HANSA TRUST PLC

HANSA, *investing to create long-term growth*

Annual Report
Year Ended
31 March 2016

2016

WELCOME

Welcome to the Hansa Trust PLC Annual Report for the year to 31 March 2016.

Your Company has had a challenging year, particularly due to its exposure to the Brazilian market and the economic woes that Brazil continues to face. However, there have been a number of bright spots within the portfolio. Details of both can be found within the sections of the Strategic Report.

I would also like to take this opportunity, on behalf of the Board, to invite you to the Company's Annual General Meeting at 11.00am on 29 July 2016 at The Washington Hotel in Mayfair. We value the feedback we receive from all shareholders and look forward to meeting you at the AGM.

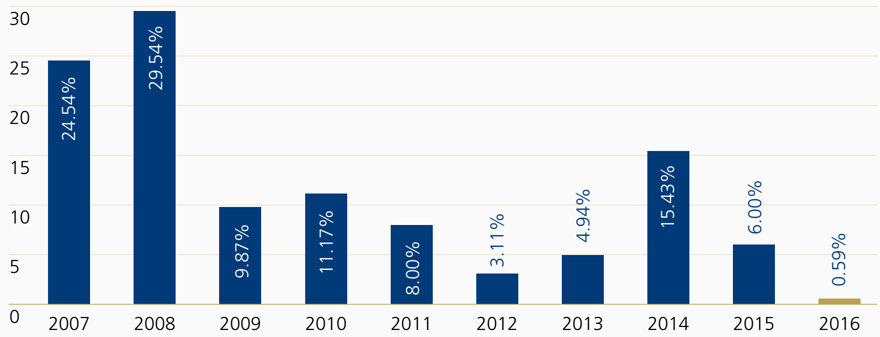
Yours sincerely

Raymond Chambers

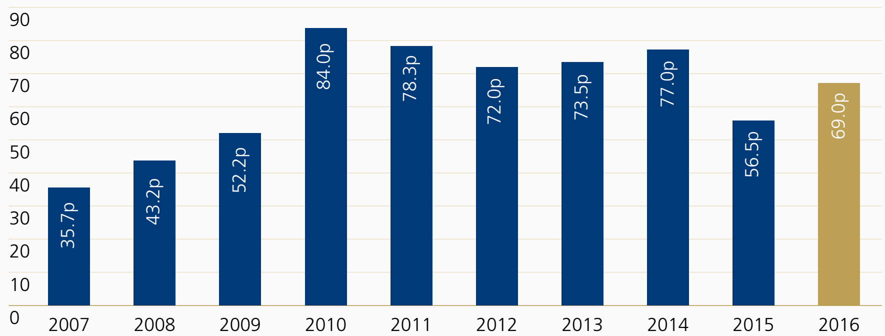
COMPANY REGISTRATION AND NUMBER: The Company is registered in England & Wales under company number 126107.

Long-Term Highlights 2016

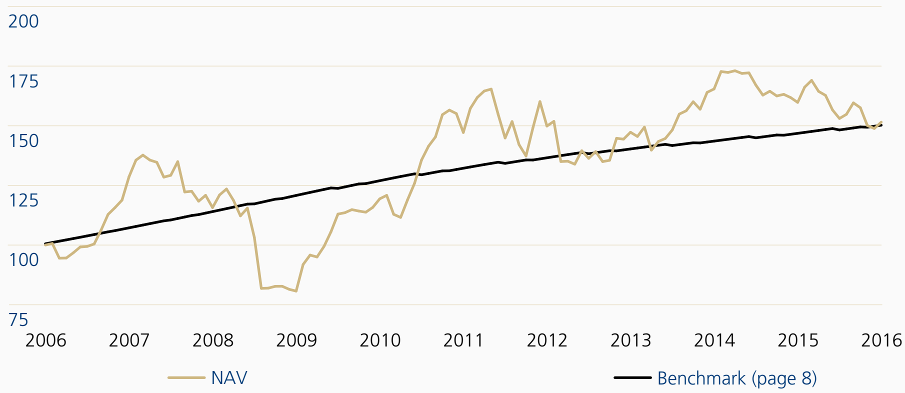
Rolling Five Year NAV Returns (per annum)



Dividend Payments (total payments over five years)



Ten Year Net Asset Value Total Return Record



Chairman's Report to the Shareholders

ALEX HAMMOND-CHAMBERS
Chairman

The purpose of the Strategic Report is to inform the members of the Company and help them to assess how the Board of Directors have performed their duty to promote the success of the Company.

The Strategic Report has been prepared in accordance with requirements of The Companies Act 2006 and incorporates the Chairman's Report to the Shareholders, the majority of the former Directors' Report and elements from the Directors' Remuneration Report which in previous annual reports were presented separately. A smaller Report of the Directors is still presented, but a number of the key items are now incorporated into the Strategic Report and are cross referenced as appropriate.

The Last Five Years (2011 to 2016):

Net Asset Value ("NAV"):	-3.3% to 1,064.9p per share
Dividends (2012-16):	69.0p per share
Ordinary Share Price:	-24.8% to 729.8p
"A" Ord. Share Price:	-23.8% to 725.5p
NAV Total Return:	+3.0%
Benchmark:	+18.1%

For a number of years I have focused the Chairman's Report to the Shareholders on our long-term performance – that of fulfilling the Company's stated objective of achieving "long-term growth of shareholder value". I will therefore leave the detail of reporting on the past year's short-term performance to Alec Letchfield in the Portfolio Manager's Report.

I am disappointed to have to write that we have not had a great past five years. As reported last year, this has largely been due to the performance of our strategic holding in Ocean Wilsons Holdings Limited ("OWHL"), whose share price has suffered from the deterioration in the economic and political environment in Brazil. While my colleagues and I continue to believe the situation in Brazil will take time to turn around, we also think that, taking a longer-term view, it will improve. In the last few months events have unfolded, which might well bring about favourable changes in the fortunes of Brazil, its economy and the operating environment for Wilson Sons. More of that later.

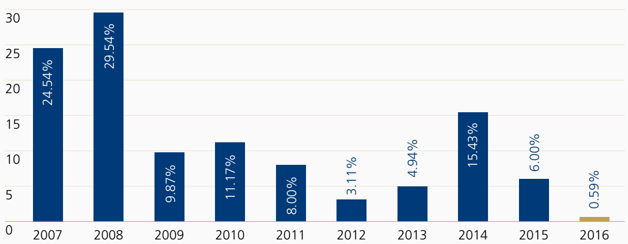
The returns are summarised in the table below and show that at 31 March 2016 the NAV is 3.3% lower than it was five years ago and that, with the discount widening (affected, we believe, by the events in Brazil), the Ordinary and 'A' non-voting Ordinary share prices are respectively 24.8% and 23.8% lower. The table then breaks down the return between that produced by the holding in OWHL (-34.8%) and the rest of the portfolio (+18.0%). Over the last five years shareholders have also received dividends worth 69.0p, so that a small positive total return (3.0%) has been generated over the period.

Long-Term Record (5 yrs)

		31 March 2011	31 March 2016	Capital Return	Total Return
NAV		1,101.6p	1,064.9p	-3.3%	+3.0%
NAV (excl OWHL)		658.8p	776.5p	+18.0%	
OWHL per Hansa Share		442.8p	288.4p	-34.8%	
Dividends			69.0p		+6.5%
Benchmark					+18.1%
FTSE All Share Index		3,067.70	3,395.20	+10.7%	+31.9%
Share Prices	Ord Shares	971.0p	729.8p	-24.8%	-18.3%
	"A" Ord shares	952.5p	725.5p	-23.8%	-17.1%
Discounts	Ord Shares	-11.8%	-31.5%		
	"A" Ord shares	-13.9%	-31.9%		

We reproduce the total return table below to show the returns that have been earned over five year periods. Given that it is our stated policy to make positive returns over the longer-term, it does demonstrate that we have done so – albeit the return over the last five years has been pretty small. Mind you, this has been an environment of close to zero interest rates.

Rolling 5 year per annum NAV capital returns
2007 – 2016



Although the holding in OWHL has detracted markedly from our returns, the underlying Brazilian business, which forms about half of OWHL, has performed remarkably well. This is particularly so considering the circumstances of the country's politics and the decline in the price of some of the important commodities that have affected its economy – the fall of c66% in the price of oil – from c$117 to c$40 (source: Bloomberg) was also of particular relevance to Wilson Sons (OWHL's Brazilian subsidiary).

The table below shows that the Brazilian Real share price of Wilson Sons actually rose by 16.5% during the past five years; however, its US Dollar ("USD") value suffered from the massive decline of the value of the country's currency falling by 54.3% and turning the gain in the share price into a USD loss of 46.8%. Inevitably that had a knock on effect on the share price of Ocean Wilsons – it falling by 34.8%. During the same period Wilson Son's EBITDA (pre-tax profits before charging non-operating costs) rose 71.7% (in USD terms). We have consistently enthused about the quality of Wilson Sons and its management and this performance backs up our view.

Wilson Sons' Share Prices and EBITDA Compared (2011 – 2016)

Date	Wilson Sons Share Price (BRL)	Exch Rate (BRL/$)	Wilson Sons share price ($)	OWHL Share Price (p)	Wilson Sons EBITDA ($m)
31 Mar 11	BRL 26.52	BRL 1.63	$16.30	1,135.00p	121.4p
31 Mar 16	BRL 30.90	BRL 3.56	$8.67	740.00p	208.5 p
	+16.5%	-54.3%	-46.8%	-34.8%	+71.7%

Underlying profit and dividend performance drives share prices over the long-term, therefore, we would expect the share prices of both Wilson Sons and OWHL to catch up with the subsidiary's operating performance, once investors regain confidence in Brazil's politics and its economics.

The New Portfolio and the Dividends

Shareholders will be aware that two years ago, we changed the nature of the portfolio by selling a proportion of the holdings in UK large companies, which we had invested in in the aftermath of the 2007/08 financial crisis and reinvested in a portfolio of funds – within two categories – "Core Funds" and "Eclectic and Diversifying Funds". Whilst the Company has held the new investments for a relatively short period, it is already clear that their inclusion in the portfolio has had a positive impact. Since investment, the new assets have returned 11.2% (time weighted).

The new investments had a much lower cash yield than those that were sold, so the level of investment revenue income received has fallen. At the time we iterated the dividend policy that went with the changes – which, in summary, was that we would declare annually, in advance, a minimum dividend to be paid for the forthcoming year, barring unforeseen circumstances, and would expect to grow that dividend over the longer-term. We have paid 16p in respect of the year just past and announced the payment of 16p for the coming year.

Chairman's Report to the Shareholders
Continued

The Annual General Meeting (29 July 2016):
This year's Annual General Meeting will be at The Washington Hotel (5 Curzon Street, London W1J 5HE) at 11.00 am. We do encourage as many shareholders as can join us to do so. We've always had good attendance and good questions and comments, which are then discussed at following Board Meetings.

Last year amongst the many questions were two which are worth highlighting in this statement:

Q: What points did the Portfolio Manager consider when making a new investment in a fund and were liquidity constraints part of the decision process?

A: Alignment of interest between the manager of a fund and the fund itself, good internal investing processes, structure and size of fund (summary). Liquidity of the investment, which is not such an important issue for a closed-end portfolio, such as that of Hansa Trust, is assessed on a case-by-case basis.

Q: What was the reason for continuing to retain the holding in OWHL and was there a case for moving on?

A: Apart from the promising prospects for Wilson Sons and its business, it was important to retain the holding as a strategic investment, which may well enhance our long-term return from it. Furthermore, it was felt selling the holding when times were difficult would be bad timing, foregoing the prospect of material gains in the longer-term future.

Risk:
We live in a rather strange financial world – one that is very risk conscious but not, I believe, very risk averse in practice. This rather perverse state of affairs has been brought about by the experience of the 2007/08 Financial Crisis (on the one hand) and by the need to take higher risks to achieve moderate returns in an almost zero interest rate environment (on the other).

So I thought I would address the issue of risk as it affects the shareholders of investment trusts generally and of Hansa Trust specifically. Indeed, as directors, we are both duty and legally bound to assess the risks Hansa Trust's shareholders bear and to report on them; reference is made to them in the Strategic Report on page 14. We have lengthy discussions at Board Meetings on investment matters, including the principal risks facing the Company. In assessing risk, we focus on four aspects of it: whose risk, what risk, likelihood and impact. In our case we focus on the risks that our long-term shareholders may suffer (whose) permanent loss of capital from making investments in the shares of uncompetitive companies, over leveraged funds and/or very over-priced securities (what and impact) through poor portfolio risk management (likelihood).

There are other risks associated with investment trusts borne by short-term shareholders, wealth management advisors and investment trust managers themselves, which are different from those of long-term shareholders (including share price/discount volatility, liquidity of shares, relative returns, etc). It is important to stress that risks differ with time horizons – so, for instance, we do not regard volatility as a risk for long-term shareholders, but it is for short-term ones.

Finally we do not believe risks can be satisfactorily assessed by measurement – using historical statistics to formulate future risk ratios – so we do not use one or more of the many risk ratios used by many investors.

Events might occur that can affect materially the NAV – and thence the share prices. Our portfolio risks are internal (individual holding risks) and external (the macro financial environment). Clearly the turmoil in Brazil is the single biggest holding risk; while we don't think it will happen, Brazil's politics and thence its economics could go down the same path as, for instance, Argentina with a further deterioration of the Real exchange rate. The main risks inherent in our fund holdings are: area of investment and manager; those in our commercial companies are likewise business and management. In terms of the macro environment, I've outlined some of them below, but perhaps the most risky is that of negative interest rates – with their unknown, unknown consequences

PROSPECTS: OCEAN WILSONS AND BRAZIL
The events in Brazil in the last year or so have exploded into the world's media's attention such that it is not necessary for me to recount them. Michel Temer has become acting President pending a full impeachment trial of the President Dilma Rousseff. We hope this may deliver some much needed stability to a country reeling from political and economic instability,

dominated by the corruption scandal surrounding the country's major oil company, Petrobras. Encouragingly, the judicial system seems to be working with the long-term prospect of rather less corrupt governance.

Rather strangely, but perhaps not surprisingly, the stock market and currency have been much buoyed by these events, drawing hope that a more competent, honest and business friendly government will emerge. Since the turn of the year and as of 6 June, the country's Bovespa index has risen 16.3% and its currency, the Real, 15.9% against the Pound; that's a rise of circa 34.7% in Sterling.

Wilson Sons is a well-managed company which has made much progress in the last 7½ years since the collapse of Lehman Brothers and the onset of the most serious financial crisis this side of the Second World War and is set to progress further in the years to come. A resolution to the political turmoil in Brazil will add to its business prospects and to investors' sentiment towards Brazil. Given that OWHL's share price trades at a considerable discount to its underlying NAV (c33% as at their year-end on 31 December 2015), an improvement in both the business and the sentiment could result in a considerable improvement in its share price. We'll see.

PROSPECTS: REST OF PORTFOLIO

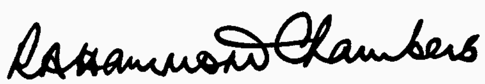
Once again, as I always do, I make the point that our long-term prospects depend largely on ourselves – on our ability to invest in the stocks of successful companies and funds – companies with great managements, competitive business franchises, sound finances and funds exposed to areas of investment that offer particularly attractive long-term returns, managed by experienced and wise managers. In all cases we like to see managements with significant interests in their businesses/funds.

It is a hallmark of our investment strategy that Hansa Trust should provide exposure for its shareholders to investments they could not easily make for themselves – either because the nature the investment requires special analysis, or because the investments are not available to the general investor. It is fair to say that the portfolio is quite unlike any other that can be found amongst other investment trusts or open ended funds.

Having said that, the course of external events will have a bearing on the returns we earn – most particularly in the shorter-term. It is now over 7½ years since the onset of the most serious financial crisis this side of the Second World War. In that time national indebtedness all over the world has continued to grow unchecked (by over $60 trillion as an estimate – or the equivalent of three times the size of the American economy), governments continue to spend well beyond their means and central banks are involved in monetary practices which, but a few years ago, would have been regarded as highly irresponsible. However, despite this unprecedented economic stimulation, global growth remains sluggish. But, it should be added, we are not in a depression, nor in the grips of deflation and in some countries, notably the US and the UK, the banking industries have returned to much sounder footings.

The economic medicine would appear to be treating the symptoms but not it seems the causes. All of this plus, of course, the growing political uncertainties inherent in elections (the US particularly) and referenda (Brexit particularly) makes it a time of great uncertainty and with great uncertainty comes financial volatility – as is addressed in the Portfolio Manager's Report (page 17). In it he analyses the shorter-term prospects for economies and markets.

Having highlighted the uncertainties investors have to cope with (uncertainties are seldom good for markets), it should be emphasised it is the private sector of economies that can – through technology and productivity – help steer economies through the current choppy waters. We can't influence the greater scenario, but we can take advantage of the solution and invest in those well managed companies and funds I referred to earlier in my Report. Our Manager has constructed our new portfolio – now circa two years old – to take advantage of the times – conscious of the need to conserve capital in difficult times, but still to earn good returns over a longer time period.



Alex Hammond-Chambers
Chairman
22 June 2016

The Board of Directors

The Directors who served during the year to 31 March 2016 are:

ALEX HAMMOND-CHAMBERS
(Chairman)
Alex joined the Board in 2002. He serves on a number of boards of a variety of companies, including several investment trusts and open-ended investment companies (including Findlay Park Funds).

His career has spanned two phases. The first phase working for Ivory and Sime (investment managers) for 27 years, from which he has gained portfolio management skills and experience running investment trusts. The second phase working for 24 years to date has been involved in corporate governance, serving on the boards of many companies in a number of different industries and countries – investment trust company boards particularly. He has served as chairman of the Association of Investment Companies and as a governor of the NASD (NASDAQ).

	Meetings attended:	Total Yearly Meetings:
Strategic	1	1
Board	5	5
Audit Committee	2	2

JONATHAN DAVIE

Jonathan joined the Board in January 2013. He is 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. He focused on the development of Credit Suisse's Middle Eastern business. He retired from Credit Suisse in February 2007.

	Meetings attended:	Total Yearly Meetings:
Strategic	1	1
Board	5	5
Audit Committee	2	2

RAYMOND OXFORD

Raymond joined the Board in January 2013. He served 18 years with the British Foreign & Commonwealth Office. He spent three years in Moscow (1983-1985), seven years in the Cabinet Office covering Soviet and East European political, military and economic developments (1985-1992) and was a founding member of the British Embassy in Kiev (1992-1997). In 1997 he left British government service to pursue private business interests in the United Kingdom, Eastern Europe and the Middle East, chiefly in energy, agriculture and environmental remediation. In October 2014, Raymond was elected to the House of Lords, the upper chamber of the British Parliament.

	Meetings attended:	Total Yearly Meetings:
Strategic	1	1
Board	5	5
Audit Committee	2	2

WILLIAM SALOMON

William has been a Director of Hansa Trust PLC since 1999 and, through his interests in a family trust as well as direct share ownership, has a significant, long standing, investment in the Company.

William's experience in investment banking and management is important to the Board in developing and monitoring investments in special investment themes and in the Company's strategic investment through Ocean Wilsons Holdings Limited in Wilson Sons.

William is the senior partner of Hansa Capital Partners LLP (the Portfolio Manager and Company Secretary), deputy chairman of Ocean Wilsons Holdings Limited and its listed subsidiary Wilson Sons Limited. He is also a shareholder representative on the investment advisory committee for DV4 Limited. William was formerly the vice chairman of Close Asset Management Limited and chairman of the merchant bank Rea Brothers PLC.

	Meetings attended:	Total Yearly Meetings:
Strategic	1	1
Board	5	5
Audit Committee	2	2

GEOFFREY WOOD

Geoffrey was appointed to the Board in 1997. Geoffrey 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 advisor to a number of Central Banks and City of London financial firms. Geoffrey has a deep knowledge of economics and, specifically, monetary and fiscal policy issues.

	Meetings attended:	Total Yearly Meetings:
Strategic	1	1
Board	4	5
Audit Committee	1	2

The Board

Each Director brings certain individual and complementary skills and experience to the Board's workings, as summarised in the previous Directors' pages and dedicates his time to the Company to ensure its success. All Directors resign at each AGM and offer themselves for consideration for re-election. The Board recommends the re-appointment of each of the Directors, based on his continuing contribution to the Company and its shareholders.

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 explained below.

INVESTMENT POLICY, STRATEGY AND BENCHMARK

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, which may not normally be available to the general public, 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. Any single investment may, on occasion, constitute a significant proportion of the portfolio and/or that of the company concerned.

The investment strategy of the Company has evolved over time, but it has always been managed with a strong focus on seeking out undervalued investments. The Company has historically comprised a portfolio of special situations in UK equities, combined with a strategic stake in OWHL. The Company continues to invest in these assets, but the updated investment strategy, introduced at the start of the previous financial year, includes a wider remit spanning other asset classes and geographies. Typically, the non-UK equity exposure is achieved through investment in funds managed by third party managers with whom we have relationships through Hansa Capital Partners' activities. Many of the investments are not readily available to the general public. The final part of the Company's portfolio reflects its size and flexible structure, as we are always on the lookout for unconventional investments, which often cannot be accommodated by more traditional, larger fund managers, typically less flexible in their approach. These more eclectic investments range from those sectors benefiting from structurally higher growth, such as biotechnology, to assets which we believe stand on unwarranted discounts to their true intrinsic value, including other investment trusts.

This investment approach may well produce returns which are not replicated by movements in any market index.

Returns are compared with 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.

The Portfolio Manager is charged by the Board to implement the investment policy under its supervision and guidance. It is important for the Portfolio Manager to be able to vary any investment at any time, in order either to protect shareholders' funds and/or to optimise shareholders' returns.

POLICY ON BOARD DIVERSITY

Appointments to the Board are made on merit and against objective criteria in accordance with the AIC Corporate Governance Code. The Board considers 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.

Long-Term Performance

TEN YEAR COMPANY PERFORMANCE STATISTICS

Ten Year Record

Year ended 31 March	Shareholders' Funds	Net Asset Ordinary and 'A' Ordinary	Annual Dividends	Share Price Ordinary	Share Price 'A' Ordinary	Discount/(Premium) Ordinary	Discount/(Premium) 'A' Ordinary
2016	£255.6m	1,064.9p	16.0p	734.5p	725.5p	31.0%	31.9%
2015	£273.3m	1,138.6p	16.0p	860.0p	827.5p	24.5%	27.3%
2014	£287.4m	1,197.5p	16.0p	879.3p	877.5p	25.8%	26.7%
2013	£259.9m	1,082.9p	15.0p	837.0p	815.0p	22.7%	24.7%
2012	£268.2m	1,117.5p	14.0p	920.0p	873.0p	17.7%	21.9%
2011	£264.1m	1,100.5p	3.5p	951.0p	930.0p	13.6%	15.5%
2010	£215.0m	895.9p	25.0p	760.0p	750.0p	15.2%	16.3%
2009	£152.4m	635.0p	18.0p	510.0p	500.0p	19.7%	22.8%
2008	£221.9m	924.5p	13.0p	820.0p	815.0p	11.3%	11.8%
2007	£249.5m	1,039.4p	12.5p	1,123.0p	1,022.5p	(8.0)%	1.6%
2006	£196.4m	818.2p	9.75p	847.5p	818.0p	(3.6)%	0.0%

To 31 March 2016	1 year	3 years	5 years	10 years
Share Price Total Return				
Ordinary shares (%)	-13.5	-7.1	-18.3	3.5
'A' non-voting Ordinary shares (%)	-10.6	-5.4	-17.1	7.1
Company's benchmark (%)	3.4	9.9	18.1	49.7

To 31 March 2016	1 year	3 years	5 years	10 years
Net Asset Value Performance versus Company Benchmark				
Net Asset Value (%)	-5.2	2.9	3.0	51.5
Company's benchmark (%)	3.4	9.9	18.1	49.7

Organisation and Objectives

This section explains how the Board has organised the Company and seeks to deliver its objectives.

BOARD COMMITTEES

The Directors consider that, in order to fulfil their responsibilities as the Directors of the Company, they should all be members of every sub-committee, except where there is a deemed conflict of interest.

Audit Committee

The Audit Committee, which meets at least twice a year, consists of all five Directors and Edwin Teideman, a former director, whose skills and experience of the Company strengthen the Committee. During the Company's year to 31 March 2016, the Committee was chaired by Alex Hammond-Chambers up to 16 July 2015, the date of the 2015 AGM. Following that meeting, Jonathan Davie took over the Chairmanship of the Audit Committee and has remained Chairman of the Audit Committee since that date.

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 AIC Code. The Board considers 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 William Salomon, fulfils the function of this Committee. The level of management fees, level of service provided and the performance of the Portfolio Manager are reviewed on a regular basis to ensure these remain competitive and in the best interests of shareholders. The Board also receives feedback from the Company's Alternative Investment Fund Manager ("AIFM"), Phoenix Fund Services Ltd. The AIFM changed its name to Maitland Institutional Services Limited with effect from 4 April 2016. However, all other elements of the contractual relationship remain unchanged. The Board, after the recommendation of the Management Engagement Committee, consider the continuing engagement of the AIFM and the Portfolio Manager to be in the best interests of the shareholders.

Remuneration Committee

The Board fulfils the function of a Remuneration Committee and considers 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, in the light of their duties and also relative to other comparable companies. The policy on Directors' remuneration will be presented triennially to shareholders at the AGM for their consideration and approval.

In the absence of a separate Remuneration Committee, the Chairman is responsible for ensuring appropriate contact is kept with the principal shareholders during the year.

PROMOTING THE COMPANY

Although the Board has always considered ways and means to promote the ownership of the shares in the Company, the establishment of the Retail Distribution Review has had the effect of making the various different investment products compete rather more directly with each other. It assists the Board in targeting the type of shareholder Hansa Trust shares would most likely appeal to. It has placed an added requirement that we should promote the "Hansa Trust story" in the market place so there is reasonably widespread understanding of it; by doing so, we aim to promote the demand for the Company's shares with a positive effect on the discount.

Indeed the promotion of the Company is also part of the discount policy, the purpose of which is to encourage the demand for the Company's shares and thereby reduce any discount at which the shares sell in relation to the NAV.

We instituted the following promotional initiatives and activities in 2014:

- Recognising the growing number of DIY investors, we have re-designed the Annual Report, the monthly factsheet and the website to make them, we hope, more interesting and easier to use.
- We have broadened the remit of Winterflood Securities as the Company's corporate stockbroker to assist in proactively promoting the Company and enhancing its market coverage.

We have established a working relationship with Edison Research to help produce written research on the Company, its investments and its progress. Such research is distributed to many thousands of investors.

- We are working with Capita Asset Services, the Company's Registrars, to improve our understanding of our shareholder base and promote the dividend re-investment programme.
- We, through our Portfolio Manager, Hansa Capital Partners, are increasing the numbers of presentations to investment trust investors.

SERVICE PROVIDERS

Service Provider Policy

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 regularly reviewed and monitored either by the Board or its Committees.

The Board, in seeking to engage organisations which can provide the relevant levels of experience and expertise at an acceptable cost, carries out the following processes:

- Monitors third party suppliers, performance and costs:
  The Board, at its regular meetings, reviews reports prepared by both the Portfolio Manager and the Administrator, which enables it to monitor the performance and costs of the third party suppliers to the Company. Following the implementation of the Alternative Investment Fund Managers' Directive ("AIFMD"), the Board has established a monitoring programme for the AIFM and Depositary. The Company Secretary meets each supplier quarterly to monitor their processes and systems and, in addition, the AIFM and Depositary attend at least one Board Meeting per annum.
- Monitors investment risks and returns:
  The Board reviews reports prepared by the Portfolio Manager at its regular meetings, which enables it to monitor the investment risks and returns.
- Determines investment strategy, guidelines and restrictions:
  The Board determines the investment strategy in conjunction with the Portfolio 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 is reported by the Portfolio Manager's compliance officer on a regular basis and is also monitored independently by the AIFM.
- Determines gearing levels and capital preservation through the use of hedging instruments:
  The Board, taking account of advice from the Portfolio Manager, determines the maximum level of borrowings 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.

THE PROVIDERS

Portfolio 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 OWHL 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 OWHL.

The terms of the portfolio management agreement permit either party to terminate the agreement by giving to the other

Organisation and Objectives
Continued

not less than 12 months' notice, or such shorter period as is mutually acceptable. There is no agreement between the Company and the Portfolio Manager concerning compensation in respect to the termination of the agreement. In its annual assessment of the Portfolio 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 Portfolio Manager remains in place under the present terms. Details of the fees paid to the Portfolio Manager can be found in Note 3 on page 50.

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 the Auditor's objectivity and independence is safeguarded. (Details in Note 4 on page 50.)

Company Secretary
The Company engages Hansa Capital Partners LLP as its Company Secretary at an annual rate of £100,000, excluding VAT (2015: £100,000).

Alternative Investment Fund Managers' Directive
The Company appointed Phoenix Fund Services (UK) Limited, with effect from 10 June 2014, to act as its AIFM with responsibilities for the Portfolio Management and Risk Management. The AIFM has sub-contracted with Hansa Capital Partners LLP to continue to provide Portfolio Management services. During the year to 31 March 2016, the AIFM has charged £110,525 for its services. The AIFM changed its name to Maitland Institutional Services Limited with effect from 4 April 2016. However, all other elements of the contractual relationship remain unchanged.

Administrator
The Company engages Phoenix Administration Services Limited as its Administrator, at an annual rate of £123,173, excluding VAT (2015: £121,052). The Administrator changed its name to Maitland Administration Services Limited with effect from 4 April 2016. However, all other elements of the contractual relationship remain unchanged.

Depositary
BNP Paribas Securities Services is the Company's Depositary, an appointment that was ratified by the AIFM. During the year to 31 March 2016, BNP Paribas Securities Services charged £86,031 for the combined Depositary and Custodial service excluding VAT (2015: £86,905).

KEY PERFORMANCE INDICATORS
The Board at its quarterly meeting reviews the returns and the performance of the Company, including an analysis using the Key Performance Indicators ("KPIs") listed below.

The main performance KPI, against which the Board compares the returns (actual and total) of the NAV and the share prices is the Company's benchmark (as defined earlier on page 8). Returns are also noted against the Company's peer group and to the Stock Market (FTSE All Share Index and MSCI All Country World Index). There are two KPIs: costs of managing the Company are monitored against the NAV (aka 'ongoing charges percentage per annum') and the discount/premium that the shares sell at in relation to the NAV is likewise monitored. The numbers are computed on a one, three, five and ten year basis – five years being, we believe, 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 2016	1 year	3 years	5 years	10 years
Share Price				
Ordinary shares (%)	-13.5	-7.1	-18.3	3.5
'A' non-voting Ordinary shares (%)	-10.6	-5.4	-17.1	7.1
Company's benchmark (%)	3.4	9.9	18.1	49.7

ii) Company – Total Returns

These comparisons are used to determine the effectiveness of the Investment Strategy and of the Portfolio Management.

To 31 March 2016	1 year	3 years	5 years	10 years
NAV (%)	-5.2	2.9	3.0	51.5
Absolute comparison				
Company's benchmark (%)	3.4	9.9	18.1	49.7
Relative comparison				
Peer group average (%)	-2.7	14.8	30.6	67.2

* See website for peer group

iii) Discount/(Premium)

A comparison is made between the discount/(premium) of the Company's two classes of shares, those of the Company's peer group and of the AIC average.

To 31 March 2016	1 year average	3 years average	5 years average	10 years average
Share Price				
Ordinary shares (%)	27.5	25.2	24.1	16.3
'A' non-voting Ordinary shares (%)	29.1	26.8	25.5	18.5
Peer group (%)	7.9	7.3	7.9	6.8
AIC (%)	6.7			

Note: AIC only produces AIC average for 1 year.

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 2016	1 year	3 years p.a.	5 years p.a.	10 years p.a.
Ongoing charges per annum (%)	1.2	1.1	1.0	1.0
NAV total return (%)	-5.2	1.0	0.6	4.2

LIMITS

Investment Guidelines

The Investment Policy enables the Portfolio 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 Portfolio 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.

The Board does not set a limit on the number of investments which can be held in the portfolio; however it usually invests in at least 30 investments. The current investment strategy was announced on 22 April 2014. The following items require Board approval:

(a) Investing in illiquid assets in excess of 10% of the portfolio's value.

(b) An investment to be made in a derivative instrument.

(c) At the time of investment, the market value of an investment sector exceeds the following bands within the portfolio:

i. Country-based Exposure 0-40%

ii. UK Equity Special Situations 0-40%

iii. Eclectic & Diversifying Assets 0-30%

Note: No further investment may be made in OWHL or Wilson Sons Ltd.

(d) An investment greater than 5% of the market value of the portfolio (at the time of the investment) can be made in any company/fund.

(e) An investment, which constitutes more than 5% of the share capital of the investee company, can be made.

(f) An investment is made that involves a potential conflict of interest for a Director of the Company, the Portfolio Manager or any connected party to either.

These investment guidelines remain in force as at 31 March 2016 and remain unchanged at the time of signing of this Report.

Organisation and Objectives
Continued

Borrowing Limits

The Board believes shareholders' returns may be enhanced if the Company borrows money at appropriate times for the purpose of investment. While the Articles of Association allow 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.

PRINCIPAL RISKS

The Board reviews the principal risks from the point of view of the long-term shareholders, the main risk being that over the long-term (which we determine to be five years) they do not make a return from their investment in the Company. The Board confirms that it has carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. The Board considers the risks that the Company, and therefore shareholders, face can be divided into external and internal risks.

External risks

External risks to shareholders and their returns are those that can severely influence the investment environment within which the Company operates. These include government policies, economic recession, declining corporate profitability and rising inflation. Such an environment could lead to sharp rises in interest rates and in stock market volatitity. Deflation is also a source of concern in some countries, but until deflation increases sharply it is not a significant impediment to growth. But, it may lead to negative interest rates which will surely damage the banking system. At their regular Board Meetings and at the annual strategy meeting, the Directors and the Management consider risks that concern them, including:

- Currency and economic volatility in world markets.
- Risks associated with Brazil.
- Aftershocks from the financial crisis, particularly in the continental European banking system.
- Unquantifiable risks resulting from worldwide political 'hot-spots'.

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

Internal Risks

Internal and operational risks to shareholders and their returns are: portfolio (stock and sector selection and concentration), balance sheet (gearing), and/or administrative mismanagement. 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 AIFM and the Portfolio Manager to ensure the Company is compliant with s.1158/1159 and monitoring reports are presented to the Board.

The mitigation of these risks is achieved by the Board performing regular reviews of all service providers and monthly reviews of s.1158/1159 compliance.

The Board considers the risks to the Company's two share prices, apart from those mentioned above, include the level of discount/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 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 Financial Reporting Council) are managed, have been summarised in Note 20 on pages 55 to 57.

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.

DIVIDEND POLICY AND DIVIDEND PAYMENTS

Dividend Policy

The Board's dividend policy is to pay two similar interim dividends each year. The Board will declare the rate of the two dividends at the beginning of the financial year in question. Barring unforeseen circumstances, the first interim dividend will then be paid in November during the financial year with the second being paid in the May following the end of the financial year. Again, barring unforeseen circumstances, the Company expects the dividends to grow over time reflecting the longer-term returns of the portfolio. If circumstances are such that the level of cash income generated by the portfolio is insufficient to meet the dividend commitment, the shortfall may be made up from the Company's reserves. Under certain one-off circumstances an extra and final dividend may be proposed at the Company's Annual General Meeting.

Dividend Payments

The dividends paid and proposed are as follows:

	2016 £000	2015 £000
Ordinary and 'A' non-voting Ordinary shares		
First Interim paid 8.0p (November 2015) (2015: 8.0p) per share	**1,920**	1,920
Second Interim paid 8.0p (May 2016) (2015: 8.0p) per share	**1,920**	1,920
Total dividends	**3,840**	3,840

Due to the payment of two Interim dividends relating to the year ended 31 March 2016, the Board is not proposing a final dividend per Ordinary and 'A' Ordinary non-voting share.

Discount Policy

The discount policy of Hansa Trust is to encourage the demand for the shares, by ensuring it has an investment policy that is attractive to investors and which is likely to produce above average returns over the long-term and then to promote the Company and its prospects so as to encourage the demand for its shares.

The Board of Directors does not believe it can manage the discount in the short-term and has therefore eschewed the phrase "discount management policy". Furthermore, the Board does not believe buying in its own shares is in the best long-term interest of shareholders because:

- it reduces the number of shares outstanding and therefore the liquidity of the shares in the market place; less liquidity may cause a rise in the discount;
- it means a liquid portfolio needs to be maintained, compromising the ability to have a portfolio of special situations; the maintenance of the long-term investment policy, and its portfolio, takes precedence over the short-term discount policy;
- the holding in OWHL would represent an even greater percentage of the portfolio and buying back shares would raise the relative exposure to Brazil, which the Board does not wish to do; and
- buying back shares to manage the discount is only necessary if there is not enough market place demand for them; buying back shares treats the symptoms of the problem of lack of demand, not the cause.

The one good reason for buying back shares is that, if done so on a large enough scale and at a large enough discount, it can have a material and positive effect on the NAV per share. So, if there is an unusual opportunity to buy back shares such that it would make a reasonably material impact on the NAV, then we will do so.

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.

Status and Activities

During the year under review the Company has operated as an investment company in compliance with s.833 of the Companies Act 2006 and s.1158/1159 of the Corporation Tax Act 2010 as amended. The Company has obtained approval from HM Revenue & Customs ("HMRC") of its status as an investment trust under s.1158 of the Corporation Tax Act 2010 for all accounting periods commencing on or after 1 April 2012; the Directors are of the opinion that the Company has conducted its affairs in compliance with the ongoing requirements of s.1158 since approval was granted and intends to continue to do so.

Organisation and Objectives
Continued

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 Report to the Shareholders, the Portfolio Manager's Report and other elements of the Strategic Report. 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 the Company has adequate resources to continue in operational existence for the foreseeable future as the assets of the Company consist of securities, the majority of which are traded on recognised stock exchanges, or open ended funds run by established managers. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Longer Term Viability Statement

The UK and AIC Corporate Governance Codes require that the Directors make a statement concerning the longer-term viability of the Company, in addition to the Statement of Going Concern. As stated many times in the wider Strategic Report, the Directors consider 12 months to be a relatively short timeframe and look to the longer-term for both the performance and risks associated with the Company. The Directors consider a period of five years as being a more representative period. This period is sufficiently long to cancel out short-term market volatility and allow longer-term performance to become apparent. Barring unforeseen circumstances and taking account of the Company's current position and principal risks, the Directors consider the Company fully satisfies the formal requirement that there be "a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over this assessed period". The Board continually monitors the Investment Strategy and Investment Guidelines issued to the Portfolio Manager and AIFM and directs those entities to target long-term capital preservation. Further, whilst the Board has sanctioned the use of gearing, the facility available to the Portfolio Manager is relatively small compared to the NAV of the Company. Finally, a number of the more significant costs in each financial year are contracted to be calculated, on the basis of the underlying NAV of the Company. As such, in a period of negative portfolio performance, the cost base should also fall.

Greenhouse Gas Emissions

Hansa Trust PLC has no greenhouse gas emissions to report from the operations of its Company, nor does it have responsibility for any other emissions producing sources under Part 7 of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended.

Social, Community, Human Rights, Employee Responsibilities and Environmental Policy

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

Portfolio Manager's Report

The Pain Trade and Black Swans

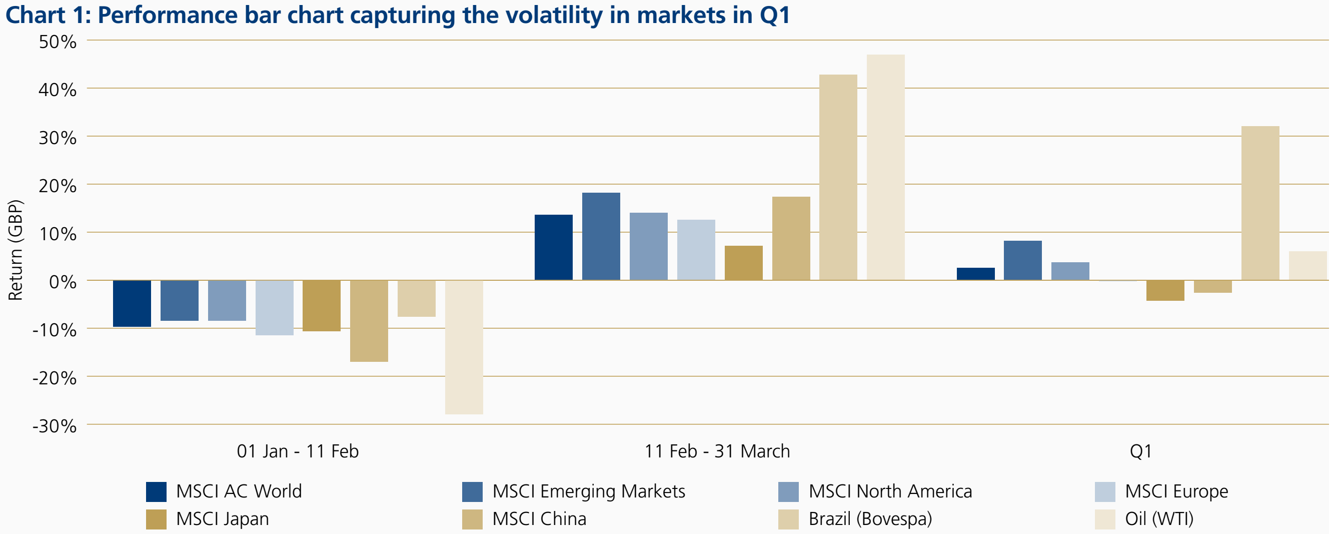
One of the more distressing aspects of stock markets is their ability to lull investors into a false sense of security and then to punish them through a series of sharp movements in the opposite direction – the 'Pain Trade'!

The start of 2016 was one such example. Stock markets ended 2015 characterised by dull performance overall, led by muted returns from many of the developed markets. Within this though were some persistent trends: emerging market weakness, USD strength, Japanese strength and commodities collapsing as the super cycle of the past decade came to an end.

The first quarter of 2016 saw a sharp uptick in volatility and began with a painful collapse in risk assets as world equities fell by 9.7% to 11 February. Within this US equities fell by 9.0%, European equities by 11.4%, Japanese equities by 10.6% and emerging markets by 8.4%. Bonds, in contrast, demonstrated their defensive characteristics as they returned 8.1% during this period, while commodities declined by 4.0%.

Any investors who sought shelter by reducing their equity exposure at this stage were caught out, as stock markets whipsawed up again such that for the quarter as a whole, world equities, US equities and European equities returned 2.6%, 3.7% and -0.2% respectively. Aside from the sheer ferocity of the turnaround, further pain was caused to investors by the fact that this rally was led by significant strength in those stocks and sectors previously most under pressure. In particular, emerging markets bounced 18.2% from the trough in February, commodities 7.1% and oil 46.9%. The net effect of these moves has been some disappointing returns from those active managers who had previously been performing well.

Chart 1: Performance bar chart capturing the volatility in markets in Q1



Source: MSCI, Bloomberg

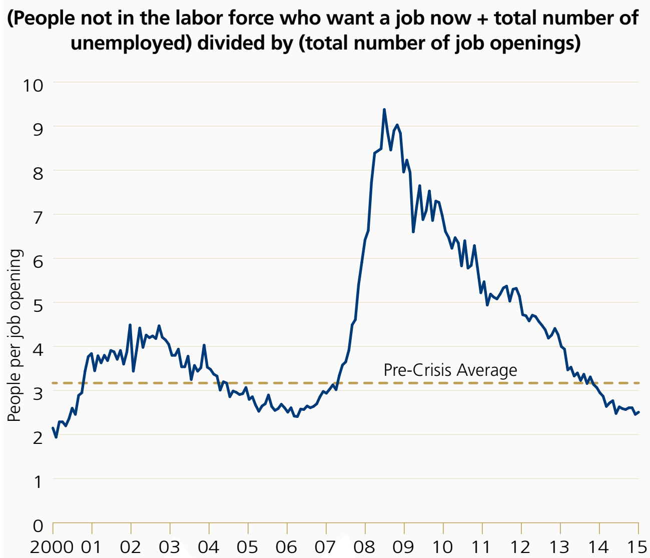
Behavioural investing versus fundamental investing

One of the primary drivers of the pain trade is that of crowded investments. As trends in stock markets become more protracted, investors typically crowd to one side of the trade. Hence in a more mature cycle, as we are in now, many of the winning trades – such as being underweight emerging markets, shorting commodities, long-Dollar and long-Japan – have become increasingly crowded and vulnerable to sell-offs.

The vital question, however, is whether or not these behavioural drivers foretell a change in market fundamentals, or if they simply represent the normal ups and downs one experiences within a broader cycle (and which can be ignored)?

Portfolio Manager's Report
Continued

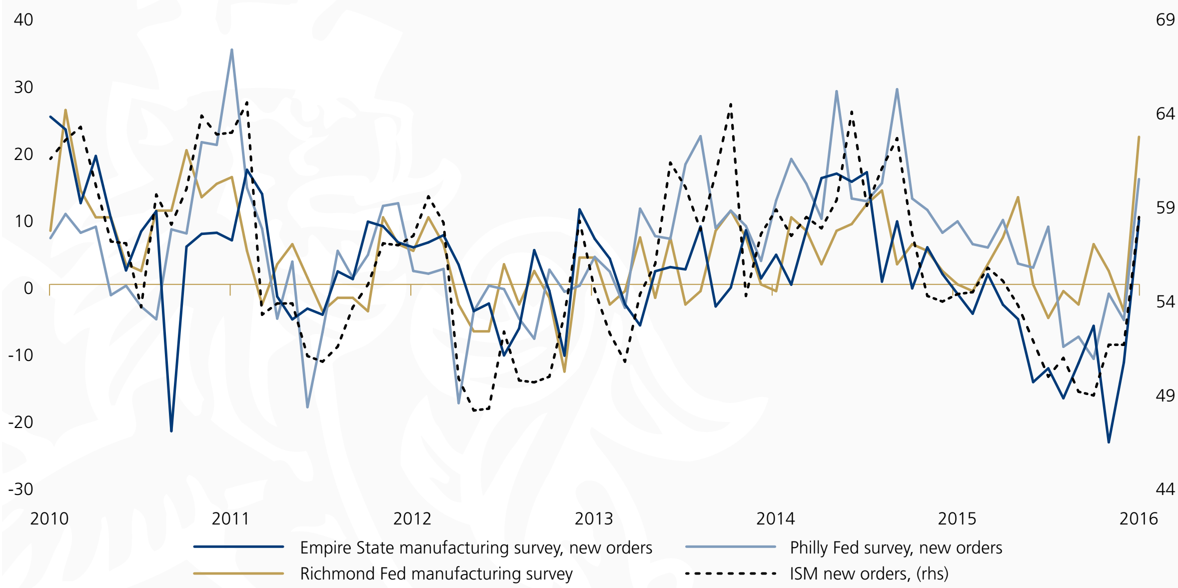
Chart 2: US labour market chart – number of available people per job opening is now at 2006/7 levels



Source: Bloomberg, Federal Reserve Bank of St. Louis

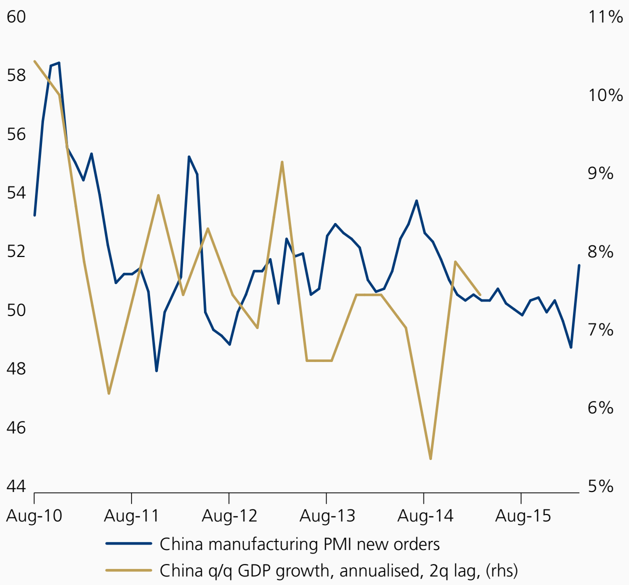
Key to this question is economic growth. The current recovery has been characterised by modest, positive growth interspersed with spells of weakness. The first quarter again saw a period of weaker data, leading investors to question whether or not the recent increase in US interest rates heralded the beginning of the next recession. Whilst acknowledging that the rate cycle does often ultimately catalyse economic downturns, we remain of the view that it is too early to call for this at this stage. Rates have only just started to rise in the US, with the US Central Bank already back-peddling on the expected speed at which rates will rise. Furthermore, whilst the US rate cycle has turned, both the European and Japanese central banks remain firmly in expansionary territory. Continued strength in both the US labour and housing markets, combined with other economic indicators in the US, as well as in Europe and China, suggest to us that the recent weakness was a blip and we are therefore inclined to believe that the economic environment remains one of muted but positive growth, especially within the developed markets.

Chart 3: US lead indicators improving



Source: Bloomberg

Chart 4: China's PMI lead indicator has moved into expansionary territory for the first time in nine months

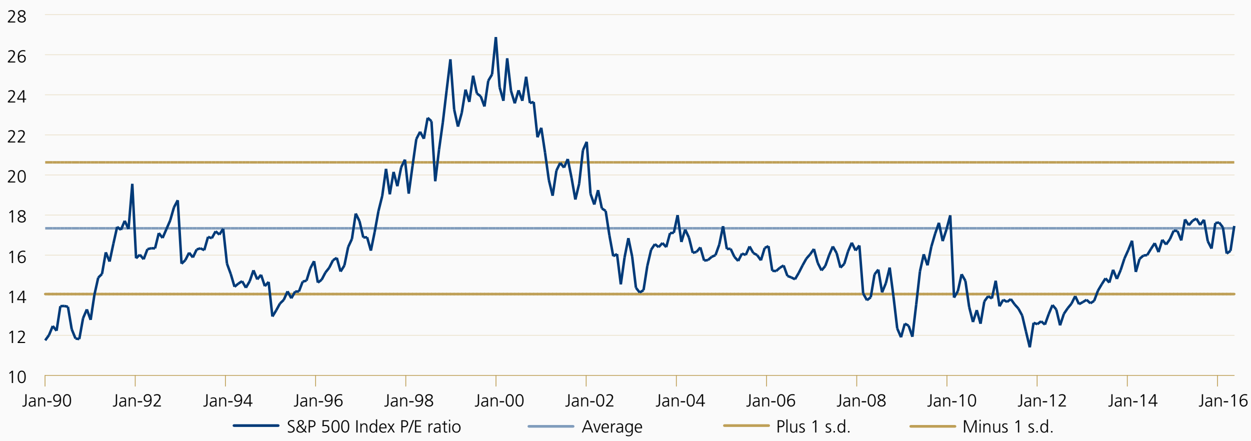


Source: Bloomberg

From a valuation perspective, the picture is nuanced. Unquestionably, valuations are no longer as cheap as they were at the beginning of the cycle, when price earnings multiples were in single digits. However, with US equities standing at 17.5x forward earnings, Europe on 15.4x and Japan on 14.2x it is fair to say that valuations are not at very expensive levels compared to past history. On a relative basis equities look much more attractively valued versus government bonds, albeit with markets in a zero interest rate backdrop (and negative interest rates in many cases) this metric is undoubtedly distorted and should be treated with some caution.

An added complexity when assessing market valuations is the outlook for company earnings. A feature of the current recovery has been the disconnect between economic growth and profitability. Whilst economic growth has been slowly improving, company profitability has been under growing downward pressure. A number of reasons lie behind this but most notably in the US is the difference between the constituents of the economy versus the stock market. The former is heavily biased towards consumers and the service sector, which remain robust and are beneficiaries of the fall in energy prices. In contrast, the US stock market is more biased towards the industrial and energy sectors, whose earnings have been under pressure as oil prices have come down. Hence with future stock market returns likely to be more dependent on earnings growth, rather than a further re-rating from the current full valuation levels, company profitability will be increasingly important for market returns.

Chart 5: US Equity Market Valuations



Source: Bloomberg

Portfolio Manager's Report
Continued

Overall then we see the stock market cycle as a maturing one but still with upside. It is important to acknowledge that returns from here will likely be lower than those exhibited at the start of the cycle, as well as being more range bound and increasingly vulnerable to market risks. On the latter point, as discussed in the next section, we note these risks are both increasing in number and also in their potential severity.

Black Swans
'Black Swans' in the context of investment is the metaphor used to describe major events that are hard to predict, rare and typically without precedent in market history. Currently we see two potential black swans:

First, the move of interest rates into negative territory in many markets, most notably Europe and Japan. The theory goes that this is an extension of previous, more conventional rate cuts with the aim that it encourages corporates and individuals to save less and spend more and, in the process kick-starts the broader economy. Increasingly though commentators are questioning whether or not such unprecedented moves may lead to perverse effects.

From a signalling perspective, consumers and corporates may actually read the moves as signs of panic, highlighting the growing ineffectiveness of central bank policy. Rather than encouraging greater spending, such a policy may have the polar opposite effect and lead individuals and corporates to save more in the anticipation of more difficult times to come, leading to deflation.

The other consequence of negative rates is their impact on bond yield curves, potentially flattening and even inverting them. With much of the banking and broader financial sector built on positive yield curves (i.e. the ability to borrow cheaply at the short end and lend out at higher rates at the long end), a paradigm shift to persistently inverted rates may structurally damage much of the financial sector.

Secondly, there is the risk of an implosion in China. China has been a remarkable success story, exhibiting huge economic growth, becoming the manufacturing centre for the global economy and being instrumental in bailing out world economies post the credit crunch. As is to be expected, however, this miracle must come to an end at some point, a fact which the Chinese authorities are well aware of as they try to shift the economy from being manufacturing led to a service economy. The risk is that such transitions rarely happen smoothly and some worrying signs of excess are already being exhibited. Most notably, investment has exploded, leading to huge levels of debt as a percentage of GDP. There are mitigating factors, but with transparency being poor the dangers of an unhappy ending are very real.

Portfolio review
Your Company generated a negative return of 6.5% over the past 12 months versus +3.4% for the benchmark, which is absolute in nature. The MSCI AC World, FTSE All Share Index and Brazilian stock market returned -1.4%, -3.9% and -9.3% respectively, over the same period. Contributing to this under-performance was the disappointing return from the investment in OWHL. This fell by 8.5% over the year on a total return basis, detracting 25p from the asset value. For the Company as a whole, the asset value moved from 1,138.7p to 1,064.9p over the year, while a dividend of 16p was paid out.

Core/regional Funds
Amongst our regional funds I am pleased to say we had some real stars. Standout performers included the BlackRock European Hedge Fund managed by Alister Hibbert. Through a combination of good macro and stock calls, the fund returned just under 14% for the year, some 27% ahead of the (currency hedged) European equity index. Our other European fund, Adelphi, which is long-only, also significantly beat its underlying benchmark. Other names to note include the Odey Absolute Return Fund, a global hedge fund, and Goodhart Hanjo Fund. The latter returned 4.6% for the year, beating its (currency hedged) index by over 15% and is a case in point as to how we believe one should approach the Japanese market. From a macro perspective Japan continues to struggle, dipping back into recession, facing significant demographic challenges with an aging population and persistent deflationary forces. At the micro level, however, Japan is much more attractive. The growing focus on utilising excessive cash positions, simplifying complex cross-holding structures and improving returns on capital offer excellent upside from a bottom-up perspective. This is very much core to Hanjo's strategy.

On the more disappointing side, Pershing Square generated very poor returns for the year, falling by 41%. Driving this under-performance was its position in Valeant, a speciality pharmaceutical group. Historically Valeant has been an incredibly successful group, buying other pharmaceutical companies, achieving economies of scale and improving returns. In 2015, however, the company was both the subject of a short seller's report and at the centre of a political storm over the ramping up of drug prices. We recognise as investors that it is inevitable mistakes are made from time to time, but clearly the onus is on the Pershing team to prove they can manage risk appropriately and can successfully implement their soft activist model.

Eclectic/diversifying funds

Notable performers within the Eclectic silo included good recent performance from Global Event Partners. The fund seeks to isolate events such as mergers and spin-offs, while removing broader market risk. The manager views the current backdrop as one of the most attractive in his career. On the more negative side, JLP Credit Opportunity Fund has been impacted by the recent turmoil in the stressed credit market, exacerbated by a lack of liquidity. Increasingly however, we see this as one of the few areas of the market offering real value, with yields attractive on a historical basis, and with high spreads versus government bonds.

UK equities

The time-weighted performance of the UK Equity silo during the last 12 months was slightly negative, with a fall of 0.5%, but this was ahead of the broad UK equity market, as the FTSE All Share Index declined by 3.9%. Several of the biggest positions produced good performances, such as NCC Group (+30.3%), UBM (+18.1%) and Experian Group (+13.9%), while there were falls registered by companies including Hansteen Holdings (-7.2%), Great Portland Estates (-9.6%) and Goals Soccer Centres (-57.3%). This silo now comprises 24.3% of the portfolio.

EXPERIAN is the leading global information services company, providing data and analytical tools to its clients around the world, helping businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making, as well as helping people to check their credit reports and protect against identity theft. Experian is delivering on its strategic priorities, having divested certain non-core activities and backing new organic investments in key growth areas, while maintaining margins and returning cash to shareholders by increasing equity dividends by 2% and extending a $600m share repurchase programme by an additional $200m.

GALLIFORD TRY, like other housebuilders, has changed its business model to operate with low levels of debt (supplemented by land creditors), build for margin not volume and distribute excess cash. After many years of under-production the housing market has a structural supply deficit and the larger companies like Galliford Try are able to buy land at attractive prices, while affordability levels for homebuyers are manageable, bolstered by the Government's "Help To Buy" scheme. Galliford Try is well on course to more than double FY13's profit before tax and earnings by 2018, with a greater increase in the dividend and improving return on capital. Its Linden Homes brand is making strong progress on margins, as well increased outlet numbers and unit sales per outlet.

We have had some value detractors too. GOALS SOCCER CENTRES is undergoing a change of management, with a new executive chairman and new CEO to address the challenge of reviving the core UK business. No further UK sites are being opened in the foreseeable future while an in-depth review of all aspects of the business is progressing, which includes the best way forward to build upon the success of the single US centre in Los Angeles which is showing good growth. Goals is a fundamentally sound, profitable and cash generative business, and with the right investment and management focus the Board believes the company can return to sustained UK sales growth.

Ocean Wilson Holdings

Wilson Sons released its fourth quarter results in March, which showed the company remains resilient, despite 2015 being an extremely challenging year for the Brazilian economy. Among the headwinds faced by the firm during the year were the substantial decline in the oil price, which has impacted exploration activity worldwide and the fall in the Brazilian Real, which lost a third of its value against the USD. While revenues increased 11% in Brazilian Reals compared to the same period

Portfolio Manager's Report
Continued

in 2014, the currency impact resulted in a decline of 25% in USD. However, EBITDA fell by only 3%, as EBITDA margins expanded across almost all business units, especially Towage, with the business benefiting from having a greater proportion of revenues than costs being linked to USD. Other positive factors, including good cost control, a diversified business and lower investment requirements following a strong capex cycle in the recent past, led to solid EBITDA growth for the year as a whole, at $208m, up from $199m in the previous year.

The currency decline had a significant impact on revenues in Terminals, which fell by 22% in the fourth quarter. However, overall volumes were up, with increased exports at Tecon Rio Grande and Tecon Salvador more than compensating for reduced imports. Revenues declined within the Towage division, but the EBITDA margin expanded strongly, largely as a result of growth in special operations (which have higher margins). The company exercised a preference right in March 2016 over six tugboats and other minor support assets, which had been operating within the fleet for a number of years under lease contracts. Offshore Vessels remains a challenging market and EBITDA came in at $9.6m, down 14% on the prior year, although with an increased margin of 57%. The company is expecting to receive a further international vessel, Pardela, which should be available in Brazil by June 2016.

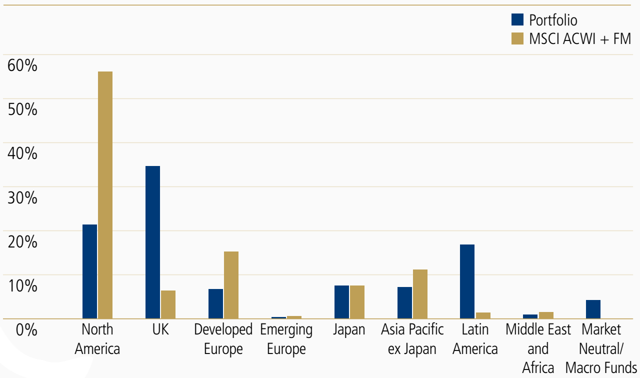
OWHL's Investment subsidiary was valued at $244.4m at the end of December 2015, which was down 2.9% from the 31 December 2014 value of $251.7m, although during this period $7.0m was withdrawn from the portfolio to contribute to the dividend paid by the parent company. The portfolio continues to be biased towards equities, both public and private, reflecting its long-term nature.

In the first quarter of the year, the share price of OWHL fell by 2.0% in Sterling, meaning it is down 12.8% over the Company's financial year, or down 8.5% with dividends reinvested. The share price represents a discount to the look-through NAV of 36.8%, based on the market value of the Wilson Sons' shares, together with the latest valuation of the investment portfolio.

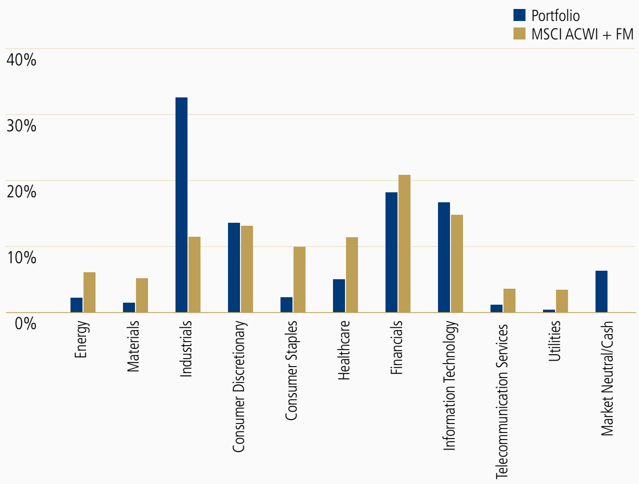
Summary

The past 12 months has been a difficult period to navigate for investors in equity markets and the Hansa Trust portfolio has not been immune from market falls. Brazil has been a particularly difficult market, with political turmoil contributing to a dramatic fall in the currency and the exposure to Wilson Sons has detracted from performance as a result. Nevertheless, Wilsons Sons is a robust company that has significantly out-performed the local market. Further, as illustrated by the charts below, whilst Brazil and Wilson Sons are an important part of the Hansa Trust exposure, they are by no means dominant with the Company having considerable diversification both by geography and sector.

Geography



Sector



Elsewhere in the portfolio, the UK Equity silo performed relatively well overall, and there were several pleasing outcomes for third party managers in both the Core and Eclectic silos. The recent volatility of markets was not unexpected, coming as it did late in the business cycle. We would not be surprised if the market were to experience further bouts of volatility, but feel the portfolio is well positioned to cope with such challenges and, as genuine long-term investors, we are well positioned to capitalise on these opportunities.

Hansa Capital Partners
Portfolio Manager
April 2016

Portfolio Statement

as at 31 March 2016

Investments	Fair value £000	Percentage of Net Assets
UK Equity		
NCC Group PLC	13,449	5.3
UBM PLC	9,728	3.8
Hansteen Holdings PLC	7,573	3.0
Galliford Try PLC	7,516	2.9
Experian PLC	4,852	1.9
Great Portland Estates PLC	4,368	1.7
Cape PLC	3,933	1.5
Brooks Macdonald Group PLC	3,592	1.4
Goals Soccer Centres PLC	2,125	0.8
Hilton Food Group PLC	1,830	0.7
Hargreaves Services PLC	1,250	0.5
Cairn Energy PLC	1,062	0.4
Immupharma PLC	264	0.1
Altitude Group PLC	248	0.1
Redt Energy PLC	168	0.1
Eight other investments	265	0.1
Total UK Equity	62,223	24.3
Strategic		
Wilson Sons (through our holding in Ocean Wilsons Holdings) *	41,193	16.1
Total Strategic	41,193	16.1
Core Regional Funds		
Findlay Park American Fund	12,665	5.0
Select Equity Offshore Ltd Class D	8,666	3.4
Adelphi European Select Equity Fund Class F	8,538	3.3
Vulcan Value Equity Fund	8,084	3.2
Goodhart Partners Longitude Fund: Hanjo Fund	7,804	3.1
Schroder ISF Asian Total Return Fund Class D	6,502	2.5
Indus Japan Long-Only Fund	6,256	2.4
CF Odey UK Absolute Return Fund Class I	6,041	2.4
BlackRock European Hedge Fund Class I	4,945	1.9
Vanguard FTSE Developed Europe ex UK Equity Index	3,891	1.5
Prince Street Institutional Offshore Ltd	3,631	1.4
Lyxor UCITS ETF JPX – Nikkei 400	3,451	1.4
Pershing Square Holdings	3,200	1.3
NTAsian Discovery Fund Classs A & B	2,120	0.8
Total Core Regional Funds	85,794	33.6

Investments	Fair value £000	Percentage of Net Assets
Eclectic & Diversifying Assets		
Ocean Wilsons Holdings Investments Limited (through our holding in Ocean Wilsons Holdings)*	28,017	11.0
DV4 Ltd **	11,985	4.7
GAM Star Technology Fund	9,175	3.6
Global Event Partners Ltd Class F	8,545	3.3
JLP Credit Opportunity Cayman Fund	3,693	1.4
Total Eclectic & Diversifying Assets	61,415	24.0
Total Investments	**250,625**	**98.1**
Net Current Assets	**4,950**	**1.9**
Net Assets	**255,575**	**100.0**

Note:
*Hansa Trust owns 9,352,770 shares in Ocean Wilsons Holdings Limited ("OWHL"). In order to better reflect Hansa Trust's exposure to different market silos, the two subsidiaries of OWHL, Wilson Sons and Ocean Wilsons (Investments) Ltd ("OWIL"), are shown separately above. The fair value of Hansa Trust's holding in OWHL has been apportioned across the two subsidiaries in the ratio of the latest reported NAV of OWIL, that being the NAV of OWIL shown per 31 December 2015 OWHL accounts, to the market value of OWHL's holding in Wilson Sons, that being the bid share price of Wilson Sons, multiplied by the number of shares held by OWHL at 31 March 2016.
**DV4 Ltd is an unlisted Private Equity holding. As such, its value is estimated as described in Note 19 to the Financial Statement and is listed as a Level 3 Asset in Note 21. All other valuations are either derived from information supplied by listed sources, or from pricing information supplied by third party fund managers.

Shareholder Profile and Engagement

Capital Structure

The Company has 8,000,000 Ordinary shares of 5p (1/3 of the total capital) and 16,000,000 'A' non-voting Ordinary shares of 5p (2/3 of the total capital) 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.

Shareholder Profile

The Company's shares owned at 31 March 2016 are as follows:

	Ordinary shares		'A' non-voting Ordinary shares	
Institutional & Wealth Managers	3,437,852	42.97%	15,259,680	95.37%
Directors	2,127,619	26.60%	139,150	0.87%
Related Holdings	2,069,425	25.87%	–	–
Private Individuals	292,352	3.65%	452,265	2.83%
Other	72,752	0.91%	148,905	0.93%
	8,000,000		16,000,000	

Substantial Shareholders

As at 31 March 2016 and 22 June 2016 the Directors were aware of the interests on page 26 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 15 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; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office. Notwithstanding the foregoing, the Company may require any holder of shares to transfer some or all of its shares (or otherwise refuse to register any transfer of shares) to avoid the Company being regarded as a "close company" as defined in s.414 of the Income and Corporation Taxes Act 1988, to another person whose holding of such shares, in the sole and conclusive determination of the Board, would not cause the Company to be a close company.

	No. of voting shares	% of voting shares
Peter Pearman & Codan Trust Company Limited	2,069,425	25.9%
Helen Cooper & Codan Trust Company Limited	2,069,425	25.9%

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

BOARD AND MANAGEMENT SHAREHOLDINGS

Directors and Directors' Interests

The present members of the Board are shown on page 6.

The Board's policy is that all Directors retire annually. All Directors being eligible, at the forthcoming Annual General Meeting, will retire and seek re-election in accordance with the Board's policy. The contracts of employment between the Company and each of the Directors do not allow for any compensation payment in the event of loss of office.

The interests of Directors and their connected parties in the Company at 31 March 2016 are shown below:

	Ordinary shares of 5p each		'A' non-voting Ordinary shares of 5p each		Nature of interest
	2016	2015	2016	2015	
Alex Hammond-Chambers	**4,900**	2,400	**10,600**	10,600	Beneficial
Jonathan Davie	**4,000**	4,000	**26,000**	26,000	Beneficial
Raymond Oxford	**1,850**	1,850	**1,850**	1,850	Beneficial
William Salomon	**2,115,869**	2,115,869	**98,700**	98,700	Beneficial
Geoffrey Wood	**1,000**	1,000	**2,000**	2,000	Beneficial

As at 22 June 2016, the date of signing of the Annual Accounts, there were no changes to report to the Directors' holdings.

William Salomon is the senior partner of Hansa Capital Partners LLP. Fees payable to Hansa Capital Partners LLP amounted to £1,934,627 (2015: £1,868,402). The fees outstanding at the year-end amounted to £157,999 (2015: £165,147). During the year, no rights to subscribe for the shares of the Company were granted to, or exercised by Directors, their spouses or infant children.

PORTFOLIO MANAGER'S INTERESTS

As at 22 June 2016, the date of signing of this Annual Report, the management and staff of the Portfolio Manager's group, excluding the holding of William Salomon, shown above, were interested in c93,000 shares in the Company – a mixture of Ordinary and 'A' non-voting Ordinary shares.

ANNUAL GENERAL MEETING

A special resolution relating to the following items will be proposed at the forthcoming AGM:

Authority to repurchase '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 repurchase its own 'A' non-voting Ordinary shares. The Board believes the ability of the Company to repurchase its own 'A' non-voting Ordinary shares in the market could potentially benefit all equity shareholders of the Company in the long-term. The repurchase of 'A' non-voting Ordinary shares at a discount to the underlying NAV would enhance the 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 repurchase 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 Special Resolution 9 in the Notice of Meeting, will last until the date of the next AGM.

The Company is seeking authority to use its realised capital reserve to allow repurchase of shares in the market. The decision as to whether the Company repurchases 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 repurchase 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. This 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.

Shareholder Profile and Engagement
Continued

Notice Period for General Meetings
The EU Shareholder Rights Directive increased the notice period for general meetings of companies to 21 days unless certain conditions are met, in which case it may be 14 days' notice. A shareholders' resolution is required to permit that the Company's general meetings (other than AGMs) may be held on 14 days' notice. Accordingly, Special Resolution 10 will propose that the period of notice for general meetings of the Company (other than AGMs) shall not be less than 14 days' notice.

The ordinary resolution relating to the following item will be proposed at the forthcoming AGM:
(a) Approve the Directors' Remuneration Report
A resolution will be proposed at the forthcoming AGM, seeking shareholder approval of the Directors' Remuneration Report.

If the Board considers a significant proportion of votes have been cast against a resolution at the AGM, the Company will explain, when announcing the results of voting, what action it intends to take to understand the reasons behind the results of the vote.

APPROVAL OF THE DIRECTORS
The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

For and on behalf of the Board

Alex Hammond-Chambers
Chairman
22 June 2016

Report of the Directors

The Companies Act 2006 requires the Directors to report on a number of items within the Annual Report. With the introduction of the Strategic Report, the Directors have chosen to report on some of those items within the body of the Strategic Report, while others remain within the Report of the Directors.

ITEMS INCLUDED WITHIN THE STRATEGIC REPORT

The following items are listed within the Strategic Report:

- Statement of the existence of qualifying indemnity provisions for Directors – see page 15.
- Names of Directors, at any time in the year – see pages 6 to 8 for the Directors' details and attendance at Company meetings.
- Greenhouse Gas Emissions – see page 16.
- Policy on Diversity – see page 8 within "The Board".

ITEMS REPORTED WITHIN THE DIRECTORS' REPORT

Disclosure to the Auditor of Relevant 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.

Capital Structure

The Company's Capital Structure is described in the "Investor Information Section" on page 64.

Corporate Governance Report

The Corporate Governance Report , including the Financial Risk Management Review of the Company, is included in this document starting on page 30.

Future Developments and Post Balance Sheet Events

The Company does not have any imminent future developments or post balance sheet events to report.

APPROVAL OF THE DIRECTORS

The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Further details demonstrating the Company's performance, business model and strategy have been included within the Strategic Report on pages 2 to 28.

For and on behalf of the Board

Alex Hammond-Chambers
Chairman
22 June 2016

Corporate Governance Report

UK CORPORATE GOVERNANCE CODE

Internal Controls

The UK Corporate Governance Code (issued September 2014 and applying to accounting periods beginning on or after 1 October 2014) ("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 risk management and 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 to be included in the extended review.

The Board recognises its ultimate responsibility for the Company's system of risk management and internal controls and for monitoring their effectiveness. In order to perform this responsibility the Board receives regular reports on all aspects of risk management and 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 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 misstatement or loss.

Financial Reporting

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

The Board confirms there have been no important events since 31 March 2016, of which the Board is aware, which would have a material impact on the Company.

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 relevant principles of the UK Code, as well as setting out additional principles and recommendations on issues of specific relevance to investment companies such as Hansa Trust PLC.

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

The Company has complied with the recommendations of the AIC Code, thereby the UK Code.

The Board confirms, with the exception of the existence of a senior independent Director; and the need to involve the Chairman early in the process for structuring a new share launch (as it is not relevant for this Company), 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.

ASSOCIATION OF INVESTMENT COMPANIES CODE

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
  Alex 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 William Salomon, who

is a partner of the Portfolio Manager, all are adjudged to be independent and to have performed their duties in an independent manner.

- Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed, but be based on disclosed procedures and continued satisfactory performance
  All Directors resign at each AGM and where appropriate offer themselves for re-election.

- 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 service contracts, details of which are contained in the Directors' Remuneration Report on page 37.

- There should be full disclosure of information about the Board
  A brief biography of each member of the Board can be found on pages 6 and 7. The Company's Chairman chaired the Audit and Remuneration Committees during the year to 16 July 2015, the date of the 2015 AGM, at which point Jonathan Davie took over the role as Chairman of the Audit Committee. Alex Hammond-Chambers continues as Chairman of the Remuneration Committee, as the Company considers he is the most appropriately qualified person on the Committee to fulfil this role.

- The Board should aim to have a balance of skills, experience, length of service and knowledge of the company
  The Board regularly reviews its requirements to direct the affairs of the Company. When and where appropriate, individuals are identified who would strengthen the Board and are 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. In the other years the Board 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 any new ideas for improving the returns to shareholders, by enhancing the effectiveness of the Board. The Chairman is evaluated by another 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 their duties, responsibilities and their time committed to the interests of the Company; note is taken of fees paid by other comparable companies. A note of the Company meetings attended by each Director is included with their biographies on pages 6 and 7.

- 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 de facto senior independent Director, is charged with taking the lead in all 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 AIFM and Portfolio Manager, the Board, the AIFM and the Portfolio 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.

Corporate Governance Report
Continued

- 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 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 Portfolio Manager, to specifically discuss the Company's future investment and corporate strategies. However, macro trends, the drivers for the wider economy and their potential for impact on the portfolio are discussed at every Board Meeting.

- The Board should regularly review both the performance of and contractual arrangements with the Portfolio Manager
  The Board formally reviews the performance of the Portfolio Manager each quarter, at which Board Meeting the Portfolio Manager presents a written report. At the annual review of the Portfolio 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 AIFM, Portfolio Manager and the Company. In addition the Board determines certain investment restrictions and guidelines for the Portfolio Manager, on which the Portfolio Manager reports monthly and the AIFM also monitors.

- Boards should monitor the level of share price discount or premium (if any) and, if desirable, take action to reduce it
  The Board 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 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 Portfolio Manager and 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 promote 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-Year Reports, and monthly factsheets, 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 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 a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.
- Monitor their investee companies.
- Establish clear guidelines on when and how they will escalate their stewardship activities.
- 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, in conjunction with the AIFM, has delegated to its Portfolio Manager, Hansa Capital Partners LLP, the day to day operation of the Company's policy, which is 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.

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

COMPLIANCE WITH THE COMPANIES ACT AND FINANCIAL CONDUCT AUTHORITY UKLA LISTING RULES

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

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, where relevant, for the consideration and authorisation of these conflicts by the Board.

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; and that financial information on which the business decisions are made, which is issued for publication, is reliable. Such a system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss.
- The Company Financial Statements for each financial year are prepared in accordance with IFRS, as adopted by the EU. 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.

Corporate Governance Report
Continued

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 will continue in business.

Under the Financial Conduct Authority UKLA Listing Rules and the UK Code, the Board is responsible for:

- Disclosing how it has applied the principles and complied with the provisions of the AIC Code and, thereby, the UK 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 Strategic Report, including the Chairman's Report to Shareholders 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.

The Directors consider the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable. Further detail demonstrating the Company's performance, business model and strategy has been included within the Strategic Report on pages 2 to 28.

For and on behalf of the Board

Alex Hammond-Chambers
Chairman
22 June 2016

Audit Committee Report

The Financial Reporting Council's guidance emphasises the need for audit committee arrangements to be proportionate to the task and proportionate to the size, complexity and risk profile of the company and as such our Board does not consider the establishment of an internal audit function appropriate for the size and complexity of the organisation.

The Audit Committee, which meets at least twice a year, consists of all five Directors and Edwin Teideman, a former director, whose skills and experience of the Company strengthen the Committee. During the Company's year to 31 March 2016, the Committee was chaired by Alex Hammond-Chambers up to the date of the 2015 AGM, held on 16 July 2015. Following that meeting, Jonathan Davie took over the Chairmanship of the Audit Committee and has remained Chairman of the Audit Committee since that date.

The Committee is authorised by the Board to investigate any activity within its terms of reference, to seek any information it requires from any officer or service provider to the Company, to obtain outside legal or other independent professional advice and to secure the attendance of third parties with relevant experience and expertise if it considers this necessary.

The Chairman of the Audit Committee formally reports to the Board following each Audit Committee meeting and on other occasions as requested by the Board.

The Terms of Reference are determined by the Board and approved by the Committee and include, but are not restricted to, the following:

- To consider and make a recommendation to the Board as to the appointment of the external Auditor, tendering of the audit services, the audit fee and any questions relating to the resignation or dismissal of the Auditor.
- To determine with the external Auditor the nature and scope of the audit.
- To review and monitor the independence of the external Auditor and the provision of additional services to the Company.
- To review the Half-Year and Annual Financial Reports before submission to the Board, focusing particularly on:
  - any changes in accounting policies and practices;
  - major judgemental areas;
  - significant adjustments resulting from the audit;
  - the going concern assumption;
  - compliance with Accounting Standards and Governance Codes;
  - compliance with FCA Listing Rules and legal requirements; and
  - valuation of unquoted investments.
- To discuss issues and reservations arising from the annual audit and any matters the Auditor may wish to discuss.
- To review the Auditor's audit findings and responses to it.
- To review and monitor the effectiveness of the Company's Internal Control and Risk Systems prior to endorsement by the Board.
- To review the processes and procedures that monitor compliance with s.1158 CTA 2010.
- To review service providers' AAF 01/06 or SAS 70 reports.

In discharging its duties and, in particular, matters relating to the approval of the Annual Report, Half-Year Report and the review of the Company's Internal Controls, the Committee considers reports and presentations made by the Company's Auditor, Administrators, Company Secretary and Legal Advisers.

In its review of the Annual Report the Committee pays particular attention to the ownership of assets, the valuations of the portfolio, recognition of income and outstanding liabilities, if applicable, which it considers to be of significant importance in establishing its opinion on it, all of which are covered by the Auditor in its report and fully discussed with the Auditor.

With regard to the ownership of assets, the Company's Depositary and Administrator have confirmed the ownership of all assets to the Audit Committee's satisfaction. With regard to the valuations, the Audit Committee notes that 66% of the portfolio by value is held in assets that are listed, hence forming the basis of the valuation. Further, of the remaining 34% unquoted, the majority (29% of total asset value) relate to unquoted fund investments where valuations are supplied

Audit Committee Report
Continued

by third party managers. The Committee is satisfied with the valuation process. With regard to revenue recognition, the Audit Committee reviewed the external Auditor's approach to the audit prior to the commencement of the audit. The results of the audit in this area were discussed with the external Auditor and there were no significant issues arising in relation to the recognition of revenue.

The Audit Committee, having considered its responsibilities and its reporting to the Board, confirms it is not aware of any matter which it should bring to the attention of either the Board or the Auditor and considers the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Audit Committee considers the external Auditor's independence, objectivity and the cost effectiveness of the audit process through a process of feedback from the Company advisors, including the Company Secretary and Portfolio Manager. The Committee also meet with the Auditor directly to discuss the Annual Report, the work the Auditor has carried out as part of its review and any matters raised.

The level of non-audit services provided to the Company by the Auditor is monitored, as is the Auditor's objectivity in providing such services, to ensure that the independence of the audit team from the Company is not compromised. Non-audit services provided by Grant Thornton UK LLP were in relation to taxation services. The Committee considers that Grant Thornton UK LLP is particularly suited to provide such services given their extensive knowledge of the Company and its history. Further information on fees paid to Grand Thornton UK LLP is contained in note 4 of the Financial Statements.

Grant Thornton UK LLP has been the Company's Auditor for seven years. Prior to that, and before its merger with Grant Thornton, RSM Robson Rhodes LLP was the Company's auditor. The Committee previously indicated that the statutory audit and associated non-audit services would be tendered for the year ended 31 March 2016. However, the Company now intends to delay the tender until 2019, as permitted under the UK Government's implementation of the new EU Directive at which point a change of audit firm will be required.

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.

For and on behalf of the Audit Committee

Jonathan Davie
Audit Committee Chairman
22 June 2016

Directors' Remuneration Report

Despite the inclusion of the Strategic Report, the Companies Act continues to require the Company to produce a separate report on the Directors' Remuneration and that the Board approves the Report and signs it to confirm its accuracy. There are elements of the Directors' Remuneration Report that are audited, by law, by the Company's Auditor. The Auditor's opinion is included in its report on page 40.

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 shareholders at the forthcoming AGM.

ANNUAL STATEMENT

The Company has five non-executive Directors. The Board as a whole fulfils the function of a Remuneration Committee. The Chairman has prepared this statement on behalf of the Board.

The only change to Directors' remuneration during the year was applied to Jonathan Davie, reflecting his appointment as Chairman of the Audit Committee following the Company's AGM on 16 July 2015. There have been no other changes to remuneration during the year to 31 March 2016, either on an individual basis or for the Board as a whole. The most recent update to Directors' remuneration was made in the year to 31 March 2013. All Directors have served for the full year, although all retired at the AGM on 16 July 2015 as is the Company policy and were subsequently re-elected.

POLICY ON DIRECTORS' REMUNERATION

The Board's policy is that the remuneration of non-executive Directors should include a basic pay level and should reflect the experience of the Board as a whole, be appropriate for the work carried out and the responsibilities, financial and reputational risks undertaken, including additional remuneration for any roles in addition to the responsibilities of the non-executive director role, for example, chairman. The remuneration does not include a performance related element and Directors do not receive bonuses, share options, pensions or long-term incentive schemes. The total remuneration of the Board will be kept within the limits set out in the Company's Articles of Association, as amended from time to time.

The fees for the non-executive Directors are within the limits (maximum total fee of £175,000) set. This policy was approved at the AGM held on 21 July 2014 for a period of three years from 1 July 2014 to 30 June 2017.

DIRECTORS' SERVICE CONTRACTS

It is the Board's policy that every Director has a service contract. 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 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, in certain circumstances a Director may be removed without notice and compensation will not be due on leaving office. There are no agreements between the Company and its Directors concerning compensation for loss of office.

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 such as Hansa Trust. The level of Directors' fees is monitored annually and formally reviewed every three years in the light of their duties and also relative to other comparable companies. The Company Secretary provides relevant information when the Directors consider the level of Directors' fees. The policy on Directors' Remuneration was presented to shareholders at the AGM on 21 July 2014 for their consideration and approval. At the meeting, it was proposed and approved that an overall cap of £175,000 should be placed on annual directors' fees. Barring unforeseen circumstances, this policy will be presented again at the AGM in 2017.

FUTURE POLICY TABLE

The Company only has non-executive Directors who only receive fees. The implementation of the above policy could give rise to the following increase in fees:

	Current total fee* £000	Potential future total fee £000
Non-executive Director fees	141	175

* This notes the annualised current total Directors' fees. In the year to 31 March 2016, the total fee incurred was £139,000.

Directors' Remuneration Report
Continued

The Board has appointed the Company Secretary to provide relevant information when the Directors consider the level of Directors' fees.

If, in the future, recruitment of another non-executive director is deemed necessary by the Board, the remuneration would be managed within the overall limit of £175,000. If this were not possible, it would be necessary to return a revised remuneration policy to shareholders for their consideration. As above, the Company Secretary provides relevant information when the Directors consider the level of Directors' fees. The criteria for agreeing the fees of any incoming non-executive director would be the same criteria used to assess the remuneration of existing Directors.

POLICY FOR NOTICE PERIODS

The current Directors' service contracts stipulate three months' written notice to be given by either the Director or the Company to terminate the services of a Director. The Board consider this is sufficient notice to ensure an orderly hand over between the parties.

SHAREHOLDERS' VIEWS ON REMUNERATION POLICY

The formal views of unconnected shareholders have not been sought in the preparation of this policy.

EMPLOYEES

The Company does not have any employees and, therefore, no Chief Executive Officer. Accordingly, the disclosures required under paragraphs 18(2), 19, 38 and 39 of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are not required.

ANNUAL REPORT ON REMUNERATION

Directors' Emoluments (Audited)

The Company does not have any employees, only non-executive Directors who receive only a basic fee, plus expenses. Therefore, the use of the detailed remuneration table, as prescribed in the legislation, is not appropriate here. A condensed table showing the information relevant to the Directors' remuneration is shown in its place.

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

	2016 Fee £000	2016 Total £000	2015 Fee £000	2015 Total £000
Alex Hammond-Chambers (Chairman)*	**38**	**38**	38	38
Jonathan Davie	**28**	**28**	25	25
Raymond Oxford	**25**	**25**	25	25
William Salomon	**23**	**23**	23	23
Geoffrey Wood	**25**	**25**	25	25
	139	**139**	136	136

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

The Company pays National Insurance contributions on the Directors' emoluments where applicable. The Company also pays the expenses of the Directors to attend the Board Meetings.

DIRECTORS' INTERESTS (AUDITED)

Directors must seek permission from the Chairman before trading in shares, taking note of any Closed Periods. Other than that, there are no specific rules on Directors' shareholdings.

The interests of Directors and their connected parties in the Company at 31 March 2016 are shown below.

	Ordinary shares of 5p each		'A' non-voting Ordinary shares of 5p each		Nature of interest
	2016	2015	2016	2015	
Alex Hammond-Chambers	**4,900**	2,400	**10,600**	10,600	Beneficial
Jonathan Davie	**4,000**	4,000	**26,000**	26,000	Beneficial
Raymond Oxford	**1,850**	1,850	**1,850**	1,850	Beneficial
William Salomon	**2,115,869**	2,115,869	**98,700**	98,700	Beneficial
Geoffrey Wood	**1,000**	1,000	**2,000**	2,000	Beneficial

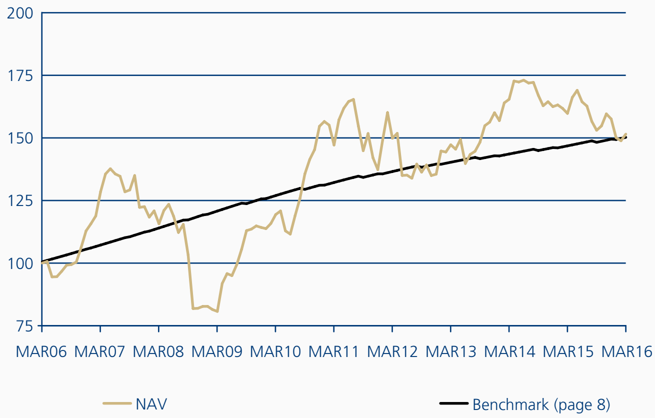
As at 22 June 2016, the date of signing of these Annual Accounts, there were no changes to report to the Directors' holdings.

William Salomon is the senior partner of Hansa Capital Partners LLP. Fees payable to Hansa Capital Partners LLP amounted to £1,934,627 (2015: £1,868,402). The fees outstanding at the year-end amounted to £157,999 (2015: £165,147). 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.

YOUR COMPANY'S PERFORMANCE

The graph below shows the ten year cumulative total return to shareholders against the Company's performance benchmark:

TEN YEAR NET ASSET VALUE TOTAL RETURN RECORD



Note: the table of ten year performance for the Company is also shown within the Strategic Report on page 12.

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:			
Alex Hammond-Chambers	1	5	2
Jonathan Davie	1	5	2
Raymond Oxford	1	5	2
William Salomon	1	5	2
Geoffrey Wood	1	4	1

STATEMENT OF VOTING AT THE AGM

The Directors' Remuneration Report for the year ended 31 March 2015 was presented at the AGM held on 16 July 2015. At that meeting, the Directors' Remuneration Report was approved by 100% of the votes cast.

The Directors' Remuneration Report for the year ended 31 March 2016 will be presented to the AGM on 29 July 2016.

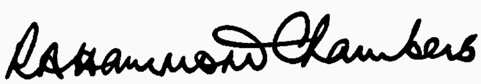
On behalf of the Board, and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), I confirm that the above Report on Director's Remuneration summarises, as applicable, for the year ended 31 March 2016:

(a) the major decisions on Directors' remuneration;

(b) any substantial changes relating to Directors' remuneration made during the year; and

(c) the context in which those changes occurred and decisions have been taken.

For and on behalf of the Board



Alex Hammond-Chambers
Chairman
Hansa Trust PLC

22 June 2016

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HANSA TRUST PLC

Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Who we are reporting to

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.

What we have audited

Hansa Trust plc's financial statements for the year ended 31 March 2016 comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

Overview of our audit approach

- Overall materiality: £2,556,000, which represents 1% of the Company's net assets; and
- Key audit risks were identified as existence and valuation of investments, especially unquoted investments, and completeness and occurrence of investment income.

Our assessment of risk

In arriving at our opinions set out in this report, we highlight the following risks that, in our judgement, had the greatest effect on our audit:

AUDIT RISK	HOW WE RESPONDED TO THE RISK
Existence and valuation of investments The Company's business is to achieve a growth of shareholder value, from a concentrated, long-term, non-index correlated portfolio of unusual investments. Accordingly, the investment portfolio is a significant, material item in the financial statements. The existence and valuation of investments are therefore risks that require particular audit attention.	For quoted investments, our audit work included, but was not restricted to: • understanding management's process to recognise and measure investments including ownership of those investments; • obtaining a confirmation of investments held at the year end directly from the independent custodian; • reconciling this to the Company's accounting records, testing a selection of investment additions and disposals shown in the Company's records to supporting documentation; • agreeing the valuation to an independent source of market prices; and • for level 1 investments testing that the prices were derived from recognised exchanges, and for the level 2 investments, which were holdings in collective vehicles, confirming, on a sample basis, that transactions can be conducted at the quoted prices.

AUDIT RISK	HOW WE RESPONDED TO THE RISK
	For unquoted investments, our audit work included, but was not restricted to: • agreed the valuation to a supporting capital statement received directly from the manager of that investment; • understanding the basis and reliability of the valuation, by considering the latest audited accounts and other information available. The Company's accounting policy on non-current investments is shown in note 1(d) and related disclosures are included in note 10. The Audit Committee identified the ownership of assets and the valuations of the portfolio as significant issues in its report on page 35, where the Committee also described the action that it has taken to address these issues.
Completeness and occurrence of investment income Investment income is the Company's major source of revenue and a significant, material item in the Income Statement. We identified the completeness and occurrence of investment income from the investment portfolio as risks that required particular audit attention.	Our audit work included, but was not restricted to: • assessing whether the Company's accounting policy for revenue recognition is in accordance with International Accounting Standard (IAS) 18 'Revenue' and the SORP for investment trusts; • obtaining an understanding of management's process for recognising revenue in accordance with the stated accounting policy; • testing whether a sample of revenue transactions has been recognised in accordance with the policy; and • for a sample of investments held in the period confirming that revenue that should have been received has been received and recorded and assessing whether any of the dividends should have been treated as capital receipts. The Company's accounting policy on investment income and return of capital is shown in note 1(f) and the components of that income are included in note 2. The Audit Committee identified the recognition of income as a significant issue in its report on page 35, where the Committee also described the action that it has taken to address this issue.

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

Our application of materiality and an overview of the scope of our audit

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be £2,556,000, which is 1% of the Company's net assets. This benchmark is considered the most appropriate because net assets, which is primarily composed of the Company's investment portfolio, is considered to be the key driver of the Company's total return performance.

Materiality for the current year is lower than the level that we determined for the year ended 31 March 2015 reflecting the decrease in net asset value this year.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality. We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £127,800. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overview of the scope of our audit

A description of the generic scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

We conducted our audit in accordance with International Standards on Auditing (ISAs) (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the company in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Company's business and is risk based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work included:

- Obtaining an understanding of, and evaluating, internal controls at the Company and relevant third-party service providers. This included a review of reports on the description, design and operating effectiveness of internal controls at relevant third-party service providers; and
- Undertaking substantive testing on significant transactions, account balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

Other reporting required by regulations

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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 Strategic Report and 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

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

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

Under the Listing Rules, we are required to review:

- the Directors' statements in relation to going concern and longer-term viability, set out on pages 16; and
- the part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the audit committee which we consider should have been disclosed.

We have nothing to report in respect of the above.

We also confirm that we do not have anything material to add or to draw attention to in relation to:

- the Directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether they have considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the Directors' explanation in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Responsibilities for the financial statements and the audit

What the Directors are responsible for:

As explained more fully in the Directors' Responsibilities Statement set out on page 34 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Julian Bartlett
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

22 June 2016

Income Statement

For the year ended 31 March 2016

	Notes	Revenue 2016 £000	Capital 2016 £000	Total 2016 £000	Revenue 2015 £000	Capital 2015 £000	Total 2015 £000
Losses on investments held at fair value through profit or loss	10	**–**	**(16,981)**	**(16,981)**	–	(12,708)	(12,708)
Exchange losses on currency balances		**–**	**(13)**	**(13)**	–	(12)	(12)
Investment income	2	**6,129**	**–**	**6,129**	6,302	–	6,302
		6,129	**(16,994)**	**(10,865)**	6,302	(12,720)	(6,418)
Investment management fees	3	**(1,935)**	**–**	**(1,935)**	(1,868)	–	(1,868)
Other expenses	4	**(1,077)**	**–**	**(1,077)**	(1,273)	–	(1,273)
		(3,012)	**–**	**(3,012)**	(3,141)	–	(3,141)
Profit/(loss) before finance costs and taxation		**3,117**	**(16,994)**	**(13,877)**	3,161	(12,720)	(9,559)
Finance costs	5	**–**	**–**	**–**	(7)	–	(7)
Profit/(loss) before taxation		**3,117**	**(16,994)**	**(13,877)**	3,154	(12,720)	(9,566)
Taxation	6	**–**	**–**	**–**	–	–	–
Profit/(loss) for the year		**3,117**	**(16,994)**	**(13,877)**	3,154	(12,720)	(9,566)
Return per Ordinary and 'A' non-voting Ordinary share	8	**13.0p**	**(70.8)p**	**(57.8)p**	13.1p	(53.0)p	(39.9)p

The Company does not have any income or expense not included in the above statement. 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 Company's Income Statement, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The supplementary revenue and capital return columns are both prepared under guidance published by the AIC.

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

The accompanying notes are an integral part of this statement.

Balance Sheet

As at 31 March 2016

	Notes	2016 £000	2015 £000
Non-current assets			
Investment in subsidiary at fair value through profit or loss	9	**629**	629
Investments held at fair value through profit or loss		**250,625**	255,263
	10	**251,254**	255,892
Current assets			
Trade and other receivables	12	**253**	9,358
Cash and cash equivalents	13	**5,028**	9,039
		5,281	18,397
Current liabilities			
Trade and other payables	14	**(960)**	(997)
Net current assets		**4,321**	17,400
Net assets		**255,575**	273,292
Capital and reserves			
Called up share capital	15	**1,200**	1,200
Capital redemption reserve	16	**300**	300
Retained earnings	17	**254,075**	271,792
Total equity shareholders' funds		**255,575**	273,292
Net asset value per Ordinary and 'A' non-voting Ordinary share	18	**1,064.9p**	1,138.6p

The Financial Statements of Hansa Trust PLC, registered number 126107, set out on pages 44 to 59 were approved by the Board of Directors on 22 June 2016 and were signed on its behalf by:

Alex Hammond–Chambers
Chairman

The accompanying notes are an integral part of this statement

Statement of Changes in Equity

For the year ended 31 March 2016

	Notes	Share capital 2016 £000	Capital redemption reserve 2016 £000	Retained earnings 2016 £000	Total 2016 £000	Share capital 2015 £000	Capital redemption reserve 2015 £000	Retained earnings 2015 £000	Total 2015 £000
Net assets at 1 April		**1,200**	**300**	**271,792**	**273,292**	1,200	300	285,913	287,413
Losses for the year		**–**	**–**	**(13,877)**	**(13,877)**	–	–	(9,566)	(9,566)
Dividends	7	**–**	**–**	**(3,840)**	**(3,840)**	–	–	(4,555)	(4,555)
Net assets at 31 March		**1,200**	**300**	**254,075**	**255,575**	1,200	300	271,792	273,292

Cash Flow Statement

For the year ended 31 March 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Loss before finance costs and taxation*		**(13,877)**	(9,559)
Adjustments for:			
Realised gains on investments	10	**(4,302)**	(10,803)
Unrealised losses on investments	10	**21,283**	23,511
Effect of foreign exchange rate changes		**13**	12
(Increase)/decrease in trade and other receivables	12	**(67)**	3,487
(Decrease)/increase in trade and other payables	14	**(37)**	87
Purchase of non-current investments		**(29,371)**	(82,976)
Sale of non-current investments		**26,200**	76,604
Net cash (outflow)/inflow from operating activities		**(158)**	363
Cash flows from financing activities			
Interest paid on bank loans		**-**	(7)
Dividends paid	7	**(3,840)**	(4,555)
Net cash outflow from financing activities		**(3,840)**	(4,562)
Decrease in cash and cash equivalents		**(3,998)**	(4,199)
Cash and cash equivalents at 1 April		**9,039**	13,250
Effect of foreign exchange rate changes		**(13)**	(12)
Cash and cash equivalents at end of year	13	**5,028**	9,039

* Includes dividends received of £5,912,000 (2015: £6,453,000) and interest received of £1,000 (2015: £1,000)

The accompanying notes are an integral part of this statement

Notes to the Financial Statements

1. ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements of the 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.

These Financial Statements are presented in Sterling because that is the currency of the primary economic environment in which the Company operates.

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 AIC in November 2014, to the extent that the SORP does not conflict with IFRS. The principal accounting policies adopted are set out below.

(b) Basis of non-consolidation

IFRS10 stipulates that subsidiaries of Investment Entities are not consolidated but, rather, stated at fair value unless the conditions for certain exemptions from this treatment are met. Hansa Trust meets all three characteristics of an Investment Entity as described by IFRS10. However, in the prior year, it was envisaged the subsidiary, Consolidated Investment Funds Limited, would be a dealing subsidiary and, therefore, consolidated financial statements were presented covering both entities as one group. It is no longer likely that the subsidiary will be used in this manner and, as such, the Company has presented single entity non-consolidated accounts. The change does not give rise to any material differences in the Financial Statements, other than of a presentational nature given the small scale of the subsidiary compared to its parent and, also, that no activity occurred in the subsidiary other than audit and taxation fees incurred in the prior year.

(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. The Company's Articles of Association allow net capital returns to be distributed by way of dividend, in addition to revenue returns. 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.1158/1159 CTA 2010, adjusted for details of Reporting and Non-Reporting Funds where appropriate.

(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 at 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.

Fund investments are stated at fair value through profit or loss as determined by using the most recent available valuation. In some cases, this will be by reference to the most recent valuation statement supplied by the fund's manager. In other cases, values may be available through the fund being listed on an exchange or via pricing sources such as Bloomberg.

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. The investment in the Company's subsidiary undertaking is stated at fair value.

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 where applicable, while overseas dividends and Real Estate Investment Trusts' ("REIT") income are stated gross.

When an investee 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 Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

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 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/(Losses)

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) Significant Judgements and Estimates

The key significant estimate to report, concerns the Company's valuation of its holding in DV4 Ltd. This is explained in more detail under Note 19 "Commitments and Contingencies". There are no significant judgements.

(l) 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 Company's Financial Statements are listed below. This listing of standards and interpretations issued are those the Company reasonably expects will have an impact on disclosure, financial position and/or financial performance, when applied at a future date. The Company intends to adopt those standards (where applicable) when they become effective.

- IFRS 9 Financial Instruments – classification and measurement of financial assets and financial liabilities as defined in IAS 39 (IASB effective date 1 January 2018).

Notes to the Financial Statements

2 INCOME

	Revenue 2016 £000	Revenue 2015 £000
Income from quoted investments		
UK dividends	**1,754**	2,428
Overseas and other dividends	**4,102**	3,737
Property income distributions	**261**	137
	6,117	6,302
Other income		
Interest receivable on AAA rated money market funds	**12**	–
Total income	**6,129**	6,302

3 PORTFOLIO MANAGEMENT FEE

	Revenue 2016 £000	Revenue 2015 £000
Portfolio management fee	**1,935**	1,868
Total management fee	**1,935**	1,868

Note: Details of the portfolio management agreement are disclosed in the Strategic Report – Service Providers on page 11.

4 OTHER EXPENSES

	Revenue 2016 £000	Revenue 2015 £000
Administration fees*	**123**	121
AIFM fees*	**110**	93
Directors' remuneration*	**139**	136
Auditor's remuneration for:		
– audit of the Company's Annual accounts	**36**	33
Fees payable to the Auditor for other services:		
– review of the Half-Year Report	**4**	3
– all taxation advisory services	**5**	5
Irrecoverable VAT on audit fees	**9**	8
Printing fees	**34**	56
Marketing	**52**	62
Registrar's fees	**56**	60
Banking charges*	**147**	142
Secretarial services	**120**	120
Other	**242**	434
	1,077	1,273

* denotes services that do not incur VAT. VAT on other costs, where incurred, forms part of the irrecoverable VAT cost.

5. FINANCE COSTS

	Revenue 2016 £000	Revenue 2015 £000
Interest payable	**–**	7
	–	7

6 TAXATION

	Revenue 2016 £000	Revenue 2015 £000
(a) Taxation on Ordinary Activities		
UK Corporation Tax at 20% (2015: 21%)	**–**	–

(b) Factors affecting tax charge for the year		
Approved investment trusts are exempt from tax on capital gains made by the Trust		
The tax charge for the year is lower than the standard rate of Corporation Tax in the UK of 20% (2015: 21%). The differences are explained below:		
	2016 £000	**2015 £000**
Total loss before taxation	**(13,877)**	(9,566)
Loss multiplied by standard rate of Corporation Tax	**(2,775)**	(2,009)
Effects of:		
– Non-taxable capital	**3,398**	2,671
– Non-taxable investment income	**(1,171)**	(1,295)
– Excess administration expenses unused	**548**	633
Current tax charge	**–**	–

(c) Provision for deferred taxation
There is no requirement to make a provision for deferred taxation in the current or prior accounting year.

(d) Factors that may affect future tax charges
As at 31 March 2016 the Company had unutilised management expenses and loan relationship deficits of £22,570,000 (2015: £19,821,058). 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.

7 DIVIDENDS PAID

	Revenue 2016 £000	Revenue 2015 £000
Amounts recognised as distributed to shareholders in the year are as follows:		
Final dividend for 2015: 0.0p (2014: 11.0p)	**–**	2,640
Second interim dividend for 2015 (paid May 2015): 8.0p (2014: 0.0p)	**1,920**	–
First interim dividend for 2016 (paid November 2015): 8.0p (2015: 8.0p)	**1,920**	1,920
Unclaimed dividends refunded	**–**	(5)
	3,840	4,555

Set out below are the total dividends paid and proposed in respect of the current 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 £3,117,000 (2015: £3,154,000).

	Revenue 2016 £000	Revenue 2015 £000
First interim dividend for 2016 (paid November 2015): 8.0p (2015: 8.0p)	**1,920**	1,920
Second interim dividend for 2016 (payable May 2016): 8.0p (2015: 8.0p)	**1,920**	1,920
	3,840	3,840

The Board has announced two interim dividends, each of 8.0p per Ordinary and 'A' non-voting Ordinary share, relating to the year ended 31 March 2017. No final dividend is proposed for the year ended 31 March 2016.

Notes to the Financial Statements

8 RETURN ON ORDINARY SHARES (EQUITY)

	Revenue 2016	Capital 2016	Total 2016	Revenue 2015	Capital 2015	Total 2015
Returns per share	**13.0p**	**(70.8)p**	**(57.8)p**	13.1p	(53.0)p	(39.9)p

Returns

Revenue return per share is based on the revenue attributable to equity shareholders of £3,117,000 (2015: £3,154,000).

Capital return per share is based on the capital loss attributable to equity shareholders of £16,994,000 (2015: £12,720,000).

Total return per share is based on the combination of revenue and capital returns attributable to equity shareholders, amounting to a net loss of £13,877,000 (2015: £9,566,000).

Both revenue and capital return are based on 8,000,000 Ordinary shares (2015: 8,000,000) and 16,000,000 'A' non-voting Ordinary shares (2015: 16,000,000), in issue throughout the year.

9 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. The fair value at 31 March 2016 was £629,000 (2015: £629,000).

10 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	Listed £000	AIM & OFEX £000	Unquoted £000	2016 Total £000	2015 Total £000
Cost at 1 April 2015	81,047	21,425	57,133	**159,605**	163,921
Investment holding gains/(losses) at 1 April 2015	100,007	(7,981)	4,261	**96,287**	119,798
Valuation at 1 April 2015	181,054	13,444	61,394	**255,892**	283,719
Movements in the year:					
Purchases at cost	17,981	–	11,390	**29,371**	70,658
Sales – proceeds	(16,478)	–	(550)	**(17,028)**	(85,777)
Gains/(losses) on sales	6,331	–	(2,029)	**4,302**	10,803
Movement in investment holding (losses)/gains	(18,190)	(5,533)	2,440	**(21,283)**	(23,511)
Valuation as at 31 March 2016	170,698	7,911	72,645	**251,254**	255,892
Cost	88,881	21,425	65,944	**176,250**	159,605
Investment holding gains	81,817	(13,514)	6,701	**75,004**	96,287
	170,698	7,911	72,645	**251,254**	255,892

	2016 £000	2015 £000
Gains on sales	**4,302**	10,803
Movement in investment holding losses	**(21,283)**	(23,511)
Losses on investments held at fair value	**(16,981)**	(12,708)

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:

	2016 £000	2015 £000
Purchases	**8**	21
Sales	**14**	168
	22	189

11 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:

					Exc. Minority Interest	
	Country of incorporation or registration	Class of capital	% of class held	Latest available audited accounts	Total capital and reserves	Proft after tax for the year
Ocean Wilsons Holdings Limited	Bermuda	Ordinary	26.5	31.12.15	$495,034,000	$15,470,000
Consolidated Investment Funds Limited	UK	Ordinary	100.0	31.03.15	£628,887	–

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 particular class of equity share capital:

Company	Class of Capital	% of class held
Altitude Group Plc	Ordinary	6.4
Work Group Plc	Ordinary	4.9
Goals Soccer Centres PLC	Ordinary	3.9
Helesi Plc	Ordinary	3.8
All Leisure Group Plc	Ordinary	3.6

12 TRADE AND OTHER RECEIVABLES

	2016 £000	2015 £000
Amounts due from brokers	**–**	9,172
Prepayments and accrued income	**253**	186
	253	9,358

13 CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash at bank	**116**	9,039
Cash funds	**4,912**	–
	5,028	9,039

Notes to the Financial Statements

14 TRADE AND OTHER PAYABLES

	2016 £000	2015 £000
Due to subsidiary undertaking	**629**	629
Other creditors and accruals	**331**	368
	960	997

15 CALLED UP SHARE CAPITAL

	2016 £000	2015 £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.

16 CAPITAL REDEMPTION RESERVE

	2016 £000	2015 £000
Balance at 31 March	**300**	300

17 RETAINED EARNINGS

	Reserves				Reserves			
	Revenue* 2016 £000	Capital – Other* 2016 £000	Capital – Investment holding profits** 2016 £000	Total retained earnings 2016 £000	Revenue* 2015 £000	Capital – Other* 2015 £000	Capital – Investment holding profits** 2015 £000	Total retained earnings 2015 £000
Opening balance at 1 April	**4,365**	**171,141**	**96,286**	**271,792**	5,766	160,350	119,797	285,913
Profit/(loss) for the year	**3,117**	**4,289**	**(21,283)**	**(13,877)**	3,154	10,791	(23,511)	(9,566)
Dividend paid	**(3,840)**	**–**	**–**	**(3,840)**	(4,555)	–	–	(4,555)
Closing balance at 31 March	**3,642**	**175,430**	**75,003**	**254,075**	4,365	171,141	96,286	271,792

* These reserves are able to be distributed by way of dividends.

** where holding gains relate to liquid investments that can be realised at their fair value, such gains are also distributable.

18 NET ASSET VALUE

	2016	2015
NAV per Ordinary and 'A' non-voting Ordinary share	**1,064.9p**	1,138.6p

The NAV per Ordinary and 'A' non-voting Ordinary share is based on the net assets attributable to equity shareholders of £255,575,000 (2015: £273,292,000) and on 8,000,000 Ordinary shares (2015: 8,000,000) and 16,000,000 'A' non-voting Ordinary shares (2015: 16,000,000) in issue at 31 March 2016.

19 COMMITMENTS AND CONTINGENCIES

The Company has a commitment to DV4 Ltd, an unquoted property investment company. As of 7 March 2015, the investment period for DV4 ended. Under the commitment agreement, this allows DV4 to call the remaining outstanding amount of the original commitment, but only for existing projects for a period of two years, or for the payment of expenses and liabilities of DV4. As at 31 March 2016, the Company's undrawn commitment was £702,372 and the interest free loan referred to in past reports had been fully repaid (2015: undrawn commitment £702,443). The holding in DV4 is held at a current valuation of £11,985,000 (2015: £11,331,000).

20 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Company's financial instruments comprise securities, cash balances, debtors and creditors. 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.

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 Portfolio 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.

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. The Directors' approach to the management of these are set out below. The Board, in conjunction with the Portfolio 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) the direct exposure where an investment is denominated and paid for in a currency other than Sterling; and 2) the indirect exposure where an investment has substantial non-Sterling underlying investment and/or 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. Some of the fund investments into which the Company invests will, in part or in whole, hedge some of their underlying currency risk but this will be known at the time of investment and will form part of the investment decision. In those cases, the hedging will not remove the exposure to the underlying country or market sector. The Portfolio Manager monitors the effect of foreign currency fluctuations through the pricing of the investments by the various markets.

	Direct foreign currency risk 2016 £000	No direct foreign currency risk 2016 £000	Total 2016 £000	Direct foreign currency risk 2015 £000	No direct foreign currency risk 2015 £000	Total 2015 £000
Investments	**27,566**	**223,059**	**250,625**	25,619	229,644	255,263
Investment in subsidiary	**–**	**629**	**629**	–	629	629
Other receivables including prepayments	**–**	**253**	**253**	–	9,358	9,358
Cash at bank	**–**	**5,028**	**5,028**	–	9,039	9,039
Current liabilities	**–**	**(960)**	**(960)**	–	(997)	(997)
Bank loan	**–**	**–**	**–**	–	–	–
	27,566	**228,009**	**255,575**	25,619	247,673	273,292

Note: Direct foreign currency risk includes direct exposure to USD and Euro currencies.

Notes to the Financial Statements

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 (2015: £30m) which are available for the Portfolio 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 Portfolio 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 £nil (2015: £nil). The level of banking facilities utilised at 31 March 2016 was £nil (2015: £nil).

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 2016 £000	**No interest rate risk 2016 £000**	**Total 2016 £000**	**Cash flow interest rate risk 2015 £000**	**No interest rate risk 2015 £000**	**Total 2015 £000**
Investments	**–**	**250,625**	**250,625**	–	255,263	255,263
Investment in subsidiary	**–**	**629**	**629**	–	629	629
Other receivables including prepayments	**–**	**253**	**253**	–	9,358	9,358
Cash at bank	**5,028**	**–**	**5,028**	9,039	–	9,039
Current liabilities	**–**	**(960)**	**(960)**	–	(997)	(997)
Bank loan	**–**	**–**	**–**	–	–	–
	5,028	**250,547**	**255,575**	9,039	264,253	273,292

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 Portfolio 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 OWHL is large both in absolute terms, £69.0m as valued at 31 March 2016 (2015: £79.0m) and as a proportion of the NAV, 27.1% (2015: 28.9%). 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 impact on the NAV and share price. However, it should also be noted that the exposure of Hansa Trust to the currency, country and market based risk exposure of OWHL is, to an extent, mitigated by the diverse nature of the two investments within OWHL. Wilson Sons, corresponding to 59.5% of OWHL's NAV, has a direct exposure to the Brazilian economy, whereas Ocean Wilsons Investments is not exposed to Brazil and corresponds to the other 39.5%. 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 24, rise or fall in value by 10% from the year end valuation, the effect on the Company's profit and equity would be an equal rise or fall of £25.0m (2015: £25.5m).

Credit Risk

The Company only transacts with regulated institutions on normal market terms, which are trade date plus one to three days in the case of equities. Fund investment settlement periods will vary from fund to fund and are defined by the individual managers. The levels of amounts outstanding from brokers and fund managers are regularly reviewed by the Portfolio 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 were 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 2016 are shown in Note 12 and Note 14.

The Company's maximum exposure to credit risk on cash is £0.1m (2015: £9.2m) and on cash funds is £4.9m (2015: £nil). Surplus cash is on deposit with the Depositary/Custodian.

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 27.1% (2015: 28.9%); there are holdings in AIM and unquoted equity investments of 7.8% (2015: 9.1%) and there are investments into open-ended investment funds with varying liquidity terms of 40.7% (2015: 34.7%).

The Portfolio 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 representing more than 5% of the investee company. A detailed list of 34 investments, split by silo, held at 31 March 2016 is shown on page 24. 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 2016 consist of a short-term bank loan amounting to £nil (2016: £nil) that would bear 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 (2015: £30m). The facility is a committed facility repayable on or before 30 March 2017 and subject to a covenant requirement of a minimum adjusted NAV of £80m. The Company has undrawn loans from this facility of £30m (2015: £30m). The Company holds this facility for use at short notice for its investment activities. If fully drawn the loan would form 12.0% (2015: 11.8%) 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 repurchase 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 repurchase its own 'A' non-voting Ordinary shares in the market may potentially enable it to benefit all equity shareholders of the Company. The repurchase 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 might also enable the Company to address more effectively any imbalance between supply and demand for the Company's 'A' non-voting Ordinary shares.

Notes to the Financial Statements

21 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair Value Hierarchy

IFRS 13 'Fair Value Measurement' 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 not based on observable market data (unobservable inputs).

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

31 March 2016	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets at fair value through profit or loss				
Quoted equities	131,433	–	–	131,433
Unquoted equities	–	–	11,985	11,985
Fund investments	–	107,207	–	107,207
Investment in subsidiary	–	–	629	629
Net fair value	131,433	107,207	12,614	251,254

31 March 2015	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets at fair value through profit or loss				
Quoted equities	149,101	–	–	149,101
Unquoted equities	–	–	11,331	11,331
Fund investments	–	94,832	–	94,832
Investment in subsidiary	–	–	628	628
Net fair value	149,101	94,832	11,959	255,892

There have been no transfers during the year between levels 1 and 2.

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

A reconciliation of fair value measurements in Level 3 is set out in the following table.

	2016 Equity investments £000	**2015 Equity investments £000**
Opening Balance	**11,959**	8,606
Purchases	**–**	2,459
Sales	**(550)**	(568)
Total gains or losses included in gains on investments in the Income Statement:		
– on assets sold	**550**	446
– on assets held at year end	**655**	1,016
Closing Balance	**12,614**	11,959

As at 31 March 2016, the investment in DV4 has been classified as Level 3. The investment has been valued using the most recent estimated NAV as advised to the Company by DV4, adjusted for any further drawdowns, distributions or redemptions between the valuation date and 31 March 2016. The most recent valuation statement was received on 15 February 2016. It is believed the value of DV4 as at 31 March 2016 will not be materially different. If the value of the investment was to increase or decrease by 10%, while all other variables remained constant, the return and net assets attributable to shareholders for the year ended 31 March 2016 would have increased or decreased by £1,198,500.

22 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 2016, are disclosed in the Strategic Report – Shareholder Profile and Engagement on page 26 and in Note 3 on page 50. Details of the relationship between the Company and the Directors, including amounts paid during the year to 31 March 2016, are disclosed in the Strategic Report – The Board on page 8 and also in the Directors' Remuneration Report on page 37.

The Company has one subsidiary, Consolidated Investment Funds Ltd ("CIFL"), which is dormant. Alex Hammond-Chambers and William Salomon are directors of CIFL as well as Hansa Trust. There is an interest-free intercompany loan from CIFL to its parent of £628,000. CIFL does not maintain a bank account and so, in previous years, the Company has paid any costs incurred by CIFL adjusting the intercompany loan accordingly. During the current year, CIFL has not incurred any costs and so no changes to the intercompany loan have occurred.

23 CONTROLLING PARTIES

At 31 March 2016 Peter Pearman & Codan Trust Company Limited and Helen Cooper & Codan Trust Company Limited each held 25.9% of the issued Ordinary shares. Additional information is disclosed in the Strategic Report – Substantial Shareholders on page 26.

Notice of the Annual General Meeting

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 29 July 2016 at 11.00am, 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 2016.

2 To re-elect Alex Hammond-Chambers (a biography and Board endorsement can be found on page 6) as a Director of the Company.

3 To re-elect Jonathan Davie (a biography and Board endorsement can be found on page 6) as a Director of the Company.

4 To re-elect Raymond Oxford (a biography and Board endorsement can be found on page 7) as a Director of the Company.

5 To re-elect William Salomon (a biography and Board endorsement can be found on page 7) as a Director of the Company.

6 To re-elect Geoffrey Wood (a biography and Board endorsement can be found on page 7) as a Director of the Company.

7 To approve the Directors' Remuneration Report.

8 To re-appoint Grant Thornton UK LLP as Auditor of the Company and to authorise the Directors to determine the remuneration of the Auditor.

Special Business

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

Authority to repurchase up to 14.99% of the 'A' non-voting Ordinary shares of 5p each in the issued shares capital of the Company (the "Shares").

9 THAT the Company be and hereby is unconditionally authorised, in accordance with s.701 of the Companies Act 2006, to make market purchases up to an aggregate of 2,398,400 shares 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 and calculated by reference to 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 the day on which the share is purchased; 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) unless the authority is renewed or revoked at any other general meeting prior to such time.

10 THAT the period of notice required for general meetings of the Company (other than AGMs) shall be not less than 14 days.

By order of the Board
Hansa Capital Partners LLP
Company Secretary
22 June 2016

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 close of business on 27 July 2016 ('the specified time') pursuant to Regulation 41 of the Uncertified Securities Regulations 2001. 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), or by hand at Capita Asset Services, 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 27 July 2016.

7 The return of a completed Proxy Form, other such instrument or any CREST Proxy Instruction (as described overleaf) 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 they do not do so in relation to the same shares.

Notice of the Annual General Meeting
Continued

9 As at 22 June 2016 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 8,000,000 Ordinary shares of 5p each, carrying one vote each. Therefore, the total voting rights in the Company as at 22 June 2016 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 27 July 2016. 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 or their duly appointed representative attending the meeting, has the right to ask questions. In accordance with s.319A of the Companies Act 2006, 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 s.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 business day (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 s.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 overleaf 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; and

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 it is possible, pursuant to requests made by members of the Company under s.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 s.437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with s.527 or 528 of the Act. Where the Company is required to place a statement on a website under s.527 of the Act, it must forward the statement to the Company's Auditor no 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 the Company has been required under s.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 NISA purposes, for both the Ordinary and 'A' non-voting Ordinary shares. It is the present intention that the Company will conduct its affairs so as to continue to qualify for NISA products. In addition, the Company currently conducts its affairs so that the shares issued by Hansa Trust PLC can be recommended by independent financial advisers to ordinary retail investors, in accordance with the Financial Conduct Authority's ("FCA's") rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products, because they are shares in an investment trust. Finally, Hansa Trust is registered as a Reporting Financial Institution with the US IRS for FATCA purposes.

Investor Disclosure

The Company's AIFM, Maitland Institutional Services Limited, hosts an Hansa Trust Investor Disclosure document on their website. The document is a regulatory requirement and summarises key features of the Company for investors. It can be viewed at:

www.maitlandgroup.com/wp-content/uploads/2016/03/Hansa-Investor-Disclosure-Document-MISL.pdf

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: +44 (0) 207 647 5750
Fax: +44 (0) 207 647 5770
Email: hansatrustenquiry@hansacap.com
Website: www.hansatrust.com

The Company's website includes the following:

– Monthly factsheets
– Stock Exchange announcements
– Details of the board statements
– Annual and Half-Year Reports
– Share price data reports
– Peer group listing

Please contact the Portfolio 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: +44 (0) 207 647 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 Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone: 0871 664 0300
(Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales.
Email: shareholderenquiries@capita.co.uk
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	*Code*
Ordinary shares	GB0007879728
'A' non-voting Ordinary shares	GB0007879835
SEDOL	
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
Morningstar	www.morningstar.com
Edison	www.edisongroup.com

Financial Calendar

Company year end	31 March
Annual Report sent to shareholders	27 June
Annual General Meeting	29 July
Half-Year Report sent to shareholders	December
Interim dividend payments	November & May

Company Information

Registered in England & Wales number: 126107

BOARD OF DIRECTORS
Alex Hammond-Chambers
Jonathan Davie
Raymond Oxford
William Salomon
Geoffrey Wood

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

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

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

SOLICITORS
Maclay Murray & Spens LLP
One London Wall
London EC2Y 5AB

REGISTRAR
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

DEPOSITARY
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
Maitland Administration Services Limited
(formerly named Phoenix Administration Services Limited)
Springfield Lodge
Colchester Road
Chelmsford
Essex CM2 5PW

ALTERNATIVE INVESTMENT FUND MANAGER
Maitland Institutional Services Limited
(formerly named Phoenix Fund Services (UK) Limited)
Springfield Lodge
Colchester Road
Chelmsford
Essex CM2 5PW

HANSA TRUST PLC

Hansa Trust PLC
50 Curzon Street
London
W1J 7UW

T : +44 (0) 207 647 5750
F : +44 (0) 207 647 5770
E : hansatrustenquiry@hansacap.com

Visit us at
www.hansatrust.com