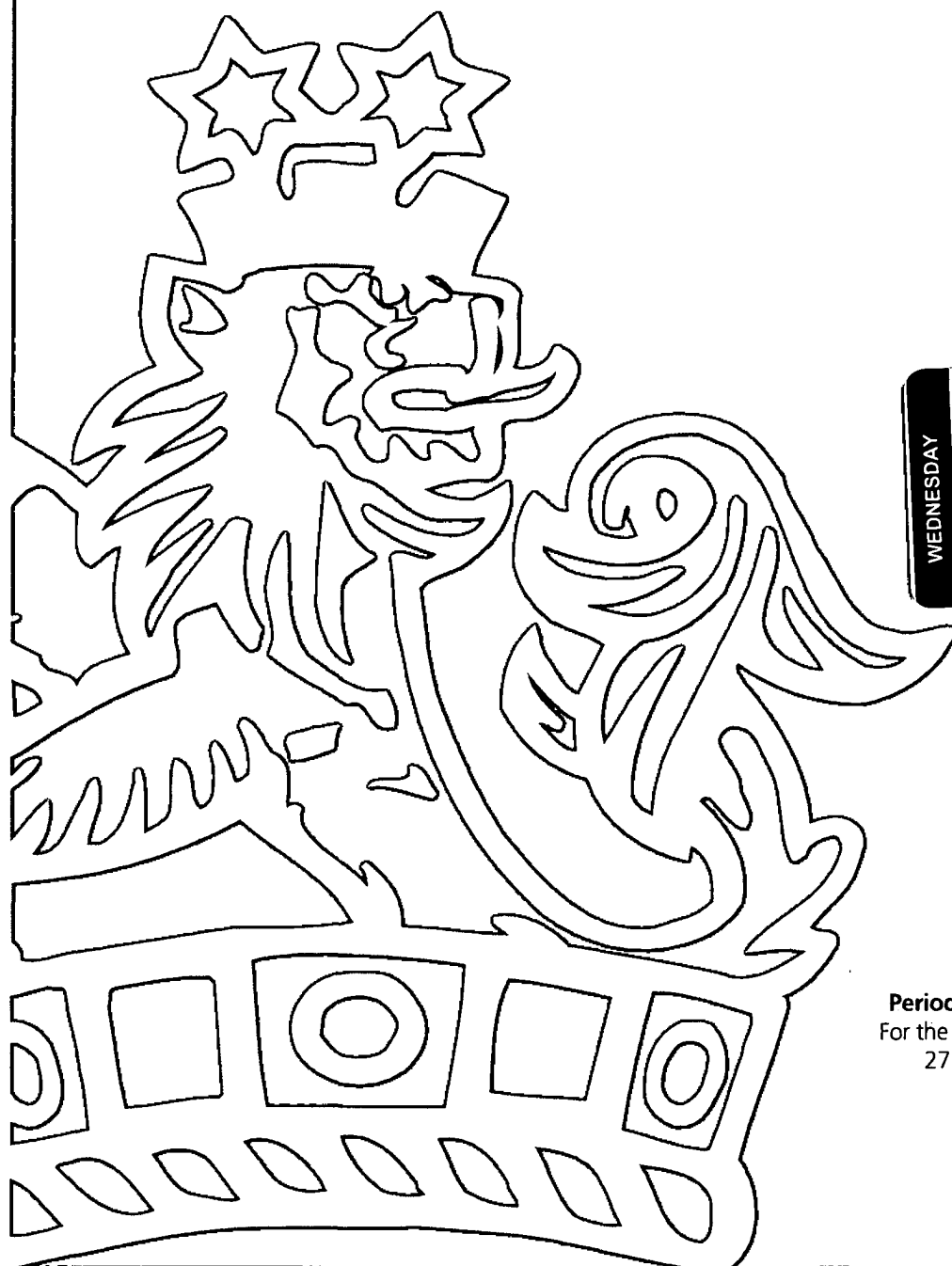




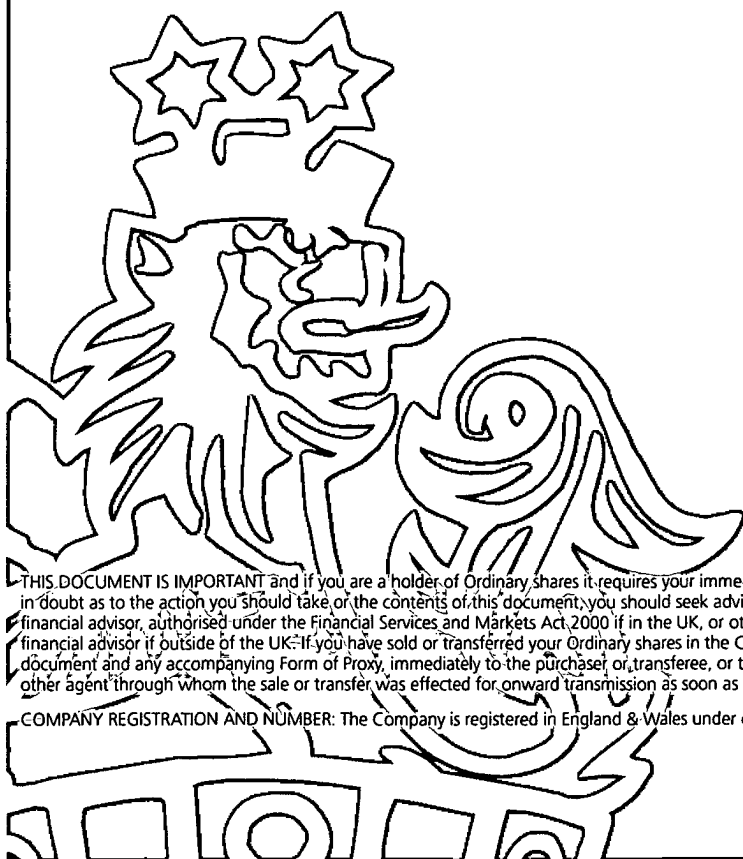
HANSA TRUST PLC

# HANSA, *investing to create long-term growth*



**Period End Report**  
For the period ended  
27 August 2019

**2019**



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

COMPANY REGISTRATION AND NUMBER: The Company is registered in England & Wales under company number 00126107.

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# Chairman's Report to the Shareholders

JONATHAN DAVIE  
*Chairman*

### PERFORMANCE FOR THE PERIOD TO 27 AUGUST 2019

During the period from 1 April 2019 ended 27 August 2019, portfolio performance has been flat with the Net Asset Value total return being slightly negative over that period (-1.0%). However, longer term the Company's performance has fared better with Net Asset Value Total Returns of 17.7% over three years and 20.0% over five years.

The discounts inherent on both classes of share have increased somewhat over the last twelve months now standing at circa 35% for the Ordinary shares and 33% for the 'A' Ordinary shares. This is particularly disappointing given that they had previously been showing a trend of steady reduction. Whilst it is impossible to tell exactly what leads to such movements, a number of reasons are possible ranging from recent uncertainty associated with the Scheme of Arrangement itself (see below) to wider market issues such as Brazil's continuing political and economic uncertainties and jitters created by international trade tensions such as those between the USA and China.

### SCHEME OF RE-DOMICILIATION

In 2018 the board of Hansa Trust PLC ("the Company", "Old Hansa") began to formally consider redomiciling to an alternative jurisdiction as a result of increasing concerns over the recent political climate in the UK and the instability and uncertainty this created for Old Hansa. Old Hansa's globally diversified assets, very few of which are UK-based, enabled the opportunity to redomicile without significantly impacting the existing structure or anticipated performance of the Company.

After due consideration of a number of potential jurisdictions, Bermuda was deemed by the Old Hansa board as the most appropriate jurisdiction in order to mirror the existing investment strategy, portfolio and capital structure without any material impact on returns. A proposal to this effect ("the Scheme") was duly put to shareholders by the board of Old Hansa on 29 July 2019 and was passed by shareholders of both share classes, who voted in significant numbers and overwhelmingly in favour of the Scheme.

The Scheme was sanctioned by the Court on 27 August 2019 and, as part of the Scheme, the Company changed its accounting Reference Date, adopting a new period end of 27 August 2019 for which this report is drawn up to.

As of 29 August 2019, Old Hansa successfully redomiciled to Bermuda pursuant to the Scheme, whereupon shareholders in Old Hansa became shareholders in Hansa Investment Company Limited ("New Hansa", "HICL"), a new Bermudan registered company.


On 29 August 2019, pursuant to the Scheme, the issued share capital of Hansa Trust PLC was de-listed and cancelled. New shares were re-issued to New Hansa at that time. Further, on 29 August 2019, 40,000,000 ordinary shares of one pence each ("Ordinary Shares") were admitted to listing on the premium segment of the Official List and 80,000,000 'A' ordinary shares of one pence each ("A' Ordinary Shares") were admitted to listing on the standard segment of the Official List and in respect of each class, were admitted to trading on the Main Market of the London Stock Exchange.

Ordinary Shareholders and 'A' Ordinary Shareholders in Old Hansa at close of business on 28 August 2019 will have received five Ordinary Shares or 'A' Ordinary Shares respectively in Hansa Investment Company Limited in exchange for each existing share held.

The investment strategy and portfolio management of New Hansa will continue to be materially the same as that of Old Hansa. New Hansa seeks to achieve its investment objective by investing in third-party funds, global equities and other international financial securities.

For more information please see the New Hansa prospectus. <https://www.hansaid.com/~media/Files/H/Hansa-Investment-Company-Limited/documents/hansa-investment-company-ltd-prospectus.pdf>

The Directors have considered the going concern position of the Company at the period end and at the date of signing the financial statements. As described above the beneficial interest in the assets of the Company was transferred to New Hansa on 29 August 2019 at fair value. The Company retained legal title to all assets at this point, with a process to transfer the legal title now underway. At the date of signing these financial statements the Company still held legal title of certain investments. The Directors have concluded that until this process, along with the resolution and completion of certain tax matters, has completed the Company continues to be a going concern, with no intention to liquidate the Company in the foreseeable future. The Company continues to have

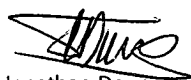


sufficient cash in order to meet any liabilities as they fall due. As such, the financial statements for the period have been prepared on a going concern basis.

#### BOARD RETIREMENTS

As a consequence of the implementation of the Scheme, Alex Hammond-Chambers, Raymond Oxford and Geoffrey Wood each retired as directors of Hansa Trust on 29 August 2019 after a collective 45 year commitment to the Company! On behalf of the shareholders of the Company, I want to thank them for their extraordinary service and commitment to the Company.

I should also like to take this opportunity to thank Mr Teideman who has also retired. Mr Teideman was a director of the Company for 12 years between 1991 and 2003 and then, more recently, a consultant to the audit committee.



Jonathan Davie  
Chairman  
26 February 2020

I would draw shareholders' attention to the Glossary of Terms which can be found at the end of this report. I hope it is helpful in understanding a business ever more complicated by regulation and jargon.

# The Board

The Board as at 27 August 2019 was comprised of Alex Hammond-Chambers (Chairman), Jonathan Davie (Audit Committee Chairman), Raymond Oxford, William Salomon and Geoffrey Wood. Each Director brings certain individual and complementary skills and experience to the Board's workings and dedicates sufficient time to the Company to ensure its success. All directors were re-elected at the Company's AGM on 29 July 2019.

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 KEY PERFORMANCE INDICATORS

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, many of 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 but 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 a strategic stake in Ocean Wilsons Holdings. The Company has broadened its (non-fund) equity exposure to include global equities. Equity exposure is also 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.

The Board considers that the use of a single benchmark won't always offer shareholders relevance and the clarity needed with regard to the performance of their Company.

The Board of Directors monitors the returns made in absolute (firstly) and relative (secondly) terms against the Key Performance Indicators ("KPIs") established for that purpose and are set out on pages 7 and 8 of this Report. The comparisons are made over 1, 3, 5 and 10 years. When reporting to shareholders, comment on returns is made with reference to those KPIs. There is no single benchmark that would be appropriate some of the time but not at other times.

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' future returns.

### BOARD COMPOSITION

Subsequent to the Company's period end, on 29 August, as envisaged by and as part of the Scheme of Arrangement for the re-domicile of the Company's business as outlined by the Chairman on page 2, Alex Hammond-Chambers, Raymond Oxford and Geoffrey Wood retired from the board after a collective 45 years of service to the Company and its shareholders.

# 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 last met on 10 June, consists of all four independent Directors and Edwin Teideman, a former director, whose skills and experience of the Company strengthen the Committee. Jonathan Dave is the Chairman of the Audit Committee. William Salomon attends the Audit Committee but is no longer a member of the Committee.

### Nomination Committee

The Board as a whole fulfils the function of the Nomination Committee. Appointments are made on merit and against objective criteria. 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. 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 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.

### 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 upper limit on Directors' aggregate remuneration (£175,000) was approved by shareholders at the 2017 AGM. In determining fees, no individual Director is involved in determining their own fee. 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.

### 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, 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 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 (the "AIFMD"), the Board established a monitoring programme for the AIFM and the Depositary. The Company Secretary meets each supplier regularly to monitor its processes and systems and, in addition, the AIFM and the Depositary attend at least one Board Meeting per annum.

## Organisation and Objectives *Continued*

- 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; at the period end, the facility was £30m. Following the period end, on 29 August, notice was given to terminate this facility as part of the implementation of the Scheme.

### 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 Ocean Wilson Holdings Ltd ("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 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 concluded that, because of the skills and experience of the management team 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 30.

Subsequent to the period end, as part of the implementation of the Scheme, the Portfolio Management Agreement was terminated. However, the Portfolio Manager continues to supply the same service to HICL.

#### Auditor

PricewaterhouseCoopers LLP ("PwC") was appointed as the auditor of the Company at the Company's AGM on 29 July 2019. Auditor rotation rules mean that the previous Auditor, Grant Thornton, had to step down.

Audit guidance limits the non-audit related work that can be carried out by the Company's Auditor – in particular tax compliance work. Hence BDO continues to provide tax compliance services to the Company. Any new supplier is approved by the Board. If non-audit work were to be carried out by the Company's Auditor, the appointment would be approved by the Board, in advance, to ensure that the Auditor's objectivity and independence is safeguarded. (Details in Note 4 on page 31.) For the avoidance of doubt, PwC does not provide any non-audit related services to the Company.

#### Company Secretary

The Company engages Hansa Capital Partners LLP as its Company Secretary. During the period to 27 August 2019, the Company Secretary has charged £50,913 excluding VAT (year to 31 March 2019: £125,000).

Subsequent to the period end, as part of the implementation of the Scheme, the Company Secretarial contract with HCP was terminated.



### Alternative Investment Fund Managers' Directive

The Company appointed Maitland Institutional Services 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 to Hansa Capital Partners LLP the provision of Portfolio Management services. During the period ended 27 August 2019, the AIFM has charged £54,338 (year to 31 March 2019: £131,311) for its services.

Subsequent to the period end, as part of the implementation of the Scheme, the AIFM contract with Maitland Institutional Services Limited was terminated.

### Administrator

The Company engages Maitland Administration Services Limited as its Administrator. During the period to 27 August 2019 Maitland Administration Services Limited charged £56,561, excluding VAT (year to 31 March 2019: £135,063).

Subsequent to the period end, as part of the implementation of the Scheme, the Administration Agreement was terminated. However, the Administrator continues to supply the same service to HICL.

### Depositary

BNP Paribas Securities Services is the Company's Depositary, an appointment that was ratified by the AIFM. During the period to 27 August 2019, BNP Paribas Securities Services charged £42,962 for the combined Depositary and Custodial service excluding VAT (year to 31 March 2019: £100,756).

Subsequent to the period end, as part of the implementation of the Scheme, the Depositary contract with BNP Paribas Securities Services was terminated.

### KEY PERFORMANCE INDICATORS

The Board at its quarterly meeting reviews the returns and the performance of the Company, including an analysis using the KPIs listed below.

The Board considers that the use of a single benchmark won't always offer shareholders the relevance and the clarity needed with regard to the performance of their Company.

The returns are compared with the return of a government bond, using the 10 year UK Gilt Return (FTSE All Stocks Gilts Total Return Index). The returns are also compared to the rate of inflation (real returns are important to shareholders) and with those of our peer group and an appropriate index.

Additionally, two further KPIs: costs of managing the Company are monitored against the NAV (that ratio is also known as the 'ongoing charges percentage per annum ratio'); and the discount/premium the shares sell at in relation to the NAV are likewise monitored.

The Board of Directors monitors the returns made in absolute (firstly) and relative (secondly) terms against the KPIs established for the purpose noted above. The comparisons are made over 1, 3, 5 and 10 years. Comment is made on the returns when reporting to shareholders by reference to the KPIs and not to a single benchmark that would be appropriate some times and not at other times.

### i) Shareholders – Total Returns

To 27 August 2019	1 year	3 years	5 years	10 years
Share Price Total Return				
Ordinary shares	-13.9%	12.3%	1.3%	48.0%
'A' non-voting Ordinary shares	-6.0%	22.7%	8.3%	56.3%

### ii) Company – Total Returns

These comparisons are used to determine the effectiveness of the Investment Strategy and of the Portfolio Management. The KPIs below should also be noted

To 27 August 2019	1 year	3 years	5 years	10 years
NAV	-2.5%	17.7%	20.0%	94.0%
Relative comparison				
Peer group average	-1.8%	22.8%	38.3%	127.0%

\* See website for peer group members

# STRATEGIC REPORT

## Organisation and Objectives Continued

### 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 27 August 2019	1 year average	3 years average	5 years average	10 years average
Ordinary shares (%)	(27.8)	(28.4)	(27.8)	(24.2)
'A' non-voting Ordinary shares (%)	(30.2)	(30.4)	(29.8)	(25.8)
Peer group (%)	(6.4)	(7.5)	(7.4)	(7.4)
AIC (%)	(1.7)			

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. The Ongoing Charges are calculated annually and so, as such, are presented as at the Company's previous period end of 31 March.

To 31 March 2019	1 year p.a.	3 years p.a.	5 years p.a.	10 years p.a.
Ongoing charges per annum (%)	1.3	1.1	1.1	1.1
NAV total return (%)	5.6	11.1	4.7	9.9

In January 2018, to comply with the Packaged Retail and Insurance-based Investment Products Regulation ("PRIIP"), the Company issued a PRIIPs Key Information Document ("KID") for each of its two share classes. In the PRIIPs, KID regulations are very prescriptive as to how costs are calculated and presented. In particular, as well as the costs of the Company itself noted above, the PRIIPs calculation also incorporates the costs of the directly held fund investment vehicles themselves, but not those for directly held equities. Based upon the financial results for the year to 31 March 2019, the PRIIPs KID cost ratio is 1.82% per annum. Subsequent to the implementation of the Scheme, the PRIIPs for the Company were removed from circulation.

### v) Key Performance Indicators

The following are the KPIs the Board uses to assess the returns of elements of the portfolio and of the Company as a whole.

To 27 August 2019	1 year	3 years	5 years	10 years
FTSE UK Gilts All Stocks	10.9%	6.4%	32.4%	71.1%
TR Index				
UK CPI Inflation	1.8%	7.4%	8.2%	24.6%
MSCI ACWI NR	2.5%	36.3%	73.1%	195.9%

### 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. Whilst fully aware of the impact of geopolitical influences on the outcome of investment returns, the Board, in conjunction with the Portfolio Manager, reviews investments on their 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 has holdings in at least 30 investments. The following items require Board approval:

- Investing in illiquid assets in excess of 10% of the portfolio's value.
- An investment to be made in a derivative instrument.
- At the time of investment, the market value of an investment sector exceeds the following bands within the portfolio:
  - Core & Thematic Funds
    - Core 0-40%
    - Thematic 0-25%
  - Global Equities 0-40%
  - Diversifying Assets 0-40%
  - Strategic (OWHL including Wilson Sons & Ocean Wilsons Investments)

- (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 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 the time of signing of this Report.

#### **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 it has carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future returns, solvency and liquidity. The Board considers the risks 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 risks include anti-business government policies, protracted economic recession, declining corporate profitability, taxation and rising inflation. The impact of such an environment could lead to sharp rises in interest rates and a decline in the stock market. Deflation is also a source of concern in some countries, but unless deflation increases sharply it is not a significant impediment to growth. However, it may lead to negative interest rates which would surely damage the banking system and the levels of savings available for investments. At their Board meetings and at the annual strategy meeting, the Directors and the Management consider long-term risks that concern them, including:

- Political instability and uncertainty both affecting the UK (the Company's 'home' jurisdiction) and many of the markets the Company invests in.
- Economic, currency and equity declines.
- Risks, particularly political risks, associated with Brazil.
- The growth of global debt.

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, by bringing any future realised capital gains on the sale of assets into the Corporation Tax charge band (whereas they are currently not). 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.

## Organisation and Objectives *Continued*

The mitigation of these risks is achieved by the Board performing 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 risk of higher discounts. 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 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 19 on pages 35 to 38.

Subsequent to the period end, as part of the implementation of the Scheme, these risks will have substantially transferred to HICL.

### **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.

Subsequent to the period end, as part of the implementation of the Scheme, the assets and liabilities of the Company transferred to HICL. This occurred before the payment of either of the two expected interim dividends associated with the financial year to 31 March 2020. Therefore, it is now expected that the Company will announce and pay a final distribution for the period ended 27 August 2019 to HICL during September 2019. Subsequently, HICL will announce and pay distributions to its shareholders.

A distribution was paid during the period ended 27 August 2019, it related to the second Interim dividend for the year ended 31 March 2019.

#### **Dividend Payments**

The dividends paid are as follows:

- For the period ending 27 August 2019, one interim dividend totalling 16p per Ordinary share (£3.84m) was declared and paid following the period end (25 September 2019). This was paid to HICL (the 100% shareholder of the Company at that time) and it is the intention that that company will further distribute these funds to shareholders.
- By way of comparison, two Interim distributions were paid for the year ended 31 March 2019: November 2018: 8p per Ordinary share and May 2019: 8p per Ordinary share.
- Additionally, as part of the Scheme and the transfer of the business and accumulated reserves from the Company to HICL, a further interim dividend of £190m was declared on 30 September 2019 from Retained Earnings relating to Realised Profits.
- Additionally, as part of the Scheme, a further interim dividend of £135m was declared on 8 November 2019 from Retained Earnings relating to Realised Profits.

#### **Insurance**

The Company through its Articles has indemnified its Directors and Officers to the fullest extent permissible by law. During the period the Company also purchased and maintained liability insurance for its Directors and Officers.

#### **Status and Activities**

During the period 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.

**Going Concern**

The Directors have considered the going concern position of the Company at the period end and at the date of signing the financial statements. As described above the beneficial interest in the assets of the Company was transferred to New Hansa on 29 August 2019 at fair value. The Company retained legal title to all assets at this point, with a process to transfer the legal title now underway. At the date of signing these financial statements the Company still held legal title of certain investments. The Directors have concluded that until this process, along with the resolution and completion of certain tax matters, has completed the Company continues to be a going concern, with no intention to liquidate the Company in the foreseeable future. The Company continues to have sufficient cash in order to meet any liabilities as they fall due. As such, the financial statements for the period have been prepared on a going concern basis.

**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 Statement

Investments	Fair value £000	Percentage of Net Assets
<b>Core Regional Funds</b>		
Findlay Park American Fund	21,091	6.3
Vulcan Value Equity Fund	14,930	4.5
Select Equity Offshore Ltd	14,761	4.3
Goodhart Partners: Hanjo Fund	12,139	3.7
Adelphi European Select Equity Fund	10,622	3.2
BlackRock European Hedge Fund	10,237	3.1
Schroder ISF Asian Total Return Fund	7,526	2.3
Indus Japan Long Only Fund	6,683	2.0
Pershing Square Holdings Ltd	4,989	1.5
Egerton Long-Short Fund	4,688	1.4
Prince Street Institutional Offshore Ltd	4,561	1.4
BlackRock Frontiers Investment Trust	3,566	1.1
IF Orley Absolute Return Fund	3,232	1.0
NTAsian Discovery Fund	3,002	0.9
Selwood AM Credit Fund	2,634	0.8
SR Global Fund Inc. Frontier Markets	2,575	0.8
Vanguard FTSE Developed Europe ex-UK Equity Index Fund	1,883	0.6
<b>Total Core Regional Funds</b>	<b>129,119</b>	<b>38.9</b>
<b>Strategic</b>		
Wilson Sons (through the holding in Ocean Wilsons Holdings) *	46,296	14.0
Ocean Wilsons Investments Limited (through the holding in Ocean Wilsons Holdings) *	37,879	11.4
<b>Total Strategic</b>	<b>84,175</b>	<b>25.4</b>
<b>Global Equities</b>		
EXOR NV	4,099	1.2
Berkshire Hathaway Inc	3,907	1.2
CK Hutchison	3,664	1.1
Iridium Communications Inc	3,203	1.0
White Mountains Insurance Group Ltd	3,172	1.0
Interactive Brokers Group Inc	3,144	0.9
Alphabet Inc	3,052	0.9
Howard Hughes Corp	2,825	0.9
C&C Group PLC	2,720	0.8
Hansteen Holdings PLC	2,693	0.8
CVS Health Corp	2,602	0.8
Orange	2,565	0.8
Dollar General Corp	2,542	0.8
Samsung Electronics Co Ltd	2,448	0.7
Bayer AG	2,084	0.6

Investments	Fair value £000	Percentage of Net Assets
TripAdvisor Inc	2,026	0.6
ITE Group	1,994	0.6
Nutrien Ltd	1,905	0.6
Hilton Food Group PLC	1,692	0.5
Subsea 7	1,665	0.5
Orion Engineered Carbons SA	1,654	0.5
Technicolor	947	0.2
<b>Total Global Equities</b>	<b>56,603</b>	<b>17.0</b>
<b>Diversifying</b>		
DV4 Ltd **	9,340	2.8
Global Event Partners Ltd	8,438	2.5
Hudson Bay International Fund Ltd	3,684	1.1
MKP Opportunity Offshore Ltd	2,987	0.9
Vanguard US Govt Bond Index Fund	2,819	0.8
Keynes Dynamic Beta Strategy Fund	2,303	0.7
Apollo Total Return Fund	2,261	0.7
Biopharma Credit Plc	1,511	0.5
CZ Absolute Alpha UCITS Fund	1,319	0.4
GAM Systematic Core Macro Fund	1,029	0.3
Schroder GAIA BlueTrend	837	0.3
DV3 Ltd **	0	0.0
<b>Total Diversifying</b>	<b>36,528</b>	<b>11.0</b>
<b>Thematic Assets</b>		
GAM Star Technology Fund	15,348	4.6
BB Biotech AG	3,341	1.0
SPDR MSCI World Financials UCITS ETF	3,279	1.0
Worldwide Healthcare Trust PLC	1,757	0.5
<b>Total Thematic</b>	<b>23,725</b>	<b>7.1</b>
<b>Total Investments</b>	<b>330,150</b>	<b>99.4</b>
<b>Net Current Assets</b>	<b>1,869</b>	<b>0.6</b>
<b>Net Assets</b>	<b>332,019</b>	<b>100.0</b>

## 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 the 31 December 2018 OWHL financial statements, 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 27 August 2019.

\*\* DV3 Ltd and DV4 Ltd are unlisted Private Equity holdings. As such, their value is estimated as a Level 3 Asset in Note 20. All other valuations are either derived from information supplied by listed sources or from pricing information supplied by third party fund managers.

# 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 10.
- Dividend policy and payments made during the period are summarised in the Organisation & Objectives section – see page 10.
- Names of Directors, at any time in the period – see page 4.
- Greenhouse Gas Emissions – see page 11.
- Policy on Diversity – see pages 4 and 5 within “The Board”.
- Details of how the principal risks arising from financial instruments (as determined by the Financial Reporting Council) are managed, have been summarised in Note 19 on pages 35 to 38.

## 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 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.

Subsequent to the period end, as part of the implementation of the Scheme, the Company's issued shares were cancelled on 29 August 2019 and re-issued to HICL.

## Directors' Responsibility Statement

The Directors' Responsibility Statement is included in this document on page 15.


## Future Developments and Post Balance Sheet Events

As described in the Chairman's Report to the Shareholders, the Company entered into a shareholder approved Scheme of Arrangement on 29 August 2019 leading to the transfer of the business of the Company to a new entity on that date. The Chairman has described this in detail in his report – see page 2. Additionally, as anticipated as part of the Scheme, a number of dividends have been declared post balance sheet as part of that transfer of business – see page 10. There are no other imminent future developments or post balance sheet events to report.

## APPROVAL OF THE DIRECTORS

The Directors consider the Financial Statements, 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 13.

For and on behalf of the Board

  
Jonathan Davie  
Chairman  
26 February 2020



# Directors' Responsibility Statement

## RESPONSIBILITY STATEMENT

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 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 period 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.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website: [www.hansatrust.com](http://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.

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 the 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.

For and on behalf of the Board



Jonathan Davie  
Chairman  
26 February 2020

# 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 23.

The Board has prepared this Report in relation to all Directors who have served during the period and in accordance with the requirements of s.420-422 of the Companies Act 2006.

## 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.

There have been no changes to remuneration during the period to 27 August 2019, 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 2016 when Jonathan Davie became Chairman of the Audit Committee. All Directors have served for the full period, although all retired at the AGM on 29 July 2019 as is the Company policy and were subsequently re-elected.

As reported previously, subsequent to the period end, as part of the implementation of the Scheme, three directors retired on 29 August 2019: Alex Hammond-Chambers, Geoffrey Wood and Raymond Oxford.

## 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, the 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 28 July 2017 with 99.99% of the votes cast being In Favour of the policy and the remaining 0.01% being Against. The policy was approved for a period of three years from 1 July 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 the level of their responsibilities, duties and other circumstances including the level of fees in other comparable companies. The Company Secretary provides relevant information when the Directors consider the level of Directors' fees. The Directors' Remuneration Policy was approved by shareholders at the AGM on 28 July 2017 such that the previous overall cap of £175,000 was maintained on annual Directors' fees.

## FUTURE POLICY TABLE

All of the Directors are non-executive, whose only remuneration is a fee. The implementation of the above policy could give rise to the following increase in fees:

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

As previously reported, the Scheme of Arrangement was implemented on 29 August 2019. At that date, three directors retired (Alex Hammond-Chambers, Geoffrey Wood and

Raymond Oxford). The two remaining directors (Jonathan Davie and William Salomon) are remaining as directors but, following the scheme of arrangement on 29 August 2019 and the company being a subsidiary of Hansa Investment Company Ltd and that they are both directors of the parent entity, neither will be charging a separate fee for their work on this Company going forward.

#### 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.

#### 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.

#### PERIOD REPORT ON REMUNERATION

##### Directors' Emoluments (Audited)

The Company does not have any employees, only non-executive Directors who receive only a basic fee, plus repayment of expenses incurred in the course of performing their duties. 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 period received the following emoluments in the form of fees:

	To 27 August 2019 Fee £000	To 27 August 2019 Total £000	To 31 March 2019 Fee £000	To 31 March 2019 Total £000
Alex Hammond-Chambers (Chairman)*	16	16	38	38
Jonathan Davie	12	12	30	30
Raymond Oxford	10	10	25	25
William Salomon	10	10	23	23
Geoffrey Wood	10	10	25	25
	58	58	141	141

\*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. This amounted to £nil for the period to 27 August 2019 (year to 31 March 2019: £6,564). 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 27 August 2019 are shown as follows:

	27 August 2019	Ordinary shares of 5p each 31 March 2019	'A' non-voting Ordinary shares of 5p each 27 August 2019	31 March 2019	Nature of Interest
Alex Hammond-Chambers	4,900	4,900	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 29 August 2019, the entire share capital of the Company was de-listed and cancelled and re-issued to Hansa Investment Company Ltd as part of a publicised Scheme of Arrangement. Thereafter, and at the date of signing of this Report, Hansa Investment Company Ltd is the 100% shareholder of the Company's issued share capital and the directors, along with all other shareholders, now hold shares issued by the parent entity.

William Salomon is the senior partner of Hansa Capital Partners LLP. Fees payable to Hansa Capital Partners LLP amounted to £1,000,000 for the period to 27 August 2019 (year to 31 March 2019: £2,335,435). The fees outstanding at the period-end amounted to £183,542 (2019: £197,735). 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.

## OTHER REPORTING

# Directors' Remuneration Report *Continued*

### STATEMENT OF VOTING AT THE AGM

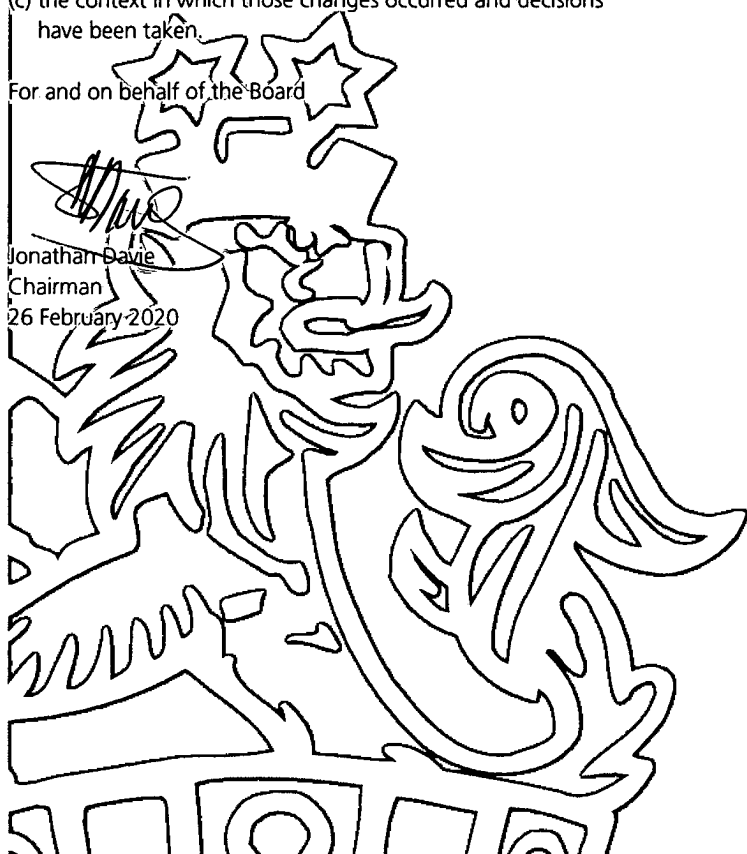
The Directors' Remuneration Report for the year ended 31 March 2019 was presented at the AGM held on 29 July 2019. At that meeting, the Directors' Remuneration Report was approved by 99% of the votes cast.

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 Directors' Remuneration summarises, as applicable, for the period ended 27 August 2019:

- (a) the major decisions on Directors' remuneration;
- (b) any substantial changes relating to Directors' remuneration made during the period; and
- (c) the context in which those changes occurred and decisions have been taken.

For and on behalf of the Board

  
Jonathan Davie  
Chairman  
26 February 2020



## Independent Auditor's Report to the Members of Hansa Trust PLC

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

In our opinion, Hansa Trust PLC's financial statements:

- give a true and fair view of the state of the company's affairs as at 27 August 2019 and of its loss and cash flows for the 148 day period (the "period") 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.

We have audited the financial statements, included within the Period End Report, which comprise: the Balance Sheet as at 27 August 2019; the Income Statement, the Cash Flow Statement, the Statement of Changes in Equity for the 148 day period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the directors.

#### Basis for opinion

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

#### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We have provided no non-audit services to the company in the period from 1 April 2019 to 27 August 2019.

Our audit approach	
Overview	
<b>Materiality</b>	<ul style="list-style-type: none"> <li>• Overall materiality: £3,320,190, based on 1% of net assets.</li> </ul>
<b>Audit scope</b>	<ul style="list-style-type: none"> <li>• The company is a standalone Investment Trust Company and engages Hansa Capital Partners LLP (the "Manager") to manage its assets.</li> <li>• We conducted our audit of the financial statements using information from Maitland Administration Services Limited (the "Administrator") to whom the Company has delegated the provision of certain administrative functions.</li> <li>• We tailored the scope of our audit taking into account the types of investments within the company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the company operates.</li> <li>• We obtained an understanding of the control environment in place at both the Manager and the Administrator, and adopted a fully substantive testing approach using reports obtained from the Administrator.</li> </ul>
<b>Key audit matters</b>	<ul style="list-style-type: none"> <li>• Valuation and existence of investments.</li> <li>• Accuracy, occurrence and completeness of investment income.</li> </ul>

# Independent Auditor's Report to the Members of Hansa Trust PLC, *continued*

### **The scope of our audit**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

### **Capability of the audit in detecting irregularities, including fraud**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the on-going qualification as an Investment Trust under the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to increase income or to overstate the value of investments and increase the net asset value of the company. Audit procedures performed by the engagement team included:

- Discussions with management, the Manager and the Administrator, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including meetings of those charged with governance;
- Evaluation of the controls implemented by the Manager and the Administrator designed to prevent and detect irregularities;
- Assessment of the Trust's compliance with the requirements of s1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or round sum amounts.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### **Key audit matters**

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>Valuation and existence of investments</b> Refer to page 28 (Accounting Policies) and pages 28 to 39 (Notes to the financial statements). The investment portfolio at the period end, comprised listed investments valued at £189 million (57%) and unlisted investments valued at £141 million (43%). We focused on the existence of both listed and unlisted investments, as listed investments comprise the majority of the investments balance and unlisted investments are, individually and in aggregate, material to the financial statements. We focused on the valuation of listed investments because listed investments represent the principal element of the net asset value as disclosed on the Balance Sheet in the financial statements. We also focused on the valuation of unlisted investments as the valuation of these investments is material to the net asset value.</p>	<p>We tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation. No differences were identified by our testing which required reporting to those charged with governance.</p> <p><b>Listed investments:</b> We tested the valuation of all listed equity investments by agreeing the prices used in the valuation to independent third-party sources. We tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation. No material misstatements were identified by our testing which required reporting to those charged with governance.</p> <p><b>Unlisted investments:</b> We understood and evaluated the controls around the pricing of unlisted investments including the final approval of the valuation by the Manager and the Board. We assessed the approach used by the Manager in valuing these investments, which comprised obtaining the most recent valuation provided by the fund manager for each investment held at the period end.</p> <ul style="list-style-type: none"> <li>• We obtained a direct confirmation of the investments held and the price from each fund manager. We used these two key inputs to recalculate the valuation applied by management. This recalculation was performed for 100% of the unlisted investments.</li> <li>• We obtained an understanding of the underlying valuation methodology applied to each unlisted investment through review of their most recently available audited financial statements to ensure it was based on fair value.</li> </ul> <p>Based on the procedures detailed above, no material misstatements were identified which required reporting to those charged with governance.</p>

## FINANCIAL STATEMENTS

# Independent Auditor's Report to the Members of Hansa Trust PLC, *continued*

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>Accuracy, occurrence and completeness of investment income</b></p> <p>Refer to page 28 (Accounting Policies) and pages 28 to 39 (Notes to the financial statements). We focused on the accuracy, occurrence and completeness of dividend income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition.</p>	<p>We assessed the accounting policy for dividend income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy.</p> <p>We tested the accuracy of all dividend receipts by agreeing the dividend rates from investments to independent market data. No misstatements were identified which required reporting to those charged with governance.</p> <p>To test for completeness, we tested, for a sample of investment holdings in the portfolio, that all dividends declared in the market by investment holdings had been recorded. We tested occurrence by testing that all dividends recorded in the period had been declared in the market by investment holdings, and we traced a sample of dividends received to bank statements. Our testing did not identify any misstatements which required reporting to those charged with governance.</p> <p>We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions. Our procedures did not identify any misstatements which required reporting to those charged with governance.</p>

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The company's accounting is delegated to the Administrator who maintains the company's accounting records and who has implemented controls over those accounting records.

We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and analysing the relevant control report issued by the independent service auditor of the Administrator in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£3,320,190.
How we determined it	1% of net assets.
Rationale for benchmark applied	We applied this benchmark, which is a generally accepted auditing practice for investment trust audits.

We agreed with the directors that we would report to them misstatements identified during our audit above £166,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.



### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

### Reporting on other information

The other information comprises all of the information in the Period End Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06) and ISAs (UK) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

### Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the period ended 27 August 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

### Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06).

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# FINANCIAL STATEMENTS

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## Independent Auditor's Report to the Members of Hansa Trust PLC, *continued*

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

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

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### **OTHER REQUIRED REPORTING**

#### **Companies Act 2006 exception reporting**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; 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.

We have no exceptions to report arising from this responsibility.

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#### **Appointment**

Following the recommendation of the audit committee, we were appointed by the Company at its annual general meeting on 29 July 2019 to audit the financial statements for the period ended 27 August 2019 and subsequent financial periods. This is therefore our first period of uninterrupted engagement.

Gillian Alexander  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh

26 February 2020

# Income Statement

For the period ended 27 August 2019

	Notes	Revenue 1.4.2019 to 27.8.2019 £000	Capital 1.4.2019 to 27.8.2019 £000	Total 1.4.2019 to 27.8.2019 £000	Revenue 1.4.2018 to 31.3.2019 £000	Capital 1.4.2018 to 31.3.2019 £000	Total 1.4.2018 to 31.3.2019 £000
(Losses)/gains on investments held at fair value through profit or loss	9	–	(7,004)	(7,004)	–	15,845	15,845
Exchange gains on currency balances		–	8	8	–	37	37
Investment income	2	6,044	–	6,044	6,669	–	6,669
		6,044	(6,996)	(952)	6,669	15,882	22,551
Portfolio management fees	3	(1,000)	–	(1,000)	(2,335)	–	(2,335)
Other expenses	4	(1,378)	–	(1,378)	(2,041)	–	(2,041)
		(2,378)	–	(2,378)	(4,376)	–	(4,376)
<b>Profit/(loss) before finance costs and taxation</b>		<b>3,666</b>	<b>(6,996)</b>	<b>(3,330)</b>	<b>2,293</b>	<b>15,882</b>	<b>18,175</b>
Profit/(loss) before taxation		3,666	(6,996)	(3,330)	2,293	15,882	18,175
Taxation	5	(81)	–	(81)	(11)	(75)	(86)
Profit/(loss) for the period/year		<b>3,585</b>	<b>(6,996)</b>	<b>(3,411)</b>	<b>2,282</b>	<b>15,807</b>	<b>18,089</b>
Return per Ordinary and 'A' non-voting Ordinary share	7	<b>15.0p</b>	<b>(29.2)p</b>	<b>(14.2)p</b>	<b>9.2p</b>	<b>66.2p</b>	<b>75.4p</b>

The Company does not have any income or expense not included in the above statement. Accordingly the "Profit/(Loss) for the period" is also the "Total comprehensive income/(loss) for the period", 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 on pages 28 to 39 are an integral part of this Statement.

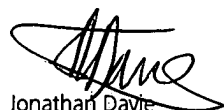
# FINANCIAL STATEMENTS

## Balance Sheet

As at 27 August 2019

	Notes	27.8.2019 £000	31.3.2019 £000
<b>Non-current assets</b>			
Investment in subsidiary at fair value through profit or loss	8	–	629
Investments held at fair value through profit or loss	9	330,150	335,162
		330,150	335,791
<b>Current assets</b>			
Trade and other receivables	11	83	1,118
Cash and cash equivalents	12	2,190	2,474
		2,273	3,592
<b>Current liabilities</b>			
Trade and other payables	13	(404)	(2,033)
<b>Net current assets</b>		1,869	1,559
<b>Net assets</b>		332,019	337,350
<b>Capital and reserves</b>			
Called up share capital	14	1,200	1,200
Capital redemption reserve	15	300	300
Retained earnings	16	330,519	335,850
<b>Total equity shareholders' funds</b>		332,019	337,350
<b>Net asset value per Ordinary and 'A' non-voting Ordinary share</b>	17	1,383.4p	1,405.6p

The Financial Statements of Hansa Trust PLC, registered number 00126107, set out on pages 25 to 39 were approved by the Board of Directors on 26 February 2020 and were signed on its behalf by



Jonathan Davis  
Chairman

The accompanying notes on pages 28 to 39 are an integral part of this Statement.

# Statement of Changes in Equity

For the period ended 27 August 2019

Notes	Share capital 27.8.2019 £000	Capital redemption reserve 27.8.2019 £000	Retained earnings 27.8.2019 £000	Total 27.8.2019 £000	Share capital 31.3.2019 £000	Capital redemption reserve 31.3.2019 £000	Retained earnings 31.3.2019 £000	Total 31.3.2019 £000
Net assets at 1 April	1,200	300	335,850	337,350	1,200	300	321,601	323,101
(Losses)/profits for the period/year	–	–	(3,411)	(3,411)	–	–	18,089	18,089
Dividends 6	–	–	(1,920)	(1,920)	–	–	(3,840)	(3,840)
Net assets at 27 August/ 31 March	1,200	300	330,519	332,019	1,200	300	335,850	337,350

## Cash Flow Statement

For the period ended 27 August 2019

Notes	1.4.2019 to 27.8.2019 £000	1.4.2019 to 31.3.2019 £000
<b>Cash flows from operating activities</b>		
(Loss)/Gain before taxation*	(3,330)	18,175
Adjustments for:		
Realised (gains) on investments 9	(2,407)	(718)
Unrealised losses/(gains) on investments 9	9,411	(15,127)
Effect of foreign exchange rate changes	(8)	(37)
(Decrease)/ Increase in trade and other receivables 11	1,035	(1,063)
Increase in trade and other payables 13	(1,629)	1,026
Taxes paid 5	(81)	(86)
Purchase of non-current investments	(12,925)	(34,598)
Sale of non-current investments	11,562	37,603
<b>Net cash inflow from operating activities</b>	<b>1,628</b>	<b>5,175</b>
<b>Cash flows from financing activities</b>		
Dividends paid 6	(1,920)	(3,840)
<b>Net cash outflow from financing activities</b>	<b>(1,920)</b>	<b>(3,840)</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(292)</b>	<b>1,335</b>
Cash and cash equivalents at 1 April	2,474	1,102
<b>Effect of foreign exchange rate changes</b>	<b>8</b>	<b>37</b>
<b>Cash and cash equivalents at end of period 12</b>	<b>2,190</b>	<b>2,474</b>

\*Includes dividends received of £5,903,000 (31 March 2019: £6,516,000) and interest received of £4,000 (31 March 2019: £7,000).

The accompanying notes on pages 28 to 39 are an integral part of this Statement.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements

### 1 ACCOUNTING POLICIES

Hansa Trust PLC is a public company limited by shares, registered and domiciled in England, with its registered office shown on page 40. The principal activity of the company is set out in the strategic report on pages 2 to 13.

#### (a) Basis of preparation

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as well as applicable legal and regulatory requirements of the Companies Act 2006 as applicable to companies using IFRS and the Article 4 of AIS Regulations. 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 in line with the assertion of the Board on page 11, except for the valuation of investments and in accordance with the AIC Statement of Recommended Practice ("SORP") for investment trusts, issued by the AIC in November 2014, as updated in October 2019, 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 and associates 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. More details regarding its subsidiary Consolidated Investment Funds Limited ("CIFL"), are included in Note 8 of the Financial Statements. On 18 June 2019, CIFL was dissolved.

#### (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 classified at fair value through profit or loss on initial recognition in accordance with IFRS 9. 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 derecognised 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 calibrated price of recent investment. The investment in the Company's subsidiary undertaking was stated at fair value at 31 March 2019 and has subsequently been sold.

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.

## 1 ACCOUNTING POLICIES (CONTINUED)

### (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, overseas dividends and Real Estate Investment Trusts' ("REIT") income are all 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 period. 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 period end are reported at the rate of exchange prevailing at the period 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.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (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 period 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. DV4 is 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 27 August 2019. The most recent valuation statement was received on 27 August 2019 stating the value of the Company's holding as at 30 June 2019. It is believed the value of DV4 as at 27 August 2019 will not be materially different but this valuation is based on historic valuations by DV4, does not have a readily available third party comparator and, as such, is an estimate. There are no significant judgements.

#### (l) Adoption of new and revised standards

There was no new amendments to standards effective this period.

### 2 INVESTMENT INCOME

	Revenue 1.4.2019 to 27.8.2019 £000	Revenue 1.4.2019 to 31.3.2019 £000
<b>Income from quoted investments</b>		
UK dividends	143	688
Overseas and other dividends	5,761	5,756
Property income distributions	136	218
	<b>6,040</b>	<b>6,662</b>
<b>Other income</b>		
Interest receivable on AAA rated money market funds	4	7
<b>Total income</b>	<b>6,044</b>	<b>6,669</b>

### 3 PORTFOLIO MANAGEMENT FEE

	Revenue 1.4.2019 to 27.8.2019 £000	Revenue 1.4.2019 to 31.3.2019 £000
Portfolio management fee	1,000	2,335
<b>Total management fee</b>	<b>1,000</b>	<b>2,335</b>

Note: Details of the Portfolio Management Agreement are disclosed in the Strategic Report – Service Providers on page 6.



#### 4 OTHER EXPENSES

	Revenue 1.4.2019 to 27.8.2019 £000	Revenue 1.4.2019 to 31.3.2019 £000
Administration fees*	57	135
AIFM fees*	54	131
Directors' remuneration*	58	141
Auditor's remuneration for:		
– audit of the Company's Annual Report	37	36
Fees payable to the Auditor for other services:		
– Audit Related Assurance Services: review of the Half-Year Report	–	4
Irrecoverable VAT on audit fees	7	8
Printing fees	32	36
Marketing	64	102
Registrar's fees	12	58
Banking charges*	62	152
Secretarial services	61	150
Other**	934	1,088
	<b>1,378</b>	<b>2,041</b>

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

\*\* 'Other' fees during the period to 27 August 2019 include professional fees incurred on behalf of a number of projects. The largest of these related to the preparatory work for the re-domicile project totaling circa £743,000 including VAT (year to 31 March 2019: £680,000 including VAT).

#### 5 TAXATION

##### (a) Taxation on Ordinary Activities

	Revenue 1.4.2019 to 27.8.2019 £000	Capital 1.4.2019 to 27.8.2019 £000	Total 1.4.2019 to 27.8.2019 £000	Revenue 1.4.2018 to 31.3.2019 £000	Capital 1.4.2018 to 31.3.2019 £000	Total 1.4.2018 to 31.3.2019 £000
UK Corporation Tax at 19% (31 March 2019: 19%)						
Irrecoverable foreign tax	81	–	81	86	–	86
Tax relief on gain arising from disposal of Non-Reporting Offshore Fund	–	–	–	(75)	75	–
	<b>81</b>	<b>–</b>	<b>81</b>	<b>11</b>	<b>75</b>	<b>86</b>

##### (b) Factors affecting tax charge for the period

Approved investment trusts are exempt from tax on capital gains. The tax charge for the period is lower than the standard rate of Corporation Tax in the UK of 19% (31 March 2019: 19%). The differences are explained below:

	1.4.2019 to 27.8.2019 £000	1.4.2019 to 31.3.2019 £000
Total (loss)/profit before taxation	(3,330)	18,175
Profit multiplied by standard rate of Corporation Tax	(633)	3,453
Effects of:		
– Non-taxable capital	1,329	(3,018)
– Gain arising on disposal of Non-Reporting Offshore Fund	–	75
– Non-taxable investment income	(1,121)	(1,224)
– Excess administration expenses unused	425	714
– Irrecoverable foreign tax	81	86
Current tax charge	<b>81</b>	<b>86</b>

# FINANCIAL STATEMENTS

## Notes to the Financial Statements

### 5 TAXATION (CONTINUED)

#### (c) Provision for deferred taxation

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

#### (d) Factors that may affect future tax charges

As at 31 March 2019 the Company had unutilised management expenses and loan relationship deficits of £33,339,000 (31 March 2019: £31,439,000) after taking into account unrealised gains of £1,295,000 (31 March 2019: £928,000) on Non-Reporting Offshore Funds. 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. Presently only the capital gains on Non-Reporting Funds are subject to tax. No deferred tax liability has been recognised in relation to the unrealised gains on these funds due to the excess of unutilised management expenses.

Further, as described in the Chairman's Report to the Shareholders, a Scheme of Arrangement was implemented on 29 August 2019. As part of this Scheme, the shares of the Company were de-listed thereby causing the Company to lose Investment Trust status for its accounting period starting on 28 August 2019. Therefore, as at the period end, the Company was taxed as an Investment Trust, it lost this status in the subsequent period.

### 6 DIVIDENDS PAID

	27.8.2019 £000	31.3.2019 £000
Amounts recognised as distributed to shareholders in the period are as follows:		
Second interim dividend for 31 March 2019 (paid May 2019): 8.0p (2018: 8.0p)	1,920	1,920
First interim dividend for 27 August 2019 (paid September 2019): 16.0p (31 March 2019: 8.0p)*	–	1,920
	1,920	3,840

\*Note: The first interim for the period ended 27 August 2019 was declared and paid after the period end

Set out below are the total dividends paid and proposed in respect of the current financial period, 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 period is £3,585,000 (31 March 2019: £2,282,000).

	Revenue 27.8.2019 £000	Revenue 31.3.2019 £000
First interim dividend for 27 August 2019 (paid September 2019): 16.0p (31 March 2019: 8.0p)	3,840	1,920
Second interim dividend for 27 August 2019: nil (2019: 8.0p)	–	1,920
	3,840	3,840

The Board has announced one interim dividend, of 16.0p per Ordinary and 'A' non-voting Ordinary share, relating to the period ended 27 August 2019. No final dividend is proposed for the period ended 27 August 2019.

### 7 RETURN PER ORDINARY AND 'A' NON-VOTING ORDINARY SHARE

	Revenue 27.8.2019	Capital 27.8.2019	Total 27.8.2019	Revenue 31.3.2019	Capital 31.3.2019	Total 31.3.2019
Returns per share	15.0p	(29.2)p	(14.2)p	9.2p	66.2p	75.4p

#### Returns

Revenue return per share is based on the revenue attributable to equity shareholders of £3,585,000 (31 March 2019: £2,282,000).

Capital return per share is based on the capital loss attributable to equity shareholders of £6,996,000 (31 March 2019: Profit of £15,882,000).

Total return per share is based on the combination of revenue and capital returns attributable to equity shareholders, amounting to a net loss of £3,411,000 (31 March 2019: net profit of £18,089,000).

Both revenue and capital return are based on 8,000,000 Ordinary shares (31 March 2019: 8,000,000) and 16,000,000 'A' non-voting Ordinary shares (31 March 2019: 16,000,000), in issue throughout the period.

## 8 INVESTMENT IN SUBSIDIARY AT FAIR VALUE THROUGH PROFIT OR LOSS

Prior to 18 June 2019 the Company owned 100% of the ordinary share capital and voting rights of Consolidated Investment Funds Limited, an investment dealing company, registered and operating in England. During the period to 18 June 2019, Consolidated Investment Funds Limited was dormant and held no investments except for an intercompany loan. As of 18 June 2019, Consolidated Investment Funds Ltd was dissolved and therefore the fair value was £nil (31 March 2019: £629,000).

## 9 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	Listed £000	Unquoted £000	27.8.2019 Total £000	31.3.2019 Total £000
Cost at 1 April 2019	89,525	103,640	<b>193,165</b>	195,452
Investment holding gains at 1 April 2019	114,058	28,568	<b>142,626</b>	127,499
Valuation at 1 April 2019	203,583	132,208	<b>335,791</b>	322,951
Movements in the period:				
Purchases at cost	8,020	4,905	<b>12,925</b>	34,598
Sales – proceeds	(5,720)	(5,842)	<b>(11,562)</b>	(37,603)
(Losses)/gains on investments held at fair value through profit or loss	(16,844)	9,840	<b>(7,004)</b>	15,845
<b>Valuation as at 27 August 2019 (31 March 2019)</b>	<b>189,039</b>	<b>141,111</b>	<b>330,150</b>	<b>335,791</b>
Cost	93,002	103,933	<b>196,935</b>	193,165
Investment holding gains	96,037	37,178	<b>133,215</b>	142,626
	<b>189,039</b>	<b>141,111</b>	<b>330,150</b>	<b>335,791</b>

	27.8.2019 £000	31.3.2019 £000
Gains on sales	<b>2,407</b>	718
Movement in investment holding gains	<b>(9,411)</b>	15,127
Gains on investments held at fair value through profit or loss	<b>(7,004)</b>	15,845

### Transaction costs

During the period 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:

	27.8.2019 £000	31.3.2019 £000
Purchases	<b>14</b>	68
Sales	<b>3</b>	16
	<b>17</b>	84

## 10 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 as at 27 August 2019 are detailed below:

	Country of incorporation or registration	Class of capital	% of class held	Latest available accounts	Exc. Minority Interest Total capital and reserves	Profit after tax for the year
Ocean Wilsons Holdings Limited	Bermuda	Ordinary	26.5	30.06.19 (Interim)	\$559,276,000	\$28,114,000

Ocean Wilsons Holdings Limited is included as part of the investment portfolio in accordance with IAS 28 – Investment in Associates.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements

### 10 SIGNIFICANT HOLDINGS (CONTINUED)

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
Ocean Wilson Holdings Limited	Ordinary	26.5
Helesi Plc	Ordinary	3.8
All Leisure Group Plc	Ordinary	3.6

### 11 TRADE AND OTHER RECEIVABLES

	27.8.2019 £000	31.3.2019 £000
Amounts due from brokers	–	184
UK Income tax recoverable	27	–
Overseas withholding tax recoverable	7	6
Prepayments and accrued income	49	138
Cash committed to purchase SR Global Fund Inc. Frontier Markets Class M	–	790
	83	1,118

### 12 CASH AND CASH EQUIVALENTS

	27.8.2019 £000	31.3.2019 £000
Cash at bank	2,190	2,474
	2,190	2,474

### 13 TRADE AND OTHER PAYABLES

	27.8.2019 £000	31.3.2019 £000
Amounts due to brokers	–	694
Due to subsidiary undertaking	–	629
Other creditors and accruals	404	710
	404	2,033

### 14 CALLED UP SHARE CAPITAL

	27.8.2019 £000	31.3.2019 £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.

### 15 CAPITAL REDEMPTION RESERVE

	27.8.2019 £000	31.3.2019 £000
Balance at 27 August 2019 (31 March 2019)	300	300

## 16 RETAINED EARNINGS

	Reserves				Reserves			
	Revenue*	Capital – Other*	Capital – Investment holding profits**	Total retained earnings	Revenue*	Capital – Other*	Capital – Investment holding profits**	Total retained earnings
	27.8.2019 £000	27.8.2019 £000	27.8.2019 £000	27.8.2019 £000	31.3.2019 £000	31.3.2019 £000	31.3.2019 £000	31.3.2019 £000
Opening balance at 1 April	75	193,149	142,626	335,850	1,565	192,537	127,499	321,601
Profit/(loss) for the period	3,585	2,415	(9,411)	(3,411)	2,282	680	15,127	18,089
Dividend paid	(1,920)	–	–	(1,920)	(3,772)	(68)	–	(3,840)
Closing balance at 27 August 2019 (31 March 2019)	1,740	195,564	133,215	330,519	75	193,149	142,626	335,850

\* 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.

## 17 NET ASSET VALUE

	27.8.2019	31.3.2019
NAV per Ordinary and 'A' non-voting Ordinary share	1,383.4p	1,405.6p

The NAV per Ordinary and 'A' non-voting Ordinary share is based on the net assets attributable to equity shareholders of £332,019,000 (31 March 2019: £337,350,000) and on 8,000,000 Ordinary shares (31 March 2019: 8,000,000) and 16,000,000 'A' non-voting Ordinary shares (31 March 2019: 16,000,000) in issue at 27 August 2019.

## 18 COMMITMENTS AND CONTINGENCIES

The Company has no outstanding commitments as at 27 August 2019 (31 March 2019: £nil).

## 19 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Company's financial instruments comprise securities, cash balances, debtors and creditors. These assets are classified in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The financial assets held at amortised cost include trade and other receivables, cash and cash equivalents.

### 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.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements

### 19 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

#### 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 27.8.2019 £000	No direct foreign currency risk 27.8.2019 £000	Total 27.8.2019 £000	Direct foreign currency risk 31.3.2019 £000	No direct foreign currency risk 31.3.2019 £000	Total 31.3.2019 £000
Investments	122,376	207,774	330,150	113,164	221,998	335,162
Investment in subsidiary	–	–	–	–	629	629
Other receivables including prepayments	56	27	83	184	934	1,118
Cash at bank	–	2,190	2,190	–	2,474	2,474
Current liabilities	–	(404)	(404)	–	(2,033)	(2,033)
	122,432	209,587	332,019	113,348	224,002	337,350

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

##### 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 (31 March 2019: £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 period end under the facility, would be £nil (31 March 2019: £nil). The level of banking facilities utilised at 27 August 2019 was £nil (31 March 2019: £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 period of 0.0% on bank balances.

	Cash flow interest rate risk 27.8.2019 £000	No interest rate risk 27.8.2019 £000	Total 27.8.2019 £000	Cash flow interest rate risk 31.3.2019 £000	No interest rate risk 31.3.2019 £000	Total 31.3.2019 £000
Investments	–	330,150	330,150	–	335,162	335,162
Investment in subsidiary	–	–	–	–	629	629
Other receivables including prepayments	–	83	83	–	1,118	1,118
Cash at bank	2,190	–	2,190	2,474	–	2,474
Current liabilities	–	(404)	(404)	–	(2,033)	(2,033)
	2,190	329,829	332,019	2,474	334,876	337,350

## 19 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

### **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 Ocean Wilsons is large both in absolute terms, £84.2m as valued at 27 August 2019 (31 March 2019: £104.8m) and as a proportion of the NAV, 25.4% (31 March 2019: 31.1%). 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 Ocean Wilsons is, to an extent, mitigated by the diverse nature of the two investments within Ocean Wilsons. Wilson Sons, corresponding to 55.0% of Ocean Wilsons' NAV, has a direct exposure to the Brazilian economy, whereas Ocean Wilsons Investments is not exposed to Brazil and corresponds to the other 45.0%. 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 pages 12 and 13, rise or fall in value by 10% from the period end valuation, the effect on the Company's profit and equity would be an equal rise or fall of £33.2m (31 March 2019: £33.7m).

### **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 27 August 2019 are shown in Note 11 and Note 13 on page 34.

The Company's maximum exposure to credit risk on cash is £2.2m (31 March 2019: £2.5m) and on cash funds is £nil (31 March 2019: £nil). Surplus cash is on deposit with the Depository/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 25.4% (31 March 2019: 31.1%), unquoted equity investments of 2.8% (31 March 2019: 2.9%) and investments into open-ended investment funds with varying liquidity terms of 49.7% (31 March 2019: 45.6%).

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 the investments, split by silo, held at 27 August 2019 is shown on pages 12 and 13. This can be used broadly to ascertain the levels of liquidity within the portfolio, although liquidity will vary with each investment – particularly the funds.

The Company had no financial liabilities at 27 August 2019 arising from its bank loan facility (31 March 2019: £nil). This loan is part of a total revolving credit facility with BNP of £30m (31 March 2019: £30m) that would bear interest based on the prevailing LIBOR rate, plus an agreed margin. The facility is a committed facility repayable on or before 30 March 2020 and subject to a covenant requirement of a minimum adjusted NAV of £80m. The Company has undrawn loans from this facility of £30m (31 March 2019: £30m). The Company holds this facility for use at short notice for its investment activities. If fully drawn the loan would form 10.0% (31 March 2019: 10.0%) of the current value of the investment portfolio.

The only financial liabilities of the Company are other creditors of £404,000 and all are payable within less than three months.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements

### 19 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

#### 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.

### 20 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 (i.e. as prices) or indirectly (i.e. 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, grouped into the fair value hierarchy and valued in accordance with the accounting policies in Note 1, are detailed below:

27 August 2019	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<b>Financial assets at fair value through profit or loss</b>				
Quoted equities	155,942	–	–	155,942
Unquoted equities	–	–	9,340	9,340
Fund investments	3,279	161,589	–	164,868
Investment in subsidiary	–	–	–	–
Net fair value	159,221	161,589	9,340	330,150

31 March 2019	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<b>Financial assets at fair value through profit or loss</b>				
Quoted equities	171,501	–	–	171,501
Unquoted equities	–	–	9,764	9,764
Fund investments	3,109	150,788	–	153,897
Investment in subsidiary	–	–	629	629
Net fair value	174,610	150,788	10,393	335,791

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.



## 20 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

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

	27.8.2019 Equity investments £000	31.3.2019 Equity investments £000
Opening Balance	10,393	12,412
Transferred from Level 1	-	-
Purchases	-	-
Sales	(2,254)	(2,432)
Total gains or losses included in gains on investments in the Income Statement:		
– on assets sold	-	22
– on assets held at period end	1,201	391
<b>Closing Balance</b>	<b>9,340</b>	<b>10,393</b>

As at 27 August 2019, 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 27 August 2019. The most recent valuation statement was received on 27 August 2019. 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 period ended 27 August 2019 would have increased or decreased by £934,000.

## 21 RELATED PARTIES

Hansa Capital Partners LLP is the Portfolio Manager and Company Secretary for the Company. William Salomon is the senior partner of Hansa Capital Partners LLP and a Director of the Company. Fees payable to Hansa Capital Partners LLP for the period amounted to £1,000,000 (2019: £2,335,000).

At 31 March 2019 the Company had one subsidiary which was in the process of being wound up. This process was completed on 18 June 2019 with Companies House confirming that the subsidiary had been dissolved. There was an interest-free intercompany loan from CIFL to its parent of £629,000. During the current period, CIFL did not incur any costs prior to wind up.

## 22 CONTROLLING PARTIES

At 27 August 2019 Victualia Limited Partnership and Nomolas Ltd each held 25.9% of the issued Ordinary shares. Additional information is disclosed in the Strategic Report on page 17.

## 23 POST BALANCE SHEET EVENTS

Following the period end, as disclosed in the Chairman's Report to the Shareholders, on 29 August 2019, the business of the Company redomiciled to Bermuda pursuant to the Scheme. At that point, the shares of the Company were delisted, cancelled and then re-issued to HICL (the Bermudan entity) which became the 100% shareholder of the Company. Additionally, the Company paid a number of dividends post-period end to HICL. These are disclosed fully in the Strategic Report on page 10.

## INVESTOR INFORMATION

# Company Information

Registered in England & Wales number: 00126107

### BOARD OF DIRECTORS

Alex Hammond-Chambers (retired 29 August 2019)  
Jonathan Davie  
Raymond Oxford (retired 29 August 2019)  
William Salomon  
Geoffrey Wood (retired 29 August 2019)

### 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

### INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

### SOLICITORS

Dentons LLP  
1 Fleet Place  
London EC4M 7WS

### REGISTRAR

Link Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

### TAX ADVISOR

BDO LLP  
55 Baker Street  
London W1U 7EU

### 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  
Hamilton Centre  
Rodney Way  
Chelmsford  
Essex CM1 3BY

### ALTERNATIVE INVESTMENT FUND MANAGER\*

Maitland Administration Services Limited  
Hamilton Centre  
Rodney Way  
Chelmsford  
Essex CM1 3BY

\* As part of the Scheme of Arrangement, these suppliers retired from their stated roles on 29 August 2019 when the Scheme came into effect.

# Glossary of Terms

## **AIC**

The Association of Investment Companies ("AIC") is the UK trade association for closed-ended investment companies.

## **Alternative Investment Fund Managers Directive ("AIFMD")**

The AIFMD is a regulatory framework for alternative investment fund managers ("AIFMs"), including managers of hedge funds, private equity firms and investment trusts. Its scope is broad and, with a few exceptions, covers the management, administration and marketing of alternative investment funds ("AIFs"). Its focus is on regulating the AIFM rather than the AIF.

## **Annual Dividend/Dividend**

The amount paid by a company to shareholders in dividends (cash or otherwise) relating to a specific financial year of the Company. UK Investment Trusts are required to distribute a minimum amount each year based upon a minimum allowed level of retention of revenue income.

## **Bid Price**

The price at which you can sell shares determined by supply and demand.

## **Capital Structure**

The stocks and shares that make up a trust's capital i.e. the amount of ordinary and preference shares, debentures and unsecured loan stock etc. which are in issue.

## **Closed-ended**

A company with a fixed number of shares in issue.

## **Depository/Custodian**

A financial institution acting as a holder of securities for safekeeping.

## **Discount**

When the share price is lower than the Net Asset Value, it is referred to as trading at a discount. The discount is expressed as a percentage of the Net Asset Value.

## **Expense Ratio**

An expense ratio is determined through an annual calculation, where the operating expenses are divided by the average NAV. Note that there is also a description of an additional PRIIPs KID Ongoing Charges Ratio explained on page 8.

## **Five Year Rolling NAV Return (per annum)**

The rate at which, compounded for five years, will equal the five year NAV total return to end March, assuming dividends are always reinvested at pay date.

## **Five Year NAV and Share Price Total Return**

Rebased from 0% at the start of the five year period, this is the rate at which the Company's NAV and share prices would have returned at any period from that starting point assuming dividends are always reinvested at pay date.

## **Gearing**

Gearing refers to the level of borrowing related to equity capital.

## **Hedging**

Strategy used to reduce risk of loss from movements in interest rates, equity markets, share prices or currency rates.

## **Investment Trust**

An Investment Trust is a company that is a form of collective investment vehicle. The company is a closed-end fund and is constituted as a public limited company listed on a Stock Exchange. In the UK, Investment Trusts that meet the approval criteria from HMRC benefit from certain beneficial tax allowances – most notably not paying tax on Capital Gains. Their taxation status is governed by s.1158 of the Corporate Tax Act 2010. Hansa Trust PLC is an Investment Trust up to 29 August 2019 at which point, following the delisting of its shares, it was no longer an Investment Trust.

## **Issued Share Capital**

Issued share capital is the total number of shares subscribed to by the shareholders.

## **Key Performance Indicators/KPIs**

A set of quantifiable measures that a company uses to gauge its performance over time. These metrics are used to determine a company's progress in achieving its strategic and operational goals and also to compare a company's finances and performance against other businesses within its industry.

## **Market Capitalisation**

The market value of a company's shares in issue. This figure is found by taking the stock price and multiplying it by the total number of shares outstanding.

# Glossary of Terms *Continued*

### **Mid Price**

The average of the Bid and Offer Prices of a particular traded share.

### **Net Asset Value/NAV**

The value of the total assets minus liabilities of the company.

### **Net Asset Value Total Return**

See Total Return.

### **Offer Price**

The price at which you can buy shares determined by supply and demand.

### **Ordinary Shares**

Shares representing equity ownership in a company allowing investors to receive dividends. Ordinary shareholders have the pro-rata right to a company's residual profits. In other words, they are entitled to receive dividends if any are available after payments to financial lenders and dividends on any preferred shares are paid. They are also entitled to their share of the residual economic value of the company should the business unwind.

Hansa Trust has two classes of Ordinary share. The Ordinary (8m shares) and the 'A' non-voting Ordinary shares (16m shares). Both have the same financial interest in the underlying assets of the Company, and receive the same dividend, but differ only in that only the former shares have voting rights, whereas the latter do not. They trade separately on the London Stock Exchange, nominally giving rise to different share prices at any given time.

### **Premium**

When the share price is higher than the Net Asset Value it is referred to as trading at a premium. The premium is expressed as a percentage of the Net Asset Value.

### **Packaged Retail and Insurance-based Investment Product ("PRIIP")**

Packaged retail investment and insurance-based products (PRIIPs) make up a broad category of financial assets that are regularly provided to consumers in the European Union. The term PRIIPs, created by the European Commission to regulate the underlying market, is defined as any product manufactured by the financial services industry, to provide investment opportunities to retail investors, where the amount repayable is subject to fluctuation because of exposure to reference values or the performance of underlying assets not directly purchased by the retail investor.

### **Public Limited Company ("PLC")**

A Public Limited Company in the UK is a company limited by shares with an authorised share capital of over £50,000.

### **Shareholders' Funds/Equity Shareholders' Funds**

This equates to the Net Asset Value of the Company.

### **Spread**

The difference between the Bid and Ask price.

### **TIDM**

Tradable Instrument Display Mnemonics ("TIDM"). A short, unique code used to identify UK-listed shares. The TIDM code is unique to each class of share and to each company. It allows the user to ensure that they are referring to the right share. Previously known as EPIC.

### **Total Return**

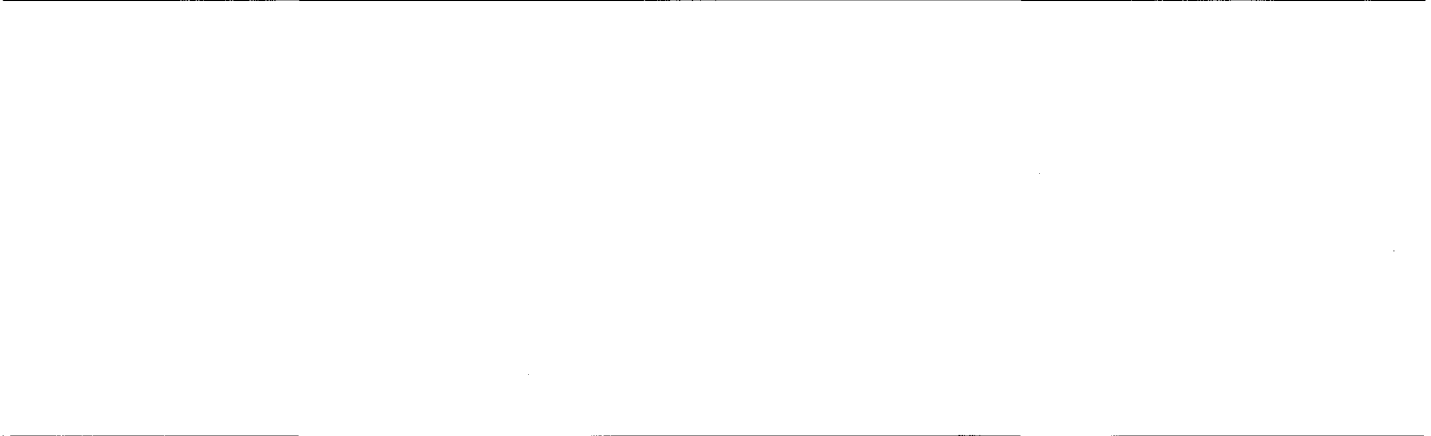
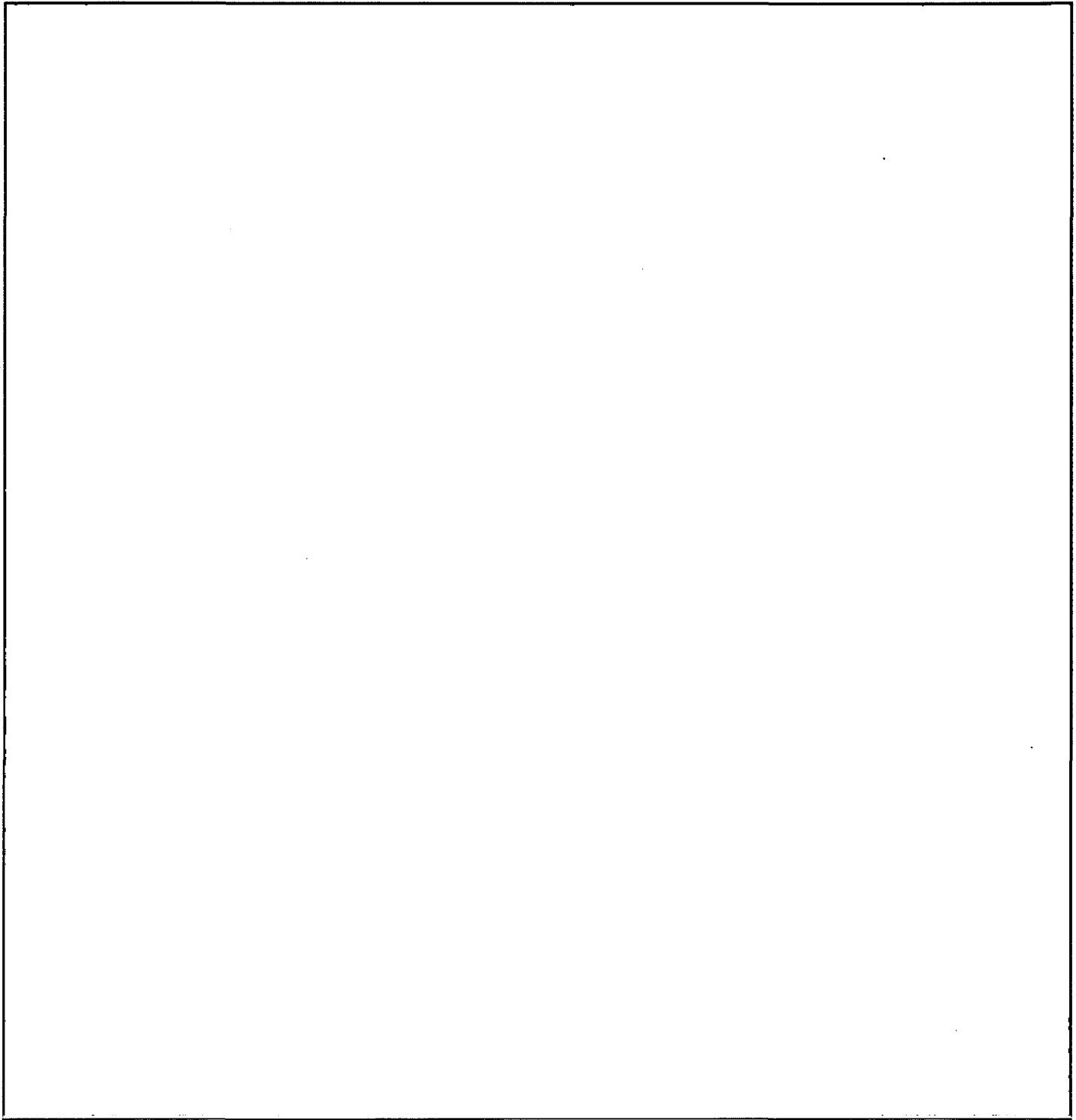
When measuring performance, the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends and distributions realised over a given period of time.

### **Total Return – Shareholder**

The Total Return to a shareholder is a measure of the performance of the company's share price over time. It combines share price appreciation/depreciation and dividends paid to show the total return to the shareholder expressed as an annualised percentage.

### **VIX Index**

The VIX, or the CBOE Volatility Index, is a widely used measure of the implied volatility of the stock market, based on S&P 500 index options. It is calculated and published by the Chicago Board Options Exchange.





HANSA TRUST PLC

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**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](mailto:hansatrustenquiry@hansacap.com)

Visit us at  
[www.hansatrust.com](http://www.hansatrust.com)