HANSA TRUST PLC

ANNUAL REPORT Year Ended 31 March 2013

Contents

THIS DOCUMENT IS IMPORTANT and if you are a holder of Ordinary shares it requires your immediate attention. If you are in doubt as to the action you should take or the contents of this document, you should seek advice from an independent financial advisor, authorised if in the UK under the Financial Services and Markets Act 2000, or other appropriately authorised financial advisor if outside of the UK. If you have sold or transferred your Ordinary shares in the Company, you should send this document and any accompanying Form of Proxy, immediately to the purchaser or transferee; or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission as soon as practicable.

Key Information

SUMMARY INVESTMENT POLICY AND BENCHMARK

To achieve growth of shareholder value, Hansa Trust PLC invests in a portfolio of special situations, where individual holdings or specific sectors may constitute a significant proportion of the portfolio or that of the equity of the companies concerned. This investment approach may produce returns which are not replicated by movements in any market index. Performance is measured against an absolute benchmark derived from the three year average rolling rate of return of a five year UK Government bond, plus 2% with interest being reinvested semi-annually. Investments are intended to add value over the medium to longer term through a non-market correlated, conviction based investment style.

STATISTICS

	31-Mar-13	31-Mar-12	% change
Shareholders' Funds	**£259.9m**	**£268.2m**	**(3.1)**
Dividends (see Note 7)	**15.0p**	14.0p	**7.1**
Net Asset Value ("NAV") per share			
Opening NAV	**1,117.5p**	1,100.5p	–
Dividends paid (see Note 7)	**(14.0p)**	(3.5p)	–
Revenue and Capital Return	**(20.6p)**	20.5p	–
Closing NAV	**1,082.9p**	1,117.5p	**(3.1)**
Performance Benchmark	**3.8%**	4.4%	–
Ordinary share price	**837.0p**	920.0p	**(9.0)**
'A' non-voting Ordinary share price	**815.0p**	873.0p	**(6.6)**
FTSE All-Share Index	**3,381**	3,003	**12.6**
Discount			
Ordinary shares	**22.7%**	17.7%	–
'A' non-voting Ordinary shares	**24.7%**	21.9%	–
Total Return (Dividends Reinvested)			
Ordinary shares	**(7.3)%**	(2.8)%	–
'A' non-voting Ordinary shares	**(4.8)%**	(5.7)%	–
FTSE All-Share Index – Total Return	**17.4%**	1.9%	–

COMPANY REGISTRATION AND NUMBER

The Company is registered in England & Wales under company number 126107.

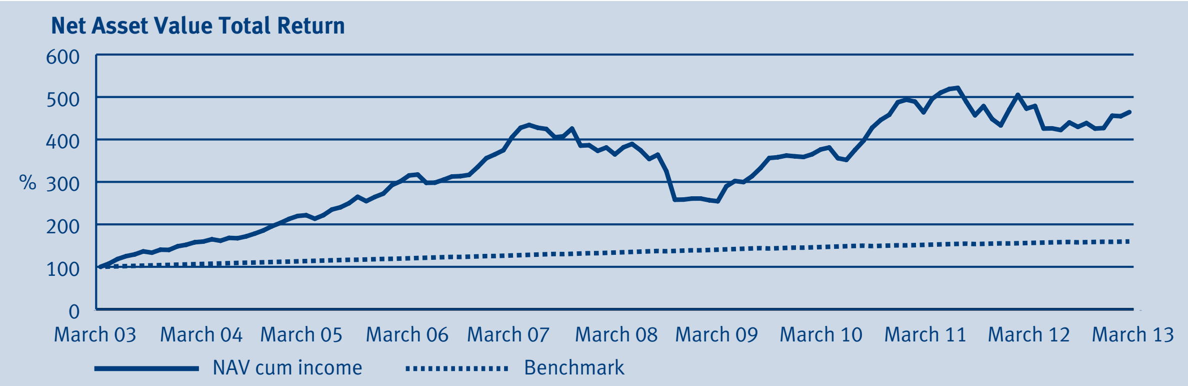
Ten Year Performance Statistics

TEN YEAR RECORD

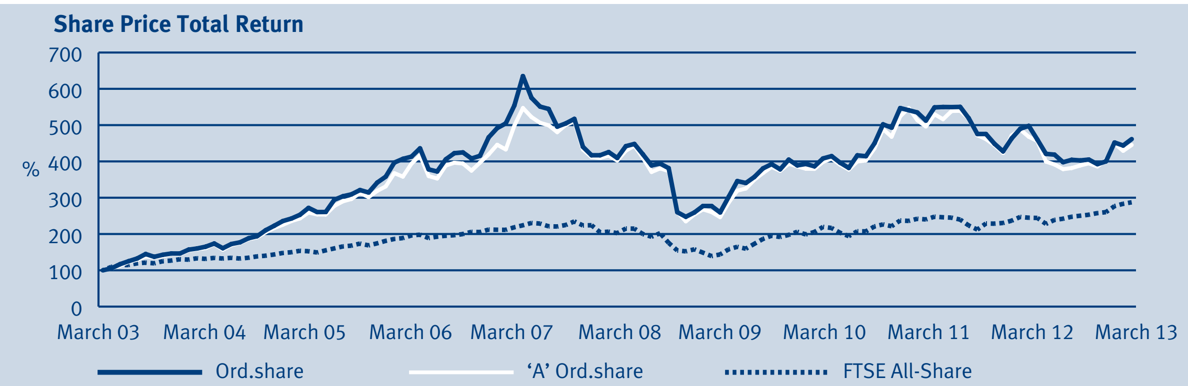
Year ended	Shareholders' Funds	Net Asset Ordinary and 'A' Ordinary	Annual Dividends	Share Price Ordinary	Share Price 'A' Ordinary	FTSE All-Share Index	Discount/(Premium) Ordinary	Discount/(Premium) 'A' Ordinary
2013	£259.9m	1,082.9p	15.0p	837.0p	815.0p	3,381	22.7%	24.7%
2012	£268.2m	1,117.5p	14.0p	920.0p	873.0p	3,003	17.7%	21.9%
2011	£264.1m	1,100.5p	3.5p	951.0p	930.0p	3,068	13.6%	15.5%
2010	£215.0m	895.9p	25.0p	760.0p	750.0p	2,910	15.2%	16.3%
2009	£152.4m	635.0p	18.0p	510.0p	490.0p	1,984	19.7%	22.8%
2008	£221.9m	924.5p	13.0p	820.0p	815.0p	2,927	11.3%	11.8%
2007	£249.5m	1,039.4p	12.5p	1,123.0p	1,022.5p	3,283	(8.0)%	1.6%
2006	£196.4m	818.2p	9.75p	847.5p	818.0p	3,048	(3.6)%	0.0%
#2005	£140.1m	583.5p	9.25p	566.0p	546.5p	2,458	3.0%	6.3%
2004	£102.4m	426.8p	6.0p	350.0p	346.5p	2,197	18.0%	18.8%

Restated to comply with IFRS, which was adopted in 2006. No information before this date has been restated

TEN YEAR SHAREHOLDERS' TOTAL RETURN RECORD



	1 year	3 years	5 years	10 years
Net Asset Value	(1.7)%	23.4%	27.3%	364.4%
Benchmark	3.8%	13.4%	26.3%	59.8%



	1 year	3 years	5 years	10 years
Ordinary share	(7.3)%	13.1%	12.7%	361.5%
'A' non-voting Ordinary share	(4.8)%	11.7%	10.7%	345.2%
FTSE All-Share	17.4%	30.9%	42.0%	187.4%

Past performance is not a guide to future performance. Source: Internal unaudited management information.

Chairman's Statement

2012–2013: A GOOD YEAR FOR MOST STOCK MARKETS

This past year (to 31 March 2013) has been good for most of the world's stock markets. Although there has not been any particularly wonderful news on either the economic or political front, the combination of lots of (quantitative easing) money and the absence of crisis events has fed renewed confidence in stock markets. Amongst the major equity markets, that of the United States led the way with a gain of 17.2% (its S&P Composite Index expressed in Pounds), while our own market (the FTSE All-share Index) rose by 12.6%. The disappointments tended to come from the equity markets of the BRIC countries with, I am afraid as far as we were concerned, Brazil (the BOVESPA Index) performing worst with a fall of 16.8% (expressed in Pounds). The driving sentiments behind markets were emerging confidence in economic recovery in the US, relief at the survival of the Euro, concern about a slowdown in the economic growth in China and the consequences for those economies that feed off the China story, including Brazil.

THE YEAR'S RESULTS

NAV: –3.1% to 1,082.9p per share
Benchmark: +3.8%

However, these past twelve months have been disappointing for us with our net asset value declining by 3.1% per share. This compares with our benchmark which returned a positive 3.8%. In the Investment Manager's Report, John Alexander reports on the reasons for the disappointing results, highlighting the influence of five holdings, including that of Ocean Wilsons on the year's returns. It is worthwhile enumerating the effect that these holdings had on the net asset value – shown in the table below:

Starting NAV		**1,117.5p**		**£268.2m**	
Change (inc. divs received)					
Ocean Wilsons	–44.6p		–£10.7m		–9.7%
Other Four Holdings*	–40.8p		–£9.8m		–24.4%
Rest of Portfolio	+74.6p		+£17.9m		+14.9%
		–10.8p		–£2.6m	–1.9%
Costs & Dividends paid		–23.8p		–£5.7m	
Total Change		–34.6p		–£8.3m	
End NAV		**1,082.9p**		**£259.9m**	**–3.1%**

* Holdings in Andor Technology, BG Gp, Cape & Hargreaves Svs

John, as he always does, gives a full account of the major holdings in the portfolio, so I won't repeat in my statement what he has written about them, including about the holdings which have been a (hopefully temporary) problem. We have always made it clear that the portfolio is managed on a long-term basis (we regard at least five years as long-term), which means that we tend to have low portfolio turnover (usually under 10% per annum). Having low portfolio turnover means that we are patient about the long-term prospects of each of our portfolio holdings and won't necessarily sell one if and when the underlying company runs into temporary difficulties. Differentiating between temporary setbacks and protracted mismanagement of the companies that we invest in is, of course, the art behind when to – and when not to – cut losses. Selling holdings after bad news is not always a smart thing to do. The question we ask ourselves, when confronted with a problem holding, is: does the company concerned have the management skills and experience to resolve its difficulties and then go on to prosper? We believe that, in the case of all five of these companies, they do indeed have that management strength and that, in time, the set back in the market value of these holdings will be recovered.

OCEAN WILSONS

Value of Holding: –9.7% at £97.3m

At our last AGM we had, as we always do at our AGMs, a number of questions from shareholders about Ocean Wilsons and its prospects. Although it is a large holding – we own 26.5% of it and our holding accounted for 37.4% of our net asset value at the end of the year – it is not for this annual report to provide a complete account of that company of its past year or of its prospects. Having said that John does give an excellent summary of its recent results in his report; but Ocean Wilsons has a good website on which a much fuller account can be read (www.oceanwilsons.bm). Do please log on to it and read about it.

There are three comments I would like to add. First of all, it is our view that the company has excellent management, a view that is backed up by the reputation of the management of its Brazilian subsidiary, Wilson Sons; with good management, with the development of Brazil's huge offshore pre-salt oil and gas fields, with the natural growth of Brazil's long-term import/export trade and with the good long-term prospects for the Brazilian economy, Wilson Sons prospects are most encouraging. It remains therefore a cornerstone investment for Hansa Trust.

Secondly, the dividend it pays us represents an important part of the income of Hansa Trust. In the past year we received £1.91 million, which accounted for circa 31.8% of the income we received from quoted investments. Ocean Wilsons has a clearly stated dividend policy, outlined in its chairman's statement. The policy means that the dividend can vary from year to year; it can rise and it can decline. That in turn will have an effect on the dividend that we can pay. We, as a Board, accept that it is an appropriate dividend policy for its circumstances and we do not attempt to influence it.

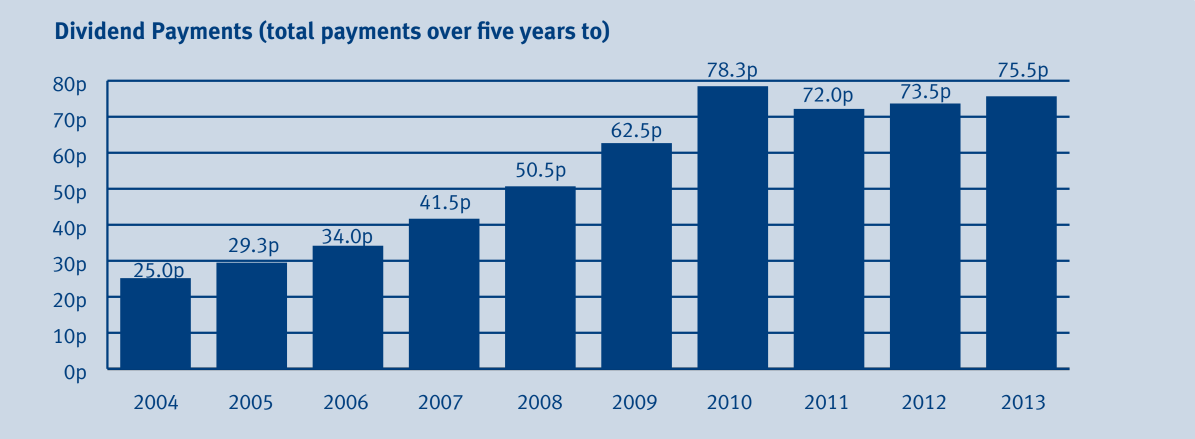
And thirdly, as I am sure shareholders are aware, Ocean Wilsons is a holding company, with its shares quoted on the London Stock Exchange. During the last year its share price declined by 9.7% – in large part because sentiment towards Brazil was not particularly positive (I think investors got over excited about Brazil's economic prospects and then reality set in); the BOVESPA Index declined 12.6%, the Brazilian Real by 4.8%, leaving the Index down 16.8% (expressed in Pounds). Meanwhile the development of Wilson Sons' business and Ocean Wilsons' investment portfolio continued to make progress.

DIVIDEND

15.0p per share (v.14.0p)

A final dividend of 11.5p per Ordinary and "A" Ordinary share is being recommended to shareholders at the forthcoming Annual General Meeting. If approved, it will be paid to shareholders on record 21 June 2013 on 15 August 2013. An interim dividend was paid to shareholders on 13 December 2012 so that the total in respect of the year will amount to 15p per share, which compares with that of 14.0p per share paid last year.

We have made the point in the past that we pay out what we earn but that the income that we earn is dependent on the dividends received during the course of the year from the holdings in the portfolio. Some years we will earn more, other years less. However, if the companies in which we are invested increase their profits and dividends over the long-term, then we would expect our dividend income to grow over the long-term. Using the same five year time span as we do to look at our long-term capital growth, the chart (overleaf) shows how our dividend payments over successive five year periods have grown – over the long-term.



SHARE PRICE PERFORMANCE

Ordinary shares:	**–9.0% to 837p per share;**	**Discount to NAV: 22.7%**
'A' Ordinary shares:	**–6.6% to 815p per "A" share;**	**Discount to NAV: 24.7%**

I am afraid that the returns for shareholders over the past year have not been good – as the summary figures above show. The disappointing decline in the net asset value, allied to the sentiment over Brazil (and thence towards our holding in Ocean Wilsons) served to discourage would-be buyers of our shares. It may also be that our discount policy – whereby we do not seek to manipulate either of the share prices (and thence the discount) – discouraged those investors who might otherwise have bought the shares for – if I may use the expression – the chance to make a "quick buck". However, I would point out that there has not been a lot of selling pressure, in part (I believe) because our shareholders do indeed take a long-term perspective with their investment. The returns for the year are summarised in the table below.

Attribution of Shareholders' Returns	**Ordinary Shares**		**'A' Ordinary Shares**	
Due to NAV change:	–34.6p	–3.1%	–34.6p	–3.1%
Due to discount change:	–48.4p	–5.1%	–23.4p	–2.5%
Dividends:	+15.0p	+1.6%	+15.0p	+1.6%
Shareholders' Total Return	**–68.0p**	**–7.2%**	**–43.0p**	**–4.6%**

As the table illustrates, the poor returns stem in part from the decline in the net asset value and in part from the rise in the discounts which the shares sell to their underlying net asset value, offset by the dividends paid out.

THE DISCOUNT

Each year I stress that, we do not seek to manage the discount believing that it is the gain in the net asset value and the payment of dividends that will drive long-term returns. The better they are, the more likely our shares will be in demand and the discount is to be at a low level. All the buybacks in the world are unlikely to protect a share price discount if our performance were to be poor and investors don't want to invest in us.

However it isn't just a blind faith in the benefit of good long-term returns on the rating of our shares that determines our policy of not manipulating the market price of our shares. There are other reasons. Firstly to buy in shares would require us to sell investments and result in a rise in the proportion of the portfolio invested in Ocean Wilsons, which holding is not for sale – being a strategic investment; it would also affect our banking covenants and thereby compromise our ability to borrow. Secondly, a commitment to manage the discount would require us to invest only in marketable securities – especially in those difficult times when stock market liquidity is constrained. Part of the investment policy of Hansa Trust is to invest in smaller emerging companies whose shares tend to be illiquid; prioritising share buy backs over investing in such companies, would compromise the long-term prospects for shareholders. Discount Management Policies, which turn investment trusts into quasi unit trusts are not appropriate for investment trusts investing in smaller capitalised companies. Thirdly buying back shares shrinks the liquidity of our own shares, arguably making them even more unattractive – especially so to those investors whose short-term horizons require short-term liquidity.

It should not be construed that we will never buy back shares; we will if there is an unusual opportunity that is particularly attractive and it were to raise the net asset value by a significant amount.

There is an extra dimension to the discounts of Hansa Trust's shares, this being the underlying discount of the price of Ocean Wilsons' shares to its own net asset value. We thought it would be helpful to show a table illustrating this:

		Mar-12	Mar-13
		per Hansa Trust share	
NAV (ex OW Holding):		659.6p	677.6p
Value of OW Holding:		457.9p	405.3p
Value of OW Holding Discount:		163.3p	190.8p
Underlying NAV:		1,280.8p	1,273.7p
Share prices:	Ord	920.0p	873.0p
	'A' Ord	837.0p	815.0p
Underlying Discounts:	Ord	–28.2%	–34.3%
	'A' Ord	–31.8%	–36.0%

While your Board of Directors does not believe that buying back shares will necessarily reduce the discount, it understands that having a large discount is not a satisfactory situation. Although it is a rather simplistic thing to say, the fact is that a large discount is the consequence of a lack of buyers for the shares. That in turn may be a consequence of a number of things but almost certainly the most important two are that there is concern amongst investors generally about the Company's prospects and/or that the story behind those prospects is not well known.

Quite naturally we have confidence in the prospects for our portfolio – or else we would change it for something different – so it follows that we need to go out and tell our story – one of the exciting prospects not only for Ocean Wilsons but also for the other companies that we are invested in. We need to emphasise the considerable commitment that the Directors and their families have to the Company's shares ("skin-in-the-game" as the Americans are wont to call it!) and to spell out the advantages of the two class capital structure in allowing us to manage the portfolio on a long-term basis, without the threat of short-term performance pressures. We are in the process of engaging one or two companies to help us with our investor relations, recognising that the Hansa Trust story is not for everyone but that it is a good one and one that will interest some long-term investors.

LONG-TERM (NAV only) RETURNS

5 Years NAV:	**+17.1%**	**Benchmark:**	**+18.8%**
Ordinary share price:	**+2.1%**	**FTSE All-Share Index:**	**+15.5%**
'A' Ordinary share price:	**0.0%**		

While an annual report does – by necessity – report to shareholders on the year just past and on the prospects for the years to come, we continue to focus on the long-term returns in assessing the performance of Hansa Trust. So each year we report on those longer-term returns and the figures are contained in the table below.

NAV Returns over:	NAV	Benchmark	FTSE All-Share Index
3 Years	+20.9%	+8.8%	+16.2%
5 Years	+17.1%	+18.8%	+15.5%
10 Years	+300.5%	+54.6%	+94.7%

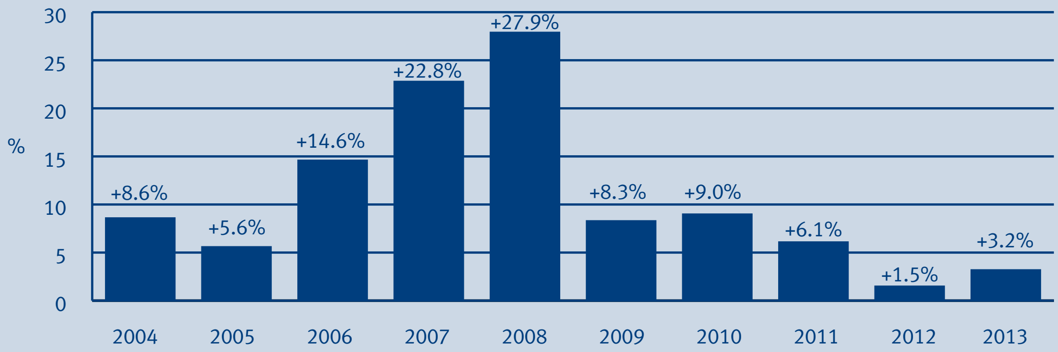
These longer-term returns are a lot better than those we have just reported to you. What is quite interesting is that the top five five-year contributors to the 158.5p increase in the net asset value (+17.1%) include three of the holdings which did not fare so well in the last year. Those top five holdings are Ocean Wilsons, NCC Group, Experian Group, Weir Group and Andor Technology. Indeed all five of this year's major detractors have contributed significantly to the five year performance, a fact that gives us some comfort that they continue to be worth backing.

We also monitor the performance of the portfolio (ex the holding in Ocean Wilsons) and the table below shows how that has done.

NAV (ex OW holding) over:	NAV	Benchmark	FTSE All-Share Index
3 Years	+24.7%	+8.8%	+16.2%
5 Years	+9.2%	+18.8%	+15.5%
10 Years	+176.1%	+54.6%	+94.7%

And finally, given the five year time scale, we look at the record of Hansa Trust over the past to see how we have done over successive five year periods and to see if we are fulfilling our primary goal – that of making money for shareholders over the long-term. By and large we have been successful at that over quite a tricky period in the market – as the chart below shows.

Five Year NAV Returns (pa) 2004 to 2013



N.B.: All of the above figures refer to the performance of the NAV without incorporating the payment of dividends.

ANNUAL GENERAL MEETING

31 July 2013 at 11.30am at the Washington Hotel, Curzon Street, London

The Annual General Meeting ("AGM") will be held at the Washington Hotel, Curzon Street, London (Green Park tube station; see map on page 60) at 11.30 a.m. on Wednesday 31 July 2013. We have always had a good turnout of shareholders, which is important to your Directors, as it gives us the chance to hear your views and to answer any questions that you may have. John Alexander will give his presentation on the past year and on the prospects for the present one (and beyond). Please come and join us for the occasion.

At the beginning of the year – and following Jamie Borwick's retirement as a director of the Company at the last AGM – we appointed two new directors to the Board: Mr Jonathan Davie and Lord Oxford. We are excited by these appointments and believe that they will make an important contribution to the governance of Hansa Trust and to its progress in the years to come. Jonathan Davie has a City background having worked for BZW, an investment bank which was eventually taken over by Credit Suisse. Raymond Oxford's career was in the diplomatic service and, since retiring from that, he has taken on a number of business appointments. Please come to the AGM, for amongst other reasons, the chance to meet them. They have already started to make contributions to the Board and its workings.

The process of selecting them was a rigorous one and involved considering a good number of candidates – all of whom were, in different ways excellent. The UK Corporate Governance Code states that "The search for board candidates should be conducted and appointments made, on merit, against objective criteria"; in our policy we state that "it is of paramount importance to shareholders that, after consideration of the skills and experience needed by the Board, candidates are chosen on the basis of merit only and that there should be no discrimination in the choice of directors for any reason, be it gender, race, religion, etc." We used the services of Trust Associates, specialists in finding directors for investment trusts, whose help was invaluable in the process of selection.

At last year's AGM there were – amongst the many questions – three that I would like to mention – particularly as most shareholders were unable to join us for the meeting. They were:

- *"Given the size of the holding in Ocean Wilsons, would it not be appropriate to expand the investment commentary to include a view of its future prospects?"* While John Alexander's report provides a good deal of information about the past year's trading, it does not express an opinion about its future prospects. We do not believe that it is our place to make detailed projections and express detailed opinions about the prospects of any of our investee companies, most especially about Ocean Wilsons given our relationship with the company. There are brokers' reports on it which provide opinions on it. Having said that, I do express a good deal of confidence in its future based on its excellent management and the prospects for the businesses in which it is involved.
- *"Should we not have made mention of the reduction in Ocean Wilsons' dividend and the issues surrounding concerns about its corporate governance, which were raised at its AGM?"* We, as a board of directors do not seek to control the governance of Ocean Wilsons nor to determine its dividend policy – anymore than we do those of our other investee companies. We, the Board of Directors of Hansa Trust, support the governance of Ocean Wilsons but we are not accountable for it and do not make public comment on it.
- *"Should the Board not institute an active share re-purchasing scheme in order to reduce the discount and thereby enhance the net asset value and improve the liquidity of the Company's shares?"* I hope I have addressed that question in full in "The Discount" section above.

PROSPECTS

There is so much written about the prospects for our economy – and indeed for other economies in the world – about the United States, Europe, China and now increasingly about Japan, about the world's financial imbalances and the huge burden of debt that so suffocates economic growth and finally about the prospects for stock markets, corporate profits and, perhaps most important of all, about corporate dividends, that there is little I can add that would either be new or unusual. John's report summarises the background of what we have been going through and indeed what we are going through and he speculates on the outlook for the future. It is well worth reading.

Economic behaviour is driven by human behaviour and in that respect we are all endeavouring to come through this financial mess with as little change to our life style as we can get away with – democratic politics demands it. In some cases – particularly in those countries forced into so called austerity politics and economics by either the market place or by external dictat (Portugal, Italy, Ireland, Greece, Spain and now Cyprus spring to mind) – there is some life style change being forced on some people, particularly the young with the horrendous levels of youth unemployment inherent in so many countries. But in others – notably the UK and the USA – rather than change, rather than revert to economies supported by reasonable levels of saving and investment, we are treating the symptoms of overspending and debt building with more overspending and debt and monumental printing of money to pay for it. It is not a sustainable way of life; it will result in slow growth at best and further financial crises at worst. It should not be too difficult for those in charge to notice that high and sustainable levels of economic growth come from high levels of saving and investment.

Having made that rather negative caveat about the background for investment – in any asset class – it should be noted that equity investment is ultimately about backing the corporate endeavours of people. Equity investment starts with backing good and selfless management – a point I always emphasise – and usually ends with good profits and dividend growth, reflected in rising share prices. Given the virtually invisible interest rates that there are around the world and given the demographic pressure for generating income from investments, equities of such companies with their higher yields and prospects for growth, probably offer the best income return for investors, without an unreasonable increase in the risk that goes with the search for income. Add to this the probability of continued printing of money and there is an excellent chance that equities will prove to be rewarding investments.

So our own prospects depend on finding those good and selflessly managed companies, investing in them and reaping the rewards that should follow. There is no reason why we shouldn't; we have done so in the past.

Alex Hammond-Chambers
Chairman

21 June 2013

Report of the Directors

The Directors present their Report and Financial Statements for the year ended 31 March 2013.

THE BOARD'S OBJECTIVES

The Board is charged by the shareholders with the responsibility for looking after the affairs of the Company. It involves the '*STEWARDSHIP*' of the Company's assets and liabilities and '*THE PURSUIT OF GROWTH OF SHAREHOLDER VALUE*'. These responsibilities are discharged in many ways and are detailed below.

THE BOARD

The Directors who served during the year to 31 March 2013 are set out below. Lord Borwick stepped down from the Board on 31 July 2012. Lord Oxford and Mr Jonathan Davie were appointed as Directors on 1 January 2013. Each of the Directors bring certain individual and complementary skills and experience to the Board's workings, as summarised below and have dedicated their time to the Company to ensure its success. All Directors resign at each AGM and offer themselves for re-election. The Board endorses the re-appointment of each of the Directors based on his continuing contribution to the Company and its shareholders.

The Company's Articles of Association include a general power for the Directors to authorise any matter which would or might constitute or give rise to a breach of the duty of a director under s.175 of the Companies Act 2006. Procedures have been established for the disclosure of any such conflicts and also for the consideration and authorisation of these conflicts by the Board, where relevant.

Mr Hammond-Chambers (Chairman)

Alex joined the Board in 2002. His career has been involved with portfolio management and investment trusts, from which he brings – inter alia – experience and understanding of investment policies, strategies, stock selection and risk management. He worked for Ivory & Sime for 27 years as an investment trust manager and then as executive chairman before retiring as chairman in 1991. He is chairman and a director of a number of other investment companies. He has served as a chairman of the Association of Investment Companies and as a governor of the NASD (NASDAQ).

Mr Davie

Joined the Board in January 2013, Jonathan was appointed chairman of IG Group in 2004. He is also a non-executive director of Persimmon and chairman of First Avenue Partners, an alternatives advisory boutique.

Jonathan qualified as a Chartered Accountant and then joined George M. Hill and Co. and became an authorised dealer on the London Stock Exchange. The firm was acquired by Wedd Durlacher Mordaunt and Co. where Jonathan became a partner in 1975. He was the senior dealing partner of the firm on its acquisition by Barclays Bank to form BZW in 1986.

Jonathan developed BZW's Fixed Income business prior to becoming chief executive of the Global Equities Business in 1991. In 1996 he became deputy chairman of BZW and then vice chairman of Credit Suisse First Boston in 1998 on their acquisition of most of BZW's businesses. Jonathan retired from Credit Suisse in February 2007.

Lord Oxford

Joined the Board in January 2013, Raymond is currently non-executive director of JKX Oil & Gas Plc, he joined the Foreign Office in 1980 and was the Counsellor at the British Embassy in Kiev from 1992 until his resignation in 1997 to pursue private business interests.

Mr Salomon

William's career in investment banking and management has involved working on and understanding corporate strategies. His own skills and experience are important to the Board in developing and monitoring investment in special investment themes and in strategic investments. Both a German and British citizen, he joined the Board in 1999. He is the senior partner of Hansa Capital Partners LLP (the Investment Manager and Company Secretary), chairman of New India Investment Trust PLC, deputy chairman of Ocean Wilsons Holdings Limited and its listed subsidiary Wilson Sons Limited.

Professor Wood

Geoffrey has great knowledge of economics generally and monetary and fiscal policy issues specifically. His skills and experience are important to the Board, particularly in understanding the effect of such policy issues on the markets. He was appointed to the Board in 1997 and is Professor Emeritus of Economics at Cass Business School, in the City of London, Professor Emeritus of Monetary Economics at the University of Buckingham and a visiting Professorial Fellow at the Centre for Commercial Law at Queen Mary and Westfield College of London University. He has been visiting Professor at the University of South Carolina and at the National Bureau for Economic Research at Harvard. In addition he is and has been an adviser to a number of Central Banks and City of London financial firms.

BUSINESS REVIEW

A review of the performance and development of the business, including an analysis using the KPIs listed below, is given in the Chairman's Statement on pages 4 to 10. There have been no important events since 31 March 2013, of which the Board are aware, which would have a material impact on the Company.

Investment Policy

The investment policy adopted by the Board, which constitutes the Company's Business Model, is to invest in a portfolio of quoted and unquoted special situations, with the objective of achieving growth of shareholder value.

By the very nature of special situation investments, the opportunity to invest in them will arise at any time and often not for long periods. Sometimes a number of opportunities may arise at the same time, so any single investment may, on occasion, constitute a significant proportion of the portfolio or of that of the company concerned. The Investment Manager is charged by the Board with implementing the investment policy under its supervision and guidance. It is important for the Investment Manager to be able to vary any investment at any time, in order either to protect shareholders' funds and/or to optimise shareholders' returns.

Portfolio Limits

The Board of Directors has set a limit of 15% of the portfolio of the Company that can be invested in any one company, the limit applying at the time of the acquisition of the holding. The Board has not set a limit on the market value of an investment held in any company, which can therefore rise above 15%. The Board has not set a limit on the number or value of unquoted investments which can be held in the portfolio; nor has it set a limit on the number of companies it can invest in, however it would usually invest in at least 30 companies.

Likewise, the Board has set a limit of 30% of the value of the portfolio that can be invested into any one sector or theme at the time the investment is made, but has not set a formal limit on the market value that can be held in any one sector or theme. For the avoidance of doubt the Board, working with the Manager and other advisers, determines what constitutes a sector or theme. Again, although the Board has not set either a floor or a ceiling on the number of sectors invested in, it is expected that it would usually exceed four.

The investment policy enables the Investment Manager to invest worldwide, in either UK or foreign, quoted or unquoted companies. The Board does not believe it is practical to impose limits on the geographical allocation of assets because, with the globalisation of businesses, it is an almost impossible task to monitor. While fully aware of the impact of geopolitical influences on the outcome of investment returns the Board, in conjunction with the Investment Manager, regularly reviews each investment on its individual merits. There is no geographical constraint on where and how much may be invested in any one country or currency.

Borrowing Limits

The Board believes shareholders' returns will be enhanced if the Company borrows money at appropriate times for the purpose of investment. While the Constitution allows the Company to borrow up to 3.5 times shareholders' funds, the amount that can be borrowed at any time is normally subject to a constraint imposed in the lender's borrowing covenants. The Board will normally set an informal borrowing limit of approximately one half of the lender's covenanted constraint at the time the borrowings are made, allowing plenty of capacity for the value of the portfolio to fall without having to sell investments to conform with those covenants. However, in extreme circumstances, such as when it is believed to be the bottom of a bear market, the Board may well borrow up to the full amount the lender's covenant allows.

Hedging Limits

The Investment Manager, in consultation with the Board, may from time to time put in place a hedging strategy in order to mitigate some of the stock market risks of the portfolio. It is not the intention of the Board to have in place a hedging strategy which would eliminate all adverse effects to shareholders' funds caused by a fall in general market prices, nor to protect the short-term value of the portfolio. Rather the aim would be to realise, in circumstances of a severe and sudden fall in stock markets, a sum of money which can be used to take advantage of the fall and to purchase investments at prices which may add very good long-term value. No limit has been set on the proportion of the portfolio that might be hedged.

Results and Dividends

The results attributable to shareholders for the year and the transfer to reserves are shown on page 43.

The dividends paid and proposed are as follows:

	2013 £000	2012 £000
Ordinary and 'A' non-voting Ordinary shares		
Interims paid of 3.5p (2012: 3.5p) per share	**840**	840
Final proposed 11.5p (2012 10.5p) per share	**2,760**	2,520
Total dividends	**3,600**	3,360

The Board is proposing a final dividend of 11.5p per Ordinary and 'A' Ordinary non-voting share and if approved will be paid on 15 August 2013 to shareholders registered at the close of business on 21 June 2013 (ex-dividend 19 June 2013).

Key Performance Indicators

The Board reviewed the risks from the point of view of the long-term shareholder, the principal one being that over the long-term (which we determined was five years) they do not make a return from their investment in the Company. The key performance indicator ("KPI"), against which the Board compared shareholders' share price and dividend returns, is the benchmark, which is in essence a proxy for the return from a five year fixed interest investment, plus 2%. Other KPIs include the NAV returns against those of the benchmark, against the Company's peer group average returns, against the market (the FTSE All-Share Index) and the total expense ratio in relation to the returns shareholders have received. The numbers are computed on a one, three, five and ten year basis – five years being the better time period over which to judge the progress of the Company.

i) Shareholders – Total Returns

A comparison is made between the 'Total Return' of each class of shares to that of the three-year average rolling rate of return of a five year UK Government bond, plus 2% with interest re-invested semi-annually (the Company's benchmark). This comparison illustrates how shareholders' returns compared with the returns of the benchmark.

To 31 March 2013	1 year	3 years	5 years	10 years
Share Price				
Ordinary shares	**(7.3)%**	13.1%	12.7%	361.5%
'A' non-voting Ordinary shares	**(4.8)%**	11.7%	10.7%	345.2%
Company's benchmark	**3.8%**	13.4%	26.3%	59.8%

ii) Company – Total Returns

These comparisons are used to determine the effectiveness of the investment strategy and of the Investment Manager.

To 31 March 2013	1 year	3 years	5 years	10 years
Net Asset Value	**(1.7)%**	23.4%	27.3%	364.4%
Absolute comparison				
Company's benchmark	**3.8%**	13.4%	26.3%	59.8%
Relative comparison				
FTSE All-Share Index	**17.4%**	30.9%	42.0%	187.4%
Peer group average	**23.0%**	42.3%	52.0%	322.4%

iii) Discount/(Premium)

A comparison is made between the discounts/(premiums) of the Company's two classes of shares and those of the Company's Peer Group and of the AIC Average.

	2013	2010	2008	2003
Discount				
Ordinary shares	**22.7%**	15.2%	11.3%	20.5%
'A' non-voting Ordinary shares	**24.7%**	16.3%	11.8%	19.4%
Peer Group Average	**11.4%**	10.9%	9.1%	11.1%
AIC Average	**6.9%**	10.1%	8.6%	15.1%

iv) Expense ratios

A comparison is made between the level of expenses (administrative and management) of the Company and the net asset returns (both annualised) in order to assess the value for money shareholders receive.

To 31 March 2013	1 year	3 years	5 years	10 years
Ongoing charges per annum	**0.9%**	0.9%	0.9%	0.9%
NAV Total Return	**3.8%**	13.4%	26.3%	59.8%

Risks

The Board considers the operational risks shareholders face can be divided into external and internal risks.

External risks to shareholders and their returns are those that can severely influence the investment environment within which the Company operates: including government policies, economic recession, declining corporate profitability, rising inflation and interest rates and excessive stock market speculation. At the annual strategy meeting, the Directors and the Management highlighted certain risks that concerned them, including:

- Currency instability, in particular concerns about the Euro and the Yen.
- Uncertainty of outcome of recovery policies (particularly inflation or deflation), given they amount to an experiment.
- Aftershocks to the financial crisis, particularly in the continental European banking system.
- Unquantifiable risks in China.
- Risk of political paralysis stemming from the coalition Government.
- Terrorism and international conflict.
- Risks associated with Brazil.
- Major long-term decline in the price of oil (affecting Wilson Sons' business).
- Regulatory interference and suffocation of enterprise, particularly from the EU.

It should be stressed that these are the external risks which most concern the Directors and the Management, not forecasts of future events. The management of these risks is achieved by sensible stock and sector diversification, the use of investment restrictions and guidelines and monthly reporting to the Board of the Company's adherence to these restrictions and guidelines.

Internal and operational risks to shareholders and their returns are: portfolio (stock and sector selection and concentration), balance sheet (gearing), and/or administrative mis-management. In respect of the risks associated with administration, the loss of Approved Investment Trust status under s.1158 CTA 2010 would have the greatest impact. The portfolio is continuously monitored by the Manager to ensure the Company is compliant with the key aspects of s.1158/1159 and any discrepancies are reported to the Board in the monthly compliance report.

The mitigation of these risks is achieved by the Board performing regular reviews of all service providers and monthly reviews of s.1158 compliance.

The Board considers the risks to the Company's two share prices, apart from those mentioned above, include the level of discount or premium. The Board monitors the discount/premium and may take action when appropriate. However, given the Company's stated objective of increasing shareholder value over the medium to long-term, the Board does not consider short-term NAV or share price volatility to be a material risk to long-term shareholders.

Details of how the principal risks arising from financial instruments (as determined by the accounting standards board) are managed, have been summarised in Note 21 on pages 55 to 58.

Details of the Company's policy on Stewardship in relation to invested companies can be found on the Company's website at www.hansatrust.com.

THE PURSUIT OF GROWTH OF SHAREHOLDER VALUE

In pursuit of shareholder value, the Board:

- **Contracts out the administration and management of the Company**
  The Board, in contracting out the administration and management of the Company, seeks to engage organisations which can provide the relevant levels of experience and expertise at an acceptable cost.

- **Monitors third party suppliers, performance and costs**
  The Board, at its regular meetings, reviews reports prepared by both the Manager and the Administrator which enables it to monitor the performance and costs of the third party suppliers to the Company.

- **Monitors investment performance and risks**
  The Board reviews reports prepared by the Manager at its regular meetings, which enables it to monitor the investment performance and risks.

- **Determines investment strategy, guidelines and restrictions**
  The Board determines the investment strategy in conjunction with the Manager. The strategy is monitored regularly and refinements are made to it as required, with formal review at the Board's annual strategy meeting.

  The Board issues formal investment guidelines and restrictions; compliance with these are reported by the Manager's compliance officer on a regular basis.

- **Determines gearing levels and capital preservation through the use of hedging instruments**
  The Board, taking account of advice from the Manager, determines the maximum level of borrowings that the Company will undertake at the time of borrowing. The Company has entered into a short-term loan facility with BNP Paribas; currently the maximum level of the facility is £30m. The Board has approved the utilisation of hedging instruments at appropriate times in order to provide the portfolio with a limited degree of protection from extreme market declines.

- **Monitors the share discount**
  The Board regularly monitors the level of discount and, whilst it has the option to re-purchase shares, it considers that the best means of attaining a good rating for the shares is to concentrate on increasing shareholder returns.

- **Determines the level of dividends payable to shareholders**
  The Board's policy is to distribute to shareholders the majority of the Company's income by way of dividends.

SERVICE PROVIDERS

The Board consists entirely of non-executive Directors; it delegates the day to day implementation of its policies to third party service providers. The Board has contractually delegated to external organisations the management of the investment portfolio, the custodial services which include safeguarding of the assets and the day to day accounting and company secretarial requirements. Each of these contracts is only entered into after proper consideration of the quality and cost of services which are reviewed and monitored either by the Board or its Committees.

Investment Manager

Hansa Capital Partners LLP charges an investment management fee at an annual rate of 1% of the net assets of the Company (after any borrowings) but, after deducting the value of the investment in Ocean Wilsons Holdings Limited on which no fee is payable. Hanseatic Asset Management LBG, a company connected to Hansa Capital Partners LLP, separately charges an investment management fee to the investment subsidiary of Ocean Wilsons Holdings Limited. The terms of the investment management agreement permit either party to terminate the agreement by giving to the other not less than 12 months' notice or such shorter period as is mutually acceptable. There is no agreement between the Company and the Investment Manager concerning compensation in respect to the termination of the agreement. In its annual assessment of the Investment Manager, the Board has concluded that, because of the calibre of the whole management team and its commitment to the Company and the long-term returns to shareholders it has produced, it is in the best interest of shareholders that the Manager remains in place under the present terms. Details of the fees paid to the Investment Manager can be found in Note 3 on page 49.

Auditor

The Auditor, Grant Thornton UK LLP, has expressed its willingness to continue to act as Auditor to the Company and a resolution to re-appoint Grant Thornton UK LLP as Auditor to the Company will be proposed at the forthcoming AGM.

All non-audit work carried out by the Auditor is approved by the Board, in advance, to ensure that Auditor's objectivity and independence is safeguarded. (Details in Note 4 on page 49.)

Company Secretary

Secretarial services were provided by Hansa Capital Partners LLP at an annual rate of £100,000, excluding VAT (2012: £100,000).

Administrator

The Company engages Phoenix Administration Services Limited as its Administrator.

Custodian

The Company engages BNP Paribas Securities Services as its Custodian.

CAPITAL STRUCTURE

The Company has 8,000,000 Ordinary shares of 5p and 16,000,000 'A' non-voting Ordinary shares of 5p each in issue. The Ordinary shareholders are entitled to one vote per Ordinary share held. The 'A' non-voting Ordinary shares do not entitle the holders to vote or receive notice of meetings, but in all other respects they have the same rights as the Company's Ordinary shares.

Substantial Shareholders

As at 31 March 2013 and 21 June 2013 the Directors were aware of the interests on page 17 in the Ordinary shares of the Company, which exceeded 3% of the voting issued share capital of that class.

The following information is disclosed in accordance with the Companies Act 2006 and DTR 7.2.6 of the FCA Disclosure and Transparency Rules.

The Company's capital structure and voting rights are summarised above and in note 16 on page 54.

- The giving of powers to issue or buy back the Company's shares requires an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's powers to buy back shares are set out in the Notice of the Annual General Meeting on page 60.
- There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company and no agreements to which the Company is party that might affect its control following a takeover bid.

	No. of voting shares	% of voting shares
Peter Pearman & Codan Trust Company Limited	4,138,850	51.7

Of the shares held by Peter Pearman & Codan Trust Company Limited, Mr Salomon is interested in 2,069,425 and Mrs Townsend is interested in 2,069,425, each holding representing 25.9% of the voting share capital. In addition, Mr Salomon has further interests in the Company's shares; the total interest is detailed in the Directors' Interests section below.

BOARD STATEMENTS AND DISCLOSURES

In accordance with the Companies Act 2006 and Financial Conduct Authority UKLA Listing Rules, the Board is required to make the following statements and disclosures to shareholders:

Directors and Directors' Interests

The present members of the Board are shown on page 11. The Board's policy is that all Directors retire annually. All Directors being eligible, at the forthcoming Annual General Meeting Mr Hammond-Chambers, Mr Salomon and Professor Wood will retire and seek re-election in accordance with the Board's policy. Lord Oxford and Mr Davie, having been appointed subsequent to the last Annual General Meeting will retire and seek election in accordance with the Company's Articles of Association. The interests of Directors and their connected parties in the Company at 31 March 2013 are shown below.

	Ordinary shares of 5p each		'A' non-voting Ordinary shares of 5p each		Nature of interest
	2013	2012	**2013**	2012	
Mr Hammond-Chambers	**500**	500	**10,600**	7,600	Beneficial
Mr Davie	**4,000**	–	**6,000**	–	Beneficial
Lord Oxford	**–**	–	**–**	–	–
Mr Salomon	**2,113,219**	2,113,219	**98,700**	98,700	Beneficial
Professor Wood	**6,000**	6,000	**8,500**	8,000	Beneficial

Mr Salomon is the senior partner of Hansa Capital Partners LLP. Fees payable to Hansa Capital Partners LLP amounted to £1,611,643 (2012: £1,664,666). The fees outstanding at the year-end amounted to £145,215 (2012: £142,544). During the year, no rights to subscribe to the shares of the Company, were granted to, or exercised by Directors, their spouses or infant children.

Fixed Asset Investments

The market value of the Group's investments at 31 March 2013 was £262,403,000 (2012: £270,944,000). Taking these investments at this valuation, the net assets attributable to each Ordinary and 'A' non-voting Ordinary share amounted to 1,082.9p at 31 March 2013 (2012: 1,117.5p).

Creditors' Payment Policy

While the Company does not follow a formal code, it is the Company's continuing policy to pay amounts due to creditors as and when they become due. At 31 March 2013 the number of creditor days were Nil (2012: Nil). Payments relating to investment transactions are made in accordance with the settlement practices of the relevant exchange. At 31 March 2013 outstanding trade creditors amounted to £Nil (2012: £Nil).

Directors' and Officers' Indemnity and Liability Insurance

The Company through its Articles has indemnified its Directors and Officers to the fullest extent permissible by law.

During the year the Company also purchased and maintained liability insurance for its Directors and Officers.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, including its financial position, are set out in the Chairman's Statement, Investment Manager's Review and Business Review. After due consideration of the balance sheet, activities of the Company, estimated liabilities for the next 12 months and having made appropriate enquiries, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future as the assets of the Group consist of securities, the majority of which are traded on recognised stock exchanges. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Status and Activities

During the year under review the Company has operated as an investment company in compliance with Section 833 of the Companies Act 2006 and Sections 1158/1159 of the Corporation Tax Act 2010. The Company has received approval as an investment trust from HM Revenue & Customs for the financial year to 31 March 2012, but this does not preclude a subsequent enquiry from being raised. The Company has received confirmation from HM Revenue & Customs of its status as an Approved Investment Trust for financial periods commencing after 1 April 2012, subject to it continuing to comply with the requirements of Sections 1158/1159. There has been no significant change in the activities of the Company and its subsidiary (the 'Group') during the year and the Directors anticipate the Group will continue to operate in the same manner during the current year.

Audit Information

The Directors confirm that, so far as they are aware having made such enquiries and having taken such steps as they consider they reasonably ought, they have provided the Auditor with all the information necessary for it to be able to prepare its report. In doing so each Director has made himself aware of any information relevant to the audit and established that the Company's Auditor is aware of that information. The Directors are not aware of any information relevant to the audit of which the Company's Auditor is unaware.

Social, Community, Employee Responsibilities and Environmental Policy

The Company does not have any employees. As an investment trust, the Company has no direct social, community, or environmental impact. Its principal responsibility to shareholders is to ensure the investment portfolio is properly invested and managed.

Corporate Governance

The Corporate Governance Statement on pages 19 to 22 forms part of this Report of the Directors.

ANNUAL GENERAL MEETING

Special resolutions relating to the following items will be proposed at the forthcoming AGM:

(a) Authority to re-purchase 'A' non-voting Ordinary shares

A resolution will be proposed at the forthcoming AGM, seeking shareholder approval for the renewal of the authority for the Company to re-purchase its own 'A' non-voting Ordinary shares. The Board believes the ability of the Company to re-purchase its own 'A' non-voting Ordinary shares in the market could potentially benefit all equity shareholders of the Company and be a useful tool with which the Board could reduce the discount in the long-term. The re-purchase of 'A' non-voting Ordinary shares at a discount to the underlying NAV would enhance NAV per share of the remaining equity shares.

The Company's Articles are drafted in such a way that the Company may from time to time purchase and cancel its own shares. However, company law requires that shareholders' approval to re-purchase shares be sought. At the AGM the Company will therefore seek the authority to purchase up to 2,398,400 'A' non-voting Ordinary shares (representing 14.99% of the Company's issued 'A' non-voting Ordinary share capital, the maximum permitted under the Listing Rules of the Financial Conduct Authority), at a price not less than 5p per share (the nominal value of each share) and not more than 5% above the average of the middle-market quotations for the five business days preceding the day of purchase or, where a series of transactions have taken place the higher of the last independent trade and current highest independent bid on the trading venue where the purchase(s)will be carried out. The authority being sought, the full text of which can be found in Resolution 9 in the Notice of Meeting, will last until the date of the next AGM.

It is proposed the Company uses its realised capital reserve to re-purchase shares in the market. The decision as to whether the Company re-purchases any shares will be at the absolute discretion of the Board. Any shares purchased will be cancelled. The Directors consider that the creation of a facility to re-purchase the Company's own 'A' non-voting Ordinary shares is in the interests of shareholders as a whole and unanimously recommend all shareholders to vote in favour by ticking the appropriate boxes on the enclosed form of proxy. The Proxy Form should be returned to the Company's Registrar as soon as possible, but in any event so as to arrive no later than 48 hours before the time of the AGM.

By order of the Board
Hansa Capital Partners LLP
Secretary
21 June 2013

This statement forms part of the Report of the Directors.

Internal Controls

The UK Corporate Governance Code ("UK Code"), which can be found on the website of the Financial Reporting Council (www.frc.org.uk) requires the Directors to review the effectiveness of the Company's system of internal controls on an annual basis. The Directors, through the procedures outlined below, keep the system of risk management and internal controls under review. The Board has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as areas for the extended review.

The Board recognises its ultimate responsibility for the Company's system of internal controls and for monitoring its effectiveness. In order to perform this responsibility the Board receives regular reports on all aspects of internal control from the Company's service providers (including financial, operational and compliance controls, risk management and relationships with other service providers); the Board will authorise necessary action in response to any significant failings or weaknesses identified by these reports. However, it must be noted that this system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material mis-statement or loss.

Financial Reporting

The Board has a responsibility to present a balanced and understandable assessment of annual, half-yearly and other price sensitive public reports and reports to regulators, as well as to provide information required to be presented by statutory requirements. All such reports are reviewed and approved by the Board prior to their issue to ensure this responsibility is fulfilled.

Compliance with the provisions of the UK Corporate Governance Code

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles of the UK Code, as well as setting out additional principles and recommendations on issues of specific relevance to Hansa Trust PLC. The Board confirms it follows the UK Code, except for those areas which the AIC Guide identifies as being irrelevant in a non-self-managed investment company: namely the role of the chief executive, executive director's remuneration and the need for an internal audit function.

The Board confirms, with the exception of the composition of the Audit Committee as detailed on page 22 and the existence of a Senior Independent Director, that it has in all respects followed the AIC Code in meeting its obligations under the Listing Rules and the UK Code. The AIC Code can be found on its website at www.theaic.co.uk.

The AIC Code has 21 principles, the vast majority of which the Board has been following for many years. However, modern corporate governance requires that boards not only govern their companies sensibly and responsibly, but that they are seen to do so. Hence there is a requirement to follow a check list of principles, which in our case is drawn from the AIC Code. They include:

The Board

- **The Chairman should be independent**

  Mr Hammond-Chambers has been assessed by the Board to be independent.

- **A majority of the Board should be independent of the Manager**

  All the Directors are subject to an annual independence review and with the exception of Mr Salomon, who is a partner of the Investment Manager, all are adjudged to be independent and to have performed their duties in an independent manner.

- **Directors should be elected for a fixed term of no more than three years. Nomination for re-election should not be assumed but be based on disclosed procedures**

  All Directors resign at each AGM and where appropriate offer themselves for re-election.

- **There should be full disclosure of information about the Board**

  A brief biography of each member of the Board can be found on page 11. The Company Chairman does chair the Audit and Remuneration Committees as the Company considers he is the most appropriately qualified person on the Committees to fulfil these roles.

- **The Board should have a policy on tenure which is disclosed in the Annual Report**

  The Board has determined that neither age nor length of service necessarily compromise independence, rather that experience and knowledge gained in service normally strengthen independent performance. All Directors have contracts for services, details of which are contained in the Directors' Remuneration Report on page 39.

- **The Board should aim to have a balance of skills and experience, ages and length of service**

  The Board regularly reviews its requirements to direct the affairs of the Company. Where and when appropriate, individuals are identified who would strengthen the Board and put forward as candidates for Board membership.

- **The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors**

  The Board undertakes a formal written evaluation every three years. The other years the Board, at its strategy meeting, carries out an evaluation of the independence of each Director by means of a written response from each Director on his fellow Directors, the progress of the actions resulting from the previous reviews and of any new ideas for improving the returns to shareholders, by enhancing the effectiveness of the Board. The Chairman is evaluated by an independent Director on behalf of the Board.

- **Directors' remuneration should reflect their duties and responsibilities and the value of their time spent**

  The level of Directors' fees is monitored annually and formally reviewed every three years, in light of the Directors' duties and responsibilities and the value of the time committed to the interests of the Company; note is taken of fees paid by other comparable companies.

- **The Independent Directors should take a lead in the appointment of new Directors and the process should be disclosed in the Annual Report**

  The identification and appointment of a new Board member is a matter for the whole Board. The Chairman as the senior independent director is charged with taking the lead in all of the processes with respect to the appointment of a new Director.

- **Directors should be offered relevant training and induction**

  When a new Director is appointed, he/she attends an induction seminar held by the Company Secretary and the Chairman. Directors are also provided on a regular basis with industry, regulatory and investment updates. Directors regularly participate in industry seminars and training courses where appropriate.

Board meetings and the relationship with the Manager

- **Boards and Managers should operate in a supportive, co-operative and open environment**

  The Board is primarily responsible for the running of the Company and maintains specific duties and responsibilities. Where the Board has delegated certain duties to the Investment Manager, the Board and the Manager operate in an environment of mutual trust and respect, both at formal Board meetings and during the year when ad-hoc communications are instigated by either party.

- **The primary focus at regular Board meetings should be the review of the investment performance and associated matters such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues**

  At the regular Board meetings, discussions are held and reports and papers are reviewed, all of which cover the above mentioned aspects.

- **Boards should give sufficient attention to overall strategy**

  The Board holds an annual strategy meeting with the Manager to discuss the Company's future investment and corporate strategies.

- **The Board should regularly review both the performance of and contractual arrangements with the Manager**

  The Board formally reviews the performance of the Manager each quarter, at which Board meeting the Manager presents a written report. At the annual review of the Manager all aspects of its service to the Board are reviewed, particularly the long-term returns to shareholders and the terms and conditions of its contract.

- **The Board should agree policies with the Manager covering key operational issues**

  Within the agreement, service levels are defined between the Manager and the Company. In addition the Board determines certain investment restrictions and guidelines for the Manager, on which the Manager reports monthly.

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

  The Board continually monitors the levels of discount or premium and comments on it at its regular meetings. The Board also seeks authority to purchase up to 14.99% of the Company's 'A' non-voting Ordinary shares at the Company's AGM.

- **The Board should monitor and evaluate the other service providers**

  The Board, through its Audit Committee, receives independent reports from the auditors of the main service providers; these reports are called either AAF 01/06 or ISAE3402 reports.

Shareholder Communication

- **The Board should regularly monitor the shareholder profile of the Company and put in place a system for canvassing shareholder views and for communicating the Board's views to shareholders**

  The Board reviews the shareholder profile at its regular meetings. The Company, through its Investment Manager and the Company Secretary, has regular contact with its shareholders. The Board supports the principle that the AGM should be used to communicate with all shareholders and promotes its website to them. The Company Secretary and where appropriate the Chairman, regularly receive and handle communications from shareholders. These communications are received by letter, email or telephone. Any matter requiring the Board's attention is referred to it for action.

- **The Board should normally take responsibility for and have a direct involvement in, the content of communications regarding major corporate issues even if the Manager is asked to act as spokesman**

  The Board is responsible for all major corporate issues and as such would have a direct involvement in both the issue and the content of its communications.

- **The Board should ensure shareholders are provided with sufficient information for them to understand the risk reward balance to which they are exposed by holding the shares**

  The Board, through the issuance of the Annual and Half Yearly Reports, Interim Management Statements and Monthly Fact Sheets, aims to ensure both shareholders and prospective shareholders are made fully aware of the investment aims and benchmark of the Company, the types of investments the Company is likely to enter into, the disposition of those investments in the portfolio, the gearing of the Company and the period over which its performance should be judged.

UK Stewardship Code

The aim of the Stewardship Code, which was published by the Financial Reporting Council in July 2010, is to enhance the quality of engagement between institutional investors and companies, to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

The seven principles of the Code are that institutional investors should:

- Publicly disclose their policy on how they will discharge their stewardship responsibilities.
- Have and publicly disclose a robust policy on managing conflicts of interest in relation to stewardship.
- Monitor their investee companies.
- Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.
- Be willing to act collectively with other investors where appropriate.
- Have a clear policy on voting and disclosure of voting activity.
- Report periodically on their stewardship and voting activities.

Discharging stewardship responsibilities

The Company has delegated to its Investment Manager, Hansa Capital Partners LLP, the day to day operations of the Company's policy which is as follows:

To operate a due diligence process when considering any investment. The process includes a number of key factors in the establishment of whether an investment is suitable for its portfolio and will include:

- Competent management.
- Likelihood of offering an acceptable return for the risk undertaken.
- Financial and structural soundness.
- Regular reporting.
- Sound business plans.
- Compliance with current governance and regulatory requirements.

Full details of these can be found on the Investment Manager's website www.hansagrp.com.

The Investment Manager will engage the Board on controversial matters arising from the operations of the policy.

BOARD COMMITTEES

The Directors consider that in order for them to fulfill their responsibilities as Directors of the Company, all members of the Board should be members of all sub-committees, except where there is a deemed conflict of interest.

Details of the Directors' attendance at Board, Strategy and Audit Committee meetings are in the Directors' Remuneration Report on page 39.

Audit Committee

The Board does not consider the establishment of an internal audit function appropriate for the size and complexity of the organisation. The Audit Committee consists of all five Directors and is assisted by Mr Teideman, a former director, whose skills and experience strengthen the Committee. The Committee is chaired by Mr Hammond-Chambers; and although the UK code and AIC code are against the company chairman being the chair of the Audit Committee, the Board considers Mr Hammond-Chambers to be the best qualified for this role. The Smith Report's guidance emphasises the need for Audit Committee arrangements to be proportionate to the task. With such a small Board, it was deemed both proportionate and practical to involve all Directors in its workings, even though Mr Salomon is not regarded as being independent.

The Company's Audit Committee meets representatives of the Investment Manager and its Compliance Officer, who report as to the proper conduct of business in accordance with the regulatory environment in which both the Company and the Investment Manager operate. The Company's Auditor also attends this Committee and reports on its work procedures, the quality and effectiveness of the Company's accounting records and its findings in relation to the Company's statutory audit. The responsibilities of the Audit Committee include reviewing the internal controls, the financial reporting process, the valuation of the unquoted investments, the management contract, the statutory audit and the Auditor's appointment, remuneration and independence (no non-audit services other than a review of the half yearly report are provided by the Auditor). The Board has issued the Committee with Terms of Reference which are available from the Company Secretary at the registered address of the Company.

Following careful consideration of the independence, experience and value for money of the current Auditor, the Audit Committee has recommended that the Board propose the re-appointment of Grant Thornton UK LLP as Auditor to the Company.

Nomination Committee

The Board as a whole fulfils the function of the Nomination Committee. Appointments are made on merit and against objective criteria in accordance with the UK Corporate Govenance Code. The Board consider, it is of paramount importance to shareholders that, after consideration of the skills and experience needed by the Board, candidates are chosen on the basis of merit only and that there should be no discrimination in the choice of directors for any reason, be it gender, race, religion, etc. The Company's Articles of Association require newly appointed Directors to submit themselves for election by shareholders at the next AGM after appointment and that they will be subject to re-election at intervals of no more than three years. However, the Board has determined that all Directors will retire and offer themselves for re-election each year at the AGM.

Management Engagement Committee

The Board, with the exception of Mr Salomon, fulfills the function of this Committee. The level of management fees, level of service provided and the performance of the Manager are reviewed on a regular basis to ensure that these remain competitive and in the best interests of shareholders.

Remuneration Committee

The Board fulfils the function of a Remuneration Committee and considers that the specific appointment of such a committee is not appropriate for an investment trust company. The level of Directors' fees is monitored annually and formally reviewed every three years on a regular basis in the light of their duties and also relative to other comparable companies.

Statement of Directors' Responsibilities

In discharging its responsibilities of stewardship the Board is governed by the Companies Act and the Financial Conduct Authority UKLA Listing Rules.

Under UK Company Law the Directors are responsible for ensuring that:

- Adequate accounting records are kept, that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006.
- The assets of the Company are safeguarded; and for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- The Report of the Directors and other information included in the Annual Report is prepared in accordance with Company Law in the UK. The Directors are also responsible for ensuring the Annual Report includes information required by the Listing Rules of the Financial Conduct Authority.
- The Company has effective internal control systems, designed to ensure that adequate accounting records are maintained, that the financial information on which the business decisions are made and which are issued for publication is reliable. Such a system of internal control can provide only reasonable, but not absolute, assurance against material mis-statement or loss.
- The Group Financial Statements for each financial year are prepared in accordance with IFRS, as adopted by the EU and have elected to prepare Company financial statements on the same basis. Under Company Law directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements the Directors are required to:
    - select suitable accounting policies and apply them consistently;
    - make judgements and estimates that are reasonable and prudent;
    - state whether they have been prepared in accordance with IFRS as adopted by the EU; and
    - prepare the financial statements on the going concern basis, unless it is inappropriate to presume the Company and Group will continue in business.

Under the Financial Conduct Authority, UKLA Listing Rules and the UK Corporate Governance Code ("the Code"), the Board is responsible for:

- Disclosing how it has applied the principles and complied with the provisions of the Code, or where not to explain the reasons for divergence.
- Reviewing the effectiveness of the Company's systems of risk management and internal controls.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website www.hansatrust.com. Visitors to the website need to be aware that legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in their own jurisdictions.

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with applicable international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.
- The Chairman's Statement and the Report of the Directors include 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 it faces.

For and on behalf of the Board
Alex Hammond-Chambers
Chairman
21 June 2013

INVESTMENT STYLE

- There is a disconnect between investors, often short-term and herd-like and companies, which should be managed for now and eternity. A long-term investor can take advantage of this disconnect.
- We aim to find great companies which we can remain invested in for a long period of time, allowing us to compound our investment.
- We prefer to spend most of our time focusing on the underlying companies in the portfolio.
- Long only, patient, very low turnover, give things time.
- Leverage reduces the investor's critical asset, namely patience.
- We have been there for the cash bids: Glenmorangie, Warner Chilcott, RMC, WH Smith, Foseco, Salvesen, Xansa, Biffa, Kiln, Cathedral Underwriting, Resolution, Halladale, Delta, Brit Insurance and SSL Intl.

INVESTMENT CRITERIA

- A share price reflects a collection of future earnings expectations, where company management has the single largest control over the direction of this earnings stream. Good management/self-help. Management interests should be aligned with those of minority shareholders.
- London quoted companies with a strong position in their home markets, who have the world as their market place, not just Europe. PWC forecasts that by 2050 the largest European economies of France and Germany will be ranked 9th and 10th globally, with the UK falling to 11th place. Companies will need to be trading with emerging economies, including Mexico, Brazil and Indonesia. Companies with global reach will be beneficiaries of weak Sterling.
- Companies with market leading positions and strong brands, which can grow sales organically, enjoy revenue predictability and visibility, have pricing power to protect margins against rising input prices, generate a good return on invested capital and return cash to shareholders in the form of a dividend, which grows in real terms over time.
- Companies with the ability to grow by investing their free cash flows at attractive rates of return, either in their own business, through M&A or share buy backs.
- Companies that have a moat around their business because their advantages are difficult to replicate. A moat allows a company to weather downturns as well as keeping others from entering that business.
- Companies that are resilient to change, particularly unexpected technological innovation.
- Generally prefer companies which sell to other companies ("B to B"), rather than companies which sell to the consumer ("B to C").
- Wary of companies which are largely dependent on the developed world consumer or public sector spending.

BACKGROUND

More than anything else it was Mario Draghi's July 2012 pledge to "do whatever it takes" to save the Euro which boosted investors' risk appetite and saw the start of a move out of the supposedly safe haven of bonds into equities. The ECB pledged to purchase an "unlimited" quantity of government bonds with a remaining maturity of up to three years to remove the tail risk of a country being forced out of the Euro, in an operation named Outright Monetary Transactions ("OMT"), buying more time for the Eurozone. However the Italian election and the US$10bn bail-out of Cyprus are a stark reminder that the Eurozone is still undergoing a financial, economic and political crisis of massive proportions and that the members of the Eurozone need to adjust more symmetrically politically and economically if they are to preserve monetary union, as they are a long way from the full fiscal and banking union that would be required to save the Euro. Rather, relations between creditor and debtor nations are becoming increasingly fractious as the peripheral countries are broken on the deflationary wheel. The root of the problem in Cyprus lies in the fact that its banks are bust and need recapitalising and that the cost of recapitalising them is significantly greater than the size of the domestic economy. In the absence of devaluation, which helps to write-down debt and promote a growth in exports to compensate for domestic fiscal tightening, Cyprus was forced to seek external assistance, otherwise it would have been unable to bail out its banks or guarantee deposits in Euros, meaning it would have been forced to leave the Eurozone and print its own currency. Austerity increases debt and bailouts only transfer them, rather than recognising and writing them off. To quote one economist, "Cyprus has destroyed the illusion that Germanic northern taxpayers will pay whatever it costs to save the Euro" and the Troika (IMF, ECB and European Commission) has increased concerns about how safe retail deposits are in the Eurozone, when a banking crisis is too big for a government to handle on its own. Although Cyprus is an extreme case, an over-leveraged banking system with insufficient capital and reliance on foreign funding is all too familiar territory in the Euozone. Another reminder that debt busts are deflationary and economic recoveries that follow financial recessions are much weaker, slower and more erratic than those that follow non-financial recessions, as the necessary process of deleveraging drags on. Sustained high unemployment is also par for the course over the extended duration of post financial recoveries, with the latest figures showing that 12% of the Eurozone's total population is unemployed, a rise of more than a percentage point since February last year, when 10.9% were out of work. Europe must ultimately grow its way out of its crisis, which requires the restoration of the flow of credit to businesses and households, which first requires re-capitalising Europe's banking system, as banks will only start to lend once more if they have sufficient capital and liquidity. Europe has little hope of enjoying a meaningful and sustainable recovery in the foreseeable future, reeling with austerity fatigue instead and the growth challenge for Italy, France and other members of the Eurozone continues as they rely on lower wages, unemployment and austerity to restore competitiveness, an "internal" devaluation, rather than "external" one via a weaker currency.

Despite this, equity markets have continued to make progress as the global economy as a whole remains on an improving tack and is forecast to grow 3.2% (Deutsche Bank) this year, with Advanced Economies growing by 2.1% and Emerging Economies by 6.1%, with the driving force being the gradually improving performance of the US economy which appears to be gaining momentum and is expected to grow by 2.3%. A central theme is the fundamental role being played by massive central bank balance sheet expansion and highly accommodative monetary policies in the US, Europe and Japan, with other central banks adopting US style monetary policies to prioritise jobs and growth. Easy money/financial repression is restraining interest rate increases and fuelling asset prices and is partly responsible for the re-rating of equity markets. When a central bank is unable to provide stimulus by cutting interest rates further, because they have already been reduced to zero, or near-zero levels, it creates new money electronically which is used to buy financial assets in the secondary market, normally government bonds. The theory is that the money will work its way through the financial system and ultimately raise spending by households and firms, thereby helping the process of recovery. Eventually, when economic growth has become self-sustaining, the money creation programme can in theory be unwound and more normal policies can resume. Bank crises are brought about by solvency problems across banking systems, as banks attempt to repair their balance sheets, shrinking the quantum of risk assets on their balance sheets and imposing tight monetary policy conditions on the rest of the economy, breaking the monetary transmission mechanism until such a time as the banks' balance sheets are rid of their concealed losses. The problem in the Eurozone, UK and Japan is that there has been no discernible increase in lending to the non-banking sector. Instead banks have been piling up government bonds and JGBs on their balance sheets. The transmission mechanism, bank lending, is broken. Cyprus clearly demonstrates the absence of any solutions except profoundly unattractive ones, like a controversial levy on bank accounts, or the one easy one, namely "printing". While both the US, the UK and now Japan are committed to Quantitative Easing, Europe has thus far restrained from this policy action. Despite the marked economic deterioration across the Eurozone and with France reaching the limits of its decades long experiment in state-run welfare capitalism, the ECB continues to avoid using its OMT/European Stability Mechanism ("ESM") bazooka. In Cyprus's case an alliance of hard-line creditors said the ESM, or bail-out fund, could not be used to cover "legacy assets" from past banking crises, so rather than recapitalising Cypriot banks directly via the ESM, the Troika resorted to a more traditional way to deal with insolvent banks in Cyprus. Maybe the OMT/ESM bazooka is in practice unworkable after all and Mario Draghi's pledge to "do whatever it takes" is no more than a game of "high stakes bluff and counter-bluff". In the meantime European banks have yet to shrink their quantum of risk assets, which in turn will deflate the broad money stock and with few alternative options open to the ECB the Cyprus debacle may have brought the start date forward. Mass write-downs, aggressive quantitative easing and ending the austerity obsession might be the only way to save the Euro. Even then we would probably still be looking at a group of Eurozone countries locked together at wholly inappropriate bilateral real exchange rates.

OVERALL PERFORMANCE

During the year under review, the Ordinary and "A" Ordinary share prices fell by 9.0% and 6.6% respectively, compared with a rise of 12.6% in the FTSE All-Share Index, as both classes of shares traded at a wider discount to their net asset value. The time weighted return of the portfolio was -0.85%, compared with a rise of 3.8% in the Company's benchmark and a rise of 17.4% in the FTSE All-Share Index-Total Return.

The year under review has been a difficult one for Brazil, evidenced by a 12.7% fall in the BOVESPA benchmark index. Brazil's economic future does not look nearly as bright as its recent past. Since 2010, when the country registered GDP growth of 7.5%, its economy has slowed dramatically. In 2011 the country's GDP growth reached only 2.7% and while GDP growth forecasts for 2012 began the year at 3.5%, the final outcome was 1.3%, as the Brazilian economy proved to be harder to manage, with simultaneous concerns involving weak growth and inflation and the government adopting measures to fight both. Against this background the central bank cut the selic interest rate to a record low 7.25%, from a peak of 12.5% in August 2011 and launched a new package of fiscal incentives to stimulate growth, including allowing reserve requirements to be used to finance some credit lines, as well as announcing new airport concessions. At the same time the government is worried about inflation pressures and a heated labour market, with low unemployment rates and a significant rise in real average income helping to support a good level of consumer spending. The central bank implemented a number of measures to avoid currency depreciation, which included the removal of some capital controls that had been introduced previously as well as selling US$ in the derivatives market and signaling its intent to maintain the current level of interest rates for a sufficiently long period.

The most obvious cause of Brazil's poor economic outlook is the collapse of the commodities boom, with the country's exports to China decreasing by more than half during the first six months of 2012. Growing Brazilian protectionism is also making Brazilian products increasingly less competitive and these protectionist policies need to be reversed, by implementing long-delayed labour, tax and education reforms in order to reduce the cost of doing business in Brazil and address some of the country's supply-side weaknesses while increasing the country's international competitiveness. A decade of economic growth has seen the emergence of a new lower-middle class that increasingly expects better standards of education, security and infrastructure. The labour market remains tight, with unemployment nearing only 5% and inflation expectations are only loosely anchored. While concerns in Brazil focus on the slowing demand for the country's exports, others worry that domestic labour costs are now outstripping productivity gains and feel that a more substantial rebalancing of the economy is in order. The ad hoc measures to stimulate certain economic sectors and a myriad of capital controls and trade barriers could raise uncertainty and endanger investment, undermining long-term growth. Investor appetite has waned, which has taken its toll on the short-term price performance of Ocean Wilsons Holdings Limited.

In addition, we suffered a number of setbacks in some of our other top ten holdings, including Hargreaves Services, Cape, Kofax, Andor and BG Group which are covered under the individual company commentaries. Some ground was re-captured in the second half of the year with Cape and Hargreaves Services recovering by 30% and 23% respectively. Finally and on a technical note, the Hansa "A" Ordinary non-voting shares exited the FTSE All-Share index

SECTOR WEIGHTING AND PERFORMANCE

Sector	Sector Weighting at 31 March 2013 %	Sector Weighting at 31 March 2012 %	Twelve months' Performance at 31 March 2013 %
Strategic	37.4	41.0	(9.8)
Smaller Cap/AIM	17.8	20.4	(14.5)
Natural Resources	11.8	12.6	(5.9)
Property	7.8	6.2	22.0
Large Cap	15.1	11.9	27.3
Utilities	2.4	2.0	22.0
Mid Cap	5.8	4.4	34.1
Investment Trusts	3.1	2.7	10.6
Cash & Cash Funds	(1.2)	(1.2)	(1.7)

in July, which saw some index selling of the "A" Ordinary non-voting shares in thin markets, causing a huge pricing disparity with the Hansa Ordinary voting shares which have the same economic interest and will remain in the Index.

NEWS UPDATES FROM TOP HOLDINGS

The 25 holdings listed below each represent 1% or more of Net Asset Value and 98.1% of Net Asset Value combined. Details are provided in respect to each company's market capitalisation, the proportion of NAV the holding represents and the stock's performance over the year to 31 March 2013.

OCEAN WILSONS HOLDINGS LIMITED (Mkt Cap £367.8m: 37.4% NAV: Performance -9.8%) is a Bermuda based investment company and through its subsidiary operates as a maritime services company in Brazil. The company is listed on both the Bermuda Stock Exchange and the London Stock Exchange and has two principal subsidiaries. Wilson Sons Limited (58.25% owned), is an autonomous Bermuda company listed on the Sao Paulo Stock Exchange and the Luxembourg Stock Exchange. Wilson Sons is one of the largest providers of maritime services in Brazil, with activities including harbour and ocean towage, container terminal operations, offshore support services, logistics, small vessel construction and ship agency. Ocean Wilsons (Investments) Limited (wholly owned) is a Bermuda investment company, holding a portfolio of international investments managed by Hanseatic Asset Management LBG, a Guernsey registered and regulated investment manager.

Ocean Wilsons Holdings Ltd; first half income was negatively affected by a combination of the depreciation of the Real against the US Dollar, constrained cabotage and transhipment volumes, the end of the Petrobas public port operation in Rio de Janeiro, increased depreciation (which is US Dollar denominated) and increased employee expenses from headcount for pre-operational hiring and share based payment expenses. The full year figures to the end of December 2012 show that Wilson Sons continues to invest heavily in growing its business, with the expansion of the Tecon Salvador container terminal successfully concluded in the year and the new shipyard in Guaruja due to complete in April 2013, doubling shipbuilding capacity and allowing for increased third party vessel construction and maintenance services, as well as significantly enhancing the ability to grow the Wilson Sons Ultratug Offshore (50% owned) fleet of offshore platform supply vessels. Five more platform supply vessels are due to be delivered in to the joint venture this year, four of them being built in Wilson Sons' shipyards. The joint venture fleets now comprises five offshore vessels under construction and 17 in operation, with 14 owned and three AHTS ship management contracts. Wilson Sons estimates that by the end of 2015 its offshore supply vessel fleet will have grown to around 24 vessels and then 34 vessels by 2017, placing it in the top four Brazilian OSV operators. The acquisition of the Briclog offshore supply base in the city of Rio de Janeiro for R$125m is expected to complete this year. Debt, used to finance shipyard capacity and vessel construction, the development of the two container terminals and equipment for logistics amounted to US$431.4m at year end, with an average cost of 3.6% pa, as 75% of the total is subsidised debt, provided through BNDES and Banco do Brasil as agents for the Fundo da Marinha Mercante (FMM), the Merchant Marine Fund. 92% of debt is long-term and 95% of it is US$ denominated. Wilson Sons announced it has received US$135m funding FMM to build 12 new tugboats during the next three years, a mixture of replacements and additional capacity to meet the demand driven by growth in the oil and gas industry and international trade flow and all of them will be built in the Guaruja shipyards. Group revenue for the full year was 8% lower, due principally to lower port terminal and logistics revenue and the higher average US$/BRD exchange rate during the year which is used to convert the income statement. The Group reports in US$ and has revenue, costs, assets and liabilities in both BRD and US$, so movements in the US$/BRD exchange rate can impact the Group both positively and negatively from year to year. About two thirds of group revenues are denominated in BRD. Over the full year 2012 BRD depreciated 9% against the US$, while the average US$/BRD exchange rate during the year was 17% higher. A higher average exchange rate adversely impacts BRD denominated revenues and benefits BRD denominated costs when converted into the US$ reporting currency, while any strengthening of the US$ against Sterling increases the translational value of underlying assets. Net cash flow from operating activities for the year at US$115.6m was US$45.1m higher than the prior year, principally due to improved working capital movements.

The investment portfolio (100% owned) produced a time weighted return of 8.8% over the year and the portfolio at year end was principally invested in global equities, 52%, 21% in private assets, 10% in market neutral funds and the balance of 17% in bonds, cash and liquidity funds, Emerging markets accounted for 44% of the portfolio's net asset value. The portfolio contains a high level of investments which would not normally be readily accessible to the average investor. Furthermore, a large number of holdings are closed to new investors.

Ocean Wilsons Holdings paid a total dividend of 42c (2012: 33c) for the year, a rise of 27%. The dividend for the year represents the full dividend to be received from Wilson Sons relating to 2012, plus 1.85% of the average capital employed in the investment portfolio, a figure which is determined annually by the board. Dividends are set in US$ and to date have been paid twice yearly. From 2013 onwards a single combined final dividend will be paid, which will not impact the total dividend pay-out for the year. The board of directors may review and amend the dividend policy from time to time in light of future plans and other factors. The payment of dividends cannot be guaranteed and may be discontinued or varied at the discretion of the Board.

Ocean Wilsons Holdings Limited implemented a cash settled phantom option scheme for selected senior management, approved by shareholders at the Special General Meeting held on 19 April 2007. The final tranche of options issued under the scheme vested in April 2012 and the total options outstanding under the scheme were exercised by participants during 2012. There is no remaining liability under the plan and no accrual (2011: US$3.7m) has been included in the 2012 accounts for benefits accruing under the plan.

NCC GROUP (Mkt Cap £285.4m: 4.0% of NAV: Performance -6.8%) the international, independent provider of Escrow and Assurance announced a good set of interim results, with cash conversion strong once again at 114%. NCC has recently acquired two US-based companies, Matasano Security and Intrepidus, establishing the Group as a major force in East US, with the largest testing team in the key New York area. The group has enjoyed significant success in the US since it acquired California-based iSec Partners in October 2010 and there are now more than 120 staff in the US and the business there is growing strongly. The Group now has the largest and most highly respected team of dedicated security consultants in the world and is very well placed to capitalise on the increased focus on cyber-security on both sides of the Atlantic which, combined with the close to 90% recurring revenues and exceptional margins in its software escrow business, makes NCC group a valuable strategic asset. The rise and severity of cyber-attacks is concerning and could lead to some form of cyber-security legislation requiring companies to reveal material security breaches, which in turn would drive higher spending in cyber-security consulting and solutions. The project to develop the .secure domain name to make the internet a safer place is progressing well and management has decided to accelerate its development, which will incur an additional £1.5-2.0m of investment in the year, which will be expensed. The group has just signed a new three-year banking facility, with the £40m multi-currency revolving credit facility (+ £5m overdraft) replacing the previous agreement of £35m + £2m that was due to expire in July. The expanded facility, along with NCC's high level of recurring revenues and consistently good cash generation, should provide the group with a greater degree of flexibility with which to continue to grow through a combination of organic and acquisitive expansion.

EXPERIAN (Mkt Cap £11,515.1m: 3.9% of NAV: Performance 19.4%) the global credit information and marketing services group remains a long-term growth story, as it continues on a journey of expansion into new geographic markets, notably the group's high growth Brazilian subsidiary Serasa and verticals, with a culture of innovation to develop new products and move in to new customer segments. Acquisitive growth funded by free cash flow continues to play an important role, with the deals tending to be bolt-on which accelerate organic growth or allow the group to expand the reach of its core competencies of data or analytics. Experian recently bought in a 29.9% stake in Serasa from its minority shareholders for a consideration of US$1.5bn, paving the way for the return of surplus capital to shareholders starting in FY14. Serasa is one of the largest credit bureau in the world and is the market leader in Brazil, with approximately 60% market share. Experian's Q3 IMS included strong organic 11% growth from North American Credit services, a territory which has traditionally been the powerhouse of the group and still accounts for some 55% of group EBIT and the chief executive wrote "we are now in the fourth year of our global growth programme and it is gaining momentum. We continue to see significant opportunities and in order to maximise our growth potential we are today launching a new efficiency programme to drive operational improvements and to sustain premium growth into the future", all of which should be seen as an extension of the self-help programme. Experian's agenda of expanding in early stage and new verticals, realising the potential of new products and extending geographic reach gives confidence that the standing guidance of mid-to-high single digit revenue growth, improvement in margin and high conversion of profit to cash is achievable. A story of addressing a dynamic, rapidly widening market place in which data and analytics confer comparative advantage and mitigate risk.

WEIR GROUP (Mkt Cap £4,809.2m: 3.8% of NAV: Performance 30.9%) is a global engineering solutions provider to the mining, oil & gas and power markets. This focus, together with a growing emerging market presence, continued commitment to operational excellence, strong aftermarket revenues and value enhancing acquisitions has resulted in strong operating margins. Interestingly General Electric has just announced the acquisition of Lufkin Industries, an oilfield pump manufacturer. For a time last year Weir was the most shorted stock in the FTSE 100, but the record full year figures and operating margin proved them wrong, along with a strengthening aftermarket, which now represents 55% of group revenues, while Emerging Market revenues increased to 37% of group revenues. The full year dividend was increased by 15% and alongside substantially higher cash generation in 2013, the group plans the eighth consecutive year of double digit dividend growth and the 30th consecutive year of dividend growth. The aftermarket strength is something the bears of the stock have failed to understand, because as Weir's installed base of original equipment grows, the amount of revenue it receives for servicing and new parts rises. With many of the mining majors delaying new projects, the Weir debate is focussed on the deliverability of the June 2012 target to double the EBIT number by 2016. The mainstay products are slurry pumps for mining and pressure pumps for hydraulic fracturing of shale gas and shale oil, both with high wear rates and in the case of mining the beneficiary of higher mine production levels as ore grades decline. Weir has agreed to acquire Mathena Inc, a leading provider of pressure control rental equipment and services for onshore oil and gas drilling applications, supported through 12 service facilities located in the key US unconventional oil and gas basins, increasing the aftermarket focus of Weir Oil & Gas. Keith Cochrane, Weir's CEO, sees the UK's experience in the oil and gas sector making it "the obvious choice as a hub for Europe's nascent shale gas industry".

DV4 (£1bn committed, Unquoted, 2.5% of NAV: Performance 9.4%) has now drawn down 64.7% of monies committed and Hansa Trust has a £10m commitment to this fund. In addition there is significantly more capital committed to existing assets in DV4, which will increase that committed percentage materially. The focus of acquisitions for the DV4 portfolio in the recent past and going forward has been towards London and the South East, in the two principal markets where momentum exists, namely prime offices and residential. DV4 has now acquired 22 investments and has released profits from the sale of 40 Holborn Viaduct. The Olympic Village (50:50 joint venture with Qatari Diar) is likely to require substantial equity at completion and Minerva (50:50 joint venture with AREA Property Partners) will require further equity as well. DV4's subsidiary Alpha Plus Holdings successfully issued a 7-year 5.75% Sterling secured retail bond with an aggregate nominal amount of £48.5m. The proceeds will be used by Alpha Plus to repay existing shareholder loans owed by it to DV4 and will in turn be used by DV4 to repay an existing £40m term loan and a working capital facility from RBS, due for repayment in April 2013. The assembled portfolio very much reflects the original thinking behind the fund, namely it is opportunistic in nature, has considerable potential for value enhancement through asset management initiatives and has a theme of underlying quality.

BG GROUP (Mkt Cap £38,414m: 3.7% of NAV: Performance -21.0%) 2012 was BG's annus horribilis, with production growth stalled for 2012 and 2013 amid production problems, project delays, 33% capex inflation in Australia and a change of CEO. BG Group's Q3 results were largely in line with expectations, but the production downgrades for both 2012 and 2013 came as a surprise, although the company insists production guidance for 2014 and beyond is unchanged. The company attributed the slide in the production outlook to a series of deferrals or delays on projects in the North Sea, USA, Egypt and Brazil. BG still has the resource potential to deliver a significant uplift in earnings in 2015 and beyond and raised its full year dividend by 10%. Recently BG announced the appointment of Chris Finlayson as CEO, effective 1 January. He has 35 years' industry experience and prior to BG his career was spent at Shell. LNG markets could see a doubling in demand by 2025 and with 40% of its value and nearly 30% of its production LNG related, BG is the outstanding play on the positive trends with trading upside should the current wave of projects face delay. Last October BG announced the sale of a stake in the Queensland Curtis LNG project in Australia for US$1.9bn to CNOOC which, along with other disposals, has raised some US$7.6bn, helping to support a heavy capital expenditure programme to bring on stream projects in Brazil and Australia. The annual strategy update was delayed until 14 May and until this event there may be speculation that the Group's previous growth projections of 6-8% pa could be revised lower, while the Group may need to make further disposals to unlock the potential value in its Brazilian and Australian assets.

HARGREAVES SERVICES (Mkt Cap £227.9m: 3.2% of NAV: Performance -28.9%) is the UK's leading supplier of solid fuels and bulk material logistics. The company announced record profits for the year ended 31 May 2012, which were overshadowed by on-going geological gas ingress problems in the Maltby deep coal mine. Hargreaves provided an update on Maltby Colliery in November, stating the T125 panel was not viable on health & safety, geological and financial grounds, so the mine would be mothballed. The group expects that the net cash effect of the mothballing process will be positive, with discussions regarding the sale of plant and equipment progressing well. Maltby is not a core asset in terms of growth strategy and the group is well placed to continue taking its services-led offering into new geographies, leveraging its experience in mining services, steel and power generation. Last December Hargreaves announced that a serious overstatement of stock values and credit notes had been identified within the Group's Belgian subsidiary, with a potential balance sheet write off of up to £18.8m. A further announcement confirmed that the proposed mothballing of Maltby Colliery will proceed and is planned to be completed by the end of March 2013. The post-tax forecast loss from discontinued operations is £58m, including a non cash balance sheet write down of £45m relating to goodwill, mineral rights and development assets. The interim results for the six months ending November 2012 saw a 15% increase in the interim dividend, with the group trading strongly through the first three months of the second half and, excluding Maltby and Belgium, full year results are expected to be in line with management's expectations. Energy & Commodities has continued to trade well. Tower Colliery is expected to be a significant contributor to Group profits and management is targeting further opportunities to accelerate the development of the surface mining operations. Surface mining in the UK is regarded as an attractive sector with a more manageable risk profile than deep mining. New projects can be planned and steps can be taken, such as fixing coal and fuel prices, to reduce the risk profile on these projects. In the trading activities in the Energy & Commodities Division the management continues to utilise back to back deals that do not create exposure to changing commodity prices. Hargreaves is a diversified, strong Group focused on a broad range of value added activities associated with the supply of solid fuel and the Board remains confident about the prospects for the group.

HERALD INVESTMENT TRUST (Mkt Cap £453.2m: 3.1% of NAV: Performance 10.6%) was launched in 1994 to invest in smaller quoted Technology, Media & Telecom stocks. The majority of assets are invested in the UK market and the portfolio is very diversified with some 240 holdings, so individual stock risk is relatively low, while there is very little net gearing at the present time. Little interest is being shown by institutional investors in this area of the market as reflected in very little IPO activity, leading to low valuations, thereby leaving the door open to takeover activity, particularly by US companies. The Trust's total return was 12.3% in 2012, with UK investments accounting for just over 70% of its portfolio.

GREAT PORTLAND ESTATES (Mkt Cap £1,705.5m: 2.6% of NAV: Performance 40.4%) is a fully exposed London offices and retail REIT, with an 80% weighting in the West End and the balance in the City and Southwark. The Group's average office rent remains low at £38 per sq ft and "conditions in London's commercial property markets remain supportive; the demand for well laid out retail and office space in good locations is attracting healthy levels of tenant demand, whilst the availability of such space, particularly in the core of the West End, is in short supply. As a result, we expect rental values across our portfolio to continue their upward trend." There are two commercial property markets in the UK, Central London and the rest of the country. The company's pre-letting successes have de-risked its committed development pipeline, as well as allowing it to switch on further schemes. There are 16 uncommitted schemes totaling 2.6m sq ft, including two "jewels", namely the two major land holdings and Crossrail beneficiaries at Hanover Square and Rathbone Place, both London W1. Great Portland Estates announced good interims and a £140m placing last November to take advantage of market opportunities, since when the company has made its second acquisition, meaning 69% of the proceeds are now deployed. Since raising £166m in the May 2009 rights issue the company has made £644m of acquisitions, delivering an ungeared IRR of about 18% pa. "Our portfolio, 100% in central London, is rich with asset management and development opportunity and is well positioned for further growth". Meanwhile, the amount of safe haven capital flowing into the central London property market shows no signs of diminishing.

GALLIFORD TRY (Mkt Cap £751.5m: 2.6% of NAV: Performance 55.1%) set out a strategy in September 2009 to transform its house building business by carrying out a rights issue to raise £125.6m, setting the ambitious objective of doubling the size of the house building division by the end of the third year and targeting a significant increase in profits and return on capital. The plan was to create a business that could deliver around 3,000 units a year with a deliberate focus on the South of England where the market is more robust. These objectives have been exceeded and in addition, the group has maintained a high quality and profitable construction order book. The current strategy is to enhance the quality of earnings and improve cash flow, enabling the group to pursue a progressive and sustainable dividend distribution policy. A strong balance sheet and a disciplined growth strategy with a clear focus on improving margins by improving building practices and benefitting from a positive undertow in the work out of legacy land. Galliford Try raised its interim dividend by 33% and in a stable market is seeing continued momentum in house building and will continue to focus on margin enhancement. The total land bank is currently 10,700 plots, 84% of which had been acquired under current market conditions. 100% of land is secured for the financial year to 30 June 2014 and 65% is secured for 2015, supporting the strategy of delivering incremental operating margin growth. The strategic land totals 1,523 acres, from which 7,000 plots are expected to be generated. Selling prices are slightly above expectations as the spring selling season gets in to gear. The reinvigorated housing market could pick up further now that the Government's existing funding for the Lending Scheme, which has slashed mortgage interest rates along with a record low base rate, has been bolstered by the introduction of the Help to Buy mortgage guarantee policy in the latest budget, with commentators suggesting the Chancellor is mistaking a supply-side problem for a demand-side problem, making it likely that an increase in demand will drive up prices, make it easy to build new homes and house prices might fall. The construction business is delivering a robust performance against the backdrop of a difficult market. The group is well positioned to deliver further profitable growth in 2013 and beyond.

HANSTEEN HOLDINGS (Mkt Cap £544.6m: 2.5% of NAV: Performance 24.6%) has a heavy portfolio weighting in Germany (55%) and a strategy of buying high yielding industrial properties at less than replacement cost, with opportunities to add value and manage them intensively via locally based management teams for income and capital growth. The key is purchase price, financing structure and management approach. "The likelihood is that the next five or six years will be a period for acquiring and intensively managing. Whilst there will be selective sales there are unlikely to be large-scale realisations. Most likely, the bulk of the returns to our shareholders will be from growing income and dividends. Later in the cycle capital returns will become more significant." The company announced a reassuring set of final figures, proving its business model. Since 2005 the company has paid a covered dividend which has grown by 50% over the period and the Board intends to maintain its prudently progressive dividend policy for the foreseeable future. The decision to build Hansteen's direct marketing and asset management teams across the UK, Benelux and Germany is now providing the Group with the platform to better exploit the existing portfolio and affords the opportunity to efficiently absorb any new acquisitions. There is still nearly 18% of the portfolio vacant and available to improve earnings and NAV. Germany continues to be the strongest market but the UK and even the Benelux are showing increasing enquiries.

ANDOR TECHNOLOGY (Mkt Cap £119.3m: 2.5% of NAV: Performance -25.6%) is a global leader in the development and manufacture of high performance scientific digital cameras for academic, industrial and government applications. The company is continuing to see strong growth in Asia Pacific, offset by weaker sales in Europe and the US. Trading last year was affected by an earlier absence of orders from two of the company's US customers, one of which has now returned to more normal ordering patterns, but still leaving a gap in 2012 order flow. Andor's revenues and profits for the full year were still modestly ahead of the prior year, while earnings rose 14% with the tax charge reducing to 15% due to R&D tax credits and one off items. Net cash ended the year at £17.1m. 2013 is expected to see a slower sales growth rate than is normal because of the potential impact of US Federal Government spending cuts on research budgets and the US budget sequestration. Innovation and new product delivery is key to Andor's continued growth and the company has maintained its commitment to research and development and has a clear strategy for growth in the mid-range camera market, where the new mid-range Zyla camera has been well received. Andor is now the market leader in a number of key segments. The company is well placed to broaden its activities further by acquisition, targeting adjacent markets such as machine vision and security. The company has been building up sizeable cash reserves over the last few years and the board now considers it appropriate to pay a maiden dividend of 2p and intends to adopt a progressive dividend policy which reflects the long-term earnings and cash flow potential of the company. The latest trading update for the six months to 31 March 2013 anticipated cash balances at the period end of in excess of £20m and a strengthened order book, driven by a strong performance in the OEM segment, although the drawdown against the OEM order book has been less than expected.

BHP BILLITON (Mkt Cap £40,430.9m: 2.5% of NAV: Performance 2.3%) is the largest mining company in the world with tier 1, high volume, low production cost, long-life and expandable upstream assets, diversified by commodity, geography and market. The company expects industrialisation and urbanisation of China and other emerging economies to continue to support strong demand for many commodities in the long-term, but takes the view that the commodity supercycle is decelerating in the short term, rather than coming to an end. BHP Billiton is more of a resources company than a miner, with the Petroleum Division contributing 23% of EBIT, which it is prepared to see rising to 40% of EBIT if that is how opportunities and projects develop and, in due course exposure to phosphates, in one sense a proxy for food production. Oil is more defensive than metals and phosphates are likely to be so too. Now that Chinese investment growth is slowing, BHP is scaling back its previously announced capex plans. BHP announced a solid set of interim results and the appointment of Andrew Mackenzie, a Scot, as CEO, who is "committed to drive an agenda of productivity" as the sector is switching its focus from growth to a battle to protect profit margins by cutting costs. Capital discipline is the new order, which will result in improving management of long-term capex for realistic near term cash returns. For FT13, 20 major projects are currently in execution with a budget of US$22.8bn and the company has stated that no major project approvals are expected in the next 12 months. BHP has provided an update for Olympic Dam (a mine with a life of at least 100 years), delaying the project to investigate an alternative, less capital-intensive design. The new prudence, "We are absolutely determined to bend the cost trend," is going down well with investors, who see the move as protecting cash for dividends or share buy backs and for new investment opportunities in the current downturn. Meanwhile improving Chinese lead indicators and a supportive iron ore price have instilled a sense that China's demand impact in H1 13 might be more material than previously expected.

UNITED BUSINESS MEDIA (Mkt Cap £1,729.3m: 2.4% of NAV: Performance 17.7%) focuses on two principal activities: worldwide information distribution, targeting and monitoring and the development and monetisation of B to B communities and markets, with 6,000 staff in more than 30 countries. UBM's business mix has been moving towards more attractive divisions and geographies, namely Events and US/emerging markets including China, through a combination of organic growth and acquisitions. This lengthy process of transformation from media conglomerate to focused Events business is an attractive transformation given the better visibility and structural growth opportunities. Post the sale of its Data Services business for a £160m headline price, Events, the valuable part of UBM and a secular growth story, now represents 75% of group proforma EBITA, leaving the shares as the only effective larger cap play on Events, with a focus on large trade shows. The largest 20 shows account for just under half of annual revenues and altogether 100 annual events generated revenues of more than US$1.0m each, accounting for 85% of annual revenues, while Emerging markets account for 43% of annual Event revenues. This should be the catalyst for a re-rating of the shares, while also allowing the re-focused company to choose from returning cash, reducing debt and/or making more earnings accretive Events acquisitions. UBM's Events business comes out very well against its peers, both on an organic revenue growth basis and also on margins and events/exhibitions are often the only occasion when industry players can get together. Management can now focus on further developing UBM as a fast-growing and increasingly profitable Events-led marketing services & communications business operating in growing economies and sectors.

CENTRICA (Mkt Cap £19,052.8m: 2.4% of NAV: Performance 22.0%) is the UK's largest energy supplier with 41% of the gas market, 25% of the electricity market and 7% of the UK power generation market. Some 70% of Centrica's operating profit arises from two divisions, Centrica Energy, the upstream business and Centrica Residential, the downstream business, with a continuing trend towards vertical integration between the two. Centrica's strategy of increased vertical integration and improving operational efficiency has enabled it to continue to grow, despite the challenging economic environment and volatile commodity prices. Strong cash generation and a good balance sheet underpin significant spend on organic capex and acquisitions as well as future dividend growth. British Gas Services is targeting double-digit profit growth through operational efficiencies. Centrica will exit its new nuclear JV with EDF and return surplus capital of £500m to shareholders via a share buyback, showing that discipline around capital deployment remains intact. Final results came with a 6% increase in the dividend and further progress in building a more sustainable, vertically integrated, cost effective and customer focused business, with meaningful geographic diversity and with North America a more material part of the Group, where it already has 3.5m residential customers, mainly in Texas and the US North East, as well as 0.4m B2B business services accounts. A recent landmark 20 year period liquefied natural gas (LNG) supply deal with North American based Cheniere Energy will help diversify Centrica's energy mix and marks the first deal of its kind for a UK supplier looking to move into cheap US shale gas.

HSBC HOLDINGS (Mkt Cap £130,414.8m: 2.4% of NAV: Performance 32.3%) has significant exposure to emerging markets, particularly Asia (some 75% of the bank's total profits) and is entirely retail funded, with a loan to deposit ratio of 75%, making it a net lender into wholesale markets. HSBC has reiterated that it is confident it will achieve cost savings at the top end of its US$2.5-3.5bn target range by the end of 2013, demonstrating that costs are under control and at the same time Stuart Gulliver thinks the bank can hit its target ROE range of 12-15%. HSBC's final 2012 results were helped by a drop in the bad debt charge, particularly in the US unit and strong revenue growth in the Global Banking and Markets business and record reported PBT in Commercial Banking. HSBC is well into its three year restructuring plan to simplify the business, having announced 26 transactions to dispose of or close businesses in 2012, making a total of 47 since the start of 2011. The bank also generated sustainable cost savings of US$2bn in 2012, taking annualised savings to US$3.6bn. It announced a 29% increase in the final dividend and the Board intends to increase the first three quarterly dividends in 2013 by 11%.

GLAXOSMITHKLINE (Mkt Cap £75,531.7m: 2.3% of NAV: Performance 16.3%) has benefitted from its "defensive" attractions of cash generation and a decent yield. A compelling long-term buy amidst a backdrop of zero interest rates and negative real yields. Meanwhile the proportion of world GDP spent on healthcare is expected to rise as technology advances in pharmaceuticals and medical equipment and devices continue to improve health and life expectancy. This might suggest GlaxoSmithkline is like a supercharged inflation-linked bond, offering the win/win of superior growth and a higher starting yield. While it is the first large-cap pharma to exit the patent cliff and has minimal hard patent risk until 2015/16, it does face risk with its top selling drug, Advair, which accounts for about 30% of EBIT. The company is struggling to return to sales and margin growth mode promised by CEO Andrew Witty, increasing the pressure on the company to execute on its pipeline, where regulatory and execution hurdles are high. The company has cleaned up the majority of its liabilities and management has been disciplined in its M&A efforts and has had the confidence to invest in its pipeline, at a time when the market was expecting a focus on margins and expectations are very low when it comes to possible blockbusters. Darapladib and MAGE-A3 are of greatest interest, each one capable of being transformational to earnings in its own right. Darapladip is attempting to become a significant disruptive technology to the multi-billion dollar statin market. GSK has been testing "cancer therapeutic vaccine" MAGE-A3 in trials for metastatic melanoma and non-small cell lung cancer. Given GSK's vaccine expertise the company has as good a chance as any of making the breakthrough. So, the Group remains highly cash generative and there appears to be a good pipeline of new products, with the potential to launch eight major new drugs and vaccines in the next two years. The company reported better than expected Q4 results and a FY2013 share buy-back in the region of £1-2bn, as well as more restructuring which should yield benefits of some £1bn pa by 2016, at a cost of £1.5bn. The company has been through the majority of its patent expiries, big liability settlements and enjoys a strong balance sheet with little M&A risk as well as tail winds from weakening Sterling.

KOFAX (Mkt Cap £281.6m: 2.2% of NAV: Performance 2.7%) strategy has evolved into a single corporate vision statement, namely, to be the leading provider of capture-enabled business process management and analytics solutions. These solutions provide a rapid return on investment to thousands of customers in banking, insurance, government, business process outsourcing and other markets. Kofax benefits from a customer base comprising over 20,000 named end-user accounts and delivers these solutions directly through its own sales organisations and a global network of more than 800 authorised partners throughout the Americas, EMEA and Asia Pacific. CEO Reynolds Bish, former CEO of Captiva, which was acquired by EMC, has assembled a new management team, following the disposal of the non-core hardware distribution business and built a direct sales strategy in order to transition the business model to that of an enterprise software vendor, moving Kofax away from the traditional batch capture market, where it is market leader, towards the "smart process applications" market, targeting the "First Mile" of customer-generated content as it travels through enterprise processes. Including potential earn-outs, Kofax, which is highly cash generative, has spent US$71m on acquisitions between 2011 and 2013 to fill technology and product gaps, in addition to a programme of intensive organic R&D, which together with a more coherent sales organisation should contribute to a resumption of high margin licence revenue growth in the second half of this year. Software licence revenue declined in the six months ended December, principally due to a large sale in EMEA slipping, which was subsequently announced in March as a US$4.8m contract with a national government agency in Western Europe, problems with the sales organisation in the Americas, which have now been fixed and a decline in software licence sales in the legacy capture products. More encouragingly the new mobile capture product revenue grew faster than expected and product revenues from the Singularity and Atalasoft acquisitions grew more than 100%. Half year end cash increased to US$87.0m (US$62.3m) and management believe they "are now at a turning point and should begin to once again report software licence and total revenue growth".

CAPE (Mkt Cap £378.0m: 2.1% of NAV: Performance -20.2%) is an international provider of essential, non-mechanical support services to the energy and mineral resources sectors. Cape is fundamentally well placed to benefit from the rise in global energy demand over the next few years, but poor execution threw a spanner in the works. In March 2012 Cape announced that work releases on an Algerian contract had been slower than expected, with revenues in 2011 less than one-third of planned levels and CEO Martin May left the company, being replaced on an acting basis by Brendan Connolly. A further project review was held in mid-April, during which no material concerns were highlighted by the project team and a trading statement on 1 May confirmed "that overall trading has been in line with the board's expectations. The bombshell came on 25 May when Cape announced its intention to recognise a one-off charge of £14m in respect of current and estimated future losses on the contract, followed by the announcement on 30 May of the appointment of Joe Oatley, former CEO of Hamworthy, as CEO, who had run Strachan & Henshaw, a contracting business within Weir. In August Cape announced its third profit warning, saying full year results for 2012 and 2013 would be materially lower than expected, this time caused by a slowdown of onshore work in Australia. At the end of August management showed their confidence in the outlook for the business by maintaining the interim dividend. In November Cape flagged that full year operating profit would be significantly below previous expectations as trading conditions onshore Australia had deteriorated further, with Cape unable to replenish its project pipeline as awards slowed, while the high-margin Pluto LNG contract was drawing to a close and the company would take a charge against the carrying value of the Australian assets in the full year results. The trading performance of the Group's businesses in the UK, CIS/Mediterranean & North Africa and Gulf/Middle East regions and Asia was in line with expectations and "the Group's financial position remains robust". With new management in place (Joe Oatley, CEO, ex-Hamworthy; Michael Speakman, CFO, ex-Expro) the company will be able to take advantage of excellent growth opportunities in global markets, particularly in the Far East, where both Offshore and LNG markets are growing rapidly as Cape faces limited competition and has a strong safety track record, which continues to distinguish it amongst peers, while the consistent performance of the UK business which benefits from a largely defensive maintenance business has been overshadowed by difficulties in other geographies. The final dividend for the year ending 31 December 2012 was held, with the UK business achieving a record adjusted operating profit of £30.6m, offset by poor performances on the Arzew Project and in the Onshore Australian business, which has been restructured. A balance sheet review saw an exceptional and other items charge of £159.4m primarily relating to Onshore Australia and a further £39.2m post-tax charge in respect of discontinued operations, so the group started 2013 with a clean set of accounts and balance sheet gearing of 36.6%. A focus on operational performance should deliver much improved margins in 2013 and with a range of growth opportunities for 2014 and beyond Cape is well positioned to deliver long-term earnings growth and the new management team looks forward to the future with confidence.

BP (Mkt Cap 88,174.6m: 1.8% of NAV: Performance 4.5%) share price was about 630p before the Deepwater Horizon tragedy in the Gulf of Mexico some two years ago, a disaster that at one point threatened BP's very survival. BP agreed to sell its TNK-BP stake to Rosneft for US$26.3bn, eventually leaving it with a 19.75% stake in Rosneft, which in turn becomes the world's largest listed energy company. Including the sale of its half of TNK-BP to Rosneft, the total sales proceeds amount to US$65bn. BP's Q3 results were well received while the company says it is on track to deliver its 10 point plan for 2014, which includes plans to grow free cash flow, while focusing and increasing investment in its upstream activities, while reducing downstream operations. Since 2010, BP has accessed about 400,000 sq km of new acreage, more than double the area secured in the previous nine years, as well as cutting the number of upstream installations it operates by 50% and the number of operated wells by about a third, to reduce complexity and risk. BP has not yet been able to draw a line under the Gulf disaster. In December a US court approved a US$7.8bn settlement between the group and private sector plaintiffs affected by the spill and last November BP agreed to a US$4.5bn settlement to resolve criminal charges relating to the disaster. However, it still faces claims for civil penalties and damages from federal, state and local authorities and a line will only be drawn under Deepwater Horizon when the size of the damages has been clarified. BP's final results show that it has become more focused on oil rather than gas following the extensive divestment program and its portfolio is more concentrated on conventional rather than unconventional energy.

WOLSELEY (Mkt Cap £8,968.2m: 1.7% of NAV: Performance 36.2%) is the world's largest specialist trade distributor of plumbing and heating products to professional contractors and a leading supplier of building materials in North America, the UK and Continental Europe. After being hit hard by the recession in 2009, the group has returned to good health under a new management team which has completed disposals and a restructuring of the business. Over half of Wolseley's sales are expected to come from the US in 2013 and it has been and is expected to continue to be the engine of growth for the group. Although markets remain very competitive, Wolseley continues with its policy of self-help, being very tightly run and making progress largely driven by market share gains, with an underlying trading margin of over 5% with scope for further improvement, while continuing to be highly cash generative. The restoration to health was confirmed with the full year results to July 2012 when the Group paid a final dividend of £115m on 30 November and a £350m special dividend on 31 December, a measure of the speed with which the Group has recovered from the dark days of 2008-2009 when shareholders supported a £1bn rescue rights issue, as debt was running at £3bn. That rights issue cash and another £2bn in operating cashflows has wiped out the debt. Ferguson, the US subsidiary, has outperformed its market strongly as its distribution centre model is unique in the industry and has given it economies of scale (being twice the size of its next biggest competitor) and the ability to offer a range of 50,000 stock-keeping units, compared to around 6,000 at single branch competitors leaving it in a strong position to benefit from the recent strengthening in new US housing starts. There is no sector of America's economy that is more cyclical than housing and some commentators think that the latest upturn could turn in to a boom by 2015, driven by a combination of improving house prices, rising rates of household formation and population growth, a lower inventory of homes for sale and last but by no means least improving access to mortgage credit. Detailed plans are being worked up to simplify and refocus the French business, including a proposed disposal or closure of up to 40% of its network to create a strong regional player in the North. Sterling weakness is helpful for Wolseley's reported profits as 87% of group sales are translated from foreign currencies into Sterling.

ENI S.P.A. (Mkt Cap €63,707.3m: 1.7% of NAV: Performance 7.9%) is selling 30% of its 52.5% holding in Italian gas distributor Snam to Italian State holding company CDP as the first step in a complete disposal. This will see a large reduction in ENI's balance sheet gearing and a sharp increase in E&P exposure. As a result of its improved gearing ENI will authorise the restart of a share buyback programme, with the Italian government maintaining its holding in ENI at 30%. ENI's 43%-owned subsidiary Saipem, which represents ENI's Engineering and Construction business issued a profit warning, guiding 2013 EBIT to be 50% lower than its 2012 guidance, which has seen a reduction in ENI's earnings expectations of between 1-4% pa over the next three years. ENI's Q4 results looked quite strong, with production volumes up 4% y/y in the quarter and 7% for the full year largely as a result of the recovery of Libyan output. The target is to grow volumes by more than 3% pa over 2011-15, after adjusting for the Libyan outage, followed by growth of 3% pa from 2015 to 2021.

ROYAL DUTCH SHELL's (Mkt Cap £56,806.7m: 1.2% of NAV: Performance 4.4%) figures have continued to be volatile over recent quarters, with a significant miss in the second quarter due to temporary factors. However, Q3 earnings were ahead of market expectations. Its key targets are to improve cash flow by 50% to US$200bn over the 2012-15 period and by 2017-18 oil & gas production is expected to be 4 million barrels oil equivalent. Gearing is low and Shell's cash flow projections give it the opportunity to fund its heavy capital investment programme and at the same time grow the dividend. A Q4 earnings disappointment was offset by the guidance for a dividend increase of 5% and the re-emphasis of the 2012-15 cash flow, capex and volume targets which underline the strength of prospective free cash flow.

GOALS SOCCER CENTRES (Mkt Cap £70.4m: 1.1% of NAV: Performance 29.9%) is the leading player in the fast-growing 5-a-side soccer market, operating 43 centres in the UK, one in Los Angeles and has established a pipeline in excess of 40 sites. The latest interim figures were overshadowed by the recent failed 144p per share bid from Ontario Teachers' Pension Scheme, blocked by just over 25% of shareholders on the grounds it undervalued the business. The barriers to entry are high in this market and the cost of the centres is mostly in the build and once the capital is sunk the on-going running costs are relatively marginal. A focus on strong cash generation to continue reducing debt levels, while enhancing return on capital from immature sites opened since 2008, is the main story going forwards. Meanwhile, a new innovative modular build concept has been successfully developed at Chester on time and on budget, reducing capital expenditure to £1.5m per centre from £2.3m and reducing the build time to 14 weeks from 22 weeks, significantly improving return on capital. The current year appears to have started reasonably well with like for like sales up 3%. One extra game per day in each of the 43 branches equates to an additional £0.8m of EBITDA, a reflection of the high operational gearing.

BROOKS MACDONALD GROUP (Mkt Cap £187.8m: 1.1% of NAV: Performance 12.4%) is an AIM listed integrated wealth management group with 361 staff members, £4.62bn of funds under management, operating out of ten offices. The group offers a centralised investment management service covering discretionary private client asset management, financial advisory and employee benefits consultancy, fund management, specialist estate management, the provision of investment administration and the provision of offshore investment management, retirement solutions and administration. The group was established in 1991, floated in 2005, has never borrowed money, has always been very prudently run, is strongly cash generative in nature, has always operated with a clean 1% flat management fee with no performance fees and the management are the largest shareholder group, controlling well over a third of the group. Spearpoint, a Jersey based asset manager, was acquired last November, expanding Brooks Macdonald's geographic footprint into the Channel Islands, adding scale with discretionary funds under management of £686m including Funds totaling £85m, together with advisory assets of £357m and adding offshore and international capability together with the acquisition of a strong investment management and pensions team. The integration of the team in to Brooks Macdonald has gone well and is expected to begin to contribute to group growth in the second half of the calendar year. The attractions of the deal are the expansion of capability and distribution opportunities as opposed to cost savings. A good organic growth opportunity remains for Brooks Macdonald, predicated on continued expected strong growth in SIPP adoption, favourable UK demographic trends, offshore and international opportunities and finally greater capacity utilisation, resulting in an improving operating margin. Operating margins on a net revenue basis are currently running at about 19% and something nearer 30%, might be achievable in the longer term as the business matures. Although the trend for IFA outsourcing is likely to slow down post-RDR, as the benefit from first time adoption of outsourcing arrangements diminishes, management continue to re-affirm that their 20% pa organic growth target remains valid for FY13 and FY14 in spite of RDR, with growth in SIPPs in particular providing a substantial growth opportunity.

OUTLOOK

Over the medium-term it is economic growth and rising corporate profitability that drives stock prices, although central bank monetary policy is providing good support as the money printed flows in to high-end real assets like the stock market, prime real estate, art, etc as the banks remain a blockage in the monetary transmission mechanism, preventing the money from flowing to the vibrant private small business sector where capital rationing continues, creating a credit shortage where it is most needed. Encouragingly US economic figures have continually surprised on the upside since last autumn. A showdown over the fiscal cliff at year-end was avoided with a delay of the debt ceiling pushed out to mid-late summer. The sequester, or automatic spending cuts, amounting to some 0.5% of GDP was imposed but consumer spending has held up well in the face of tax increases. The housing sector is gaining considerable momentum and could have a long way to run, while household balance sheets have benefitted from rising home prices and a buoyant stock market and bank credit is once again powering the recovery as US banks are lending once more. The US is becoming more competitive when looking at productivity-adjusted labour costs, with greater US capex resulting from less off-shoring now that the Pacific rim has become less competitive. Factory orders advanced 3% in February, the biggest increase in five months, on the back of higher demand for autos and commercial aircraft, as well as increased orders for metals and electrical equipment. Developments in the shale oil & gas are a game changer when it comes to energy costs. There are hopes that the US economy, the largest in the world, is gaining enough momentum to become self-sustaining and more impervious to external shocks. The Fed continues to be more focused on the growth outlook than the threat of future inflation and more worried about the potential downside risks to a sustainable economic recovery than upside potential. About 236,000 new jobs were created in February and the unemployment rate fell to 7.7% from 7.9% and the Fed is committed to a sustained improvement in labour market conditions while the unemployment rate remains more than a full percentage point above the 6.5% level at which the Fed has indicated it might contemplate raising rates, suggesting markets are likely to continue to remain buoyed by exceptionally accommodative monetary conditions for some time to come, even when unconventional stimulus ends. Investors are less worried about China's slowing, with economic growth accelerating for the first time in two years at the end of 2012. In Japan, Prime Minister Abe has pledged to revitalise the economy through fiscal and monetary means, following the US example of no holds barred monetary radicalism in his determination to end deflation and spur economic growth. The Bank of Japan will aim to double the monetary base over two years, through the aggressive purchase of long-term bonds to achieve a 2% inflation goal. No major economy has greater sensitivity to currency moves than Japan, so a weaker Yen will help to boost the earnings of exporters. The bigger question is whether Japan's vested interests will prevent the economy from much needed structural reform, as has been the case for almost three decades. The economy needs deregulating and productivity needs to be much higher and there must be a willingness to accept the pain of reform, as monetary policy only buys time, but is not the panacea. No economic policy exists to offset the adverse impact of a rapidly ageing population and the impact of a shrinking working age population on domestic demand and no policy exists to reduce the burden of financing a run-away fiscal deficit, or service a completely unsustainable mountain of public sector debt, other than one last desperate attempt to inflate it away. Europe has contributed very little to global economic growth over the past ten years and investor sentiment is discounting no hope of a decent recovery in the foreseeable future. Having said that Europe didn't have a meltdown in 2012 and the Euro survived, so it may be premature to take the line of a leading economist, that "in short, Europe could become as irrelevant to markets and the world economy in the next decade as Japan has been in the past 20 years". Time will tell.

In the meantime animal spirits are stirring in corporate boardrooms. The US corporate sector is back in hiring mode, as payroll employment growth has averaged over 200,000 per month over the past four months and the ISM has firmed. There has been a revival in big deals with Liberty Global's US$23.3bn purchase of Virgin Media, Comcast's US$18.1bn NBC Universal buyout and the Dell and Heinz go-private deals for US$24.4bn and US$28bn respectively, while the IPO markets have re-opened on both sides of the Atlantic. Sterling's sharp fall since the beginning of the year reflects concerns about inflation as the Bank of England remains the most dovish of all major central banks, as it is now aiming at meeting its inflation target of 2% in three, rather than two years, while also reflecting the view that the UK's economic outlook is nearly as bad as the Eurozone's. US GDP is already 2.4% above previous peak, while UK GDP is 3.3% below previous peak and UK household leverage is much higher than that of the US. Sterling could remain weak which is positive for UK equities in local currency terms, given that about 70% of FTSE 100 revenues come from overseas and many dividends are denominated in US Dollars, so dividend growth could be double digit this year rather than earlier estimates of about an 8% increase. In addition, a rise in inflation expectations is good for equities, which are an inflation hedge. The rotation or migration into assets that have higher economic risk exposure has been very slow during this investment cycle, as investor confidence has been very slow to revive against the headwinds of banking crises, sovereign debt crises and uncertainty caused by a sluggish economic recovery in the developed world, despite the use of unorthodox monetary policies. The global hunt for yield continues against a background of record low interest rates around the world, with investors increasingly looking to equity markets in their search for income. Many institutions, like pension funds, have allocations to equities that are well below the average of the last fifty years and nobody seems to be in a hurry to increase them. Investors are creeping out on the risk spectrum in a very cautious way, with much of the flow into equities coming from cash and going in to defensive sectors like healthcare and consumer staples, while a bond selloff has yet to materialise. A great rotation? Who knows. However, when allocations to equities are on the low side and investor attitudes are generally one of disinterest or fear as is now the case, there is less likelihood that being invested is an error. After all, cash and the majority of bonds are pretty well guaranteed to be loss-making investments in real terms, unless the world enters a period of general deflation, which is exactly what central banks are determined to avoid "at all costs".

Hansa Capital Partners LLP
Investment Manager
April 2013

Portfolio Information

as at 31 March 2013

Investment	Fair value £000	Percentage of Net Assets
Ocean Wilsons Holdings Limited	97,269	37.4
NCC Group Plc	10,312	4.0
Experian Group Limited	10,260	3.9
Weir Group Plc	9,940	3.8
BG Group Plc	9,506	3.7
Hargreaves Services Plc	8,290	3.2
Herald Investment Trust Plc	8,037	3.1
Great Portland Estates Plc	6,843	2.6
Galliford Try Plc	6,725	2.6
Hansteen Holdings Plc	6,510	2.5
Top 10 Investments	173,692	66.8
Andor Technology Plc	6,454	2.5
DV4 Ltd #	6,432	2.5
BHP Billiton Plc	6,415	2.5
United Business Media Plc	6,341	2.4
Centrica Plc	6,320	2.4
HSBC Holdings Plc	6,220	2.4
GlaxoSmithKline Plc	6,154	2.3
Kofax Plc	5,657	2.2
Cape Industries Plc	5,464	2.1
BP Plc	4,599	1.8
Top 20 Investments	233,748	89.9
Wolseley Plc	4,503	1.7
Eni S.P.A	4,434	1.7
Royal Dutch Shell Plc	3,139	1.2
Goals Soccer Centres Plc	2,877	1.1
Brooks MacDonald Group	2,824	1.1
Lloyds Banking Group Plc	2,272	0.9
Qinetiq Group Plc	2,073	0.8
Cairn Energy Plc	1,453	0.6
Petroceltic International Plc	1,205	0.5
All Leisure Group Plc	864	0.3
Top 30 Investments	259,392	99.8
Other Investments (24)	3,011	1.2
Total Investments	**262,403**	**101.0**
Net Current Liabilities	(2,495)	(1.0)
Net Assets	**259,908**	**100.00**
Listed	208,405	79.4
AIM and OFEX	47,106	18.0
Unquoted	6,892	2.6
	262,403	**100.0**

Unquoted

Directors' Remuneration Report

The Board has prepared this report in relation to all Directors who have served during the year and in accordance with the requirements of s.420-422 of the Companies Act 2006. An ordinary resolution for the approval of this report will be put to the shareholders at the forthcoming AGM.

The law requires your Company's Auditor to audit certain of the disclosures provided. The disclosures on the Directors' emoluments for the year have been audited and the Auditor's opinion is included in its report on page 41.

REMUNERATION COMMITTEE

The Company has five non-executive Directors. The Board as a whole fulfills the function of a remuneration committee. The Board has appointed the Company Secretary to provide relevant information when the Directors consider the level of Directors' fees.

The Board regularly carries out a review of the level of Directors' fees.

POLICY ON DIRECTORS' FEES

The Board's policy is that the remuneration of non-executive Directors should not include a performance related element and that Directors do not receive bonuses, share options, pensions or long-term incentive schemes; however it should reflect the experience of the Board as a whole, be appropriate for the work carried out and the responsibilities undertaken. It is intended that this policy will continue.

The fees for the non-executive Directors are within the limits of £150,000 in total, set out in the Company's Articles of Association.

DIRECTORS' SERVICE CONTRACTS

It is the Board's policy that all the Directors have a service contract which are currently being reviewed in light of the implementation of the AIFMD. None of the service contracts is for a fixed term. The terms of appointment provide that a Director shall retire and be subject to re-election at the first AGM after appointment. The Board has decided that each Director will retire annually at the AGM and seek re-election as appropriate. The terms also provide that either party may give three months' notice and in certain circumstances a Director may be removed without notice and that compensation will not be due on leaving office. There are no agreements between the Company and its Directors concerning compensation for loss of office.

DIRECTORS' ATTENDANCE

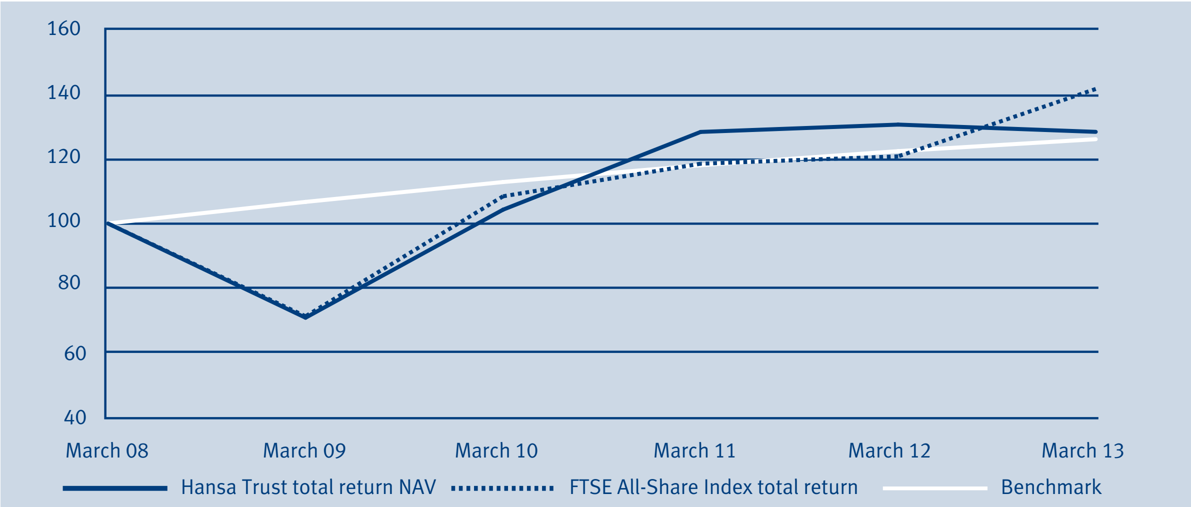
The Directors meet as a Board on a quarterly basis and at other times as necessary and the table below sets out the number of meetings and the attendance at them by each Director.

	Strategic	Board	Audit Committee
Number of meetings held	1	5	2
Number of meetings attended:			
Mr Hammond-Chambers	1	5	2
Lord Borwick	–	3	1
Mr Davie	1	1	–
Lord Oxford	1	1	–
Mr Salomon	1	5	2
Professor Wood	1	5	2

YOUR COMPANY'S PERFORMANCE

The graph below shows the five year cumulative total return to shareholders against the FTSE All-Share Index total return and the Company's performance benchmark.

BENCHMARK COMPARISON



DIRECTORS' EMOLUMENTS (AUDITED)

The Directors who served in the year received the following emoluments in the form of fees:

	2013 £000	2012 £000
Mr Hammond-Chambers (Chairman of the Board)*	**30**	30
Lord Borwick**	**7**	20
Mr Davie***	**5**	-
Lord Oxford***	**5**	-
Mr Salomon****	**18**	18
Professor Wood	**20**	20
	85	88

* The amounts due in respect of Mr Hammond-Chambers' fees are paid to his service company.

** Retired 31 July 2012.

*** Appointed 1 January 2013.

**** In addition, Mr Salomon received fees during the year from two companies in which the Company had an investment. These were Ocean Wilsons Holdings Limited and DV3 Limited.

The Company pays National Insurance Contributions on the Directors' emoluments where applicable.

APPROVAL

The Directors' Remuneration Report was approved by the Board of Directors' on 21 June 2013 and signed on its behalf by Mr Hammond-Chambers.

Report of the Independent Auditor to the Members of Hansa Trust PLC

Independent auditor's report to the members of Hansa Trust PLC

We have audited the financial statements of Hansa Trust PLC for the year ended 31 March 2013 which comprise the group income statement, the group and parent company statements of changes in equity, the balance sheet of the group and parent company, the group and parent company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2013 and of the Group's loss for the year then ended;
- the group's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

Under the Listing Rules, we are required to review:

- the directors' statement, set out on page 17, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the U.K. Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on directors' remuneration.

Marcus Swales
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
21 June 2013

Group Income Statement

for the year ended 31 March 2013

	Notes	Revenue 2013 £000	Capital 2013 £000	Total 2013 £000	Revenue 2012 £000	Capital 2012 £000	Total 2012 £000
(Losses)/gains on investments held at fair value	11	**–**	**(8,809)**	**(8,809)**	–	1,404	1,404
Exchange losses on currency balances		**–**	**–**	**–**	–	(3)	(3)
Investment income	2	**6,193**	**–**	**6,193**	6,048	–	6,048
Other income	2	**–**	**–**	**–**	1	–	1
		6,193	**(8,809)**	**(2,616)**	6,049	1,401	7,450
Investment Management fees	3	**(1,512)**	**–**	**(1,512)**	(1,565)	–	(1,565)
Other expenses	4	**(753)**	**–**	**(753)**	(801)	–	(801)
		(2,265)	**–**	**(2,265)**	(2,366)	–	(2,366)
(Losses)/gains before finance costs and taxation		**3,928**	**(8,809)**	**(4,881)**	3,683	1,401	5,084
Finance costs	5	**(42)**	**–**	**(42)**	(154)	–	(154)
(Losses)/gains before taxation		**3,886**	**(8,809)**	**(4,923)**	3,529	1,401	4,930
Taxation	6	**(16)**	**–**	**(16)**	(4)	–	(4)
(Losses)/gains for the year		**3,870**	**(8,809)**	**(4,939)**	3,525	1,401	4,926
Return per Ordinary and ‘A’ non-voting Ordinary share	8	**16.1p**	**(36.7)p**	**(20.6)p**	14.7p	5.8p	20.5p

The Company does not have any income or expense that is not included in the profit/loss for the year. Accordingly the “Profit/Loss for the year” is also the “Total comprehensive income for the year”, as defined in IAS 1 (revised) and no separate Statement of Comprehensive Income has been presented.

The total column of this statement represents the Group’s Income Statement, prepared in accordance with IFRS. The supplementary revenue and capital return columns are both prepared under guidance published by the Association of Investment Companies.

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

The accompanying notes are an integral part of this statement.

Statement of Changes in Equity – Group

for the year ended 31 March 2013

	Note	**Share capital 2013 £000**	**Capital redemption reserve 2013 £000**	**Retained earnings 2013 £000**	**Total 2013 £000**	Share capital 2012 £000	Capital redemption reserve 2012 £000	Retained earnings 2012 £000	Total 2012 £000
Net assets at 1 April		**1,200**	**300**	**266,707**	**268,207**	1,200	300	262,613	264,113
(Losses)/gains for the year		**–**	**–**	**(4,939)**	**(4,939)**	–	–	4,926	4,926
Dividends	*7*	**–**	**–**	**(3,360)**	**(3,360)**	–	–	(832)	(832)
Net assets at 31 March		**1,200**	**300**	**258,408**	**259,908**	1,200	300	266,707	268,207

Statement of Changes in Equity – Company

for the year ended 31 March 2013

	Note	**Share capital 2013 £000**	**Capital redemption reserve 2013 £000**	**Retained earnings 2013 £000**	**Total 2013 £000**	Share capital 2012 £000	Capital redemption reserve 2012 £000	Retained earnings 2012 £000	Total 2012 £000
Net assets at 1 April		**1,200**	**300**	**266,707**	**268,207**	1,200	300	262,613	264,113
(Losses)/gains for the year		**–**	**–**	**(4,939)**	**(4,939)**	–	–	4,926	4,926
Dividends	*7*	**–**	**–**	**(3,360)**	**(3,360)**	–	–	(832)	(832)
Net assets at 31 March		**1,200**	**300**	**258,408**	**259,908**	1,200	300	266,707	268,207

The accompanying notes are an integral part of this statement.

BALANCE SHEET OF THE GROUP AND COMPANY

as at 31 March 2013

	Notes	**Group 2013 £000**	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Non-current assets					
Investment in subsidiary at fair value through profit or loss	*10*	**–**	–	**631**	632
Investments held at fair value through profit or loss	*11*	**262,403**	270,944	**262,403**	270,944
		262,403	270,944	**263,034**	271,576
Current assets					
Trade and other receivables	*13*	**439**	294	**439**	294
Cash and cash equivalents	*14*	**126**	137	**126**	137
		565	431	**565**	431
Current liabilities					
Trade and other payables	*15*	**(3,060)**	(3,168)	**(3,691)**	(3,800)
Net current liabilities		**(2,495)**	(2,737)	**(3,126)**	(3,369)
Net assets		**259,908**	268,207	**259,908**	268,207
Capital and reserves					
Called up share capital	*16*	**1,200**	1,200	**1,200**	1,200
Capital redemption reserve	*17*	**300**	300	**300**	300
Retained earnings	*18*	**258,408**	266,707	**258,408**	266,707
Total equity shareholders' funds		**259,908**	268,207	**259,908**	268,207
Net asset value per Ordinary and 'A' non-voting Ordinary share	*19*	**1,082.9p**	1,117.5p	**1,082.9p**	1,117.5p

The Financial Statements of Hansa Trust Plc, registered number 126107, set out on pages 42 to 59 were approved by the Board of Directors on 21 June 2013 and were signed on its behalf by:

A Hammond-Chambers

Alex Hammond–Chambers
Chairman

The accompanying notes are an integral part of this statement.

Cash Flow Statement

for the year ended 31 March 2013

	Notes	**Group 2013 £000**	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Cash flows from operating activities					
(Loss)/Gain before finance costs and taxation		**(4,881)**	5,084	**(4,881)**	5,084
Adjustments for:					
Realised losses on investments	*11*	**2,121**	4,388	**2,121**	4,388
Unrealised losses/(gains) on investments	*11*	**6,688**	(5,792)	**6,689**	(5,792)
Effect of foreign exchange rate changes		**–**	3	**–**	3
Increase in trade and other receivables	*13*	**(145)**	(13)	**(145)**	(13)
Increase/(decrease) in trade and other payables	*15*	**22**	(195)	**21**	(195)
Taxes paid		**(16)**	(4)	**(16)**	(4)
Purchase of non-current investments		**(1,319)**	(11,582)	**(1,319)**	(11,582)
Sale of non-current investments		**1,051**	8,412	**1,051**	8,412
Net cash inflow from operating activities		**3,521**	301	**3,521**	301
Cash flows from financing activities					
Interest paid on bank loans		**(42)**	(154)	**(42)**	(154)
Dividends paid		**(3,360)**	(832)	**(3,360)**	(832)
Repayment of loans		**(130)**	(7,470)	**(130)**	(7,470)
Net cash outflow from financing activities		**(3,532)**	(8,456)	**(3,532)**	(8,456)
Decrease in cash and cash equivalents		**(11)**	(8,155)	**(11)**	(8,155)
Cash and cash equivalents at 1 April		**137**	8,295	**137**	8,295
Effect of foreign exchange rate changes		**–**	(3)	**–**	(3)
Cash and cash equivalents at 31 March	*14*	**126**	137	**126**	137

The accompanying notes are an integral part of this statement.

1. ACCOUNTING POLICIES

The financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee ("IASC") that remain in effect, to the extent that IFRS have been adopted by the European Union. New and changed IFRS 9 and IFRS 13 in place, whilst not yet effective, are being reviewed by the Board to consider whether they will have a material effect on the financial statements.

These financial statements are presented in Sterling because that is the currency of the primary economic environment in which the Group operates. As permitted by Section 408 of the Companies Act 2006, an income statement for the Company has not been presented in the financial statements.

(a) Basis of preparation

The financial statements have been prepared on an historical cost and going concern basis, except for the valuation of investments and in accordance with the Statement of Recommended Practice ("SORP") for investment trusts, issued by the Association of Investment Companies ("AIC") in January 2009. The principal accounting policies adopted are set out below.

(b) Basis of consolidation

The Financial Statements comprise the accounts of the Company and its subsidiary undertaking made up to 31 March 2013. In the Company's Financial Statements the investment in its subsidiary undertaking is stated at fair value. All accounting policies are applied consistently throughout the Group.

(c) Presentation of Income Statement

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature, has been presented alongside the Income Statement. In accordance with the Company's Articles of Association, net capital returns may not be distributed by way of dividend. Additionally, the net revenue is the measure the Directors believe to be appropriate in assessing the Company's compliance with certain requirements set out in s.1158 CTA 2010.

(d) Non-current investments

As the Company's business is investing in financial assets, with a view to profiting from their total return in the form of income received and increases in fair value, investments are designated as fair value through profit or loss on initial recognition in accordance with IAS 39. The Company manages and evaluates the performance of these investments on a fair value basis, in accordance with its investment strategy and information about the investments is provided on this basis to the Board of Directors.

Investments are recognised and de-recognised on the trade date. For listed investments fair value is deemed to be bid market prices or closing prices for SETS stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange's electronic trading service covering most of the market including all FTSE 100 constituents and most liquid FTSE 250 constituents, along with some other securities.

Unquoted investments are stated at fair value through profit or loss as determined by using various valuation techniques, in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These include using recent arms length market transactions between knowledgeable and willing parties where available.

Gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item in the Income Statement and are ultimately recognised in the Capital Reserves.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, short-term deposits and cash funds with an original maturity of three months or less and are subject to an insignificant risk of changes in capital value.

(f) Investment Income and return of capital

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established. UK dividends are stated net of related tax credits, while overseas dividends and REIT income is stated gross.

When an invested company returns capital to the Company, the amount received is treated as a reduction in the book cost of that investment and is classified as Sale Proceeds.

(g) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except as follows:

(i) expenses which are incidental to the acquisition or disposal of an investment are charged to the capital column of the Income Statement; and

(ii) expenses are charged to the capital reserves, via the capital column of the Income Statement, where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.

(h) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Income Statement, because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

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

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

Approved Investment Trusts under s.1158 CTA 2010 are not liable for taxation on capital gains.

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

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

(i) Foreign Currencies

Transactions denominated in foreign currencies are recorded in the local currency, at the actual exchange rates as at the date of the transaction. Assets and liabilities denominated in foreign currencies at the year end are reported at the rate of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates, subsequent to the date of the transaction, is included as an exchange gain or loss in the capital or revenue column of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature respectively.

(j) Reserves

Capital reserves – Other

The following are credited or charged to this reserve via the capital column of the Income Statement:

– gains and losses on the disposal of investments;

– exchange differences of a capital nature; and

– expenses charged to the capital column of the Income Statement in accordance with the above accounting policies.

Capital reserves – Investment Holding Gains

The following are credited or charged to this reserve via the capital column of the Income Statement:

– increases and decreases in the valuation of investments held at the year end.

Revenue Reserves

The following are credited or charged to this reserve via the revenue column of the Income Statement:

– net revenue recognised in the revenue column of the Income Statement.

(k) Adoption of new and revised standards

Accounting standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's Financial Statements are listed below. This listing of standards and interpretations issued are those the Group reasonably expects will have an impact on disclosures, financial position and/or financial performance, when applied at a future date. The Group intends to adopt those standards (where applicable) when they become effective.

IFRS 13 Fair Value Measurement

In May 2011, the IASB issued IFRS 13 Fair Value Measurement. IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRS' require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRS or address how to present changes in fair value. The new requirements are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Group is considering what impact the adoption of this new standard will have on its financial position and/or performance, disclosures and stated accounting policies.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is currently effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurement of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

Partial Replacement of IAS 39 Financial Instruments: Recognition and Measurement

New standards IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities and revisions of IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income

The amendment to IAS 1 changes the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon de-recognition or settlement) would be presented separately from items which will never be reclassified. The amendment affects presentation only and therefore will have no impact on the Group's financial position or performance. The amendment became effective for annual periods beginning on or after 1 July 2012.

2. INCOME

	Revenue 2013 £000	Revenue 2012 £000
Income from quoted investments		
UK dividends	**3,436**	2,892
Overseas dividends	**2,757**	3,156
	6,193	6,048
Other income		
Interest receivable on AAA rated money market funds	**–**	1
	–	1
Total income	**6,193**	6,049

3. INVESTMENT MANAGEMENT FEE

	Revenue 2013 £000	Revenue 2012 £000
Investment management fee	**1,512**	1,565
Total management fee	**1,512**	1,565

Details of the Investment Management Agreement are disclosed in the Report of the Directors on pages 16.

4. OTHER EXPENSES

	Revenue 2013 £000	Revenue 2012 £000
Administration fees	**100**	125
Directors' remuneration	**85**	88
Auditor's remuneration for:		
– audit of the Company's annual accounts	**28**	27
Fees payable to the Auditor for other services:		
– audit of the subsidiary	**1**	1
– review of the half yearly report	**3**	3
Irrecoverable VAT on audit fee	**6**	5
Printing fees	**33**	28
Marketing	**26**	23
Registrar's fees	**58**	49
Banking charges	**139**	196
Secretarial services	**120**	120
Other	**154**	136
	753	801

5. FINANCE COSTS

	Revenue 2013 £000	Revenue 2012 £000
Interest payable	**42**	154
	42	154

6. TAXATION

(a) Taxation on Ordinary Activities

	Revenue 2013 £000	Revenue 2012 £000
UK corporation tax at 24% (2012: 26%)	**–**	–
Irrecoverable foreign tax	**16**	4
	16	4

(b) Factors affecting tax charge for period

Approved investment trusts are exempt from tax on capital gains made by the Trust.

The tax charge for the period is lower than the standard rate of corporation tax in the UK of 24% (2012: 26%). The differences are explained below:

	2013 £000	2012 £000
Total (loss)/gain before taxation	**(4,923)**	4,930
(Loss)/Gain multiplied by standard rate of corporation tax	**(1,182)**	1,282
Effects of:		
Non-taxable UK capital losses/(gains)	**2,114**	(364)
Non-taxable UK investment income	**(1,486)**	(1,573)
Excess administration expenses unused	**554**	655
Irrecoverable foreign tax	**16**	4
Current tax charge	**16**	4

(c) Provision for deferred taxation

There is no requirement to make a provision for deferred taxation in the current or prior accounting period.

(d) Factors that may affect future tax charges

As at 31 March 2013 the Company had unutilised management expenses and loan relationship deficits of £14,372,000 (2012: £12,107,000). The expenses will only be utilised to the extent that there is sufficient future taxable income, or if the tax treatment of the capital gains made by the Company or the Company's investment profile changes. The subsidiary has tax losses of £134,000 (2012: £133,000) which will only be recoverable to the extent that there are sufficient future taxable profits.

7. DIVIDENDS PAID

	Revenue 2013 £000	Revenue 2012 £000
Amounts recognised as distributed to equity holders in the year are as follows:		
Final dividend for 2012: 10.5p (2011: nil)	**2,520**	–
Interim dividend for 2013: 3.5p (2012: 3.5p)	**840**	840
Unclaimed dividends refunded	**–**	(8)
	3,360	832

Set out below are the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of s.1158 CTA 2010 are considered. The Company's revenue available for distribution by way of dividend for the year is £3,870,000 (2012: £3,525,000).

	Revenue 2013 £000	Revenue 2012 £000
Interim dividends for 2013: 3.5p (2012: 3.5p)	**840**	840
Proposed final dividend for 2013: 11.5p (2012: 10.5p)	**2,760**	2,520
	3,600	3,360

The Board is proposing a final dividend of 11.5p per Ordinary and 'A' non-voting Ordinary share.

8. RETURN ON ORDINARY SHARES (EQUITY)

	Revenue 2013	**Capital 2013**	**Total 2013**	Revenue 2012	Capital 2012	Total 2012
Returns per share	**16.1p**	**(36.7)p**	**(20.6)p**	14.7p	5.8p	20.5p

Returns

Revenue return per share is based on the revenue attributable to equity shareholders of £3,870,000 (2012: £3,525,000).

Capital return per share is based on the capital loss attributable to equity shareholders of £(8,809,000) (2012: gain £1,401,000).

Total return per share is based on the combination of revenue and capital returns attributable to equity shareholders, amounting to a net loss of £(4,939,000) (2012: gain £4,926,000).

Both revenue and capital return are based on: 8,000,000 Ordinary shares (2012: 8,000,000) and 16,000,000 'A' non-voting Ordinary shares (2012: 16,000,000), in issue throughout the year.

9. PROFIT OF THE COMPANY ATTRIBUTABLE TO SHAREHOLDERS

The loss for the year after taxation dealt with in the accounts of the Company is £4,939,000, (2012: gain £4,926,000).

10. INVESTMENT IN SUBSIDIARY

The Company owns 100% of the ordinary share capital and voting rights of Consolidated Investment Funds Limited, an investment dealing company, registered and operating in England.

11. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	Listed £000	AIM & OFEX £000	Unquoted £000	**Group and Company 2013 Total £000**	Group and Company 2012 Total £000
Cost at 1 April 2012	106,519	59,550	6,292	**172,361**	173,644
Investment holding gains/(losses) at 1 April 2012	104,616	(5,876)	(157)	**98,583**	92,791
Valuation at 1 April 2012	211,135	53,674	6,135	**270,944**	266,435
Reclassification of investments	(1,272)	1,272	–	**–**	–
Movements in the year:					
Purchases at cost	–	800	519	**1,319**	11,517
Sales – proceeds	(176)	(875)	–	**(1,051)**	(8,412)
– losses on sales	–	(2,121)	–	**(2,121)**	(4,388)
Movement in investment holding (losses)/gains	(1,282)	(5,644)	238	**(6,688)**	5,792
Valuation as at 31 March 2013	208,405	47,106	6,892	**262,403**	270,944
Cost	103,228	60,469	6,811	**170,508**	172,361
Investment holding gains/(losses)	105,177	(13,363)	81	**91,895**	98,583
	208,405	47,106	6,892	**262,403**	270,944

	Group and Company 2013 £000	Group and Company 2012 £000
Losses on sales	**(2,121)**	(4,388)
Movement in investment holding (losses)/gains	**(6,688)**	5,792
(Losses)/gains on investments held at fair value	**(8,809)**	1,404

Transaction costs

During the year expenses were incurred in acquiring and disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains on investments in the Income Statement. The total costs were as follows:

	Group and Company 2013 £000	Group and Company 2012 £000
Purchases	**–**	12
Sales	**–**	12
	–	24

12. SIGNIFICANT HOLDINGS

The Company's holdings of 10% or more of any class of shares in investment companies and 20% or more of any class of shares in non-investment companies are detailed below:

Non-investment company	Country of incorporation or registration	Class of capital	% of class held	Latest available audited accounts	Exc. Minority Interest Total capital and reserves US$000	Exc. Minority Interest Profit after tax for the year US$000
Ocean Wilsons Holdings Limited	Bermuda	Ordinary	26.4	31.12.12	531,914	41,263

The above is included as part of the investment portfolio in accordance with IAS 28 – Investment in Associates.

The Company has material holdings in the following companies which represent more than 3% of any class of equity share capital:

Company	Class of capital	% of class held
Straight Plc	Ordinary	9.4
Altitude Group Plc	Ordinary	6.4
Andor Technology	Ordinary	5.4
Work Group Plc	Ordinary	4.9
Leadcom Integrated Solutions	Ordinary	4.5
Acertec Plc	Ordinary	4.4
Goals Soccer Centres Plc	Ordinary	4.0
Helesi Plc	Ordinary	3.8
NCC Group Plc	Ordinary	3.6
Media Square Plc	Ordinary	3.6
All Leisure	Ordinary	3.6
Hargreaves Services Plc	Ordinary	3.3
Ark Therapeutics	Ordinary	3.1
Kimberly Enterprises	Ordinary	3.0

13. TRADE AND OTHER RECEIVABLES

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Prepayments and accrued income	**439**	272	**439**	272
Recoverable domestic tax	**–**	22	**–**	22
	439	294	**439**	294

14. CASH AND CASH EQUIVALENTS

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Cash at bank	**126**	137	**126**	137
	126	137	**126**	137

15. TRADE AND OTHER PAYABLES

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Bank loans and overdrafts	**2,800**	2,930	**2,800**	2,930
Due to subsidiary undertaking	**–**	–	**631**	633
Other creditors and accruals	**260**	238	**260**	237
	3,060	3,168	**3,691**	3,800

Details of the bank loan can be found in Note 21.

16. SHARE CAPITAL

	Company 2013 £000	Company 2012 £000
8,000,000 Ordinary shares of 5p	**400**	400
16,000,000 'A' non-voting Ordinary shares of 5p	**800**	800
	1,200	1,200

The 'A' non-voting Ordinary shares do not entitle the holders to receive notices or to vote, either in person or by proxy, at any general meeting of the Company, but in all other respects rank pari passu with the Ordinary shares of the Company.

17. CAPITAL REDEMPTION RESERVE

	Group and Company 2013 £000	Group and Company 2012 £000
Balance at 31 March	**300**	**300**

18. RETAINED EARNINGS

		Capital Reserves				Capital Reserves		
Group	**Revenue 2013 £000**	**Other 2013 £000**	**Investment Holding Gains 2013 £000**	**Total Retained Earnings 2013 £000**	Revenue 2012 £000	Other 2012 £000	Investment Holding Gains 2012 £000	Total Retained Earnings 2012 £000
Opening balance at 1 April	**5,761**	**162,363**	**98,583**	**266,707**	3,068	166,754	92,791	262,613
Profit/(loss) for the year	**3,870**	**(2,121)**	**(6,688)**	**(4,939)**	3,525	(4,391)	5,792	4,926
Dividend paid	**(3,360)**	**–**	**–**	**(3,360)**	(832)	–	–	(832)
Closing balance at 31 March	**6,271**	**160,242**	**91,895**	**258,408**	5,761	162,363	98,583	266,707

18. RETAINED EARNINGS (continued)

Company	Revenue 2013 £000	Capital Reserves Other 2013 £000	Capital Reserves Investment Holding Gains 2013 £000	Total Retained Earnings 2013 £000	Revenue 2012 £000	Capital Reserves Other 2012 £000	Capital Reserves Investment Holding Gains 2012 £000	Total Retained Earnings 2012 £000
Opening balance at 1 April	**5,132**	**162,363**	**99,212**	**266,707**	2,438	166,754	93,421	262,613
Profit/(loss) for the year	**3,871**	**(2,121)**	**(6,689)**	**(4,939)**	3,526	(4,391)	5,791	4,926
Dividend paid	**(3,360)**	**–**	**–**	**(3,360)**	(832)	–	–	(832)
Closing balance at 31 March	**5,643**	**160,242**	**92,523**	**258,408**	5,132	162,363	99,212	266,707

Note: Only Revenue reserves are distributable, by way of dividends.

19. NET ASSET VALUE

	2013	2012
NAV per Ordinary and 'A' non-voting Ordinary share	**1,082.9p**	1,117.5p

The NAV per Ordinary and 'A' non-voting Ordinary share is based on the net assets attributable to equity shareholders of £259,908,000 (2012: £268,207,000) and on 8,000,000 Ordinary shares (2012: 8,000,000) and 16,000,000 'A' non-voting Ordinary shares (2012: 16,000,000), in issue at 31 March 2013.

20. COMMITMENTS AND CONTINGENCIES

The Company has entered into a commitment agreement with DV3 Ltd, an unquoted property investment company. DV3 Ltd is in solvent liquidation with a commitment of £807,438, which is expected to remain in place until the completion of the orderly winding up of the company. The amount outstanding at 31 March 2013 was £327,438 (2012: £3,993,337).

The Company has entered into a commitment agreement with DV4 Ltd, an unquoted property investment company. The commitment was for £10 m for a period of five years from 7 March 2008. During the year, the commitment period was extended for a further two years and capital calls made so that at 31 March 2013 80% of the commitment had been drawn. The Company returned £1,475,000 of excess funding by way of Loan which was outstanding at 31 March 2013. The amount of the commitment outstanding at 31 March 2013 was £1,999,000 (2012: £6,194,325).

21. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Company's financial instruments comprise securities, cash balances, debtors and creditors arising directly from its operations. All financial assets and liabilities are either carried in the Balance Sheet at their fair value, or the Balance Sheet amount is a reasonable approximation of fair value. The risks that the Group as a whole is exposed to are the same as those for the Company and are covered below.

Risk Objectives and Policies

The objective of the Company is to achieve growth of shareholder value commensurate with the risks taken, bearing in mind that the protection of long-term shareholder value is paramount. The policy of the Board is to provide a framework within which the Investment Manager can operate and deliver the objectives of the Company. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets and/or a reduction of the profits available for dividends.

21. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

These risks include those identified by the accounting standard IFRS 7, being market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk and the Directors' approach to the management of them are set out below. The Board, in conjunction with the Investment Manager and Company Secretary, oversees the Company's risk management.

The objectives, policies and processes for managing the risks and the methods used to measure them are set out below; these have not changed from the previous accounting period.

Risks Associated with Financial Instruments:

Foreign currency risk

Foreign currency risks arise in two distinct areas which affect the valuation of the investment portfolio. 1) where an investment is denominated and paid for in a currency other than Sterling; and 2) where an investment has substantial non-Sterling cash flows. The Company does not normally hedge against foreign currency movements affecting the value of the investment portfolio, but takes account of this risk when making investment decisions. The Investment Manager monitors the effect of foreign currency fluctuations through the pricing of the investments by the various markets. The level of investments denominated in foreign currencies held by the Company at 31 March 2013 is 1.7% of the portfolio (2012: 1.7%) and therefore the portfolio valuation is not materially sensitive to direct foreign currency fluctuations.

	Direct foreign currency risk 2013 £000	**No direct foreign currency risk 2013 £000**	**Total 2013 £000**	Direct foreign currency risk 2012 £000	No direct foreign currency risk 2012 £000	Total 2012 £000
Investments	**4,444**	**257,959**	**262,403**	4,720	266,224	270,944
Other receivables excluding prepayments	**231**	**208**	**439**	78	216	294
Cash at bank	**–**	**126**	**126**	–	137	137
Current liabilities	**–**	**(260)**	**(260)**	–	(238)	(238)
Bank loan	**–**	**(2,800)**	**(2,800)**	–	(2,930)	(2,930)
	4,675	**255,233**	**259,908**	4,798	263,409	268,207

Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate borrowings.

The Company has banking facilities amounting to £30m (2012: £30m) which are available for the Investment Manager to use in purchasing investments, the costs of which are based on the prevailing LIBOR rate, plus an agreed margin. The Company does not normally hedge against interest rate movements affecting the value of the investment portfolio, but takes account of this risk when an investment is made utilising the facility. The level of banking facilities used is monitored by both the Board and the Investment Manager on a regular basis. The impact on the returns and net assets of the Company for every 1% change in interest rates based on the amount drawn down at the year end under the facility would be £28,000 (2012: £29,300). The level of banking facilities utilised at 31 March 2013 was £2.8m (2012: £2.9m).

21. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Interest rate changes usually impact equity prices. The level and direction of change in equity prices is subject to prevailing local and world economic conditions as well as market sentiment, all of which are very difficult to predict with any certainty. The Company has floating rate financial assets consisting of bank balances and cash funds that have received average rates of interest during the year of 0.0% on bank balances.

	Cash flow interest rate risk 2013 £000	**No interest rate risk 2013 £000**	**Total 2013 £000**	Cash flow interest rate risk 2012 £000	No interest rate risk 2012 £000	Total 2012 £000
Investments	**–**	**262,403**	**262,403**	–	270,944	270,944
Other receivables excluding prepayments	**–**	**439**	**439**	–	294	294
Cash at bank	**126**	**–**	**126**	137	–	137
Current liabilities	**–**	**(260)**	**(260)**	–	(238)	(238)
Bank loan	**(2,800)**	**–**	**(2,800)**	(2,930)	–	(2,930)
	(2,674)	**262,582**	**259,908**	(2,793)	271,000	268,207

Other price risk

By the nature of its activities, the Company's investments are exposed to market price fluctuations. NAV is calculated and reported daily to the London Stock Exchange. The Investment Manager and the Board monitor the portfolio valuation on a regular basis and consideration is given to hedging the portfolio against large market movements.

The Company's investment in Ocean Wilsons is large both in absolute terms, £97.3m (2012: £109.9m) and as a proportion of the NAV, 37.4% (2012: 41.0%). Shareholders should be aware that if anything of a severe and untoward nature were to happen to this company, it could result in a significant reduction in the NAV and share price. However, it is an investment the Board pays close attention to and it should be pointed out that the risks associated with it are very different from those of the other companies represented in the portfolio. The Board itself regularly undertakes a thorough review of its business and prospects and has determined that its future holds a lot of promise. As a consequence the Board believes the risk involved in the investment is worthwhile.

The performance of the portfolio as a whole is not designed to correlate with that of any market index. Should the portfolio of the Company, as detailed on page 38, rise or fall in value by 10% from the year end valuation, the effect on the Group profit and equity would be an equal rise or fall of £26.2m (2012: £27.1m). The Company gearing, which is currently at 1.1% (2012: 1.1%), would increase to 1.2% (2012: 1.2%) should the Company's portfolio fall in value by 10%.

Credit Risk

The Company only transacts with regulated institutions on normal market terms, which are trade date plus one to three days. The levels of amounts outstanding from brokers are regularly reviewed by the Investment Manager. The duration of credit risk associated with the investment transactions is the period between the date the transaction took place, the trade date, the date the stock and cash are transferred and the settlement date. The level of risk during the period is the difference between the value of the original transaction and its replacement with a new transaction. The amounts due to/(from) brokers at 31 March 2013 are shown in Note 13 and Note 15.

The Company's maximum exposure to credit risk on cash is £126,000 (2012: £137,000).

21. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Liquidity Risk

The liquidity risk to the Company is that it is unable to meet its obligations as they fall due, as a result of a lack of available cash and an inability to dispose of investments in a timely manner. A substantial proportion of the Company's portfolio is held in liquid quoted investments; however there is a large holding in Ocean Wilsons of 37.4% (2012: 41.0%) and other holdings in AIM and unquoted investments of 20.6% (2012: 20.0%).

The Investment Manager takes into consideration the liquidity of each investment when purchasing and selling, in order to maximise the returns to shareholders by placing suitable transaction levels into the market. Special consideration is given to investments that represent more than 5% of the investee company. A detailed list of the top 30 investments held at 31 March 2013 is shown on page 38, together with a summary table detailing the markets on which the investments are quoted. This can be used broadly to ascertain the levels of liquidity within the portfolio, although liquidity will vary with each investment.

The Company's financial liabilities at 31 March 2013 consist of a short-term bank loan amounting to £2.8m (2012: £2.9m) that bears interest based on the prevailing LIBOR rate, plus an agreed margin. This loan is part of a total revolving credit facility with BNP of £30m (2012: BNP £30m). The facility is a committed facility repayable on or before 6 February 2014 and subject to a covenant requirement of a minimum adjusted NAV of £69m. The Company has undrawn loans from this facility of £27.2m (2012: £27.1m). The Company holds this facility for use at short notice for its investment activities. If fully drawn the loan would form 11.7% (2012: 11.1%) of the current value of the investment portfolio.

Capital Management

The Company considers its capital to be its issued share capital and reserves and whilst the Company has access to loan facilities it is not considered or used as core capital, but primarily to meet the cash timing requirements of opportunistic investment strategies and thereby enhance shareholder returns. The Board regularly monitors its share discount policy and the level of discounts and whilst it has the option to re-purchase shares, it considers the best means of attaining a good rating for the shares is to concentrate on good shareholder returns.

However, the Board believes the ability of the Company to re-purchase its own 'A' non-voting Ordinary shares in the market may potentially enable it to benefit all equity shareholders of the Company. The re-purchase of 'A' non-voting Ordinary shares at a discount to the underlying NAV would enhance the NAV per share of the remaining equity shares and it might also enable the Company to address more effectively any imbalance between supply and demand for the Company's 'A' non-voting Ordinary shares.

22. FAIR VALUE HIERARCHY

IFRS 7 'Financial Instruments: Disclosures' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie as prices) or indirectly (ie derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22. FAIR VALUE HIERARCHY (continued)

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy valued in accordance with the accounting policies in Note 1 are detailed below:

31 March 2013

	Level 1 £000	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets at fair value through profit or loss				
Quoted equities	**255,511**	**–**	**–**	**255,511**
Unquoted equities	**–**	**–**	**6,892**	**6,892**
Net fair value	**255,511**	**–**	**6,892**	**262,403**

31 March 2012

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	264,809	–	–	264,809
Unquoted equities	–	–	6,135	6,135
Net fair value	264,809	–	6,135	270,944

There were no transfers during the year between Levels 1 and 2, a reconciliation of fair value measurements in Level 3 is set out in the following table.

	2013 Equity investments £000	2012 Equity investments £000
Opening Balance	**6,135**	4,154
Purchases	**519**	2,201
Sales	**–**	(765)
Total gains or losses included in gains on investments in the income statement:		
– on assets sold	**–**	721
– on assets held at year end	**238**	(176)
Closing Balance	**6,892**	6,135

23. RELATED PARTIES

Details of the relationship between the Company and Hansa Capital Partners LLP, including amounts paid during the year and owing at 31 March 2013, are disclosed in the Report of the Directors on pages 16 and 17 and in Note 3 on page 49.

24. CONTROLLING PARTIES

At 31 March 2013 Mr Peter Pearman and Codan Trust Company Limited held 51.7% of the issued Ordinary shares. Additional information is disclosed in the Report of the Directors, "Substantial Shareholders" on pages 16 and 17.

Notice is hereby given that the Annual General Meeting of Hansa Trust PLC will be held at The Washington Hotel, 5 Curzon Street, London W1J 5HE on 31 July 2013 at 11:30am, for the following purposes:

Ordinary Business

1 To receive and consider the audited Financial Statements and the Reports of the Directors and Auditor for the year ended 31 March 2013.

2 To approve the payment of a final dividend of 11.5p per share.

3 To re-appoint the Auditor and to authorise the Directors to determine the remuneration of the Auditor.

4 To re-elect Mr Hammond-Chambers (a biography and Board endorsement can be found on page 11), who retires, as a Director of the Company.

5 To elect Mr Davie (a biography and Board endorsement can be found on page 11), who retires, as a Director of the Company.

6 To elect Lord Oxford (a biography and Board endorsement can be found on page 11), who retires, as a Director of the Company.

7 To re-elect Mr Salomon (a biography and Board endorsement can be found on page 11), who retires, as a Director of the Company.

8 To re-elect Professor Wood (a biography and Board endorsement can be found on page 11), who retires, as a Director of the Company.

9 To approve the Directors' Remuneration Report and authorise the Board to determine the remuneration of the Directors.

Special Business

To consider and if thought fit, pass the following resolutions which will be proposed as special resolutions.

Authority to re-purchase up to 14.99% of the 'A' non-voting Ordinary shares

10 THAT the Company be unconditionally authorised to make market purchases of up to an aggregate of 2,398,400 'A' non-voting Ordinary shares of 5p of the Company at a price (exclusive of expenses) which is:

a) not less than 5p per share; and

b) not more than the higher of i) 5% above the average of the middle-market quotations (as derived from the Daily Official List of the London Stock Exchange) for 'A' non-voting Ordinary shares of 5p each in the five business days immediately preceding any such purchase and ii) the higher of the last independent trade and the then current highest independent bid; AND

THAT the authority conferred by this resolution shall expire on the date of the next AGM (except in relation to the purchase of shares, the contract for which was concluded before such date and which might be executed wholly or partly after such date).

By order of the Board
Hansa Capital Partners LLP
Secretary
21 June 2013

50 Curzon Street
London W1J 7UW

NOTES

1 Ordinary shareholders, proxies and authorised representatives of corporations which are Ordinary shareholders, are entitled to attend the meeting. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by 6:00pm on 29 July 2013 ('the specified time'). 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.

2 If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

3 A member entitled to attend and vote and present in person or by proxy shall have one vote on a show of hands. On a vote by poll every Member entitled to vote shall have one vote for every Ordinary share of which he/she is the holder.

4 A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, upon a poll, to vote instead of him/her provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not also be a member. To appoint more than one proxy, the Proxy Form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. All proxy forms should be enclosed in the same envelope.

5 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the register of members in respect of the joint holding (the first-named being the most senior).

6 To be valid any Proxy Form or other instrument appointing a proxy must be received by post (during normal business hours only), by hand at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or a proxy can be lodged electronically at www.capitashareportal.com, in each case no later than 11:30am on 29 July 2013.

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

8 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.

9 As at 25 June 2013 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 8,000,000 Ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 25 June 2013 are 8,000,000.

10 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.

11 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 RA10 by 11:30am on 29 July 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.

12 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.

13 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.

14 Any member entitled to attend, vote and duly appointed or their representative 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 may be given if: (a) to do so would interfere unduly with the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

15 A copy of this notice and other information required by section 311A of the Companies Act 2006, can be found at www.hansatrust.com.

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

a) a copy of the Current Articles of Association; and

b) a copy of all Directors' Service Contracts.

17 A 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 AGM. 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. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company entitled to attend and vote at the meeting.

A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of those same shares, they vote those shares in the same way). To be able to attend and vote at the meeting, corporate representatives will be required to produce, prior to their entry to the meeting, evidence satisfactory to the Company of their appointment.

On a vote on a resolution on a show of hands, each authorised person has the same voting rights to which the corporation would be entitled. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares:

a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way;

b) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

18 Members should note that it is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006 (the 'Act'), the Company may be required to publish on a website a statement setting out any matter relating to:

a) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or

b) any circumstances 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 Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, 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 AGM includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

Investor Information

The Company currently manages its affairs so as to be a qualifying investment trust for ISA purposes. As a result, under current UK legislation, the Ordinary and 'A' non-voting Ordinary shares qualify for investment in the stocks and shares component of a non-CAT Standard ISA up to the full annual subscription limit. It is the present intention that the Company will conduct its affairs so as to continue to qualify for ISA products.

CAPITAL STRUCTURE

The Company has 8,000,000 Ordinary shares of 5p each and 16,000,000 'A' non-voting Ordinary shares of 5p each in issue. The Ordinary shareholders are entitled to one vote per Ordinary share held. The 'A' non-voting Ordinary shares do not entitle the holders to vote or receive notice of meetings, but in all other respects they have the same rights as the Company's Ordinary shares.

CONTACT DETAILS

Hansa Trust PLC
50 Curzon Street, London W1J 7UW
Telephone: 020 7647 5750
Fax: 020 7647 5770
Email: hansatrustenquiry@hansacap.com
Website: www.hansatrust.com

The Company's website includes the following:

- Monthly Fact Sheets
- Stock Exchange Announcements
- Interim Management Statements
- Details of the Board Statements
- Annual and Half Yearly Reports
- Share Price Data Reports

Please contact the Investment Manager, as below, if you have any queries concerning the Company's investments or performance.

Hansa Capital Partners LLP
50 Curzon Street
London W1J 7UW
Telephone: 020 7647 5750
Email: hansatrustenquiry@hansacap.com
Website: www.hansagrp.com

Please contact the Registrars, as below, if you have a query about a certificated holding in the Company's shares.

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone: 0871 664 0300
(Calls cost 10p per minute plus network charges)
Email: ssd@capitaregistrars.com
www.capitaregistrars.com

SHARE PRICE LISTINGS

The price of your shares can be found on our website and in the Financial Times under the heading Investment Companies.

In addition, share price information can be found under the following:

ISIN No	*Code*
Ordinary shares	GB0007879728
'A' non-voting Ordinary shares	GB0007879835
Sedol no	
Ordinary shares	787972
'A' non-voting Ordinary shares	787983
Reuters	
Ordinary shares	HAN.L
'A' non-voting Ordinary shares	HANA.L
Bloomberg	
Ordinary shares	HAN LN
'A' non-voting Ordinary shares	HANA LN
SEAQ	
Ordinary shares	HAN
'A' non-voting Ordinary shares	HANA

USEFUL INTERNET ADDRESSES

Association of Investment Companies	www.theaic.co.uk
London Stock Exchange	www.londonstockexchange.com
TrustNet	www.trustnet.com
Interactive	www.iii.co.uk

FINANCIAL CALENDAR

Company year end	31 March
Preliminary full year results announced	13 June
Annual Report sent to shareholders	27 June
Annual General Meeting	31 July
Final dividend payment	August
Announcement of Half Yearly results	November
Half Yearly Report sent to shareholders	December
Half Yearly dividend payment	December
Interim Management Statements	January & July

Company Information

Registered in England & Wales number: 126107

SECRETARY AND REGISTERED OFFICE
Hansa Capital Partners LLP
50 Curzon Street
London W1J 7UW

INVESTMENT MANAGER
Hansa Capital Partners LLP
50 Curzon Street
London W1J 7UW

AUDITORS
Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

SOLICITORS
Eversheds
One Wood Street
London EC2V 7WS

REGISTRAR
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

CUSTODIAN
BNP Paribas Securities Services
10 Harewood Avenue
London NW1 6AA

STOCKBROKER
Winterflood Investment Trusts
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

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

Hansa Trust PLC
50 Curzon Street, London W1J 7UW
Tel: 020 7647 5750 Fax: 020 7647 5770
Website: www.hansatrust.com
Email: hansatrustenquiry@hansacap.com