditions.
- **The level of ongoing charges**; costs are managed with the objective of delivering an ongoing charges figure of below 1% (excluding performance fees). Where higher charges arise, these are carefully evaluated to ensure there is a net benefit for shareholders.

Principal Risks

Investment

The Company is a vehicle for overseas equity investment and is likely in normal conditions to be fully invested. The main risks of investing in the Company are a fall in equity prices and adverse movements in foreign currency exchange rates. Market risk and currency risk are an integral part of global equity investment and the Company does not specifically hedge against these risks but selects managers it believes have the skills to construct portfolios able to overcome them and deliver superior performance.

The portfolio's value can be affected by a range of factors, including Company performance, government policies, geopolitical events and the skills of the Investment Managers selected to manage the portfolio. Your Board seeks to manage these risks through understanding the investment approach of the managers, regular monitoring and review of portfolio information, and analysis of the characteristics of the Company's overall combined portfolio.

The Company also bears the risk of settlement default by clearing houses and exchanges and the risk of delayed repossession or disputed title of the Company's assets in the event of failure of the Custodian.

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

Operational

Comprehensive contractual obligations and indemnification provisions have been put in place with each of the third party service providers. Operationally, the multi-manager structure is robust, as the Investment Managers, the Custodian (JP Morgan) and the Fund Accountants (BNP Paribas) keep separate records which are reconciled monthly. In addition, our Executive Manager, Witan Investment Services Limited, monitors the activities of all third parties and reports any issues to the Board.

Tax and Regulation

In order to qualify as an investment trust the Company must comply with sections 1158-59 of the Corporation Tax Act 2010 (CTA) to which reference is made on page 20, under the heading "Status of the Company". A breach of these sections could result in the Company losing investment trust status and, as a consequence, capital gains realised within the Company's portfolio would be subject to Corporation Tax. The criteria are reported on by BNP Paribas Securities Services and monitored by Witan Investment Services Limited on behalf of the Board.

In addition, there are regulatory risks. We are affected by a complex set of regulations and laws and changes in any of these may affect returns to shareholders. We expect regulation to increase, as demonstrated by new regulations, stemming from the US and Europe, which are due to take effect in 2013-14.

All of these risks are regularly reviewed by the Company's Audit Committee and your Board takes professional legal, accounting and tax advice concerning any material proposed activity or emerging developments affecting the Company's operations.

The Company must comply with the provisions of the Companies Act 2006 ("the Companies Act") and, as the Company's shares are Premium Listed for trading on the London Stock Exchange, the Company must comply with the UK Listing Authority's Listing Rules and Disclosure and Transparency Rules ("UKLA Rules"). A breach of the Companies Act could result in the Company and/or the Directors being fined or becoming the subject of criminal proceedings. Breach of the UKLA Rules could result in the suspension of the Company's shares which would in turn lead to a breach of the provisions of the CTA.

These legal and regulatory requirements offer significant protection for shareholders. The Board relies on the Company Secretary, the Executive Manager and the Company's professional advisers to ensure compliance with the Companies Act and UKLA Rules.

The Audit Committee regularly reviews the foregoing risks by maintaining a detailed record of the identified risks in the form of a Risk Matrix which assesses the likelihood of such risks occurring and the severity of the potential impact of such risks. This enables the Board to take action and develop strategies in order to mitigate the effect of such risks to the extent possible. An analysis of financial risks can be found in note 20 to the financial statements on pages 52 to 56.

Regulatory change in 2013

Retail Distribution Review (RDR)

The implementation of the Retail Distribution Review ("RDR") from 2013 will potentially increase interest in Witan Pacific shares, given the increased level of qualification amongst Financial Advisers and the ending of the practice of product providers (principally open ended funds) paying commission to buyers of their units.

Witan Pacific offers actively-managed equity exposure to an increasingly interdependent Asia Pacific region, covering the faster-growing Asian economies, the more mature Japanese economy as well as commodity-reliant economies such as Australia. The Company's portfolio is diversified by manager, business sector and at the individual company level. It has increased its dividend every year since 2005, an 8-year run. Share buy-backs are used to enhance the net asset value per share. Witan Pacific has a simple capital structure and, with a market capitalisation of £151m as at January 2013 it is one of the larger Asian investment trusts and the largest within its peer group. The Company is also the only multi-managed investment trust offering specialised exposure to the Pacific region. As well as the inherent benefits of a multi-manager approach, Witan Pacific has a competitive ongoing charges figure (previously known as the Total Expense Ratio). Unlike open-ended funds it has the ability to build up dividend reserves, which can be used to sustain dividend payments during periods of falling portfolio dividends.

What sets the Company apart are the credentials listed above, its investment performance and a clearly defined investment approach. The Company has taken steps to increase the range of information on its website (including a section for Financial Advisers to help inform the choices they make on behalf of their investors).

Another likely impact of the RDR is that the number of self-directed investors making their own investment decisions is likely to increase. This is a group that is already familiar with Witan Pacific, both through the Witan Wisdom savings scheme and from buying the Company's shares via online stockbrokers and execution-only platforms. We expect interest from self-directed investors to remain strong in 2013. Discretionary managers and private client brokers, who invest on behalf of their clients, are also set to benefit from the RDR as increasing numbers of financial advisers are likely to outsource investment management to them.

The "AIFMD"

The Alternative Investment Fund Manager Directive ("AIFMD") is due to become UK law in July 2013. Although many of the issues covered are already addressed by current regulation, it will introduce changes in the rules governing entities, such as the Company, which are responsible for managing investment funds (including organisations where aspects of the management are delegated). The Company is reviewing the detail of the new regulations as they are finalised.

It remains the Company's policy to meet best practice in complying with all applicable regulations, as an important part of delivering returns to shareholders and safeguarding the Company's assets.

Statutory information

at 31 January 2013

The Directors have pleasure in presenting their Annual Report and the audited Financial Statements of the Company for the year ended 31 January 2013.

Activities

The principal activity of the Company is to carry on the business of an investment trust. A review of the Company's activities during the year is given in the Chairman's Statement on pages 4 to 6 and in the Business Review on pages 8 to 19, both of which form part of the Directors' Report.

Status of the Company

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

The Company operates as an investment trust in accordance with Sections 1158-1159 of the Corporation Tax Act 2010. HM Revenue & Customs' ("HMRC") approval of the Company's status as an investment trust has been received in respect of the year ended 31 January 2012. This approval is subject to there being no subsequent enquiry under corporation tax self-assessment. In the opinion of the Directors, the Company has subsequently conducted its affairs so that it would continue to qualify.

New regulations for obtaining and retaining investment trust status apply to the Company with effect from 1 January 2012. An application for approval as an investment trust under the new regime has been made and accepted by HMRC. Accordingly, the Company will be treated as an investment trust company for the year ended 31 January 2013 and for each subsequent accounting period, subject to there being no subsequent serious breaches of the regulations.

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

Life of the Company

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

Business Review

The Business Review on pages 8 to 19 has been prepared in accordance with the requirements of section 417 of the Companies Act 2006 ("section 417"). It is designed to provide shareholders with information about the Company's business and its results for the year ended 31 January 2013 and contains financial and where applicable, non-financial key performance indicators ("KPIs") and principal risks facing the Company. The Directors consider that, in line with the activities and objectives of the Company, the KPIs set out on page 17 are those which communicate the performance of the Company.

Share Capital

At 31 January 2013, there were 66,048,000 Ordinary shares of 25p each in issue (2012: 66,234,868 Ordinary shares). At the 2012 AGM the Directors were granted authority to buy-back up to a maximum of 9,925,000 Ordinary shares; such authority will expire at the conclusion of the 2013 AGM. During the year to 31 January 2013 the Company bought back 186,868 Ordinary shares, representing 0.28% of issued shares at the year end, at an average price of £1.97 per Ordinary share, for a total cost of £369,000 including dealing costs. There have been no further changes to the issued share capital as at the date of this Report. All the shares bought back were cancelled and at 31 January 2013 and at the date of this Report, no shares were held in treasury.

Results and Dividend

Revenue attributable to equity shareholders	£'000
Net revenue return after taxation	**3,162**
Dividends paid/payable:	
Interim dividend of 2.0p per share	**(1,321)**
Final dividend of 2.3p per share	**(1,519)**
Residual revenue return after dividends	**322**

Appointment of the Investment Managers

The Company's assets were managed during the year by Aberdeen Asset Managers Limited ("Aberdeen"), a subsidiary of Aberdeen Asset Management PLC, and until 22 April 2012 Nomura Asset Management U.K. Limited ("Nomura"). Aberdeen and Nomura had each managed approximately half of the portfolio since appointment in 2005. As explained in last year's Annual Report the Board reviewed the Managers during the year, and decided to replace Nomura with two managers with distinctive strategies which take a more focused approach to investment management. The Board believes that this creates the prospect of greater outperformance, although this cannot be guaranteed and may be associated with greater variability of relative performance. Details of the performance to date of the two new managers, Matthews and GaveKal, are given on pages 11 and 12 and within the Chairman's Statement and the Business Review.

It is the Board's view that the continued appointment of Aberdeen is in the interests of shareholders. Details of Aberdeen's performance is given on page 10.

During the year under review Aberdeen for the full year and Nomura, to the extent that they were engaged until 22 April 2012, were 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 ranged from 0.20% to 0.25% per annum of net asset value and the performance fees ranged from 10% to 15% of average net asset value per annum of the relevant portfolio outperformance subject to an annual cap.

The three current Investment Managers have base fees between 0.20% p.a. and 0.75%, with performance fees ranging from zero to 15% of the calculated outperformance relative to the benchmark, subject to an annual cap.

Administration and Company Secretarial Services

Fund accounting administration services are provided to the Company by BNP Paribas Securities Services ("BPSS") pursuant to an Agreement dated 22 March 2005 as amended between the Company and BNP Paribas Fund Services UK Limited and novated to BPSS on 1 December 2008. The fee for these services is £35,557 per annum plus an ad valorem charge applied to the gross assets of the Company at the rate of 0.02%, up to gross assets of £300m, and at the rate of 0.01% on gross assets over £300m. The Agreement with BPSS continues until terminated by either party on giving not less than six months' written notice.

Capita Company Secretarial Services Limited was appointed as Secretary to the Company on 1 January 2013, for a fee of £45,000 per annum and with termination on six months' written notice by either party. Phoenix Administration Services Limited provided company secretarial services until 31 December 2012 for a fee of £45,000 per annum.

Directors

The Directors of the Company at the date of this Report, and their biographical details, are shown on page 7. Mr. Dermot McMeekin joined the Board as an independent non-executive Director with effect from 1 May 2012 and Dr. Leslie Atkinson retired from the Board on 14 June 2012.

At the forthcoming AGM, in accordance with the requirements of Principle 3 of the Association of Investment Companies' Code of Corporate Governance ("AIC Code"), Mrs. Gill Nott and Mrs. Sarah Bates, who have both served as Directors for more than nine years, are required to retire annually. Both Mrs. Nott and Mrs. Bates, being eligible, intend to seek re-election at the forthcoming AGM.

The Nomination and Remuneration Committee reviewed the performance of Mrs. Nott and Mrs. Bates and their individual contributions to the operation of the Company and concluded that the Company benefited from the expertise and services of both Mrs. Nott and Mrs. Bates and accordingly recommended to the Board that resolutions be put to shareholders at the AGM that Mrs. Nott and Mrs. Bates be re-elected as Directors. The Board concurred with the recommendations of the Committee and recommends that shareholders vote in favour of the resolutions for the re-election of Mrs. Nott and Mrs. Bates.

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

The Corporate Governance Statement is set out on pages 25 to 34 of the Directors' Report.

Directors' Interests

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

	31 January 2013	31 January 2012
G Nott	**40,000**	27,500
A J Barber	**30,000**	12,000
S C Bates	**64,200**	39,200
D Seymour-Williams	**15,000**	15,000
D McMeekin	**15,000**	–*
Dr. L Atkinson	**–***	15,000

* D McMeekin appointed 1 May 2012. Dr. L Atkinson retired 14 June 2012.

Information about securities carrying voting rights

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

The following information is disclosed in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and DTR 7.2.6 of the FCA Disclosure and Transparency Rules.

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

Substantial Share Interests

Significant Direct or Indirect Interests	At 31 January 2013 Ordinary shares	At 31 January 2013 % of Voting Rights	At 31 March 2013 Ordinary shares	At 31 March 2013 % of Voting Rights
State Street Nominees Limited for Witan Wisdom Savings Schemes	10,640,591	16.11	10,581,147	16.02
1607 Capital Partners LLC	7,275,655	11.02	6,469,645	9.80
Rock Nominees Limited for Charles Stanley private clients	2,965,579	4.49	2,970,242	4.50
Wesleyan Assurance Society	2,680,000	4.06	2,680,000	4.06
Rathbone Nominees Limited for Rathbone private and charitable clients	2,534,106	3.84	2,614,756	3.96
Wells Capital Management	3,372,307	5.11	3,392,309	5.14
Legal & General Group plc	2,260,795	3.42	2,197,653	3.33

Source: RDIR share register analysis.

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 2013 (31 January 2012: nil).

Donations

No political or charitable donations were made during the year ended 31 January 2013 (31 January 2012: 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

Resolutions 8 to 10 seek shareholders' approval for the following authorities to be granted for a period of 18 months or until the conclusion of the 2014 Annual General Meeting ("AGM") if earlier.

Authority to Allot Shares Generally

Resolution 8 authorises the Board to allot shares generally and unconditionally in accordance with Section 551 of the Companies Act 2006 up to an aggregate nominal value of £2,476,800, representing 15% of the issued share capital at the date of this report.

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

Resolution 9 authorises the Board to allot shares or to sell or transfer any shares held in treasury for cash in the circumstances described in the Resolution otherwise than on a *pro rata* basis up to an aggregate nominal value of £825,600, representing 5% of the issued share capital at the date of this report.

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

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

Resolution 10 authorises the Company to purchase its own shares in the market up to a maximum of 9,900,595 Ordinary shares representing 14.99% of the issued share capital (excluding treasury shares) at the date of this Report. The shares would be bought for a minimum of 25p per share and a maximum of 5% above the average of the Daily Official List middle market quotation for the five business days immediately preceding the date of purchase. The authority will allow the Company to hold Ordinary shares so purchased in treasury, as an alternative to immediate cancellation, provided that the number of Ordinary shares held in treasury is not at any time more than 10% of the Company's issued share capital.

Amendment of the Company's Articles of Association

Resolution 11 proposes the adoption of new Articles of Association in order to take into account certain changes in company law. The principal changes are summarised below:

Removal of the prohibition on the distribution of capital profits

Historically, in order to qualify as an investment trust, a company must have been prohibited by its Articles of Association from making any distribution of capital profits by way of a dividend. However, recent changes to the Corporation Tax Act 2010, which relate to accounting periods beginning on or after 1 January 2012, mean that it is no longer a requirement for the distribution of such profits to be prohibited by a company's Articles of Association in order for it to achieve or maintain investment trust status. The amendments have been brought in to align the law relating to investment trusts with general company law and to enable companies to manage their dividend policies by enabling the payment of dividends when income profits may not be available for distribution. Whilst the Board has no immediate intention of making any distribution of the Company's capital profits by way of a dividend, the Board feels that, in order to increase flexibility, it would be appropriate to ask shareholders to approve the new Articles of Association where the current restriction on the distribution of capital profits under Article 121 is removed.

Adjournment of meeting due to a lack of quorum

Section 307A(7) of the Companies Act 2006 states that, if an adjournment of a general meeting is due to the lack of quorum, the adjourned meeting must be held at a day at least 10 days after the original meeting. The current wording under Article 45 is therefore proposed to be amended in the new Articles of Association to reflect this requirement.

Chairman's casting vote at general meetings

In accordance with regulation 22 of the Companies (Shareholders' Rights) Regulations 2009, a chairman of a traded company should not be entitled to have a casting vote at a general meeting in addition to any other vote which he may have. Therefore, under the new Articles of Association, the Board proposes to delete the current Article 62 to reflect this point.

Voting rights of proxies when voting upon a show of hands

The Board proposes to clarify the voting rights of proxies under Article 63 to reflect the position under section 285(2) of the Companies Act 2006 that if a proxy has been appointed by more than one member and has been instructed by one or more of those members to vote for a resolution and by one or more members to vote against such resolution, in such a case, the proxy can have one vote for as well as one vote against such resolution when voting upon a show of hands.

Unclaimed dividends

The Board proposes to clarify under Article 116 in the new Articles of Association that if any dividend has been unclaimed, the Company is not required to be a trustee in respect of such unclaimed dividend and will not be liable to pay interest on it. This proposed new wording is to ensure that the Company does not become subject to fiduciary duties to the recipient(s) in respect of any unclaimed dividend amounts.

Record date for service

The existing Articles of Association contain provisions allowing the Company to fix record dates for payment or distribution. The Board now proposes to include wording in the new Articles of Association under Article 122 so that the Company may also fix a record date for the serving of notices, documents or information to its members.

General

Generally the opportunity has been taken to bring clearer language into the new Articles of Association, and in some areas, the proposed changes in the new Articles of Association are of a minor, technical or clarifying nature. Such minor proposed changes are found in Articles 29, 99, 117 and 130.

Recommendation

The Board considers that Resolutions 8 to 11 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings.

Independent Auditors

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

Information to Auditors

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

Annual General Meeting

The AGM of the Company will be held on Thursday, 13 June 2013 at 12 noon in the Piper Room, Grocers' Hall, Princes Street, London EC2R 8AD.

By order of the Board

Capita Company Secretarial Services Limited
Secretary
24 April 2013

Corporate governance statement

Background

The Listing Rules and the Disclosure Rules and Transparency Rules ("Disclosure Rules") of the UK Listing Authority require listed companies to disclose how they have applied the principles and complied with the provisions of the corporate governance code to which the issuer is subject. The provisions of the UK Corporate Governance Code ("UK Code") as issued by the Financial Reporting Council ("FRC") in June 2010 are applicable to the year under review and can be viewed at www.frc.org.uk.

The related Code of Corporate Governance (the AIC Code) issued by the Association of the Investment Companies ("AIC") in October 2010 provides specific corporate governance guidelines to investment companies. The FRC has confirmed that AIC member companies who report against the AIC Code and who follow the AIC's Corporate Governance Guide for Investment Companies ("AIC Guide") will be meeting their obligations in relation to the UK Code and the associated disclosure requirements of the Disclosure Rules. The AIC Code can be viewed at www.theaic.co.uk.

Compliance

Throughout the year ended 31 January 2013 the Company complied with all provisions of the AIC Code and the related AIC Guide which incorporates the UK Code. The Board attaches great importance to the matters set out in the Code and strives to observe its principles. Accordingly the table below reports on compliance with the recommendations of the AIC Code and the related AIC Guide. 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 Principles of the AIC Code

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

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

BOARD

AIC Code		Principle
1	**The chairman should be independent.**	The Chairman, Mrs. Gillian Nott, was at the time of her appointment, and remains, independent. There is a clear division of responsibility between the Chairman, the Directors, the Executive Manager, the Investment Managers and the Company's other third party service providers. No one individual has unfettered powers of decision. The Chairman is responsible for leading the Board, ensuring its effectiveness on all aspects of its role and is responsible for ensuring that all Directors receive accurate, timely and clear information.
2	**A majority of the board should be independent of the manager.**	At 31 January 2013, the Board comprised five independent non-executive Directors, the independence of whom is reviewed annually. Mrs. Nott is Chairman of the Board and Mrs. Sarah Bates is the Senior Independent Director. The Board considers that it was, during the year under review and up to the date of this report, and will continue to be, able to act independently of its Executive Manager, Witan Investment Services Limited, and of its 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, a member of the Aberdeen group. Mrs. Bates is not a director of, nor does she receive any fees from, Aberdeen or its associates and neither she, New India nor the Company holds shares in Aberdeen. The Board does not consider that this appointment compromises Mrs. Bates' independence as a Director of the Company. Similarly, notwithstanding that Mrs. Nott and Mrs. Bates have served as Directors for more than nine years, in view of their extensive experience within the investment company sector, which enhances and does not compromise their contribution to the Board and its Committees, the Board considers Mrs. Nott and Mrs. Bates remain independent Directors. 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 has been delegated to third party providers.
3	**Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.**	New Directors stand for election at the first AGM following their appointment and thereafter all Directors submit themselves for re-election at least every three years in accordance with the Code. The Board, through the Nomination and Remuneration Committee, considers the structure of the Board and recognises that any term beyond six years should be subject to particularly rigorous review and should take into account the need for progressive refreshing of the Board.
4	**The board should have a policy on tenure, which is disclosed in the annual report.**	The Board acknowledges the Code provisions relating to tenure. Directors serving longer than nine years are subject to annual re-election. The Board does not, however, have a pre-set criterion for retirement based on length of service believing that recommendation for re-election should be on an individual basis following rigorous review. The terms and conditions for the appointment of non-executive Directors are available for inspection at the registered office of the Company and at the AGM.

5	**There should be full disclosure of information about the board.**	All the Directors are resident in the UK and their biographical details which are set out on page 7 of this Report demonstrate the wide range of skills and experience that they bring to the Board. In view of the Company's size and as the Board is comprised of only five Directors, all of whom are independent, the Board considers it sensible for all the Directors to be members of the Audit and Management Engagement Committee and of the Nomination and Remuneration Committee. Mrs. Nott is a member of these Committees but does not act as Committee Chairman. Terms of Reference for both Committees (which have been produced to accord with the relevant provisions of the AIC Code and with the Guidance on Audit Committees published by the FRC in December 2010) are available on the Company's website or upon request from the Company Secretary.
6	**The board should aim to have a balance of skills, experience, length of service and knowledge of the Company.**	The Nomination and Remuneration Committee conducts annually a skills audit to enable the Board to identify any skill shortages to be filled by new Directors. When considering new appointments, the Board reviews the skills of the Directors and seeks to add persons with skills and experience which fill any gaps within the Board's knowledge or experience.
7	**The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.**	The Board has formalised a process to evaluate its own performance and that of its Chairman and of its Committees on an annual basis. This process is based on open discussion and assessment of the strengths and weaknesses of the Board and its Committees, with the Chairman making recommendations to improve performance where necessary. The assessment covers the functioning of the Board as a whole and a similar review of the effectiveness of the Board Committees is also carried out. The Chairman also reviews with each of the Directors their individual performance, contribution and commitment to the Company and any further development of skills. Following discussions with the other Directors, the Senior Independent Director similarly reviews with the Chairman, her performance. The Nomination and Remuneration Committee receives relevant points arising from the performance evaluation process and then considers the information when making a recommendation to the Board regarding the election and re-election of Directors. The Board does not consider it necessary to employ the services or to incur the additional expense of an external third party to conduct the evaluation process.
8	**Director remuneration should reflect their duties, responsibilities and the value of their time spent.**	The Nomination and Remuneration Committee each year reviews the fees paid to the non-executive Directors and compares these with the fees paid by the Company's peer group and the investment trust industry generally, taking into account the level of commitment and responsibility of each Board member. Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on page 35 and in note 4 to the accounts.
9	**The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.**	The Nomination and Remuneration Committee considers the criteria for future Board appointments and the methods of recruitment, selection and appointment. All members of the Committee are independent and its Chairman is the Senior Independent Director.

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

BOARD MEETINGS AND RELATIONS WITH THE INVESTMENT MANAGER

AIC Code		Principle
12	**Boards and managers should operate in a supportive, co-operative and open environment.**	The Board meets formally at least six times each year and representatives of the Investment Managers attend at least three Board meetings a year. Representatives of the Executive Manager attend each Board meeting and certain committee meetings. The Board is chaired by Mrs. Nott who encourages open and constructive debate to foster a supportive and co-operative approach for its own meetings and for those with its Investment Managers.

13	**The primary focus at regular board meetings should be a review of investment performance and associated matters, such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues.**	The Board sets the investment parameters within which the Investment Managers operate. The Investment Managers decide on the purchase and sale of individual investments and also ensure that the Board receives all relevant management and financial information in a timely manner. Representatives of the Investment Managers attend at least three Board meetings a year enabling the Board to review the Investment Managers' performance against the Company's investment objectives, the portfolio risk and attribution analysis and to seek clarification on specific investment issues. The Board has agreed a schedule of matters specifically reserved for decision by the Board including: ■ Corporate strategy ■ Appointing the Investment Managers and other service providers ■ Setting the overall objectives and investment restrictions within which the Managers are free to operate ■ Setting gearing and asset allocation limits and imposing limits on investment powers/changes, within which the Managers have discretion to act ■ Approving unquoted investments The Marketing Committee of the Board has established a marketing and shareholder communication strategy which is implemented by the Executive Manager. Prior to each Board and Committee meeting, Directors are provided with a comprehensive set of papers giving detailed information on the Company's transactions and financial position and all Directors have timely access to all relevant management, financial and regulatory information. 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 individually by the Directors during the year which has incurred expense to the Company.
14	**Boards should give sufficient attention to overall strategy.**	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 meets on one additional day each year when it focuses on strategy and any specific issues that require greater attention.
15	**The board should regularly review both the performance of, and contractual arrangements with, the manager (or executives of a self-managed fund).**	The Board meets in person with the Investment Managers at least three times each year to review their performance. The Board also considers the Investment Managers' performance at each Board meeting and receives appraisal of the managers' services from the Executive Manager, Witan Investment Services Limited. From time to time the Board visits the Investment Managers' offices so as to meet the managers and other supporting members of their teams. The Investment Management Agreements (IMAs) were entered into after full and proper consideration by the Board of the quality and cost of services offered including the financial control systems in operation in so far as they relate to the affairs of the Company, and each contract is monitored on an annual basis by the Audit and Management Engagement Committee. In accordance with the requirements of the IMAs, the Investment Managers confirm to the Board on a monthly basis that an independent check has been carried out on compliance with the investment guidelines set by the Board.

16	**The board should agree policies with the manager covering key operational issues.**	The Board has agreed detailed investment guidelines with the Managers and takes the opportunity to review them at regular Board meetings. The Board has delegated discretion to the Investment Managers to exercise voting powers on its behalf but reviews the Managers' policies on compliance with the UK Stewardship Code and with regard to soft commissions.
17	**Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.**	The Board considers the discount to NAV of the Company's share price at every Board meeting. The Board has a share repurchase programme that seeks to address imbalances in the supply of and the demand for the Company's shares within the market. The Board or its Marketing Committee consider: ■ The investment mandate and objective ■ The effectiveness of marketing and shareholder communication strategies ■ Measures of investor sentiment ■ Share buy-backs ■ The number and position of comparable trusts in the Company's peer group
18	**The board should monitor and evaluate other service providers.**	The Audit and Management Engagement Committee reviews annually the performance of all the Company's third-party providers including the level and structure of fees payable and the length of the notice period, to ensure that they remain competitive and in the best interests of shareholders. The Committee also considers if the Auditor carries out any work for the Investment Managers and, if applicable, ensures that any potential conflicts are satisfactorily resolved.

SHAREHOLDER COMMUNICATIONS

AIC Code		Principle
19	**The board should regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the board's view to shareholders.**	Regular reports are submitted to the Board by the Executive Manager, the Company's broker and qualified independent industry consultants. A regular dialogue is maintained with the Company's institutional shareholders and private client asset managers. Representatives of the Board and the Executive Manager meet with institutional shareholders and private client asset managers during the course of the year to understand their issues and concerns which are then discussed at Board or Marketing Committee meetings. Shareholders wishing to communicate with the Chairman, the Senior Independent Directors or any other member of the Board may do so by writing to the Company, for the attention of the Company Secretary, at the Registered Office. All shareholders are encouraged to attend the AGM, where they are given the opportunity to question the Chairman, the Board and representatives of the Investment Managers.

20	**The board should normally take responsibility for, and have direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.**	The Executive Manager discusses with the Board all substantive communications regarding corporate issues and may be authorised to act as spokesman for the Company. The Executive Manager also discusses with the Marketing Committee of the Board relevant promotional material that it is proposing to issue.
21	**The board should ensure that shareholders are provided with sufficient information for them to understand the risk/reward balance to which they are exposed by holding the shares.**	The Chairman is responsible for ensuring that there is effective communication with shareholders. The Company places great importance on communication with shareholders and aims to provide shareholders with a full understanding of the Company's activities and performance by means of informative Annual and Half Year reports and the Interim Management Statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares. The Witan Pacific website, www.witanpacific.com, offers easy access to up-to-date information on the Company. It is regularly updated with monthly factsheets and enables investors to view the Company's Financial Reports and Announcements and useful information on portfolio assets and performance. Further details on the risk/reward balance are set out in the Business Review on pages 8 to 19. The twenty largest holdings in the Portfolio are listed on pages 13 to 15. It is not practicable to include a full listing of the extensive investments managed by the Investment Managers.

Board and Committee Meetings

Attendance

The following table details the number of Board and Committee meetings attended by the Directors, against the number of meetings they were eligible to attend during the year under review.

	Board	Audit and Management Engagement Committee	Nomination and Remuneration Committee	Away Day
G Nott	6/6	3/3	2/2	1/1
A J Barber	6/6	3/3	2/2	1/1
S C Bates	6/6	3/3	2/2	1/1
D Seymour-Williams	6/6	3/3	2/2	1/1
D McMeekin	4/4	1/1	1/1	1/1
L Atkinson	3/3	2/2	1/1	n/a

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

Board Committees

The Board has agreed a schedule of matters specifically reserved for decision by the full Board subject to which the Board has delegated specific duties to an Audit and Management Engagement Committee and a Nomination and Remuneration Committee, both of which operate within written terms of reference. All Directors are members of each standing Committee of the Board. Capita Company Secretarial Services Limited acts as Secretary to the Board and its Committees.

Audit and Management Engagement Committee

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

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

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

It has been agreed that all non-audit work to be carried out by the Auditors must be approved by the Audit Committee in advance. The cost of non-audit services for the financial year ended 31 January 2013 was £12,000 as detailed in note 4 to 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 of the internal controls operated on behalf of its clients. The Investment Managers, the Administrator and the Company Secretary report on any breaches of law or regulation if and when they arise and in scheduled Board reports. The Audit Committee considers annually whether there is any need for an internal audit function, and it has agreed that it is appropriate for the Company to rely on the internal audit controls which exist within its third party providers and that it is not necessary to have an internal audit function.

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

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

The Audit and Management Engagement Committee also has responsibility for annually reviewing the performance of all the Company's third party service providers including the level and structure of fees payable and the length of the notice period. The appointment and removal of the Company Secretary is a matter for the whole Board. During the year ended 31 January 2013, the Board completed a review of the company secretarial services provided to the Company and subsequently approved the appointment of Capita Company Secretarial Services Limited with effect from 1 January 2013.

Nomination and Remuneration Committee

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

The Committee considers and makes recommendations with regard to Committee membership, the reappointment of those Directors standing for re-election at AGM's, variations in terms of appointment and the question of each Director's independence prior to publication of the Annual Report and Accounts. The Nomination and Remuneration Committee was chaired by Dr. Atkinson until his retirement in June 2012, at which time Mrs. Sarah Bates was appointed as Senior Independent Director and Chairman of the Nomination and Remuneration Committee.

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

As reported in last year's report, the Committee, during 2012, initiated a search for an additional Director using the services of an external recruitment consultant, following which Mr. Dermot McMeekin was appointed as a Director with effect from 1 May 2012. Mr. McMeekin successfully sought election by the shareholders at the AGM held in June 2012 and in future years will be subject to re-election at least every three years in accordance with the Company's Articles of Association.

At the Nomination Committee meeting held in March 2013, the Committee considered the requirement for Mrs. Nott and Mrs. Bates, who have both served as Directors for more than nine years, to retire at the AGM pursuant to Principle 3 of the AIC Code. The Nomination Committee undertook a rigorous review of the performance and individual contributions to the Board of Mrs. Nott and Mrs. Bates in view of their length of service. The Committee concluded that the extensive experience of both Directors within the investment company sector enabled them to make significant contributions to the Board and its management of the Company. After due consideration, the Committee recommended to the Board that resolutions be put to shareholders at the AGM that, being eligible, Mrs. Gillian Nott and Mrs. Sarah Bates be re-elected as Directors of the Company.

Details of the Committee's activities in relation to Directors' remuneration are set out in the Directors' Remuneration Report on page 35, together with information on the fees paid to Directors during the year under review.

Internal Controls and Management of Risk

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

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

- The Board has carried out and documented a risk and control assessment, which was reviewed during the year, is monitored regularly and is subject to detailed annual review.
- The responsibilities for the investment management, accounting and custody of assets are segregated. The procedures of the individual parties are designed to complement each other to safeguard the Company's assets.
- The Board is responsible for setting the overall investment policy and monitoring the actions of the Investment Managers at regular Board Meetings. The Board reviews information produced by the Investment Managers in detail on a monthly basis.
- Administration and Company Secretarial services are provided by BNP Paribas Securities Services ("BPSS") and Capita Company Secretarial Services Limited ("Capita") respectively. BPSS and Capita report to the Board at least on a quarterly basis and ad hoc as necessary. In addition the Board reviews independent reports on the testing of the internal controls of BPSS.

Safekeeping of the Company's assets is undertaken by JPMorgan Chase Global Custody Services.

- The duties and responsibilities of the Company's agents and advisers are clearly defined in the terms of their contracts of engagement. The appointment of agents and advisers is conducted by the Board after consideration of the expertise of each party and the Board monitors their ongoing performance and contractual arrangements to ensure that they remain effective.
- Mandates for authorisation of investment transactions and expense payments are set by the Board.

Through the application of the procedures set out above, and in accordance with the Financial Reporting Council's 'Guidance on Audit Committees' dated September 2012 and its 'Internal Control – Revised Guidance for Directors on the Combined Code' dated October 2005, the Directors have kept under review the effectiveness of the Company's internal controls throughout the year under review and up to the date of this Report. During the course of its review of the system of internal controls, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant.

Statement of Compliance

The Directors have reviewed the principles of the AIC Code and the related AIC Guide which incorporates the UK Code; and consider that the Company has complied with the provisions of the AIC Code during the year ended 31 January 2013 and up to the date of this Report.

Annual General Meeting

The AGM of the Company will be held on Thursday 13 June 2013 at 12 noon in the Piper Room, Grocers' Hall, Princes Street, London EC2R 8AD. In accordance with the UK Code, the Notice of Meeting as set out on pages 62 to 65 of this Annual Report has been issued not less than 20 working days before the meeting. Details of proxy votes received in respect of each resolution will be made available to shareholders at the meeting and will be subsequently available on the Company's website.

By order of the Board

Capita Company Secretarial Services Limited
Secretary
24 April 2013

Directors' remuneration report

The Directors are pleased to present their report on remuneration for the year ended 31 January 2013 prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The Company's auditors are required to verify certain information within this report subject to statutory audit by the Companies Act 2006. Where information set out below has been audited it is clearly indicated. An ordinary resolution to approve this report will be put to members at the forthcoming AGM.

The Board

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

During 2013, as during 2012, the Nomination and Remuneration Committee has considered the remuneration of directors in other investment companies, and the greater time and effort needed by Directors of a trust with a multi-manager structure. They also considered the continuing workload and responsibilities of the Directors in the changing regulatory environment and made recommendations to the Board as to the appropriate level of Directors' fees on this basis.

Accordingly, with effect from 1 February 2013, the remuneration of the Directors will be increased as follows:

- Mrs. Gill Nott (Chairman of the Board) – from £35,000 to £37,000 per annum;
- Mr. Alan Barber (Chairman of the Audit Committee) – from £22,000 to £24,000 per annum;
- All other independent Directors – from £20,000 to £22,000 per annum.

As at 31 January 2013, the Board comprised five non-executive Directors, all of whom were independent of the Investment Managers. In accordance with the Company's Articles of Association, new Directors are required to stand for election at the first AGM following their appointment, and thereafter, are required to retire by rotation, so that over a three-year period all Directors have retired from the Board and have offered themselves for re-election.

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

Policy on Directors' Remuneration

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

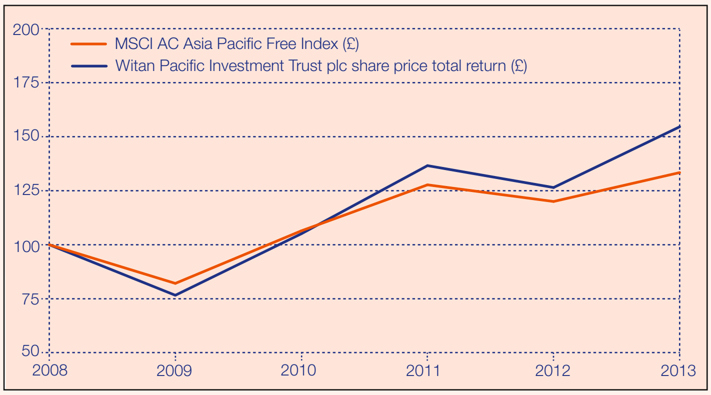
The Company's policy is for the Chairman of the Board to be paid a higher fee than the other Directors, to reflect the more onerous role and for the Directors' fees to be reviewed from time to time.

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

It is the intention of the Board that, unless deemed appropriate to implement a revision, the above remuneration policy will continue to apply for the forthcoming financial year.

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

Performance Graph



Source: Datastream

The performance graph above shows the share price total return to ordinary shareholders since 31 January 2008 compared to the total return of the MSCI AC Asia Pacific Free Index (£), the benchmark index against which the Company's performance is measured.

Remuneration for Qualifying Services (Audited)

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

Director	**2013 Fees for services to the Company £**	2012 Fees for services to the Company £
G Nott (Chairman)	**35,000**	30,000
A J Barber (Chairman of the Audit Committee)	**22,000**	20,000
S C Bates	**20,000**	18,000
D Seymour-Williams	**20,000**	18,000
D McMeekin*	**15,000**	–
L Atkinson**	**7,436**	18,000
Totals	**119,436**	104,000

* Appointed on 1 May 2012.
**Retired on 14 June 2012.

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

By order of the Board

Capita Company Secretarial Services Limited
Secretary
24 April 2013

Statement of directors' responsibilities

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

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the net return or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

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

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

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

Statement under DTR 4.1.12

Each of the Directors, whose names and functions are listed on page 7, confirm that, to the best of their knowledge:

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

On behalf of the Board

Gillian Nott
Chairman
24 April 2013

Independent auditors' report

to the members of Witan Pacific Investment Trust plc

We have audited the financial statements of Witan Pacific Investment Trust plc for the year ended 31 January 2013 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 37, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2013 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following:

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

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

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 23, in relation to going concern;
- the parts of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Alex Bertolotti (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 April 2013

Income statement

for the year ended 31 January 2013

	Revenue notes	Capital notes	**Year ended 31 January 2013** Revenue return £'000	Capital return £'000	Total £'000	Year ended 31 January 2012 Revenue return £'000	Capital return £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss		9	**–**	**20,048**	**20,048**	–	(8,201)	(8,201)
Exchange losses		16	**–**	**(759)**	**(759)**	–	(25)	(25)
Income	2		**5,108**	**–**	**5,108**	4,766	–	4,766
Management fees	3		**(660)**	**–**	**(660)**	(499)	–	(499)
Performance fees		3	**–**	**(491)**	**(491)**	–	(1,167)	(1,167)
Other expenses	4	16	**(820)**	**(43)**	**(863)**	(786)	(50)	(836)
Net return/(loss) before finance charges and taxation			**3,628**	**18,755**	**22,383**	3,481	(9,443)	(5,962)
Finance charges	5		**(180)**	**–**	**(180)**	(191)	–	(191)
Net return/(loss) on ordinary activities before taxation			**3,448**	**18,755**	**22,203**	3,290	(9,443)	(6,153)
Taxation on ordinary activities	6	6	**(286)**	**–**	**(286)**	(275)	–	(275)
Net return/(loss) on ordinary activities after taxation			**3,162**	**18,755**	**21,917**	3,015	(9,443)	(6,428)
Basic and diluted return/(loss) per Ordinary share – pence	7	7	**4.78**	**28.38**	**33.16**	4.55	(14.25)	(9.70)

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.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

The notes on pages 44 to 56 form an integral part of these financial statements.

Reconciliation of movements in shareholders' funds

for the year ended 31 January 2013

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Year ended 31 January 2013							
At 31 January 2012		**16,559**	**5**	**41,012**	**86,300**	**12,176**	**156,052**
Net return on ordinary activities after taxation		–	–	–	18,755	3,162	21,917
Dividends paid	8	–	–	–	–	(3,966)	(3,966)
Purchase of own shares	14	(47)	–	47	(369)	–	(369)
At 31 January 2013		**16,512**	**5**	**41,059**	**104,686**	**11,372**	**173,634**
Year ended 31 January 2012							
At 31 January 2011		16,561	5	41,010	95,762	10,944	164,282
Net (loss)/return on ordinary activities after taxation		–	–	–	(9,443)	3,015	(6,428)
Dividends paid	8	–	–	–	–	(1,855)	(1,855)
Write back of dividends over twelve years old	8	–	–	–	–	72	72
Purchase of own shares	14	(2)	–	2	(19)	–	(19)
At 31 January 2012		**16,559**	**5**	**41,012**	**86,300**	**12,176**	**156,052**

The notes on pages 44 to 56 form an integral part of these financial statements.

Balance sheet

at 31 January 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	9	**180,945**	161,334
Current assets			
Debtors	10	**736**	1,796
Cash at bank and in hand		**2,339**	2,462
		3,075	4,258
Creditors: amounts falling due within one year			
Bank loan	11	**(8,500)**	(7,000)
Other	12	**(1,674)**	(2,181)
		(10,174)	(9,181)
Net current liabilities		**(7,099)**	(4,923)
Total assets less current liabilities		**173,846**	156,411
Provisions for liabilities and charges	13	**(212)**	(359)
Net assets		**173,634**	156,052
Capital and reserves			
Called up share capital	14	**16,512**	16,559
Share premium account		**5**	5
Capital redemption reserve	15	**41,059**	41,012
Capital reserves	16	**104,686**	86,300
Revenue reserve	16	**11,372**	12,176
Total shareholders' funds		**173,634**	156,052
Net asset value per Ordinary share – pence	17	**262.89**	235.60

The financial statements on pages 40 to 43 were authorised and approved by the Board of Directors on 24 April 2013 and signed on its behalf by:

Gillian Nott, Chairman

The notes on pages 44 to 56 form an integral part of these financial statements.
Company Registration Number 91798

Cash flow statement

for the year ended 31 January 2013

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Net cash inflow from operating activities	18		**2,655**		2,140
Servicing of finance					
Bank and loan interest paid		**(182)**		(238)	
Net cash outflow from servicing of finance			**(182)**		(238)
Capital expenditure and financial investment					
Purchases of investments		**(100,710)**		(43,913)	
Sales of investments		**101,628**		43,191	
Gains on futures contracts		**129**		–	
Loss on forward exchange contracts		**(368)**		–	
Capital expenses paid		**(49)**		(50)	
Net cash inflow/(outflow) from financial investment			**630**		(772)
Equity dividends paid			**(3,966)**		(1,783)
Net cash outflow before financing			**(863)**		(653)
Financing					
Drawdown of loan		**1,500**		1,100	
Repurchase of own shares		**(369)**		(19)	
Net cash inflow from financing			**1,131**		1,081
Increase in cash			**268**		428
Reconciliation of net cash flow to movements in net debt					
Increase in cash as above			**268**		428
Net cash inflow from drawdown of loan			**(1,500)**		(1,100)
Exchange movements			**(391)**		(25)
Movement in net debt in the year			**(1,623)**		(697)
Net debt at start of year			**(4,538)**		(3,841)
Net debt at end of year	19		**(6,161)**		(4,538)

The notes on pages 44 to 56 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 31 January 2013

1 Significant accounting policies

(a) Basis of accounting

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

Presentation of Income Statement

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement.

(b) Valuation of investments

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

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

(c) Foreign currency

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

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

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

(d) Income

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

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

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

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

(e) Expenses including finance costs

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

Management fee rebates of the fee on the MW GaveKal Asian Opportunities UCITS Fund are credited against Management fees paid.

All expenses are charged to the revenue return of the Income Statement, with the exception of the following which are charged to the capital return of the Income Statement:

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

All expenses are accounted for on an accruals basis.

1 Significant accounting policies (continued)

(f) Taxation

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

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

(g) Bank borrowings

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

(h) Segmental reporting

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

(i) Repurchase of ordinary shares

The cost of repurchasing ordinary shares including related stamp duty and transaction costs is taken directly to equity and dealt with in the Reconciliation of Movements in Shareholders' Funds. Share repurchase transactions are accounted for on a trade date basis.

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

(j) Capital reserves

Capital reserve arising on investments sold

The following transactions are accounted for in this reserve:

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

Capital reserve arising on investments held

The following transactions are accounted for in this reserve:

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

(k) Dividends payable

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

1 Significant accounting policies (continued)

(l) Critical accounting estimates

The preparation of financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The critical estimates and assumptions relate, in particular, to the calculation of performance fees, as summarised in note 3 below. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Investment income

	2013 £'000	2012 £'000
Income from investments held at fair value through profit or loss:		
Overseas dividends	**4,653**	4,103
UK dividends	**446**	167
Scrip dividends	**7**	493
Total dividend income	**5,106**	4,763
Other income:		
Bank interest	**2**	3
Total other income	**2**	3
Total income	**5,108**	4,766

3 Management and performance fees

	2013 £'000	2012 £'000
Charged to the revenue return:		
Management fee*	**754**	550
Management fee rebates	**(94)**	(51)
	660	499
Charged to the capital return:		
Performance fees	**491**	1,167

*The management fee stated above includes fees paid to Witan Investment Services.

On 27 May 2005, the Company appointed Witan Investment Services Limited as Executive Manager and Aberdeen Asset Managers Limited and Nomura Asset Management U.K. Limited as Investment Managers. In April 2012, the Company appointed Matthews International Capital Management LLC and Marshall Wace GaveKal Asia Limited to replace Nomura. Each Management Agreement can be terminated at one month's notice in writing. Each Investment Manager is entitled to a base management fee, at rates between 0.20% and 0.75% per annum, calculated according to the value of the assets under their management; Aberdeen is also entitled to a performance fee based on relative outperformance against the MSCI AC Asia Pacific Index (sterling adjusted total return). The performance fee is calculated according to investment performance over a three year rolling period and is payable at a rate of 15% of the calculated outperformance relative to the benchmark (subject to a cap).

The provisions included in the Income Statement at 31 January 2013, are calculated on the actual performance of Aberdeen relative to the benchmark index. The provision assumes that both the benchmark index remains unchanged and that Aberdeen's assets under management perform in line with the benchmark index to 31 May 2013, being the date the next performance period ends. In addition, provisions have been made for the performance periods ending 31 May 2014 and 31 May 2015, on the assumption that Aberdeen performs in line with the benchmark to each period end. The total of these provisions amounts to £212,000.

4 Other expenses

	2013 £'000	2012 £'000
Auditors' remuneration:		
for audit services	28	26
for non-audit services – tax	12	8
Custody fees	61	66
Directors' emoluments: fees for services to the Company	119	104
Marketing*	230	213
Printing and postage	27	16
Loan commitment fees	59	111
Secretarial and Administration fees	127	108
Directors' and Officers' liability insurance	9	11
Registrars' fees	22	20
Legal and Administration fees in respect of the Investment Manager transition (see note 3)	44	–
Sundry expenses	82	103
	820	786

*The marketing expense stated above includes fees paid to Witan Investment Services.

5 Finance charges

	2013 £'000	2012 £'000
On bank loans and overdrafts repayable within one year – see also note 11	180	191

6 Taxation on ordinary activities

(a) Analysis of tax charge for the year

	2013 Revenue return £'000	2013 Capital return £'000	2013 Total £'000	2012 Revenue return £'000	2012 Capital return £'000	2012 Total £'000
Overseas taxation	286	–	286	275	–	275
Taxation on ordinary activities	286	–	286	275	–	275

(b) Factors affecting the charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a large company of 24.33% (2012: 26.33%).

	2013 Revenue return £'000	2013 Capital return £'000	2013 Total £'000	2012 Revenue return £'000	2012 Capital return £'000	2012 Total £'000
Return/(loss) on ordinary activities before tax	3,448	18,755	22,203	3,290	(9,443)	(6,153)
Corporation tax at 24.33% (2012: 26.33%)	839	4,563	5,402	866	(2,486)	(1,620)
Effects of:						
Non-taxable overseas dividends	(1,084)	–	(1,084)	(1,208)	–	(1,208)
Non-taxable UK dividends	(109)	–	(109)	(44)	–	(44)
Overseas taxation	286	–	286	275	–	275
Disallowed expenses	28	–	28	28	–	28
Excess management expenses and finance costs	326	119	445	358	307	665
Net capital returns not subject to tax*	–	(4,682)	(4,682)	–	2,179	2,179
Current tax charge	286	–	286	275	–	275

*These items are not subject to corporation tax within an investment trust company provided the Company obtains approval from HM Revenue & Customs that the requirements of Section 1158-1159 of the Corporation Tax Act 2010 have been met.

6 Taxation on ordinary activities (continued)

(c) Deferred tax

The Company has not recognised a deferred tax asset of £1,651,000 (2012: £1,338,000) arising as a result of excess management expenses and interest paid. These expenses will only be utilised if the Company has profits chargeable to corporation tax in the future. It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and deficits and therefore no deferred tax asset has been recognised.

7 Return per Ordinary share

The total return per Ordinary share is based on the net return attributable to the Ordinary shares of £21,917,000 (2012 net loss: £6,428,000) and on 66,101,540 Ordinary shares (2012: 66,244,320) being the weighted average number of shares in issue during the year.

The total return can be further analysed as follows:

	2013 £'000	2012 £'000
Revenue return	**3,162**	3,015
Capital return/(loss)	**18,755**	(9,443)
Total return/(loss)	**21,917**	(6,428)
Weighted average number of Ordinary shares	**66,101,540**	66,244,320
Revenue return per Ordinary share – pence	**4.78**	4.55
Capital return/(loss) per Ordinary share – pence	**28.38**	(14.25)
Total return/(loss) per Ordinary share – pence	**33.16**	(9.70)

The Company does not have any dilutive securities.

8 Dividends

Dividends on Ordinary shares	**Record date**	**Payment date**	**2013 £'000**	2012 £'000
Final dividend (2.80p) for the year ended 31 January 2011	**27 May 2011**	**24 June 2011**	**–**	1,855
Write back of dividends over twelve years old			**–**	(72)
Final dividend (4.00p) for the year ended 31 January 2012	**25 May 2012**	**22 June 2012**	**2,645**	–
Interim dividend (2.00p) for the year ended 31 January 2013	**5 October 2012**	**19 October 2012**	**1,321**	–
			3,966	1,783

The proposed final dividend for the year ended 31 January 2013 is subject to approval by shareholders at the AGM and has not been included as a liability in these financial statements.

The total dividend payable in respect of the financial year which meets the requirements of Section 1158 of the Corporation Tax Act 2010 is set out below.

	2013 £'000
Revenue available for distribution by way of dividend for the year	**3,162**
Interim dividend (2.00p) for the year ended 31 January 2013	**(1,321)**
Proposed final dividend of 2.30p for the year ended 31 January 2013 (based on 66,048,000 Ordinary shares in issue at 24 April 2013)	**(1,519)**
Undistributed revenue for Section 1158 CTA purposes*	**322**

*Undistributed revenue comprises 6.3% of total income of £5,108,000 (see note 2).

9 Investments held at fair value through profit or loss

	Total £'000
Cost at 31 January 2012	**118,242**
Investment holding gains at 31 January 2012	**43,092**
Valuation at 31 January 2012	**161,334**
Movements in the year:	
Purchases at cost	**100,167**
Sales – proceeds	**(100,475)**
– gains on sales	**17,246**
Increase in investment holding gains	**2,673**
Valuation at 31 January 2013	**180,945**
Cost at 31 January 2013	**135,180**
Investment holding gains at 31 January 2013	**45,765**
	180,945

Purchase transaction costs for the year ended 31 January 2013 were £114,000 (including transition costs) (2012: £102,000). Sale transaction costs for the year ended 31 January 2013 were £173,000 (including transition costs) (2012: £111,000). These comprise mainly charges and commission.

Gains on investments

	2013 £'000	2012 £'000
Gains on investments sold based on historical cost	**17,246**	2,763
Less: amounts recognised as unrealised in previous years	**(15,061)**	(6,813)
Gains/(losses) based on carrying value at previous balance sheet date	**2,185**	(4,050)
Net movement in investment holding gains in the year	**17,734**	(4,151)
Gains on futures contracts	**129**	–
Gains/(losses) on investments held at fair value through profit or loss	**20,048**	(8,201)

Substantial interests

At 31 January 2013 the Company held more than 3% of one class of the share capital of one of the undertakings held as investments (2012: none).

10 Debtors

	2013 £'000	2012 £'000
Sales for future settlement	**416**	1,569
Other debtors	**27**	29
Prepayments and accrued income	**293**	198
	736	1,796

11 Creditors: amounts falling due within one year

Loans	2013 £'000	2012 £'000
Bank loan	**8,500**	7,000

The effective interest rate on the loan at 31 January 2013 was 2.3% (2012: 2.6%).

The bank loan is a multi-currency revolving advance facility with a commitment period ending on 20 August 2013.

12 Creditors: amounts falling due within one year

Other	2013 £'000	2012 £'000
Purchases for future settlement	**493**	1,043
Other creditors and accruals	**550**	330
Performance fee accrual	**631**	808
	1,674	2,181

13 Provisions for liabilities and charges

Provisions in respect of future years' performance fees:

	2013 £'000	2012 £'000
At 1 February	**359**	–
Change in provision for performance fees	**(147)**	359
At 31 January	**212**	359

This represents the estimated performance fees payable for the 3 year performance fee periods ending 31 May 2014 and 31 May 2015. This accrual is based on actual performance to 31 January 2013 and the assumption that Aberdeen performs in line with the benchmark from 31 January 2013 to the end of each fee period. Changes in the level of accrual for future performance periods could arise for one of three principal reasons: a change in the degree of relative performance, the time elapsed (since this would increase the proportion of the rolling three-year performance period to which the performance calculation would be applied) or the termination of Aberdeen's contract.

14 Called up share capital

	Authorised		Issued and fully paid	
Equity share capital	Number	£'000	Number	£'000
Ordinary shares of 25p each:				
Balance brought forward	280,000,000	70,000	66,234,868	16,559
Shares purchased by the Company*	–	–	(186,868)	(47)
Balance carried forward	280,000,000	70,000	66,048,000	16,512

*186,868 (2012: 10,000) Ordinary shares were purchased and cancelled during the year at a total cost of £369,000 (2012: £19,000).

15 Capital redemption reserve

	2013 £'000	2012 £'000
Balance brought forward	**41,012**	41,010
Transferred from share capital on purchase of Ordinary shares	**47**	2
Balance carried forward	**41,059**	41,012

16 Reserves

	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Capital reserve total £'000	Revenue reserve £'000
Balance brought forward	43,208	43,092	86,300	12,176
Movement during the year:				
Gains on investments sold	2,314	–	2,314	–
Transfer on disposal of investments	15,061	(15,061)	–	–
Increase in investment holding gains	–	17,734	17,734	–
Exchange losses	(759)	–	(759)	–
Performance fee provisions	(491)	–	(491)	–
Other capital charges	(43)	–	(43)	–
Cost of purchase of Ordinary shares	(369)	–	(369)	–
Revenue return for the year	–	–	–	3,162
Dividends paid	–	–	–	(3,966)
Balance carried forward	58,921	45,765	104,686	11,372

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

17 Net asset value per Ordinary share

Net asset values are based on net assets of £173,634,000 (2012: £156,052,000) and on 66,048,000 (2012: 66,234,868) Ordinary shares in issue at the year end.

18 Reconciliation of net return/(loss) before finance charges and taxation to net cash inflow from operating activities

	2013 £'000	2012 £'000
Net return/(loss) before finance charges and taxation	**22,383**	(5,962)
(Less)/add: net capital (return)/loss before finance charges and taxation	**(18,755)**	9,443
Net revenue return before finance charges and taxation	**3,628**	3,481
Scrip dividends	**(7)**	(493)
Management fee rebate	**–**	(51)
(Increase)/decrease in accrued income and other debtors	**(93)**	27
(Decrease)/increase in creditors	**(96)**	618
Expenses charged to capital	**(491)**	(1,167)
Overseas withholding tax suffered	**(286)**	(275)
Net cash inflow from operating activities	**2,655**	2,140

19 Analysis of changes in net funds

	1 February 2012 £'000	Cash flow £'000	Exchange movement £'000	**31 January 2013 £'000**
Net cash				
Cash at bank	2,462	268	(391)	**2,339**
Debt				
Debt falling due within one year	(7,000)	(1,500)	–	**(8,500)**
Net debt	(4,538)	(1,232)	(391)	**(6,161)**

20 Risk management policies and procedures

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

These financial risks: market risk (comprising market price risk, currency risk and interest rate risk), liquidity risk and credit risk, and the Directors' approach to the management of these risks, are set out below. The Board of Directors and the Executive Manager coordinate the Company's risk management. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

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

(a) Market risk

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

(b) Market price risk

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

Management of the risk

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

The Company's exposure to changes in market prices at 31 January 2013 on its quoted investments was £180,945,000 (2012: £161,334,000).

Concentration of exposure to market price risk

A geographical analysis of the Company's investment portfolio is shown on page 9. This shows the significant amounts invested in Australia, China, Hong Kong, Japan and Singapore. Accordingly, there is a concentration of exposure to those countries, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and the equity to an increase or decrease of 25% (2012: 25%) in the fair value of the Company's investments. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's investments at each Balance Sheet date and the investment management fees for the year ended 31 January 2013, with all other variables held constant.

	2013 Increase in fair value £'000	**2013 Decrease in fair value £'000**	2012 Increase in fair value £'000	2012 Decrease in fair value £'000
Income statement – return after tax				
Revenue return	**(226)**	**226**	(91)	91
Capital return	**45,236**	**(45,236)**	40,334	(40,334)
Impact on total return after tax for the year and net assets	**45,010**	**(45,010)**	40,243	(40,243)

(c) Currency risk

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

20 Risk management policies and procedures (continued)

Management of the risk

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

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

Foreign currency exposure

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

2013	**AUS$ £'000**	**HK$ £'000**	**Yen £'000**	**SG$ £'000**	**Other £'000**
Debtors (due from brokers, dividends and other income receivable)	**–**	**109**	**175**	**208**	**154**
Cash at bank and in hand	**–**	**–**	**–**	**–**	**40**
Creditors (due to brokers, accruals and other creditors)	**–**	**–**	**–**	**–**	**(493)**
Total foreign currency exposure on net monetary items	**–**	**109**	**175**	**208**	**(299)**
Investments at fair value through profit or loss	**8,448**	**38,401**	**35,853**	**23,508**	**50,331**
Total net foreign currency exposure	**8,448**	**38,510**	**36,028**	**23,716**	**50,032**

2012	AUS$ £'000	HK$ £'000	Yen £'000	SG$ £'000	Other £'000
Debtors (due from brokers, dividends and other income receivable)	–	355	396	–	996
Cash at bank and in hand	–	105	69	7	703
Creditors (due to brokers, accruals and other creditors)	–	(177)	(303)	–	(563)
Total foreign currency exposure on net monetary items	–	283	162	7	1,136
Investments at fair value through profit or loss	14,056	29,668	44,523	14,725	53,373
Total net foreign currency exposure	14,056	29,951	44,685	14,732	54,509

Foreign currency sensitivity

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

It assumes the following changes in exchange rates:

£/AUS$ +/-15% (2012: 15%)
£/HK$ +/-15% (2012: 15%)
£/Japanese Yen +/-15% (2012: 15%)
£/SG$ +/-15% (2012: 15%)
£/Other +/-15% (2012: 15%)

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

20 Risk management policies and procedures (continued)

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

	2013 AUS$ £'000	**2013 HK$ £'000**	**2013 Yen £'000**	**2013 SG$ £'000**	**2013 Other £'000**	2012 AUS$ £'000	2012 HK$ £'000	2012 Yen £'000	2012 SG$ £'000	2012 Other £'000
Income statement – return after tax										
Revenue return	**(62)**	**(121)**	**(138)**	**(95)**	**(230)**	(82)	(96)	(119)	(86)	(142)
Capital return	**(1,102)**	**(5,009)**	**(4,676)**	**(3,066)**	**(7,212)**	(1,833)	(3,485)	(5,807)	(1,921)	(6,962)
Impact on total return after tax for the year and net assets	**(1,164)**	**(5,130)**	**(4,814)**	**(3,161)**	**(7,442)**	(1,915)	(3,581)	(5,926)	(2,007)	(7,104)

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

	2013 AUS$ £'000	**2013 HK$ £'000**	**2013 Yen £'000**	**2013 SG$ £'000**	**2013 Other £'000**	2012 AUS$ £'000	2012 HK$ £'000	2012 Yen £'000	2012 SG$ £'000	2012 Other £'000
Income statement – return after tax										
Revenue return	**83**	**164**	**186**	**129**	**312**	111	130	160	116	192
Capital return	**1,491**	**6,777**	**6,327**	**4,149**	**8,881**	2,480	4,715	7,857	2,599	9,419
Impact on total return after tax for the year and net assets	**1,574**	**6,941**	**6,513**	**4,278**	**9,193**	2,591	4,845	8,017	2,715	9,611

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

(d) Interest rate risk

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

Management of the risk

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

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

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

Interest rate exposure

The exposure at 31 January of financial assets and financial liabilities to interest rate risk is shown by reference to floating interest rates – when the interest rate is due to be re-set.

	2013 Within one year £'000	**2013 Total £'000**	2012 Within one year £'000	2012 Total £'000
Exposure to floating interest rates:				
Cash at bank and in hand	**2,339**	**2,339**	2,462	2,462
Creditors – within one year:				
Borrowings under loan facility	**(8,500)**	**(8,500)**	(7,000)	(7,000)
Total net exposure to interest rates	**(6,161)**	**(6,161)**	(4,538)	(4,538)

20 Risk management policies and procedures (continued)

The Company does not have any fixed interest rate exposure at 31 January 2013 (2012: nil). Interest receivable, and finance costs are at the following rates:

- Interest received on cash balances, or paid on bank overdrafts, is at a margin under LIBOR or its foreign currency equivalent (2012: same).
- Interest paid on borrowings under the loan facility is at a margin over LIBOR. The weighted average interest rate of these is 2.3% (2012: 2.6%).

Interest rate sensitivity

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

(e) Liquidity risk

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

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities that are readily realisable. It has a loan facility of £14,000,000 (2012: £14,000,000) and an overdraft facility which is determined by the custodian on a regular basis by reference to the value of the securities held by it on behalf of the Company. The facilities are subject to regular review.

The Board gives guidance to the Investment Managers as to the maximum amount of the Company's resources that should be invested in any one company.

Liquidity risk exposure

The remaining contractual maturities of the financial liabilities at 31 January 2013, based on the earliest date on which payment can be required are as follows:

	3 months or less £'000	**More than 3 months, not more than one year £'000**	**More than one year £'000**	**2013 Total £'000**	3 months or less £'000	More than 3 months, not more than one year £'000	More than one year £'000	2012 Total £'000
Creditors: amounts falling due within one year								
Borrowings under the loan facility (including interest)	**8,514**	**–**	**–**	**8,514**	7,011	–	–	7,011
Amounts due to brokers and accruals	**1,043**	**631**	**212**	**1,886**	1,373	808	359	2,540
	9,557	**631**	**212**	**10,400**	8,384	808	359	9,551

(f) Credit risk

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

Management of the risk

The risk is not significant, and is managed as follows:

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

cash at bank and in hand are held only with reputable banks with high quality external credit ratings. None of the Company's financial assets have been pledged as collateral.

(g) Fair values of financial assets and financial liabilities

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

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

20 Risk management policies and procedures (continued)

Fair value hierarchy disclosures

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

Financial assets and financial liabilities at fair value through profit or loss **At 31 January 2013**	**2013 Level 1 £'000**	**2013 Level 2 £'000**	**2013 Level 3 £'000**	**2013 Total £'000**	2012 Level 1 £'000	2012 Level 2 £'000	2012 Level 3 £'000	2012 Total £'000
Equity investments	**154,837**	**26,108**	**–**	**180,945**	151,290	10,044	–	161,334
Total	**154,837**	**26,108**	**–**	**180,945**	151,290	10,044	–	161,334

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

- Level 1 – valued using quoted prices in an active market for identical assets/liabilities.
- Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices within Level 1.
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Company are explained in the accounting policies in note 1(b).

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

(h) Capital Management policies and procedures

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and "debt" – the policy is that debt as shown below should be no more than 20% of shareholders' funds.

The Company's capital at 31 January 2013 comprises its equity share capital, reserves and debt that are shown in the Balance Sheet at a total of £182,134,000 (2012: £163,052,000).

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

- the planned level of gearing, which takes into account the Investment Managers' views on the market;
- the need to buy-back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares, including issues from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period. The Company is subject to several externally imposed capital requirements:

- Bank borrowings under the £14m loan facility are not to exceed 30% of Ordinary share capital plus reserves and gross borrowings are not to exceed 35% of the Adjusted Portfolio Value as defined in the loan facility agreement;
- As a public company, the Company has a minimum share capital of £50,000; and
- In order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law. These requirements are unchanged since last year, and the Company has complied with them.

Ten year record (unaudited)

Assets at 31 January (£'000)

	2003	2004*	2005*	2006	2007	2008	2009	2010	2011	2012	**2013**
Total assets less current liabilities (excluding loans and Yen convertible bonds)	181,982	235,752	214,058	158,591	135,595	130,626	104,096	137,866	170,182	163,411	**182,346**
Deferred taxation/provision for liabilities and charges	–	(61)	(34)	(38)	(46)	(43)	(30)	–	–	(359)	**(212)**
Loans	(5,072)	(24,887)	(14,845)	(3,000)	(3,000)	(3,000)	(3,000)	(5,900)	(5,900)	(7,000)	**(8,500)**
Available for Ordinary shares	176,910	210,804	199,179	155,553	132,549	127,583	101,066	131,966	164,282	156,052	**173,634**

Net Asset Value at 31 January

	2003	2004*	2005*	2006	2007	2008	2009	2010	2011	2012	**2013**
NAV per share	93.3p	123.3p	129.6p	179.2p	181.9p	188.9p	152.3p	199.0p	248.0p	235.6p	**262.9p**

Share Price at 31 January

	2003	2004*	2005*	2006	2007	2008	2009	2010	2011	2012	**2013**
Mid-market price per share	81.3p	110.7p	115.0p	168.0p	161.5p	161.8p	122.8p	165.0p	212.0p	193.6p	**229.3p**
Discount to NAV	12.9	10.2	11.3	6.3	11.2	14.4	19.4	17.1	14.5	17.8	**12.8**
Share price High	120.5p	112.5p	121.7p	169.3p	177.5p	188.0p	176.0p	177.0p	221.6p	221.5p	**231.0p**
Share price Low	73.3p	73.0p	98.5p	113.4p	138.5p	156.0p	110.0p	106.2p	163.0p	174.9p	**183.3p**

Total Returns (per AIC)

	1 year to 31 January 2013 %	**5 years to 31 January 2013 %**	**10 years to 31 January 2013 %**
Total shareholder return	**22.1**	**53.2**	**219.9**
Net asset value	**14.7**	**48.7**	**210.2**

Revenue for the year ended 31 January

	2003	2004*	2005*	2006	2007	2008	2009	2010	2011	2012	**2013**
Available for Ordinary shares (£'000)	911	2,001	1,200	1,445	1,430	1,407	2,344	1,654	2,421	3,015	**3,162**
Earnings per share	0.45p	1.10p	0.74p	1.33p	1.75p	2.00p	3.50p†	2.49p	3.65p	4.55p	**4.78p**
Dividends per share	1.05p	1.05p	1.05p	1.33p	1.50p	1.65p	2.85p†	2.10p	2.80p	4.00p	**4.30p**

* Restated for changes in accounting policies in respect of valuation of investments and dividends payable. Year 2003 has not been restated.

Performance (rebased at 31 January 2003)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	**2013**
NAV per share	100.0	132.2	138.9	192.1	195.0	202.5	163.2	213.3	265.8	252.5	**281.8**
Benchmark	100.0	133.3*	147.0*	206.7	207.5	212.9	174.8	226.6	271.9	255.5	**283.9**
Mid-market price per share	100.0	136.2	141.5	206.6	198.6	199.0	151.0	203.0	260.8	238.1	**282.0**
Earnings per share	100.0	244.4	164.4	295.6	388.9	444.4	777.8	553.3	811.1	1,011.1	**1,062.2**
Dividends per share	100.0	100.0	100.0	126.7	142.9	157.1	271.4	200.0	266.7	381.0	**409.5**
RPI	100.0	102.6	105.9	108.4	113.0	117.6	117.8	122.1	128.4	133.4	**137.8**

* 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).

Cost of running the Company (Ongoing Charge) for the year ended 31 January (formally known as the Total Expense Ratio)

	2003	2004*	2005*	2006	2007	2008	2009	2010	2011	2012	**2013**
Ongoing Charge/TER** as a percentage of average net assets:											
– excluding performance fees	1.5	0.9	0.9	0.9	0.8	0.7	0.8	0.8	0.7	0.8	**1.0**
– including performance fees*	–	0.6†	0.6†	1.0	0.9	0.8	1.1	1.3	1.2	1.5	**1.3**

* Performance fees for the year ended 2003 is calculated on a different basis and are therefore not comparable.
† Includes management fee rebate.
** TER (total expense ratio) figures shown for 2003 to 2011. Shown as ongoing charges from 2012 onwards.

Gearing at 31 January

	2003	2004*	2005*	2006	2007	2008	2009	2010	2011	2012	**2013**
Gearing	1.1	11.7	5.9	(1.2)	0.6	0.9	(1.6)	1.0	2.7	3.4	**4.2**

* Restated for changes in accounting policies in respect of valuation of investments and dividends payable. Year 2003 has not been restated.

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.
Gearing	Calculated as the difference between the market value of investments and net assets as a percentage of net assets. (Equivalent to AIC definition of net gearing)
Total assets	Total assets less current liabilities before deducting prior charges.
NAV	Net asset value (assuming prior charges at Balance Sheet value).
RPI	All-items Retail Price Index.
Average net assets	Average of net assets at end of each quarter.
Average total assets	Average of total assets at end of each quarter.
NAV total return	Return on net assets per share assuming that all dividends paid to shareholders were reinvested.
Share price total return	Return to the investor on mid-market prices assuming that all dividends received were reinvested.
AIC	Association of Investment Companies.
TER	Total expense ratio.
Ongoing charges	The total of the recurring operating and investment management costs expressed as a percentage of net assets.

Information for shareholders

Shareholder communications

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

Annual and Half Yearly Reports
Copies of the annual and half yearly report may be obtained from Witan Investment Services by calling 0800 082 8180 or by visiting www.witanpacific.com.

Share Prices and Net Asset Value Information
The Company's Ordinary shares of 25p each are quoted on the London Stock Exchange:

SEDOL number: 0365602

ISIN number: GB0003656021

EPIC code: WPC

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

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

Electronic Communications with the Company (E-communications)
Shareholders and Witan Wisdom scheme members now have the opportunity to be notified by e-mail when the Witan Pacific Annual Report & Accounts, Half Yearly Reports and other formal communications are available on the Company's website instead of receiving printed copies by post. This reduces the costs to the Company as well as having an environmental benefit in the reduction of paper, printing, energy and water usage.

If you have not already elected to receive E-communications from the Company and now wish to do so please contact one of the following depending on whether you hold shares in your own name (see 1. below) or hold shares through the Witan Wisdom scheme (see 2. below):

1. Shareholders who hold shares in their own name and who receive a Form of Proxy should contact:

   Computershare Investor Services PLC
   The Pavilions, Bridgwater Road, Bristol BS99 6ZY
   www.investorcentre.co.uk/contactus
   0870 707 1410

   and should have to hand their Shareholder Reference Number shown on the Form of Proxy.

2. Investors who hold shares through the Witan Wisdom Scheme and who receive a Voting Instruction Form should contact:

   Witan Wisdom
   PO Box 10550 Chelmsford CM99 2BA
   Email: wisdom@ifdsgroup.co.uk
   0800 082 8180

   and should have to hand their Shareholder Reference Number shown on the Voting Instruction Form.

Online Voting
Shareholders receiving a Form of Proxy will be able to cast their proxy votes online once they have registered with Computershare Investor Services following which other services in respect of their holding of the Company's shares will become available. Investors who hold shares through the Witan Wisdom Scheme will also have the opportunity to exercise their voting instructions online.

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

Financial Calendar

Year End	31 January
Annual results	April
Half Year results	September
Annual General Meeting	June
Dividends paid	June & October

2013 Final dividend timetable
The proposed final dividend for the year ended 31 January 2013 is 2.3p per share.

Ex-dividend date	22 May
Record date	24 May
Payment date	21 June

Payment of the final dividend is subject to the approval of shareholders at the AGM on 13 June 2013.

Company Registration
Company registration number 91798

Enquiries

Witan Wisdom Saving Plans	0800 082 8180 wisdom@ifdsgroup.co.uk
Company Secretary	020 7954 9547

Warning to Shareholders – Share Fraud Scams
Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who are very persistent and persuasive and who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments.

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or are offered an inflated price for shares they own. These calls come from fraudsters operating in 'boiler rooms' that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

The Financial Conduct Authority (FCA), formerly the Financial Services Authority (FSA), has found most share fraud victims are experienced investors who lose an average of £20,000, with around £20m lost in the UK each year.

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

1. Get the name of the person and organisation contacting you.
2. Check the Financial Services Register at www.fsa.gov.uk/register/home.do to ensure they are authorised.
3. Use the details on the Financial Services Register to contact the firm.
4. If there are no contact details on the Register or you are told they are out of date, call the FCA Consumer Helpline on 0800 111 6768.
5. Search the FCA list of unauthorised firms and individuals with whom you should avoid any business dealings.
6. Remember: If it sounds too good to be true, it probably is!

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) if things go wrong.

Report a Scam
If you are approached about a share scam you should tell the FCA using the share fraud reporting form at www.fca.org.uk/consumers/scams, where you can find out about the latest investment scams. You can also call the Consumer Helpline on 0845 606 1234.

If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.

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

Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare Investor Services PLC, would make unsolicited telephone calls to shareholders. Any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'. If you are in any doubt about an unsolicited phone call, please call either the Company Secretary or the Registrar at the numbers provided at the back of this Annual Report.

Analysis of ordinary shareholders

	Category % holding
Witan Wisdom	16.11
Retail Nominees	48.95
Direct Individuals	5.39
Institutional Investors	29.55
	100.00

Source: RDIR as at 31 January 2013.

How to invest

There are a variety of ways to invest in Witan Pacific however this will largely depend upon whether you would like financial advice or are happy to make your own investment decisions.

For those investors who would like advice:

Private Client Stockbrokers

Investors with a large lump sum to invest may want to contact a private client stockbroker. They will manage a portfolio of shares on behalf of a private investor and will offer a personalised service to meet an individual's particular needs. A list of private client stockbrokers is available from the Association of Private Client Stockbrokers and Investment Managers at www.apcims.co.uk

Financial Advisers

For investors looking to find a financial adviser, please visit www.unbiased.co.uk

Financial Advisers who wish to purchase Witan Pacific for their clients can also do so via a growing number of platforms that offer investment trusts including Ascentric, Alliance Trust Savings, Nucleus, Raymond James, Seven IM and Transact.

For those investors who are happy to make their own investment decisions:

Online Stockbroking Services

There are a number of real time execution only stockbroker services which allow private investors to trade online for themselves, manage a portfolio and buy UK listed shares. Online stockbroking services that are already popular with Witan Pacific shareholders include Hargreaves Lansdown, Alliance Trust Savings, Halifax Share Dealing, TD Waterhouse and Selftrade.

Witan Wisdom

Witan Wisdom, the savings scheme offered by Witan Investment Services, offers two different savings wrappers that enable investors to access Witan Pacific:

- The **Witan Wisdom ISA** is a stocks and shares ISA that enables investors to buy Witan Pacific shares within a tax efficient wrapper. Investors have an annual ISA allowance of up to £11,520 for the 2013/14 tax year. The minimum lump sum investment with Witan Wisdom ISA is £2,000, with the regular savings minimum being £100 per month. Investors can also transfer existing ISAs to Witan Wisdom while retaining their tax efficient wrapper during and after transfer.
- The **Witan Wisdom Share Plan** is a straightforward, low-cost savings scheme. The minimum lump sum investment is £500, and the minimum regular contribution is £50 per month or quarter. There is no maximum. Accounts can also be held jointly, or designated to a child.
- Brochures and applications for all of the Witan Wisdom products are available by calling 0800 082 81 80 or online via www.witanpacific.com. If you would prefer to write to request further information, the address details can be found on page 59.

Witan Pacific Investment Trust plc is an equity investment. Investors are reminded that past performance is not a guide to future performance and 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. Please note that tax assumptions may change if the law changes, and the value of tax relief (if any) will depend upon your individual circumstances. Investors should consult their own tax advisers in order to understand any applicable tax consequences. Issued and approved by Witan Investment Services Limited. Witan Investment Services Limited of 14 Queen Anne's Gate, London SW1H 9AA is registered in England number 5272533. Witan Investment Services provides investment products and services and is authorised and regulated by the Financial Conduct Authority. We may record telephone calls for our mutual protection and to improve customer service.

Notice of Annual General Meeting

Notice is hereby given of the Annual General Meeting of Witan Pacific Investment Trust plc to be held in the Piper Room, Grocers' Hall, Princes Street, London EC2R 8AD on Thursday 13 June 2013 at 12 noon for the following purposes:

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

Ordinary Business

1. To receive and adopt the Directors' Report and audited Financial Statements for the year ended 31 January 2013.
2. To declare a final dividend of 2.3p per Ordinary share.
3. To re-elect Mrs Gillian Nott as a Director.
4. To re-elect Mrs Sarah Bates as a Director.
5. To reappoint PricewaterhouseCoopers LLP as Independent Auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which the Financial Statements are laid before Members.
6. To authorise the Directors to determine the remuneration of PricewaterhouseCoopers LLP as Independent Auditors of the Company.
7. To approve the Directors' Remuneration Report for the year ended 31 January 2013.

Special Business

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

8. THAT, the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot Ordinary shares of 25p each in the capital of the Company ('Ordinary shares') and to grant rights to subscribe for or to convert any security into Ordinary shares in the Company up to a maximum nominal value of £2,476,800, provided that such authority shall expire on the date which is 18 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company in 2014, save that the Company may before such expiry make offers or agreements which would or might require Ordinary shares to be allotted, or rights to be granted, after such expiry and the Directors may allot Ordinary shares, or grant such rights, in pursuance of such offers or agreements as if the authority conferred hereby had not expired; and all unexercised authorities previously granted to the Directors to allot Ordinary shares be and are hereby revoked.
9. THAT, subject to the passing of Resolution 8 above, the Directors of the Company be and are hereby generally authorised and empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in Section 560 of the Act) (including the grant of rights to subscribe for, or to convert any securities into, Ordinary shares in the capital of the Company ('Ordinary shares') and the sale of Ordinary shares held by the Company in treasury) wholly for cash pursuant to any existing authority given in accordance with Section 551 of the Act, as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:

   (a) to the allotment of equity securities in connection with an offer of equity securities by way of rights to holders of Ordinary shares on the Register of Members of the Company on a fixed record date in proportion (as nearly as may be practicable) to their respective holdings of Ordinary shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems arising under the laws of, or the requirements of, any territory or any regulatory or governmental body or authority or stock exchange; and

   (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £825,600; and

   (c) to the allotment of equity securities at a price (excluding expenses) not less than the net asset value per Ordinary share applicable for the business day immediately preceding the allotment, or of the agreement to allot, if earlier;

   and such authority shall expire on the date of the next Annual General Meeting of the Company to be held in 2014, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.
10. THAT, the Company be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares") either for cancellation or to hold as treasury shares (within the meaning of Section 724 of the Act) provided that:

    (a) the maximum aggregate number hereby authorised to be purchased is 9,900,595 Ordinary shares;

(b) the Directors be authorised to determine at their discretion that any Ordinary shares purchased be cancelled or held by the Company as treasury shares, save that the maximum number of Ordinary shares held in treasury shall not exceed 10% of the issued Ordinary share capital of the Company at any time;

(c) the minimum price which may be paid for a share shall be 25 pence (exclusive of associated expenses);

(d) the maximum price which may be paid for an Ordinary share is an amount equal to the higher of (i) 105% of the average of the middle market quotations of the Ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding the date on which the relevant share is contracted to be purchased (exclusive of associated expenses); (ii) the price of the last independent trade; and (iii) the highest current independent bid; and

(e) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on the date which is 18 months after the date of the passing of this Resolution, save that the Company may prior to such expiry enter into a contract or arrangement to purchase Ordinary shares under this authority which will or may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary shares pursuant to any such contract or arrangement as if the authority hereby conferred had not expired.

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

By order of the Board
Capita Company Secretarial Services Limited
Secretary
24 April 2013

Registered office:
Ibex House
42-47 Minories
London
EC3N 1DX

Location of Annual General Meeting

Grocers' Hall is situated in the heart of the City of London in a private courtyard opposite the Bank of England. It is a one minute walk from Bank Station (exit 1), which is served by the Central, Circle, District and Northern Underground lines as well as the Docklands Light Railway and Waterloo and City line.

Moorgate, Liverpool Street and Cannon Street National Rail stations are all just a five minute walk away.

Notes to the Notice of Annual General Meeting

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

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

2. To be valid, any proxy form or other instrument appointing a proxy, must be received by post or (during normal business hours only) by hand at the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by 12 noon on Tuesday 11 June 2013, or at www.eproxyappointment.com

3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

4. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at the close of business on Tuesday 11 June 2013 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. At 24 April 2013 the Company's issued share capital consists of 66,048,000 Ordinary shares, carrying one vote each. Therefore, the voting rights in the Company at 24 April 2013 total 66,048,000 votes.

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by close of business on Tuesday 11 June 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings

and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

13. Under Section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

14. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

    However, if the Chairman has declined to provide an answer for one of the above reasons, the Company will where practicable endeavour to provide an answer after the meeting.

15. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at www.witanpacific.com

Directors and Advisers

Directors
Gillian Nott OBE
Chairman

Sarah Bates
Senior Independent Director

Alan Barber
Audit Committee Chairman

Diane Seymour-Williams

Dermot McMeekin

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

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

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

Matthews International Capital Management, LLC
Four Embarcadero Center, Suite 550,
San Francisco, USA

Marshall Wace GaveKal Asia Limited
Suites 2812-2815, 28th Floor,
One International Finance Centre
1 Harbour View Road, Central, Hong Kong

Company Secretary and Registered Office
Capita Company Secretarial Services Limited
Ibex House, 2nd Floor
42-47 Minories
London EC3N 1DX

Fund Accountants and Administrator
BNP Paribas Securities Services
55 Moorgate
London EC2R 6PA

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Custodian and Bankers
J.P. Morgan Chase Bank, N.A.
125 London Wall
London EC2Y 5AJ

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

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

Telephone: 0870 707 1410

Facsimile: 0870 703 6101

Calls cost approximately 8p per minute plus network extras

Email: web.queries@computershare.co.uk

Website: www.computershare.com

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

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

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