North Atlantic Smaller Companies Investment Trust plc

Annual Report

for the year ended 31 January 2013

contents

Company Registered Number:
1091347

The cover depicts a painting by the artist Nicholas Pocock entitled 'HMS Brunswick breaking the line at the battle of the "Glorious First of June" 1794'.

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

objective of the company and financial highlights

The objective of the Company is to provide capital appreciation through investment in a portfolio of smaller companies principally based in countries bordering the North Atlantic Ocean.

	31 **January 2013**	% change	31 January 2012	31 January 2011	31 January 2010	31 January 2009
revenue						
Gross income (£'000)	**5,474**	(14.9)	6,432	2,341	3,525	4,285
Net return after tax attributable to Shareholders of the Parent (£'000)	**(494)**	(3,628.6)	14	(849)	443	538
Basic return per Ordinary Share – revenue	**(3.46)p**	(3,560.0)	0.10p	(5.86)p	2.99p	3.64p
– capital	**324.45p**	510.7	(79.00)p	284.70p	289.45p	(372.41)p
assets						
Total assets less current liabilities (£'000)	**295,417**	17.9	250,490	259,916	219,613	178,284
Net asset value per 5p Ordinary Share:						
Basic	**1,865p**	18.8	1,570p	1,664p	1,480p	1,204p
Diluted	**1,677p**	20.2	1,395p	1,459p	1,169p	944p
Mid-market price of the 5p Ordinary Shares at 31 January	**1,316.0p**	27.1	1,035.0p	1,146.0p	814.0p	618.5p
discount to diluted net asset value	21.5%		25.8%	21.5%	30.4%	34.5%
indices and exchange rates						
Standard & Poor's 500 Composite Index	**1,498.1**	14.1	1,312.4	1,286.1	1,073.9	825.9
Russell 2000 Index	**902.1**	13.8	792.8	781.3	602.0	443.5
US Dollar/Sterling exchange rate	**1.5855**	0.5	1.5781	1.6018	1.6024	1.4417
Standard & Poor's 500 Composite – Sterling adjusted	**944.8**	13.4	832.8	803.1	671.8	568.0
Russell 2000 – Sterling adjusted	**568.9**	13.1	503.1	487.9	376.6	305.1
FTSE All-Share Index	**3,287.4**	12.1	2,932.9	3,044.3	2,660.5	2,078.9

corporate summary

introduction	North Atlantic Smaller Companies Investment Trust plc ("NASCIT") is an investment trust whose shares are listed on the London Stock Exchange.
objective and investment strategy	The objective of the Company is to provide capital appreciation through investment in a portfolio of smaller companies principally based in countries bordering the North Atlantic Ocean. The Company invests in both listed and unlisted companies.
company's business	The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and its business is that of an investment trust. The business of the Company's wholly owned subsidiary, Consolidated Venture Finance Limited, is an investment dealing and holding company and its other subsidiary, Hampton Investment Properties Limited, is a property investment company.
risk	Investment in small companies is generally perceived to carry a greater risk than investment in large companies. This is reasonable when comparing individual companies, but is much less so when comparing the volatility of returns from a diversified portfolio of companies. The Board believe that the Company's portfolio is diversified although considerably less liquid than a portfolio of large-cap listed equities. The Company has the ability to utilise gearing in the form of term loan facilities. Gearing has the effect of accentuating market falls and gains. Details of the Company's debt are shown in note 11 to the financial statements. The Company outsources all of its main operational activities to recognised third party providers.
AIC	The Company is a member of the Association of Investment Companies ("AIC").
joint managers	The Joint Managers are Christopher Mills through Growth Financial Services Limited ("GFS") and Harwood Capital LLP. During the year, GFS was acquired by Harwood Capital Management Limited which is wholly owned by Christopher Mills.
company secretary	The Company Secretary is Bonita Guntrip ACIS, 6 Stratton Street, Mayfair, London W1J 8LD.
website	www.harwoodcapital.co.uk

directors

Peregrine D E M Moncreiffe [1,2,3] Non-Executive Chairman. Appointed on 17 November 2008 (having previously been a Director of the Company from 1993 – 2006). He has over the years worked in London, New York and the Far East, with Credit Suisse First Boston, Lehman Brothers and Buchanan Partners. He is a non-executive director of EnergyO Solutions Russia AB, Asian Citrus Holdings Limited and Aurora Russia Limited. He was a director of Noventa Limited until 9 July 2009 and a director of NR Nordic and Russia Property Limited, which was listed on Euronext until it was wound up in November 2012.

Christopher H B Mills Chief Executive and Investment Manager. Appointed August 1984. He is currently a member and Chief Investment Officer of Harwood Capital LLP, the Company's Joint Manager. In addition, he is a non-executive director of numerous UK companies which are either now or have in the past five years been publicly quoted, further details of which are included in note 18 of the financial statements.

Kristian Siem (Norwegian) [1,2,3] Non-Executive Director. Appointed April 2001. He is chairman of Siem Industries Inc., an industrial company which includes offshore oil and gas sub-sea construction and services vessels, and marine transportation worldwide. He is also a director of various companies in Norway, Sweden, Portugal and the Cayman Islands, including NKT Holdings A/S and Subsea 7 SA.

Charles L A Irby FCA [1,2,3] Non-Executive Director and Chairman of the Audit Committee. Appointed December 2002. He is a non-executive director of Great Portland Estates PLC, and was chairman of Aberdeen Asset Management PLC from 1999 to January 2009 and was a director of QBE Insurance Group Limited from 2001 to 2013 . He was head of corporate finance of ING Barings from 1992 to 1999 and a managing director from 1995 to 1999. He was also a member of the Panel on Takeovers and Mergers from 1997 to 1998.

Enrique Foster Gittes (USA) [1,2,3] Non-Executive Director. Appointed July 1992 and served as the Company's Chairman from July 1998 to June 2009. He is an American lawyer who was president of Hambro America in New York until 1983, responsible for venture capital investment and subsequently chairman of European Home Products PLC until 1988 and a director of Scholl PLC until 1994. He was a founder and a director of Denison International PLC until 1999 and is currently President of Bodega Foster SA, Mendoza, Argentina.

[1] Independent

[2] Member of the Audit Committee

[3] Member of the Remuneration Committee

chairman's statement

The Company's fully diluted net asset value rose by 20.2% during the period under review, outperforming the Sterling adjusted Standard & Poor's Composite Index which rose by 13.4%.

The revenue account showed a loss after tax attributable to Shareholders of the Company of £494,000 (2012: profit of £14,000). Consistent with the Company's long standing policy, the Directors are not recommending the payment of a dividend (2012: nil).

No new purchases of our own Ordinary shares for cancellation were made during this year, although a resumption of share buy backs is likely if there are disposals of some of the major unquoted holdings this year.

A commentary on the performance of various parts of the portfolio can be found in the Investment Managers Report.

The rise in the stock market over the course of the last year has made it harder to find investments trading at significant discounts to the underlying value of their businesses. The problem is compounded by weak final demand in the United States and Europe.

Corporate profits growth now appears to be slowing as operating margins have now reached abnormally high levels and cannot be increased much further. The banking sector continues to recover in the United States while there is clear evidence that problems will persist in Europe for some years. Increased capital requirements, overpaid incompetent management and weak balance sheets have predictably constrained bank lending which has had a negative impact on consumer confidence and corporate investment.

Central banks continue to offset the fiscal and lending squeeze through further rounds of quantitative easing but fears over possible inflationary consequences and QE exit strategies are already putting upward pressure on long-term bond yields. Several of the major investments in the unquoted portfolio were revalued during the year on the basis of third party independent advice. It is expected that a number of these will be sold in the current year at prices in excess of the January 2013 valuation.

I am therefore hopeful that the current year will see a further advance to the Company's net asset value.

The Hon. Peregrine Moncreiffe *Chairman*
14 May 2013

investment managers' report

quoted portfolio

United States

No major new investments were made during the year whilst Interxion was sold and Seracare taken over.

United Kingdom

It is pleasing to note that Oryx International Growth Fund had a good year rising by just over 25%. Other investments that performed well include RPC, CVS Group and MJ Gleeson. Two new investments were made, Bioquell and Mecom, both of which have the potential to assist performance in the current year.

Finally, Guinness Peat Group's, performance was disappointing last year but made a good recovery and is expected to rise further as plans to liquidate the majority of the group and float Coats are completed.

unquoted portfolio

United Kingdom

No new investments were made during the period although a number are currently under consideration. AssetCo which caused significant problems in 2012, was refinanced and the Company's holding was converted into quoted shares in the Plc. The business is now negotiating the renewal of its contracts in Abu Dhabi whilst the Plc believes it has a very substantial claim for damages which it intends to pursue. Letchworth was sold during the year for a good profit. Forefront returned further cash to the Company and was written up reflecting a third party offer for a minority interest in the company. Trident Private Equity II is in the process of being liquidated at a good profit and Trident Private Equity III (TPE III) continues to make good progress.

Orthoproducts made good progress in securing long term contracts and is now in discussions with a number of interested parties who wish to acquire the company.

United Kingdom Property

Hampton Investment Properties was modestly written down during the year as yields continue to rise on industrial property leases. There are, however, signs this trend may be reversing and a number of properties are in negotiations to be sold above the 31 January 2013 valuation.

Merchant Properties had a good year assisted by rising rents as the portfolio reached its five year anniversary. The investors in the Fund are currently considering various alternatives and it is likely that the underlying investments will in part or whole be sold in the current year.

United States

No direct new investment was made during the year but TPE III acquired Utitec, a leading manufacturer of high precision parts, primarily for the medical industry. Since acquisition, the company has won a major new contract which will ultimately add a further 25% to sales.

Celsis continues to perform extremely well and currently has no net debt. A division of Celsis is currently for sale and should this prove successful the company will redeem all of our preference shares and still be left with the most profitable part of the business.

Bionostics had a reasonably good year and is also currently in discussions with a number of parties who are interested in acqurring the business.

investment managers' report

SINAV suffered from the very poor corn crop that significantly compressed profit margins. Notwithstanding this, the Group has remained EBITDA positive and cash flow positive. Furthermore, there are some signs that industry margins are recovering.

The regional bank portfolio also had a good year with all the banks now trading profitably and that trend is expected to continue into the current year.

Global Options continues to trade broadly in line with plan but is in discussions with a number of new clients which could add meaningfully to revenue and profits over the next two years.

Finally, Telos continues to perform well and in excess of budget. The investment was written up during the year but this revised valuation may be conservative in the case of a trade sale or IPO.

conclusion

Liquidity was increased during the year as investments were sold into rising prices. Further cash will be received if a number of trade sales are completed as anticipated. I am optimistic that we can continue the progress of the last year.

Christopher H B Mills *Chief Executive & Investment Manager*
14 May 2013

sector analysis of investments at fair value

as at 31 January 2013

equities, convertible securities & loan stocks as a % of total portfolio valuation	United States 31 January 2013 %	United Kingdom 31 January 2013 %	Europe 31 January 2013 %	Total 31 January 2013 %	Total 31 January 2012 %
Investment Companies	–	19.7	–	19.7	20.0
Manufacturing	9.0	–	–	9.0	11.0
Real Estate	–	7.7	0.4	8.1	9.4
General Industrials	0.8	3.3	–	4.1	7.3
Health Care, Equipment & Services	8.4	7.0	–	15.4	9.8
Support Services	1.3	2.5	–	3.8	4.6
Transport	–	3.4	–	3.4	5.6
General Financials	4.4	–	–	4.4	5.1
Media	–	1.8	–	1.8	–
Industrial Engineering	–	3.5	–	3.5	3.1
Construction & Materials	–	8.2	–	8.2	5.8
Technology Hardware & Equipment	1.6	–	–	1.6	6.5
Travel & Leisure	–	1.3	–	1.3	0.8
Oil & Gas Producers	2.0	–	–	2.0	2.1
General Retailers	–	3.3	–	3.3	3.1
Financial Services	–	4.9	–	4.9	5.8
	27.5	66.6	0.4	94.5	100.0
treasury bills	5.5	–	–	5.5	–
total at 31 January 2013	33.0	66.6	0.4	100.0	
total at 31 January 2012	30.1	69.4	0.5		100.0

The sector analysis excludes investments held by the subsidiary undertakings, Hampton Investment Properties Limited and Consolidated Venture Finance Limited.

twenty largest investments

as at 31 January 2013

equities (including convertibles, loan stocks and related financing)		At fair value £'000
Oryx International Growth Fund Limited*†	UK Listed	25,654
Bionostics Holdings Limited	UK Unquoted	23,150
Gleeson (MJ) Group	UK Listed	19,646
Trident Private Equity Fund III LP	UK Unquoted	18,576
Celsis AG	USA Unquoted	15,638
Hampton Investment Properties Limited ††	UK Unquoted	14,093
Guinness Peat Group**	UK Listed	12,721
Bioquell	UK Listed	9,900
AssetCo PLC	UK Listed	9,056
BBA Aviation Group	UK Listed	8,880
ten largest investments		157,314
RPC Group PLC	UK Listed	8,600
CVS Group PLC	UK Listed	8,538
Orthoproducts Limited	UK Unquoted	8,250
Nationwide Accident Repair Services PLC	UK Quoted on AIM	6,550
Trident Private Equity Fund II LP	Cayman Islands Unquoted	6,513
Merchant Properties Unit Trust	UK Unquoted	5,865
Nastor Investments Limited	USA Unquoted	5,125
Mecom Group	UK Listed	4,600
Telos Corporation	USA Unquoted	4,217
Essenden PLC	UK Listed	3,543
twenty largest investments		219,115
Aggregate of other investments at fair value		25,439
		244,554
USA Treasury Bills		14,190
total value of investments and associates of the company		258,744

* incorporated in Guernsey.
** incorporated in New Zealand.
† Oryx is accounted for in the Group accounts as an Associate under the equity method of accounting. The valuation shown above is the Group's share of Oryx's net assets.
†† Hampton Investment Properties Limited is accounted for in the Group accounts as a Subsidiary.

All other investments are valued at fair value.

unlisted investments profile

as at 31 January 2013

		2013 At fair value £'000	Total assets %
Bionostics Holdings Limited (UK) *Cost: £8,362,000*		**23,150**	**8.6**
Bionostics is a specialist developer of medical diagnostic products that are used to test the accuracy of calibrated blood testing devices. The company had a reasonable year in 2012, despite the difficult economic environment. Trading in the current year is expected to be in line with the budget.			
The Company is currently in discussions with a number of parties who are interested in acquring the business.			
Equity held	47.1%		
Income recognised in the period	£nil		
Financial results per latest audited accounts			
– Turnover	£29.0m		
– EBIT	£5.8m		
Trident Private Equity Fund III LP (UK) *Cost: £14,127,000*		**18,576**	**6.9**
The Company has made a £25 million commitment to TPE III with just over £16.5 million drawn down. TPE III will continue the successful policy achieved by TPE II, investing in small UK-based buyouts. To date, five investments have been made.			
Equity held	32.7%		
Income recognised in the period	£nil		
Financial results per latest audited accounts			
– Turnover	n/a		
– EBIT	n/a		
Carried forward		**41,726**	

unlisted investments profile

as at 31 January 2013

		2013 At fair value £'000	Total assets %
Brought forward		41,726	
Celsis AG (UK)* *Cost: £11,924,000*		20,763	7.7

Celsis was acquired in September 2009. Celsis is a world leader in the rapid detection of pathogens in liquids. Other divisions include providing products for pharmaceutical research and testing. The company has performed better than expected since acquisition.

Equity held	18.60%
Income recognised in the period	£nil

Financial results per latest audited accounts

– Turnover	£31.6m
– EBIT	£8.6m

The company's net debt is now zero. It is also close to selling another of its divisions and it is expected that this transaction, if successful, will complete during the year.

*Includes Nastor Investments Limited

Hampton Investment Properties Limited (UK) *Cost: £9,968,000*		14,093	5.2

Hampton retains its 21 core income producing assets. Income and occupancy levels remain robust despite challenging market conditions.

The focus remains on creating value through active asset management and target capital expenditure spend.

Equity held	68.1%
Income recognised in the period	£nil

Financial results per latest audited accounts

– Turnover	£3.9m
– EBIT	£1.2m

Orthoproducts Limited (UK) *Cost: £2,848,000*		8,250	3.1

Orthoproducts is the sole shareholder and holding company of Orthoplastics Limited, one of the only two companies in the world which manufactures premium-grade Ultra High Molecular Weight Polyethylene for the orthopaedics industry. The company, which has approximately 48% of the world market, had a good year with a number of new long term contracts secured. Although the original acquirer of the business pulled away, the company is now in discussion with several potential acquirers in a formal sale process.

Carried forward		84,832	

unlisted investments profile

as at 31 January 2013

	2013 At fair value £'000	Total assets %
Brought forward	84,832	
Trident Private Equity Fund II LP (Cayman Islands) *Cost: £nil**	6,513	2.4

Trident Private Equity Fund II LP ("TPE II") is a £64 million offshore private equity limited partnership. The fund's investment objective is to generate high absolute returns by investing in a portfolio of unquoted investments in small to medium sized companies in the UK. The fund concentrates primarily on leveraged buyouts and similar transactions, including public-to-private and pre-IPO investments. At 31 January 2013, 100% of the Company's commitment had been drawn down and invested in fifteen private equity transactions, of which ten have been realised. As at 31 January 2013, the Company had received 115.9% of committed capital back in distributions from TPE II. In March 2013 TPE II paid out a further £0.26 million to the Company, bringing the proportion of committed capital received by the Company to 118.4%. The entire portfolio is now up for sale and we would expect the process to be completed above the current valuation during the course of the year.

Equity held	16.3%
Income recognised in the period	£nil

Financial results per latest audited accounts

– Turnover	n/a
– EBIT	n/a

*£10m received in distributions since holding this investment has been allocated against the original cost. Amounts received above original cost are treated as realised gains.

	At fair value £'000	Total assets %
Merchant Properties Unit Trust (UK) *Cost: £4,570,000*	5,865	2.2

Merchant Properties Unit Trust is a portfolio of 36 Travis Perkins trade counter units purchased for £39.7m and simultaneously leased back to Travis Perkins on 25-year leases with fixed uplifts at 3% p.a., reflecting an initial yield of 6%. The fund had a good year as rent reviews were completed leading to an increase in the net asset value. Parts of the portfolio are now being sold and it is expected that the majority, if not all, of the investments will be realised over the current year.

Carried forward	97,210	

unlisted investments profile

as at 31 January 2013

	2013 At fair value £'000	Total assets %
Brought forward	97,210	
Telos Corporation (USA) *Cost: £1,193,000* Telos is a provider of IT solutions to the US Federal government, the military, the intelligence community and commercial enterprises. The company has continued to perform strongly and has virtually no debt. The company intends to achieve investor liquidity when concerns over sequestration in the US alleviate.	4,217	1.6
Glass America LLC (USA) *Cost: £2,923,000* Glass America is a consolidator of automotive glass repair companies in the United States. The company is currently in discussions which may lead to an offer for the business.	3,337	1.2
SINAV Limited/GTL Resources (US) *Cost: £2,775,000* SINAV Limited was the vehicle which acquired GTL Resources Plc which produces corn-based ethanol at a 125 million gallon per annum ("mgpa") plant in Rochelle, Illinois. The plant is located close to a large source of corn and close to the Chicago transport hub and is one of the most efficient plants in the US with pricing and yield advantages. Ethanol is used by gasoline blenders to reduce CO_2 emissions and increase octane, with demand supported by mandatory minimum requirements. The company has an excellent management team in place. Results last year and this year were adversely impacted by a poor maize crop in the USA. Hopefully the current crop will be of the normal standard and margins will be able to recover to historic levels.	2,827	1.0
Performance Chemical Company (US) *Cost: £3,471,000* The company was set up to consolidate three small businesses providing speciality chemicals to the oil and gas production industry in the USA. Results last year were good and the company is forecasting a further significant improvement in the current year.	2,191	0.8
Carried forward	109,782	

unlisted investments profile

as at 31 January 2013

	2013 At fair value £'000	Total assets %
Brought forward	**109,782**	
Forefront Group Limited (UK) *Cost: £1,144,000*	**2,109**	**0.8**

Forefront is a specialist civil engineering business focusing primarily on the gas supply industry. The company undertakes gas mains replacement and repair and the laying of new mains and is one of the only three UK companies with the necessary equipment and trained operatives to undertake the inhibition of gas flow whilst 'in situ' gas mains are replaced or repaired. Forefront has a dominant position in eastern Greater London. Performance in 2012 was good and we expect further progress in the current year. The company used surplus cash to buy back shares in January. A new investment group is close to buying a minority interest and it is expected that the group will start to pay significant dividends in the future.

Martley Limited (Jersey) *Cost: £4,812,000*	**1,027**	**0.4**

Martley Limited is a Jersey registered property company, which via its Luxembourg subsidiary companies, owns five properties within a Luxembourg based office park constructed in 2003. The gross lettable area totals approximately 21,500 square metres. The properties are currently fully let to several blue chip tenants. We have successfully concluded negotiations with the dominant major tenant to extend their lease until 2016 and negotiations continue with the remaining tenants to extend their existing terms. Discussions continue with our existing lender in respect of a re-financing exercise and we remain hopeful of a positive outcome.

Equity held	29.63%
Income recognised in the period	£nil
Financial results per latest audited accounts	
– Turnover	5.6M
– EBIT	(£5.1m)

Carried forward	**112,918**
Other unlisted investments at fair value	**13,628**
Total value of unlisted investments at fair value*	**126,546**

* Includes unlisted loan notes in these companies with a total value of £9,705,000.

unlisted investments profile (AIM Quoted)

as at 31 January 2013

	2013 At fair value £'000	Total assets %
AssetCo Plc *Cost: £8,500,000* AssetCo Plc is an International Fire and Rescue Services business. The company was relisted in April 2012. The new management team has divested the loss-making operations and significantly boosted cash balances. The company is currently negotiating a renewal of its Abu Dhabi contracts and has substantial claims against third parties which it intends to vigorously pursue.	9,056	3.4
Nationwide Accident Repair Services PLC *Cost: £2,582,000* Nationwide provides automotive crash repair and accident administration services to the UK insurance industry. With a national network of accident repair centres located across England, Scotland and Wales employing over 2,200 people, it is the largest dedicated provider of accident repair services in the UK. The company recently announced a major long-term extension of its contract with Royal & Sun Alliance and trading results in line with expectations. Recent trading has been in line with expectations and the company is optimistic that there will be further growth in the current year.	6,550	2.4
Essenden PLC *Cost: £469,000* Essenden is the UK's second largest operator of ten pin bowling alleys and operates under the Tenpin brand name. The company announced in January 2013 that trading over the festive period was up 1.4% on the previous year and that the improvement in trading had led to significantly improved levels of EBITDA and cash generation for 2012 compared with 2011. The management team led by Nick Basing is committed to maximising shareholder value over the next three years.	1,423	0.5
Total value of AIM quoted investments at bid value	17,029	

group report of the directors

for the year ended 31 January 2013

The Directors present their report to Shareholders (incorporating the Business Review) and the financial statements for the year ended 31 January 2013. Certain information that is required to be disclosed in this report has been provided in other sections of this Annual Report and accordingly, these are incorporated into this report by reference.

business review

At 31 January 2013, the diluted net asset value ("NAV") per share was 1,677p (31 January 2012: 1,395p), an increase of 20.2% during the year, compared to an increase of 13.4% during the year in the Standard & Poor's 500 Composite Index (Sterling adjusted).

A review of the performance of the Company's business during the year (as required by section 417 of the Companies Act 2006) is included in the Chairman's Statement and Investment Managers' Report, incorporated into this report by reference. The Company has had a good year, significantly outperforming its benchmark and several of the investments in the unquoted portfolio are up for sale so the Directors are hopeful that these transactions will complete shortly.

The Company has no employees and accordingly this business review does not contain any information regarding employees. As an investment trust, the Board do not believe that the Company's business has an impact on the environment and has not put into place any policies regarding social and community issues. The Board does not believe that this will change in the near future but, if it were to do so, they would immediately review these matters.

results and dividends

The total net return after taxation for the financial year ended 31 January 2013 amounted to £45,512,000 (2012: loss after taxation £10,952,000). The Board does not propose a final dividend (2012: nil).

investment policy

The objective of the Company is to provide capital appreciation through investment in a portfolio of smaller companies principally based in countries bordering the North Atlantic Ocean. In order to achieve this objective, the Investment Manager must adhere to the following:

1. The maximum investment limit is 15% of the Company's investments in any one company at the time of the investment.
2. Gearing is limited to a maximum of 30% of net assets.
3. The Company invests on both sides of the Atlantic, with the weighting varying from time to time.
4. The Company will invest in unquoted securities as and when opportunities arise.

investment approach

The Company invests in a diversified range of companies, both quoted and unquoted, on both sides of the Atlantic in accordance with the above Investment Policy.

Christopher Mills, the Company's Chief Executive and Investment Manager, is responsible for the construction of the portfolio and details of the principal investments are set out on pages 9 to 14. The top twenty largest investments are listed on page 8.

When analysing a potential investment, the Managers will employ a number of valuation techniques depending on their relevance to the particular investment. A key consideration when deciding on a potential investment would be the sustainability and growth of long term cashflow.

In respect of the unquoted portfolio, regular contact is maintained with the management of prospective and existing investments, as well as rigorous financial and business analysis of these companies. It is recognised that different types of business perform better than others depending on economic cycles and market conditions and this is reflected within the range of investments in the portfolio.

group report of the directors
for the year ended 31 January 2013

The Company's activities have not changed in the year ended 31 January 2013 and the Directors anticipate that the Company will continue to operate on the same basis during the current financial year.

financial instruments

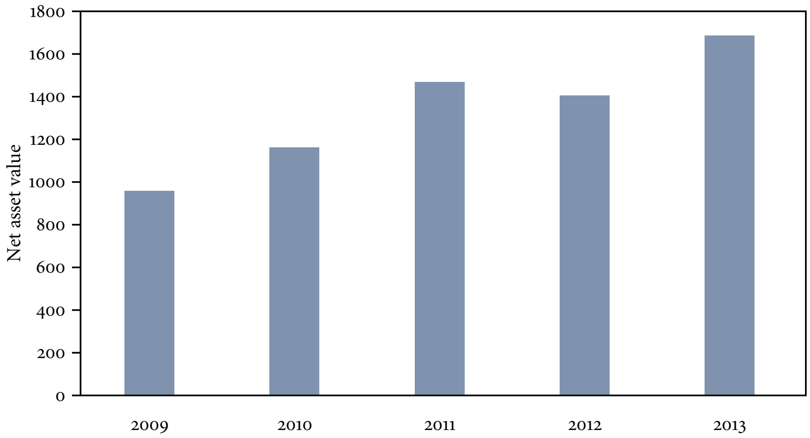
The financial instruments employed by the Company primarily comprise equity and loan stock investments, although it does hold cash and liquid instruments. Further details of the Company's risk management objectives and policies relating to the use of financial instruments can be found in note 17 to the financial statements on pages 64 to 72.

key performance indicators

The Directors regard the following as the key indicators pertaining to the Company's performance:

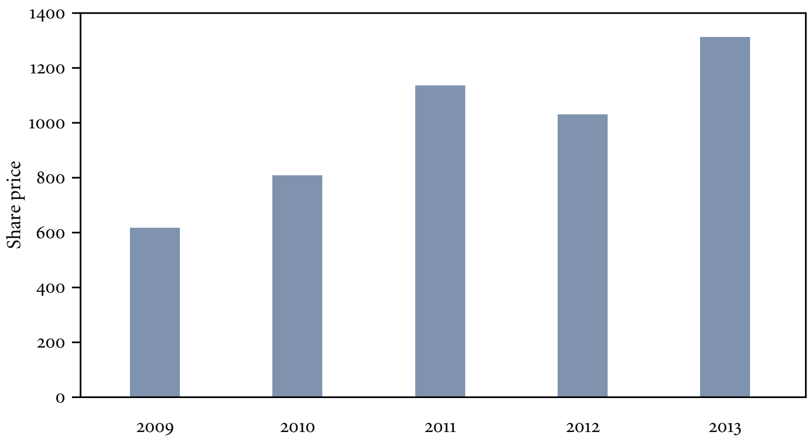
(i) Net asset value per ordinary share:

the following chart illustrates the movement in the fully diluted net asset value per Ordinary Share over the past five years:



(ii) Share price return:

the following chart illustrates the movement in the share price per Ordinary Share over the past five years, assuming dividends reinvested:



(iii) Performance against benchmark

The performance of the Company's share price is measured against the Standard & Poor's 500 Composite Index and the Russell 2000 Index, the Company's benchmarks. A graph comparing performance can be found in the Directors' Remuneration Report on page 32.

group report of the directors
for the year ended 31 January 2013

future prospects

The Directors believe that the year ending 31 January 2014 will see further progress, especially from the unquoted portfolio where several of the investee companies are up for sale. While some of these remain uncertain, if all of these were to complete, it would have a significant positive impact on the Company's net asset value and liquidity.

taxation status

In the opinion of the Directors, the Company has conducted its affairs during the period under review, and subsequently, so as to maintain its status as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010. The Company has obtained written approval as an investment trust from HM Revenue and customs for all accounting periods up to the year ended 31 January 2012 and has made a successful application under Regulation 5 of the Investment Trust (Approved Company) (Tax) Regulations 2011 for investment trust status to apply to all accounting periods starting on or after 1 February 2012 subject to the Company continuing to meet the eligibility conditions contained in Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements outlined in Chapter 3 of Part 2 of the Regulations.

share capital

The Company's issued share capital consists of 14,359,107 Ordinary Shares of 5p nominal value each. All shares hold equal rights with no restrictions and no shares carry special rights with regard to the control of the Company. There are no special rights attached to the shares in the event that the Company is wound up.

As at 31 January 2013, the Company had 1,554,927 units of Convertible Unsecured Loan Stock ("CULS") 2013 of 5p nominal value in issue. The final conversion opportunity for the CULS was on 30 April 2013 and the final conversion notice was posted to the Loan Stock holders on 22 March 2013 reminding them of their Conversion Rights and advising them of the procedure if they chose not to convert. 1,396,825 units of CULS were converted on 30 April 2013 by the stock holders. The remaining units are now in the hands of the Trustee, who has until 28 May 2013 to decide whether or not to convert them. The Company's issued share capital as at the date of this report consists of 15,755,932 Ordinary Shares of 5p nominal value each.

During the year, on 30 June 2012, 245,554 CULS units were converted into Ordinary shares of 5p each at the rate of one 5p Ordinary share for every units of 5p. No CULS were purchased for cancellation during the year.

share valuations

On 31 January 2013, the middle market quotation and the diluted net asset value per 5p Ordinary Share were 1,316.0p and 1,677.0p respectively. The comparable figures at 31 January 2012 were 1,035.0p and 1,395.0p respectively.

substantial shareholders

As at 31 January 2013, the following interests in the Ordinary Shares of the Company which exceed 3% of the issued share capital had been notified to the Company:

	Number of Ordinary Shares	% of issued share capital
C H B Mills	3,427,349	23.87
CG Asset Management Limited	1,208,627	8.42
Henderson Global Investors Limited	758,324	5.28
Findlay Park US Smaller Companies Fund Plc	595,000	4.14
J O Hambro Investment Management Limited	443,567	3.09

Since 31 January 2013, Harwood Holdco Limited, a company owned by Mr C H B Mills, has acquired a further 36,767 Ordinary shares of the Company as notified to the London Stock Exchange, taking his total holding to 3,464,116 Ordinary shares.

group report of the directors
for the year ended 31 January 2013

directors

The biographical details for Directors currently in office are shown on page 3.

The Company's Articles of Association require that Directors should submit themselves for election at the first Annual General Meeting following their appointment and thereafter for re-election at least every three years. However, the Company has adopted the requirements of the UK Corporate Governance Code in relation to the annual re-election of directors. Therefore, in accordance with provision B.7.1 of the UK Corporate Governance Code, all of the Directors will retire at the Annual General Meeting and being eligible, offer themselves up for re-election.

The Chairman and other members of the Board recommend that the Directors retiring be re-elected. The Chairman has confirmed that all Directors retiring have been subject to performance evaluation and as part of this evaluation the Chairman confirms that they continue to demonstrate commitment to their role and in his view continue to responsibly fulfil their functions. The rest of the Board have evaluated the performance of the Chairman and have confirmed that they are satisfied that his performance remains effective and that he has demonstrated commitment to his role and they therefore recommend his re-election at the forthcoming Annual General Meeting. The Chairman has confirmed that he has no other significant commitments that would impact on his role as Chairman of the Company.

directors' interests

The interests of the Directors as notified to the Company (beneficial unless otherwise stated) in the Ordinary Shares and Convertible Unsecured Loan Stock ("CULS") 2013 of the Company as at 31 January 2013 and 31 January 2012 were as follows:

	31 January 2013		31 January 2012	
	5p Ordinary Shares	**Units of CULS**	5p Ordinary Shares	Units of CULS
P D E M Moncreiffe*	**303,130**	**90,000**	303,130	90,000
P D E M Moncreiffe (non-beneficial)	**455**	–	–	–
C H B Mills**	**3,427,349**	–	3,238,447	–
C H B Mills (non-beneficial)	**306,000**	–	200,000	–
K Siem***	–	–	–	–
C L A Irby	**25,000**	–	25,000	–
E F Gittes	**111,400**	–	100,000	–

* P D E M Moncreiffe's wife is a beneficiary of a trust which holds 6,500 units of CULS.

** C H B Mills has acquired a further 36,767 Ordinary Shares since 31 January 2013 via his wholly-owned company, Harwood Holdco Limited, as notified to the London Stock Exchange during February 2013.

***Siem Capital International Limited, a company which is indirectly controlled by a trust of which Mr Siem and his family are potential beneficiaries, is ultimately interested in 145,000 Ordinary Shares and 2,000 units of CULS (2012: 145,000 Ordinary Shares and 2,000 units of CULS).

Details of Directors' remuneration and interests in Share Options are described in the Directors' Remuneration Report on pages 30 to 32.

Save as disclosed, there have been no changes to the above interests between 31 January 2013 and the date of this report.

group report of the directors

for the year ended 31 January 2013

Save as disclosed below or in notes 3 and 18 to the financial statements, no Director was party to or had any interest in any contract or arrangement with the Company at any time during the year.

risk profile

During the year, the Board has reviewed the key risks that could affect the Company. The major financial risks associated with the Company are detailed in note 17 to the Financial Statements. Other risks that could affect the Company include:

(i) Market risk: the performance of the investment portfolio against its benchmarks, the Standard & Poor's 500 Composite Index and the Russell 2000 Index, is closely monitored by the Board;

(ii) Discount volatility: the Company's shares historically trade at a discount to its underlying net asset value. The Company has a share buyback programme in place to try to narrow this discount as far as possible and whereby any shares that it repurchases are cancelled;

(iii) Regulatory risk: any breach of a number of regulations applicable to the Company, the UKLA's Listing Rules and the Companies Act could lead to a number of detrimental effects on the Company as well as reputational damage. The Audit Committee monitors compliance with these regulations in close alliance with the Joint Managers;

(iv) Custodial and Banking risk: there is a risk that the custodians and banks used by the Company to hold assets and cash balances could fail and the Company's assets may not be returned. Associated with this is the additional risk of fraud or theft by employees of those third parties. The Board exercises monitoring through the Manager over the financial position of its custodial banks;

(v) Credit risk/Counterparty risk: the Company holds preference shares in some investee companies and provides other forms of debt or loan guarantees where deemed necessary. There is a risk of those counterparties being unable to meet their obligations. The financial position and performance of those investee companies are continually monitored by the Manager and actions are taken to protect the Company's investment if needed.

See the summary on page 2 of this Annual Report for an oversight of the risk in investing in small companies.

significant agreements

The Company is required to disclose details of any agreements that it considers to be essential to the business. Pursuant to the Management, Administration and Custody Agreement dated 7 January 1993, as amended by the Amendment and Restatement Agreement on 19 March 2002 novated in November 2003 to Harwood Capital LLP (previously North Atlantic Value LLP), the Joint Manager provides management and administration services to the Company. This is considered by the Board to be a significant agreement.

The Management, Administration and Custody Agreement continues unless thereafter terminated by either party on not less than four months' notice in writing or may be terminated forthwith as a result of a material breach of the agreement or the insolvency of either party. No compensation is payable on termination of the Agreement. The Board reviews the activities of both the Joint Manager and the Chief Executive. The Chief Executive carries out day-to-day investment decisions for and on behalf of the Company. As part of this review, the Board is satisfied that the continuing appointment of the Joint Manager, on the terms agreed, is in the best interests of Shareholders. Mr Mills has been Chief Executive of the Company since 1984 and the Board consider it is in the best interest of the Company for this arrangement to continue.

group report of the directors
for the year ended 31 January 2013

As part of this review, the Board has given consideration to the experience, skills and commitment of the Chief Executive in addition to the personnel, services and resources provided by Harwood Capital LLP, the Joint Manager. The Company's performance over the last year is described in the Chairman's Statement on page 4. The Board considers that the arrangements between the Chief Executive and the Joint Managers continue to work well.

related party transactions

Mr Mills, the Company's Chief Executive, is also Chief Executive Officer and a member of Harwood Capital LLP, Joint Manager to the Company. Mr Mills makes day-to-day investment decisions for the Company in his capacity as its Chief Executive and this position is distinct from his position as Chief Executive Officer of the Joint Manager. Mr Mills is a director of Growth Financial Services Limited ("GFS") which is a fully owned subsidiary of Harwood Capital Management Limited.

Pursuant to the Secondment Services Agreement between the Company, GFS and Mr Mills and the Management, Administration and Custody Agreement between the Company and Harwood Capital LLP, Mr Mills is responsible for the day-to-day investment decisions in conjunction with the Joint Manager, Harwood Capital LLP. The Secondment Services Agreement continues until terminated by the Company or GFS on not less than twelve months' notice. Details of the related party transactions and fees payable are disclosed in note 18 on pages 72 and 73 and in the Directors' Remuneration Report on pages 30 to 32. The Investment Management Fees are disclosed in note 3 on page 50. The Performance Fee payable to GFS is disclosed in the Directors' Remuneration Report on pages 30 to 32 and note 3 of the financial statements on page 50. Mr Mills sits on the board of a number of companies in which the Company has, or has had in the past, an investment. He may receive a fee or options for his services in this respect. Please see note 18 on pages 72 and 73 for further details.

Siem Kapital AS, an indirect wholly owned subsidiary of Siem Industries Inc, of which Mr Siem is Chairman, and Harwood Capital LLP have a joint venture agreement relating to SINAV Limited, the vehicle that acquired GTL Resources Plc last year. SINAV Limited continues to be jointly held by Harwood Capital LLP (on behalf of the Company and other funds managed by Harwood Capital LLP) and Siem Kapital AS.

With the exception of the matters referred to above, during the year no Director was materially interested in any contract of significance (as defined by the UK Listing Authority Listing Rules) entered into by the Company.

institutional investors – use of voting rights

The Chief Executive and the Joint Manager, in the absence of explicit instruction from the Board, are empowered to exercise discretion in the use of the Company's voting rights in respect of investments and to then report to the Board, where appropriate, regarding decisions taken. The Board have considered whether it was appropriate to adopt a voting policy and an investment policy with regard to social, ethical and environmental issues and concluded that it was not appropriate to change the existing arrangements.

donations

The Company does not make any political or charitable donations.

post balance sheet events

There have been no significant events since the balance sheet date.

creditors' payment policy

It is the Company's policy to settle investment transactions according to the settlement periods operating for the relevant markets. For other creditors, it is the Company's policy to pay amounts due to them as and when they become due. All supplier invoices received by 31 January 2013 had been paid (31 January 2012 – all supplier invoices paid).

group report of the directors

for the year ended 31 January 2013

soft commission

The Joint Manager receives indirect benefits for certain investment services in the form of soft commission as a result of an agreement with a broker. The value of services supplied may depend upon a minimum threshold of commissions or a percentage of such commissions arising on dealings in securities for all clients including the Company. The practice of best execution is not compromised by this arrangement.

auditors

A resolution to reappoint KPMG Audit Plc as the Company's auditor and to authorise the Board to determine its remuneration will be proposed at the forthcoming Annual General Meeting.

going concern

The Company's assets comprise readily realisable securities which can be sold to meet funding commitments if necessary and it also has sufficient cash reserves so the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. They have, therefore, adopted the going concern basis in preparing these financial statements.

additional disclosures

The following further information is disclosed in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008:

- The Company's capital structure and voting rights are summarised on page 17 and in note 14;
- Details of the substantial shareholders in the Company are listed on page 17;
- The rules concerning the appointment and replacement of directors are contained in the Company's Articles of Association and are discussed on page 18;
- Amendment of the Company's Articles of Association and powers to issue on a pre-emptive basis or buy back the Company's shares requires a special resolution to be passed by the Shareholders;
- There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that might affect its control following a takeover bid; no agreements between the Company and its Directors concerning compensation for loss of office; and no qualifying third party indemnities in place.

explanatory notes for the special business at the annual general meeting

The following resolutions (if passed) would allow the Board to issue Shares without first offering them to existing Shareholders. Although the Directors have no current intention of exercising either of the authorities (if renewed) to allot Shares or disapply pre-emption rights, they reserve the right to allot Shares at any time.

Resolution 9 – Ordinary Resolution–Renewal of Directors' authority to allot shares
The authority given to the Directors at the last Annual General Meeting to allot Shares expires at the conclusion of this year's meeting. Resolution 9 will renew the authority to allot the Company's Shares on similar terms. If Resolution 9 is passed the Directors will have the authority to allot Shares up to the aggregate nominal amount of £262,599 representing one third of the current issued share capital. This authority will expire at the next Annual General Meeting of the Company or, if earlier, 15 months after the passing of this resolution.

group report of the directors
for the year ended 31 January 2013

Resolution 10 – Special Resolution–Renewal of Directors' authority for the disapplication of pre-emption rights
The authority given to Directors to disapply pre-emption rights expires at the Annual General Meeting. Resolution 10 will renew the disapplication of pre-emption rights thereby authorising the Directors to allot equity securities for cash up to a maximum aggregate renewal amount of £39,389 representing 787,796 Ordinary Shares of 5p each, being equivalent to 5% of the current issued share capital, without first offering such securities to existing Shareholders.

Resolution 11 – Special Resolution – Authority to purchase the Company's own shares
The authority given to Directors to purchase the Company's Ordinary Shares in the market expires at the forthcoming Annual General Meeting. Resolution 11 seeks the authority of Shareholders to purchase a maximum of 1,575,593 Ordinary Shares representing 10% of the current issued share capital. The Directors intend to exercise this authority only when, in the light of market conditions prevailing at the time and taking into account investment opportunities, appropriate gearing levels and the overall financial position, they believe that the effect of such purchases will be to increase the underlying value per Ordinary Share having regard to the interests of Shareholders generally. Shares will not be bought at a price of less than 5 pence each being the nominal value of each share nor more than 5% above the average middle market quotation of the shares over the preceding five business days nor will they be purchased during periods when the Company would be prohibited from making such purchases. Purchases will be made within guidelines set by the Board and using available reserves. Ordinary Shares purchased will be cancelled and the number of shares in issue reduced accordingly.

Resolution 12 – Special Resolution–Notice of general meetings
The authority given to Directors at last year's Annual General Meeting to call general meetings (other than an Annual General Meeting) on 14 days' notice will expire at the forthcoming Annual General Meeting. Resolution 12 seeks renewal of such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice.

Resolution 13 – Special Resolution–To amend the Articles of Association to authorise the use of a laser seal for use on share certificates
Although many listed companies issue share certificates in uncertificated form, the Articles always provide for the ability to issue share certificates under common seal. The Company would like the ability to authenticate the share certificates by laser seal. The amendments to the Articles of Association, if approved, enable the Company to issue share certificates by laser seal and also provide that any signatures on share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be signed by any person if the board by resolution so approve.

The above resolutions are contained in the Notice of Annual General Meeting on pages 76 to 78.

group report of the directors
for the year ended 31 January 2013

recommendation

The Board considers that resolutions 9 to 13 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors therefore unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 3,903,646 shares representing 24.78% of the voting rights of the Company.

By Order of the Board

Bonita Guntrip ACIS
Company Secretary
Registered Office:
6 Stratton Street
Mayfair
London
W1J 8LD

Registered No: 1091347
14 May 2013

statement of directors' responsibilities in respect of the annual report & financial statements

Statement of Compliance with the UK Corporate Governance Code

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the financial statements, Article 4 of the IAS Regulations. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

Each of the current Directors confirms that, to the best of their knowledge:

- the Group financial statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Report of the Directors, incorporating the Chairman's Statement and Investment Manager's Report by reference, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board
The Hon. Peregrine Moncreiffe
Chairman
14 May 2013

corporate governance

Statement of Compliance with the UK Corporate Governance Code

The Company's policy is to achieve best practice in its standards of business integrity in all of its activities. This includes a commitment to follow the highest standards of corporate governance wherever possible. This section of the annual report describes how the Company has complied with the applicable provisions of the UK Corporate Governance Code published by the Financial reporting Council ("FRC") in June 2010 (the "Code"). The Board considers that it has complied with the provisions of the Code throughout the year with the exception that non-executive Directors are not appointed for a specific term and certain Directors have served on the Board for more than nine years. However all Directors have been subject to performance evaluation and review during the year and are now subject to annual election.

Additionally, the Company is a member of the Association of Investment Companies ("AIC") and seeks to comply with the recommendations of the AIC's Code of Corporate Governance (the "AIC" Code) which was re-issued in October 2010. The AIC Code is available on the AIC's website: www.theaic.co.uk.

directors

Brief biographical details of the Directors in office are set out on page 3. The Board consists of five Directors, four of whom are non-executive (the Chairman – the Hon. Peregrine Moncreiffe, Mr Siem, Mr Irby and Mr Gittes) and considered by the Board to be independent of the Company's Joint Managers for the purposes of the Code despite their length of service. They are all free of any relationship that could materially interfere with the exercise of their independent judgement on issues concerning strategy, performance and standards of conduct. The Board considers that it has the appropriate balance of skills, experience, ages and length of service in the circumstances and values highly the experience of those Directors who have served on the Board for a longer period. The majority of the Board is therefore considered to be independent. Mr Mills is the Company's Chief Executive and not independent.

The Board as a whole acts as the Nomination Committee and meets as and when necessary and to discharge its role in nominating a new Director to the Board and succession planning.

The Board is a small board and individual members have a wide range of qualifications and expertise to bring to any debate. The Board normally meets four times a year and at other times as necessary. Each non-executive Director has a signed letter of appointment to formalise the terms of their engagement as a non-executive Director. Copies of these letters are available for inspection at the Registered Office of the Company during normal business hours and will also be available for at least fifteen minutes prior to and during the Annual General Meeting. The contract for Mr Mills' services as a Director is with Growth Financial Services Limited. The Articles of Association provide that newly appointed Directors are required to submit themselves for election by Shareholders at the General Meeting following their appointment and for all Directors to be re-elected at least once every three years. However, the Company has adopted the requirements of the UK Corporate Governance Code in relation to the annual re-election of directors and accordingly, all of the Directors will retire at the Annual General Meeting and being eligible, offer themselves up for re-election. The Board lays down guidelines within which the Chief Executive and the Joint Manager implement investment policy and has a Schedule of Matters reserved to it. The Chief Executive and the Joint Managers are responsible for managing the Company and its portfolio of assets on a discretionary basis, subject to the supervision of the Board.

corporate governance

Statement of Compliance with the UK Corporate Governance Code

The Chairman and other members of the Board recommend that the Directors retiring be re-elected. The Chairman has confirmed that all Directors retiring have been subject to performance evaluation and following that evaluation, the Chairman confirms that their performance continues to be effective and that they continue to demonstrate commitment to their role and in his view responsibly fulfil their functions. The performance evaluation programme took the form of a questionnaire circulated to and completed by all directors. The Chairman then discussed the results with the Board and the individual directors as necessary and any requests for further training or action were complied with. The non-executive Directors evaluated the performance of the Chairman and can confirm that they are happy with his performance and with his leadership of the Board.

board meetings

The Board has a schedule of matters reserved to it and sets down matters which require prior approval of the Board. The Chief Executive and Joint Managers carry out day-to-day activities pursuant to the terms of the management arrangements in place. These day-to-day activities relate to the management of the Company's investment portfolio within guidelines that have been set by the Board. These guidelines include, amongst other things, maximum exposure to any one investment, and total exposure to unquoted investments. The management of the investment portfolio also includes the monitoring of the performance and activities of the investee companies in the portfolio and detailed research into any prospective investment. In addition to scheduled Board Meetings, the Board may carry out certain urgent matters not requiring debate by way of delegation to a Committee of the Board or by resolution in writing of all Directors.

Attendance at Board Meetings, audit and remuneration committees

	Total number in year 5 Board Meetings	Total number in year 2 Audit Committees	Total number in year 1 Remuneration Committee
The Hon. Peregrine Moncreiffe	4	2	1
C H B Mills	5	N/A	N/A
K Siem	5	2	1
C L A Irby	4	2	0
E F Gittes	4	2	1

In addition, there has been a number of meetings of Committees of the Board during the year to deal with matters on an ad hoc basis.

remuneration committee

All of the non-executive Directors comprise the Remuneration Committee. The Remuneration Committee reviews the remuneration paid to Harwood Capital LLP and GFS pursuant to the Management Agreements and the level of directors' remuneration. The remuneration of GFS is disclosed in the Directors' Remuneration Report on pages 30 to 32 and also in note 3 on page 50.

corporate governance

Statement of Compliance with the UK Corporate Governance Code

audit committee

The Board is supported by an Audit Committee which is chaired by Mr C L A Irby and comprises all of the non-executive Directors. The Audit Committee meets representatives of the Joint Manager twice a year, who report on the proper conduct of business in accordance with the regulatory environment in which both the Company and the Joint Manager operate. The Company's Auditors also attend the Committee at its request, at least once a year, and comment on their work procedures, the quality and effectiveness of the Company's accounting procedures and their findings in relation to the Company's statutory audit. The responsibilities of the Audit Committee include a review of the risk analysis, effectiveness of the internal control environment, accounting policies and the terms of appointment of the Auditors. The Committee monitors the performance of the Auditors on a regular basis (at least annually) and if satisfied, recommends their re-appointment to the Board. The Audit Committee is authorised to take such independent professional advice (including legal advice) and to secure the attendance of any external advisers with relevant expertise as it considers necessary. The Audit Committee is also responsible for the review of the Annual and Half-Yearly Reports, the nature and scope of the external audit, their findings and the provision of any non-audit services. The Audit Committee is satisfied that KPMG Audit Plc, the Company's auditor, is independent and that it has adequate policies and safeguards in place to ensure that its objectivity and independence is maintained. The Auditor provides some non-audit services primarily in the provision of tax compliance services but the Committee is satisfied that its objectivity and independence is not impaired by the performance of these non audit services and believes that the appointment of a third party unfamiliar with the Company to carry out non audit services would be of no benefit to Shareholders since they would incur unnecessary additional expense. The Audit Committee receive each year a report from the Auditor as to any matters the Auditor considers bear on its independence and which require disclosure to the Company.

The Committee's terms of reference are available from the Company Secretary. The Audit Committee met twice during the year to review the Half-Yearly and Annual financial statements and to review reports and hold discussions with the Chief Executive and Joint Manager. In carrying out its duties during this review, the Audit Committee has considered inter alia the annual budget, internal control reports, the risk management framework, the effectiveness of the external audit process, the independence and objectivity of the External Auditor, the Audit Plan, Audit Reports and Corporate Governance Report including the Code. The Audit Committee has considered the need to take out separate insurance cover for Mr Mills. The Board is satisfied that all of the Committee's members have recent and relevant commercial and financial knowledge and experience to satisfy the Code, by virtue of their having held various executive and non-executive roles in investment management and business management. Additionally, Charles Irby (Chairman of the Committee) is a chartered accountant.

The Company carries out its activities using the services of third party service providers; it has no staff of its own.

shareholder relations

The Company, through the Chief Executive and Joint Managers, has regular contact with its Institutional Shareholders. The Board supports the principle that the Annual General Meeting be used to communicate with private Shareholders and encourages them to participate. The Annual General Meeting is attended by the Directors and the Chief Executive.

corporate governance

Statement of Compliance with the UK Corporate Governance Code

The Notice of the Annual General Meeting sets out the business of the meeting and can be found on pages 76 to 78. The special business is also explained more fully in the Explanatory Notes on pages 21 to 22. Separate resolutions are proposed for each substantive issue.

nominations committee

The Board is a small board and fulfils the function of the Nominations Committee as a whole. The Nominations Committee considers the leadership needs and succession of the Board when making decisions on new appointments. Compatibility with each and every Director is considered a priority. The Board has considered its size during the year and considers that it is still a suitable size for the size of the Company and does not consider that there are any vacancies. The terms of reference of the Nominations Committee are available from the Company Secretary.

the company secretary

The Board has direct access to the advice and services of the Company Secretary who is responsible for ensuring that the Board and Committee procedures are followed and that the applicable regulations are complied with. The Company Secretary is also responsible to the Board for ensuring timely delivery of information and reports.

accountability and audit

The statement of going concern is given on page 21 and the Board's responsibilities with regard to the financial statements are set out on page 24. The Independent Auditor's Report is on pages 33 and 34.

share capital

Shareholders' attention is drawn to the further information on page 21 which is disclosed in accordance with the Large and Medium-sized Companies and Groups (Account and Reports) Regulations 2008 and rule 7.2.6 of the Disclosure and Transparency Rules.

internal control

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. The Board has regularly reviewed the effectiveness of the system of internal control in place. The Board believes that the key risks identified and implementation of the system to monitor and manage those risks are appropriate to the Company's business as an investment trust. The ongoing risk assessment includes the monitoring of the financial, operational and compliance risks as well as an evaluation of the scope and quality of the system of internal control adopted by the third party service providers. The Board regularly reviews the delegated services to ensure their continued competitiveness and effectiveness. The system is designed to ensure regular communication of the results of monitoring by the third parties to the Board and the incidence of any significant control failings or weaknesses that have been identified and the extent to which they have resulted in unforeseen outcomes or contingences that may have a material impact on the Group's performance or operations. This review process was in place throughout the year under review and including the period to the date of the approval of the Annual Report. The Board believes that, although robust, the Company's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can provide only reasonable and not absolute assurance against material misstatement or loss. The Company does not have an internal audit function as it uses third party service providers and does not employ any staff, nor does the Board consider it appropriate to do so.

corporate governance

Statement of Compliance with the UK Corporate Governance Code

Throughout the year ended 31 January 2013, the Company has complied with the Code, except as follows:

B.2.3 – This provision states that non-executive directors should be appointed for specific terms. Non-executive Directors are not appointed for specific terms but in compliance with Code provision D.1.5 their appointment is terminable on one month's notice.

E.1.1 – This provision states that the Chairman should meet regularly with major Shareholders to discuss governance and strategy. This is not strictly complied with insofar as it is the Chief Executive and Joint Manager who has regular contact with major Shareholders. However, any concerns raised by those substantial Shareholders are fed back to the Board and the Chairman is available to meet with major Shareholders at their request. Also, all Directors attend the Annual General Meeting and are available to communicate with Shareholders.

By order of the Board

Bonita Guntrip ACIS
Company Secretary
Registered Office:
6 Stratton Street
Mayfair
London
W1J 8LD

14 May 2013

directors' remuneration report

for the year ended 31 January 2013

This Report has been prepared in accordance with the requirements of Company Law and the Listing Rules. An ordinary resolution for the approval of this Report will be put to the Members at the forthcoming Annual General Meeting.

The law requires your Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in its report on pages 33 and 34.

role and composition

The Remuneration Committee consists of the Chairman and the other Independent non-executive Directors.

The Remuneration Committee is responsible for determining all aspects of Directors' remuneration. No Director participates in discussions on his own remuneration. The Committee takes independent professional advice where it considers this is appropriate. No such advice has been received in the year.

The Company's Articles of Association sets out the aggregate total of Director's fees that can be paid during the year to £150,000. At present, the non-executive directors receive a fee of £25,000 per annum for their services to the Company. The Board's policy is that the remuneration of the non-executive Directors should reflect the experience of those Directors, be comparable to that paid by other similar investment trusts and reflect the time spent on the Company's business. It is intended that this policy will continue for the year to 31 January 2014 and subsequent years. Directors do not receive bonuses, share options, pension benefits or any other form of benefit. Therefore the Board believe the level of fees to be fair and justifiable.

chief executive

The Chief Executive is responsible for the day-to-day investment decisions. He has no service contract with the Company; his appointment is pursuant to the Secondment Services Agreement dated 7 January 1993 between the Company, the Chief Executive and Growth Financial Services Limited. The Remuneration Committee has no plans to alter the remuneration structure for the Chief Executive. As stated in note 3 on page 50, the Chief Executive is entitled to retain any fees received from investee companies in respect of his role as a non-executive director of these entities; such a role is considered to benefit Shareholders as it allows the Chief Executive to monitor the performance of the investee company more closely that would be possible under other circumstances.

remuneration of directors (audited)

Chief Executive	**Year ended 31 January 2013 £**	Year ended 31 January 2012 £
Fees	**25,000**	22,917
Investment Management and related fees	**887,000**	960,000
Performance Fee	**1,344,000**	–
Total (excluding irrecoverable VAT)	**2,256,000**	982,917

The total fees of £2,256,000, in respect of Mr Mills' services as a Director and Chief Executive are payable to Growth Financial Services Limited ("GFS"), as described on page 20. GFS receives, and is contractually entitled to receive, part of the Annual Fee payable to the Joint Managers (GFS and Harwood Capital LLP) in respect of the investment management activities of the Chief Executive pursuant to the Investment Management Agreements described on page 19 and note 3 on page 50 to the financial statements.

directors' remuneration report
for the year ended 31 January 2013

remuneration of directors (audited) continued

Mr Mills is a director of GFS. GFS was acquired by Harwood Capital Management Limited during the year, which is in turn wholly owned by Mr Mills.

The Performance Fee is a contractual entitlement pursuant to the Secondment Services Agreement dated 7 January 1993 as amended and is paid to GFS.

No pension or other benefits are paid to the Chief Executive.

Fees paid to non-executive Directors	**Year ended 31 January 2013**	Year ended 31 January 2012
	£	£
The Hon. Peregrine Moncreiffe (Chairman)*	–	–
K Siem	**25,000**	22,917
C L A Irby	**25,000**	22,917
E F Gittes	**25,000**	22,917
O R Grace (resigned 30/12/11)	–	20,833

* The Hon. Peregrine Moncreiffe is not receiving a fee in respect of his services as the Chairman of the Company.

No Directors receive any benefits in kind.

service contracts

No Director has a service contract. The contract for the Chief Executive's services and the carrying on day-to-day investment decisions is with GFS and contained in the Secondment Services Agreement between GFS and the Company as noted in the paragraph describing the Chief Executive's activities.

interests in options (audited)

	No. of options at 1 February 2012	**Year of grant**	**Price**	**Exercised/ cancelled during the year**	**Grant of options during the year**	**Price**	**No. of options at 31 January 2013**
C H B Mills	420,000	2011	1,467.71p	–	–	–	**420,000**

The above options were granted for nil consideration to Mr C H B Mills on 14 July 2011 under the 2011 Share Option Scheme which was approved by Shareholders at the Annual General Meeting held on 30 June 2011. The 2011 Executive Share Option Scheme ("the Scheme") is an unapproved scheme. Options will normally be exercisable between three and ten years from the date of grant. Options granted under the Scheme may only be exercisable if the fully diluted net asset value of the Company (ignoring dilution on the exercise of Share Options) has grown at a compound rate of five per cent per annum over a period of at least three years following the grant of options and has grown by a percentage at least equal to sixty per cent of the percentage increase in the sterling adjusted Standard & Poor's 500 Composite Index in the three year period between the date of grant and the third anniversary of the date of the grant of Options. At the date of this report there was a further 40,000 options in issue, 10,000 of which were granted on 14 July 2011 and the remaining 30,000 options which were granted on 9 July 2012, all to employees of the Joint Manager. The exercise price of the first 10,000 options is 1,467.71p and the remaining 30,000 options in issue have an exercise price of 1,396.24p. The same performance criteria as explained above apply.

The highest and lowest mid-market price of the Company's Ordinary Shares during the year was 1,381.00p and 922.50p respectively. The mid-market price of the Company's Ordinary Shares at 31 January 2013 was 1,316.00p.

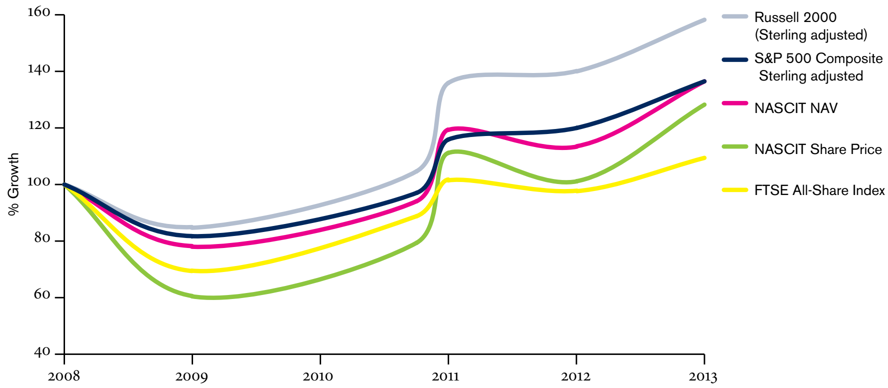
directors' remuneration report

for the year ended 31 January 2013

company's performance

The following graph compares over a five year period the total Shareholder return on the Company's Shares with a hypothetical holding of Shares of the same kinds and number as those by reference to which a broad equity market index is calculated.

Graph showing total Shareholder return over 5 years as compared to total Shareholder return of a broad equity market index over the last 5 years. (Source: Financial Data/Datastream)



The equity market indexes chosen are the Sterling adjusted Russell 2000 and the Sterling adjusted Standard & Poor's 500 Composite Index. After consultation with major Shareholders, 60% of this latter index was selected as the additional equity index-related benchmark to supplement the absolute five per cent per annum growth rate hurdle for the 2002 Executive Option Scheme. The FTSE All-Share Index is also included for comparative purposes as the portfolio currently consists of UK incorporated companies as well as US companies.

This Report was approved by the Board on 14 May 2013 and signed by The Hon. Peregrine Moncreiffe, Chairman.

On behalf of the Board

The Hon. Peregrine Moncreiffe
Chairman

14 May 2013

independent auditor's report

to the members of north atlantic smaller companies investment trust plc

We have audited the financial statements of North Atlantic Smaller Companies Investment Trust plc for the year ended 31 January 2013 set out on pages 35 to 74. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

scope of the audit of the financial statements

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

opinion on financial statements

In our opinion:

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

opinion on other matters prescribed by the companies act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 25 to 29 with respect to internal control and risk management systems in relation to the financial reporting processes and about share capital structures is consistent with the financial statements.

independent auditor's report

to the members of north atlantic smaller companies investment trust plc

matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 21, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to Shareholders by the Board on Directors' remuneration.

Salim Tharani (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
14 May 2013

consolidated statement of comprehensive income

for the year ended 31 January

	Notes	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Income	2	5,474	–	5,474	6,432	–	6,432
Net gains/(losses) on investments at fair value	9	–	43,682	43,682	–	(11,158)	(11,158)
Net (losses)/gains on investment property	9	–	(1,507)	(1,507)	–	38	38
Currency exchange losses	9	–	(237)	(237)	–	(185)	(185)
total income		5,474	41,938	47,412	6,432	(11,305)	(4,873)
Expenses							
Investment management fee	3	(2,216)	(1,417)	(3,633)	(2,398)	(2)	(2,400)
Other expenses	4	(2,028)	–	(2,028)	(2,565)	–	(2,565)
Share based remuneration	5	(355)	–	(355)	(191)	–	(191)
Share of net return of associate	9	–	5,259	5,259	–	71	71
return before finance costs and taxation		875	45,780	46,655	1,278	(11,236)	(9,958)
Finance costs	6	(951)	–	(951)	(994)	–	(994)
return before taxation		(76)	45,780	45,704	284	(11,236)	(10,952)
Taxation	7	(192)	–	(192)	–	–	–
return for the year		(268)	45,780	45,512	284	(11,236)	(10,952)
return attributable to:							
Equity holders of the Company		(494)	46,261	45,767	14	(11,110)	(11,096)
Non-controlling interest		226	(481)	(255)	270	(126)	144
		(268)	45,780	45,512	284	(11,236)	(10,952)
basic earnings per ordinary share	8	(3.46)p	324.45p	320.99p	0.10p	(79.00)p	(78.90)p
diluted earnings per ordinary share	8	(3.02)p	287.46p	284.44p	0.14p	(69.73)p	(69.59)p

The Group does not have any income or expense that is not included in the return for the year, and therefore the "return for the year" is also the "Total comprehensive income for the year", as defined in International Accounting Standard 1 (revised).

The total column of the statement is the Statement of Comprehensive Income of the Group. The supplementary revenue and capital columns are presented for information purposes as recommended by the Statement of Recommended Practice issued by the Association of Investment Companies.

All items in the above Statement derive from continuing operations. No operations were acquired or discontinued in the year. Hampton Investment Properties Limited was acquired on 31 January 2011. (see notes 1(c)).

The financial statements have been prepared in accordance with the accounting policies on pages 42 to 48.

The notes on pages 42 to 74 form part of these financial statements.

consolidated statement of changes in equity
for the year ended 31 January

group	Share capital £'000	CULS reserve £'000	Share options reserve £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Non controlling interest £'000	Total* £'000
2013									
31 January 2012	**706**	**14**	**420**	**1,301**	**221,880**	**74**	**(2,784)**	**6,933**	**228,544**
Total comprehensive income for the year	–	–	–	–	**46,261**	–	**(494)**	**(255)**	**45,512**
Arising on conversion of CULS	**12**	**(2)**	–	–	–	–	–	–	**10**
Share options expenses	–	–	**355**	–	–	–	–	–	**355**
31 January 2013	**718**	**12**	**775**	**1,301**	**268,141**	**74**	**(3,278)**	**6,678**	**274,421**

	Share capital £'000	CULS reserve £'000	Share options reserve £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Non controlling interest £'000	Total* £'000
2012									
31 January 2011	703	15	229	1,301	234,377	69	(2,798)	7,856	241,752
Total comprehensive income for the year	–	–	–	–	(11,110)	–	14	144	(10,952)
Shares purchased for cancellation	(5)	–	–	–	(1,267)	5	–	–	(1,267)
Arising on conversion of CULS	8	(1)	–	–	–	–	–	–	7
Share options expenses	–	–	191	–	–	–	–	–	191
Settlement of outstanding share options	–	–	–	–	(120)	–	–	–	(120)
Reduction in non-controlling interest in subsidiary	–	–	–	–	–	–	–	(1,067)	(1,067)
31 January 2012	706	14	420	1,301	221,880	74	(2,784)	6,933	228,544

*The total equity attributable to equity holders of the Company amounts to £268,000 (2012: £222,000).

The financial statements have been prepared in accordance with the accounting policies on pages 42 to 48.

The notes on pages 42 to 74 form part of these financial statements.

company statement of changes in equity

for the year ended 31 January

company	Share capital £'000	CULS reserve £'000	Share options reserve £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
2013								
31 January 2012	**706**	**14**	**420**	**1,301**	**222,172**	**74**	**(3,128)**	**221,559**
Total comprehensive income for the year	–	–	–	–	**46,254**	–	**(804)**	**45,450**
Arising on conversion of CULS	**12**	**(2)**	–	–	–	–	–	**10**
Share options expenses	–	–	**355**	–	–	–	–	**355**
31 January 2013	**718**	**12**	**775**	**1,301**	**268,426**	**74**	**(3,932)**	**267,374**

	Share capital £'000	CULS reserve £'000	Share options reserve £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
2012								
31 January 2011	703	15	229	1,301	233,999	69	(2,420)	233,896
Total comprehensive income for the year	–	–	–	–	(10,440)	–	(708)	(11,148)
Shares purchased for cancellation	(5)	–	–	–	(1,267)	5	–	(1,267)
Arising on conversion of CULS	8	(1)	–	–	–	–	–	7
Share options expenses	–	–	191	–	–	–	–	191
Settlement of outstanding share options	–	–	–	–	(120)	–	–	(120)
31 January 2012	706	14	420	1,301	222,172	74	(3,128)	221,559

The financial statements have been prepared in accordance with the accounting policies on pages 42 to 48.

The notes on pages 42 to 74 form part of these financial statements.

consolidated and company balance sheets

as at 31 January

	Notes	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
non current assets					
Investments at fair value through profit or loss	9	**218,997**	163,174	**258,744**	198,317
Investment property	9	**40,111**	41,654	**–**	–
Investments accounted for using the equity method	9	**25,654**	20,395	**–**	–
Motor vehicles and equipment		**29**	41	**–**	–
		284,791	225,264	**258,744**	198,317
current assets					
Investments held by subsidiary companies for trading		**498**	1,093	**–**	–
Trade and other receivables	10	**2,362**	1,835	**3,576**	2,630
Cash and cash equivalents		**9,462**	22,200	**6,964**	20,924
Property under construction		**1,170**	1,170	**–**	–
		13,492	26,298	**10,540**	23,554
total assets		**298,283**	251,562	**269,284**	221,871
current liabilities					
Bank loans and overdrafts	11	**–**	–	**–**	–
CULS		**(66)**	–	**(66)**	–
Trade and other payables	12	**(2,800)**	(1,072)	**(1,844)**	(235)
		(2,866)	(1,072)	**(1,910)**	(235)
total assets less current liabilities		**295,417**	250,490	**267,374**	221,636
non current liabilities					
CULS	13	**–**	(77)	**–**	(77)
Bank loans	11	**(20,996)**	(21,869)	**–**	–
		(20,996)	(21,946)	**–**	(77)
total liabilities		**(23,862)**	(23,018)	**(1,910)**	(312)
net assets		**274,421**	228,544	**267,374**	221,559

The financial statements have been prepared in accordance with the accounting policies on pages 42 to 48.

The notes on pages 42 to 74 form part of these financial statements.

consolidated and company balance sheets

as at 31 January

	Notes	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
represented by:					
Share capital	14	**718**	706	**718**	706
Equity component of CULS		**12**	14	**12**	14
Share options reserve		**775**	420	**775**	420
Share premium account		**1,301**	1,301	**1,301**	1,301
Capital reserve		**268,141**	221,880	**268,426**	222,172
Capital redemption reserve		**74**	74	**74**	74
Revenue reserve		**(3,278)**	(2,784)	**(3,932)**	(3,128)
total equity attributable to equity holders of the company		**267,743**	221,611	**267,374**	221,559
Non-controlling interest		**6,678**	6,933	**–**	–
total equity attributable to group		**274,421**	228,544	**267,374**	221,559
net asset value per ordinary share:					
Basic	8	**1,865p**	1,570p		
Diluted	8	**1,677p**	1,395p		

The financial statements have been prepared in accordance with the accounting policies on pages 42 to 48.

The notes on pages 42 to 74 form part of these financial statements.

These financial statements were approved by the Board of Directors on 14 May 2013 and signed on its behalf by:

The Hon. Peregrine Moncreiffe, *Chairman*

Company Registered Number:
1091347

consolidated cash flow statement

for the year ended 31 January

group	Notes	2013 £'000	2012 £'000
cash flows from operating activities			
Investment income received		1,981	2,653
Rental income received		2,877	3,098
Bank deposit interest received		20	64
Other income		366	1,064
Sale of investments by dealing Subsidiary		126	57
Investment Manager's fees paid		(2,351)	(3,688)
Other cash payments		(2,482)	(4,661)
cash received/(expended) on operations	15	537	(1,413)
Bank interest paid		(943)	(995)
CULS interest paid		(8)	(9)
net cash outflow from operating activities		(414)	(2,417)
cash flows from investing activities			
Purchases of investments		(75,317)	(81,690)
Sales of investments		64,070	79,330
Purchases of plant and equipment		–	(55)
Sales of plant and equipment		–	29
net cash outflow from investing activities		(11,247)	(2,386)
cash flows from financing activities			
Repayment of fixed term borrowings		(874)	(24,538)
Increase in fixed term borrowings		–	21,869
Repurchase of ordinary shares for cancellation		–	(1,267)
Settlement of outstanding share options		–	(120)
net cash outflow from financing activities		(874)	(4,056)
decrease in cash and cash equivalents for the year		(12,535)	(8,859)
cash and cash equivalents at the start of the year		22,200	30,799
Revaluation of foreign currency balances		(203)	260
cash and cash equivalents at the end of the year	16	9,462	22,200

The financial statements have been prepared in accordance with the accounting policies on pages 42 to 48.

The notes on pages 42 to 74 form part of these financial statements.

company cash flow statement

for the year ended 31 January

company	Note	2013 £'000	2012 £'000
cash flows from operating activities			
Investment income received		**1,981**	2,653
Bank deposit interest received		**19**	62
Other income		**154**	225
Investment Manager's fees paid		**(2,351)**	(3,688)
Other cash payments		**(730)**	(170)
cash expended from operations	15	**(927)**	(918)
Bank interest paid		**(1)**	(73)
CULS interest paid		**(8)**	(9)
net cash outflow from operating activities		**(936)**	(1,000)
cash flows from investing activities			
Purchases of investments		**(75,086)**	(79,625)
Sales of investments		**63,051**	79,126
net cash outflow from investing activities		**(12,035)**	(499)
cash flows from financing activities			
Repayment of fixed term borrowings		**–**	(5,960)
Repurchase of ordinary shares for cancellation		**–**	(1,267)
Settlement of outstanding share options		**–**	(120)
Purchase of equity instruments in subsidiary		**–**	(1,221)
Short-term loans net advanced by subsidiary		**(785)**	8,919
net cash (outflow)/inflow from financing activities		**(785)**	351
decrease in cash and cash equivalents for the year		**(13,756)**	(1,148)
cash and cash equivalents at the start of the year		**20,924**	21,812
Revaluation of foreign currency balances		**(204)**	260
cash and cash equivalents at the end of the year	16	**6,964**	20,924

The financial statements have been prepared in accordance with the accounting policies on pages 42 to 48.

The notes on pages 42 to 74 form part of these financial statements.

notes to the financial statements

1 accounting policies

North Atlantic Smaller Companies Investment Trust plc ("NASCIT") is a Company incorporated in Great Britain and registered in England and Wales. The consolidated Annual Report for the Group for the year ended 31 January 2013 comprises the results of the Company and its subsidiaries – Consolidated Venture Finance Limited and Hampton Investment Properties Limited (together referred to as the "Group").

new standards and interpretations not yet applied

IASB and IFRIC have issued and endorsed the following standards and interpretations, applicable to the Group, which are not yet effective for the year ended 31 January 2013 and have therefore not been applied in preparing these financial statements.

New/Revised International Financial Reporting Standards		Issued	Effective date for annual periods beginning on or after
IFRS 7*	Financial Instruments: Disclosures — Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	December 2011	1 January 2013 (and interim periods within those periods)
IFRS 7*	Financial Instruments: Disclosures — Amendments requiring disclosures about the initial application of IFRS 9	December 2011	1 January 2015 (or otherwise when IFRS 9 is first applied)
IFRS 9*	Financial Instruments — Classification and measurement of financial assets	Original issue November 2009	1 January 2015 (mandatory application date amended December 2011)
IFRS 9*	Financial Instruments — Accounting for financial liabilities and de-recognition	Original issue October 2010	1 January 2015 (mandatory application date amended December 2011)
IFRS 10/ IFRS 12	Consolidated Financial Statements — The amendments exempt an investment entity from the requirement to consolidate the investments that it controls. Instead, it accounts for these investments at fair value through profit or loss.	Original issue May 2011	1 January 2014 (early adoption allowed)

IFRS 11	Joint Arrangements — Part of a new suite of standards on consolidation and related standards, replacing the existing accounting for subsidiaries and joint ventures (now joint arrangements), and making limited amendments in relation to associates.	December 2012	1 January 2014
IFRS 13	Fair Value Measurement — Replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard	Original issue May 2011	1 January 2013

New/Revised International Accounting Standards		Revised	Effective Date
IAS 1	Presentation of Financial Statements — Amendments to revise the way other comprehensive income is presented	June 2011	1 July 2012
IAS 27	Separate Financial Statements (2011) — Amendments regarding the requirements for separate financial statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements	May 2011	1 January 2014
IAS 28	Investments in Associates and Joint Ventures (2011) — Supersedes IAS 28 Investments in Associates. Prescribes accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures	May 2011	1 January 2014
IAS 32	Financial Instruments: Presentation — Amendments to application guidance on the offsetting of financial assets and financial liabilities	December 2011	1 January 2014

The Directors do not anticipate that the initial adoption of the above standards, amendments and interpretations will have a material impact in future periods.

The Company will only adopt standards at the beginning of its financial year, therefore any standards or interpretations with an effective date after 1 February 2012 will not have been adopted.

* Standards yet to be endorsed.

1 accounting policies continued

(a) basis of preparation/statement of compliance

The consolidated annual financial statements of the Group and the annual financial statements of the Company have been prepared in conformity with International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board and International Financial Accounting Standards and Standing Interpretation Committee, interpretations approved by the International Accounting Standards Committee that remain in effect and to the extent they have been adopted by the European Union. They have also been prepared in accordance with applicable requirements of England and Wales company law and reflect the following policies which have been adopted and applied consistently. The financial statements have also been prepared in accordance with the Statement of Recommended Practice ("SORP") for investment trust companies, except to any extent where it conflicts with IFRS.

(b) convention

The financial statements are presented in Sterling rounded to the nearest thousand. The financial statements have been prepared on a going concern basis under the historical cost convention, except for the measurement at fair value of investments and derivatives designated at fair value through profit or loss.

(c) basis of consolidation

Under IAS 27 a subsidiary is defined as an entity which is controlled by another entity. Therefore, the Group financial statements consolidate the financial statements of the Company, its wholly owned Subsidiary undertaking, Consolidated Venture Finance Limited and its 68.1% ownership of Hampton Investment Properties Limited, drawn up to 31 January 2013. The Company's 65.4% holding in Performance Chemical Company has not been consolidated on the grounds of immateriality.

Except as shown in (d) below, in accordance with IAS 28 (Investments in Associates), investments where the Company holds, directly or indirectly, more than 20% or more of the voting power of the investee, or otherwise has significant influence, are not accounted for as associates. Instead they are accounted for in the same way as other investments designated as at fair value through profit or loss.

In accordance with the exemptions given by s408 of the Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The amount of the Company's profit for the financial year dealt with in the accounts of the Group is £45,450,000 (2012 loss: £11,148,000).

(d) Oryx

NASCIT is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of Oryx. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. Oryx has been accounted for as an associate as it is considered to be a long term holding of the Company.

The results and assets and liabilities of Oryx are incorporated in the consolidated accounts using the equity method of accounting. Oryx is carried in the Consolidated Balance Sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of Oryx.

1 accounting policies continued

(e) segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being investment business. The Group invests in smaller companies principally based in countries bordering the North Atlantic Ocean and in properties within the UK. A geographical analysis of the portfolio is shown on page 7.

(f) investments

All non current investments held by the Group, other than the investment in Oryx, are designated at 'fair value through profit or loss' on initial acquisition. Investments are initially recognised at fair value, being the value of the consideration given.

The Group's business is investing in financial assets and investment properties with a view to profiting from their total return in the form of income and capital growth. The portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information about the portfolio is provided internally on that basis to the Company's Board of Directors and other key management personnel.

After initial recognition, investments are measured at fair value, with investment holding gains and losses on investments recognised in the Statement of Comprehensive Income and (apart from those on current asset investments) allocated to capital. Gains and losses on disposal are calculated as the difference between sales proceeds and cost.

Investments are included in the Balance Sheet on the following basis:

(i) quoted at market value on a recognised stock exchange

Securities quoted on recognised stock exchanges are valued at the market bid price and exchange rates ruling at the Balance Sheet date. With the exception of AIM quoted SETS stocks, which are valued using latest trade price, which is equivalent to the fair value.

(ii) unlisted at market value

Treasury Bills are valued at fair value having been adjusted for movements in exchange rates between the dates of purchase and the year-end. Accrued income arising from them is included in debtors.

(iii) unquoted at directors' estimate of fair value

Unquoted investments are valued in accordance with the International Private Equity and Venture Capital Association ("IPEVCA") guidelines. Their valuation incorporates all factors that market participants would consider in setting a price. The primary valuation techniques employed to value the unquoted investments are earnings multiples, recent transactions and the net asset basis. Valuations in local currency are translated into Sterling at the exchange rate ruling on the Balance Sheet date.

1 accounting policies continued

(f) investments continued

Included within the Statement of Comprehensive Income as at 31 January 2013, is a gain of £16,041,000 relative to the movement in the fair value of the unlisted investments valued using valuation techniques.

(iv) investment property

Investments in property are initially recognised at cost and then valued at fair value based on an independent professional valuation at the reporting date, with changes in fair value recognised in the Consolidated Statement of Comprehensive Income. Disposals of investment property are recognised when contracts for sale have been exchanged and sales have been completed.

(v) current asset investments

Investments held by the Subsidiary undertakings are classified as 'held for trading' and are valued at fair value in accordance with the policies set out in 1(f)(i) and 1(f)(iii) above for quoted and unquoted holdings respectively.

Profits or losses on investments in the Subsidiary undertakings are taken to revenue.

(g) foreign currency

The currency of the primary economic environment in which the Company operates (the "functional currency") is pounds Sterling (Sterling), which is also the presentational currency of the Group. Transactions involving currencies other than Sterling are recorded at the exchange rate ruling on the transaction date. At each Balance Sheet date, monetary items and non-monetary assets and liabilities that are fair valued, which are denominated in foreign currencies, are retranslated at the closing rates of exchange.

Exchange differences arise on settlement of monetary items and from retranslating at the Balance Sheet date:

- investments and other financial instruments measured at fair value through profit or loss; and
- other monetary items are included in the Statement of Comprehensive Income and allocated as capital if they are of a capital nature, or as revenue if they are of a revenue nature.

Exchange differences allocated as capital are included in the transfer to Capital Reserve.

(h) trade date accounting

All "regular way" purchases and sales of financial assets are recognised on the "trade date" i.e. the day that the entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the asset within a time frame generally established by regulation or convention in the market place.

1 accounting policies continued

(i) income

Dividends receivable on quoted equity shares are taken into account on the ex-dividend date. Where no ex-dividend date is quoted, they are brought into account when the Group's right to receive payment is established. Other investment income and interest receivable are included in the financial statements on an accruals basis. Dividends received from UK registered companies are accounted for net of imputed tax credits.

(j) expenses

All expenses are accounted for on an accruals basis and are allocated wholly to revenue with the exception of Performance Fees which are allocated wholly to capital, as the fee is payable by reference to the capital performance of the Group and transaction costs which are also allocated to capital.

Finance costs: 100% of basic loans, borrowing cost and CULS are charged to revenue.

(k) share based payments

In accordance with IFRS 2: Share Based Payments, an expense is recognised in the financial statements relating to the value of share options awarded under the 2011 Executive Share Option Scheme to the Chief Executive and employees of Harwood Capital LLP.

The accounting charge is based on the fair value of each grant, measured at the grant date and is spread over the vesting period. The deemed expense over the vesting period is transferred to the Share Options Reserve.

(l) cash and cash equivalents

Cash in hand and at banks and short-term deposits which are held to maturity are carried at cost. Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand, which form an integral part of the Group's cash management, are included as a component of cash and cash equivalents for the purpose of the Cash Flow Statement.

(m) bank loans and borrowings

All bank loans and borrowings are initially recognised at cost, being the fair value of the consideration received, less issue costs where applicable. After initial recognition, all interest bearing loans and borrowings are subsequently measured at amortised cost. Any difference between cost and redemption value has been recognised in the Statement of Comprehensive Income over the period of the borrowings on an effective interest rate basis.

(n) convertible unsecured loan stock (CULS) 2013

The CULS comprise of an equity element and a debt element, rather than just being treated as debt. The equity element was identified when the CULS were issued and reduces when the CULS are bought back or exercised. A CULS Reserve has been created to recognise the equity component. The debt element also reduces when the CULS are bought back or exercised. If the CULS are exercised, Ordinary shares of 5p are issued as detailed in the notes to these financial statements.

notes to the financial statements

1 accounting policies continued

(o) taxation

Tax on the profit or loss for the year comprises current and deferred tax. Corporation tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in Equity, in which case it is recognised in Equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date and any adjustment to tax payable in respect of previous years. The tax effect of different items of expenditure is allocated between revenue and capital on the same basis as the particular item to which it relates, using the Company's marginal method of tax, as applied to those items allocated to revenue, for the accounting period.

Deferred tax is provided, using the liability method, on all temporary differences at the Balance Sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes. Deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

(p) share capital and reserves

Share Capital represents the nominal value of equity shares.

Equity component of CULS represents the equity component of convertible unsecured loan stock issued.

Share Options Reserve represents the expense of share based payments. The fair value of Share Options is measured at grant date and spread over the vesting period. The deemed expense is transferred to the Share Options Reserve.

Share Premium Account represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Capital Reserve represents realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items. In addition, performance fee costs are allocated to the Capital Reserve.

Revenue Reserve represents retained profits from the income derived from holding investment assets less the costs associated with running the Company.

notes to the financial statements

2 income

	Group 2013 £'000	Group 2012 £'000	**Company 2013 £'000**	Company 2012 £'000
income from investments				
UK dividend income	**1,828**	2,643	**1,828**	2,643
Unfranked investment income				
– interest	**157**	(5)	**157**	(5)
– interest reinvested	**117**	93	**117**	93
	2,102	2,731	**2,102**	2,731
other income				
Interest receivable	**174**	152	**173**	150
Net dealing gains/(losses) from Subsidiary trading	**109**	(523)	**–**	–
Net return from Subsidiary	**–**	–	**316**	43
Rental income	**2,877**	3,104	**–**	–
Sundry income	**212**	968	**–**	129
	3,372	3,701	**489**	322
Total income	**5,474**	6,432	**2,591**	3,053
total income comprises				
Dividends	**1,828**	2,643	**1,828**	2,643
Interest	**448**	240	**447**	238
Rental income	**2,877**	3,104	**–**	–
Other income*	**321**	445	**316**	172
	5,474	6,432	**2,591**	3,053
income from investments				
Listed UK	**1,828**	2,643	**1,828**	2,643
Unlisted UK	**29**	74	**29**	74
Other unlisted	**245**	14	**245**	14
	2,102	2,731	**2,102**	2,731

* Includes net dealing gains/(losses) from Subsidiary trading.

3 investment management fee

(i) Pursuant to the Secondment Services Agreement, described in the Group Report of the Directors on page 20 and the Directors' Remuneration Report on page 30, Growth Financial Services Limited ("GFS") provides the services of Mr Mills as Chief Executive of the Company, who is responsible for day-to-day investment decisions. Mr Mills is a director of GFS. GFS was acquired by Harwood Capital Management Limited, during the year, which is wholly owned by Mr Mills. GFS is entitled to receive part of the investment management and related fees payable to GFS and Harwood Capital LLP as may be agreed between them from time to time.

(ii) Pursuant to the terms of the Management, Administration and Custody Agreement, described on page 19 of the Group Report of the Directors, Harwood Capital LLP is entitled to receive a fee (the Annual Fee) in respect of each financial period equal to the difference between (a) 1% of Shareholders' Funds (as defined) on 31 January each year and (b) the amount payable to GFS referred to in note 3(i) above. This fee is payable quarterly in advance.

As set out in note 19, no formal arrangements exist to avoid double charging on investments managed or advised by Harwood Capital LLP.

(iii) The Performance Fee, calculated annually to 31 January, is only payable if the investment portfolio outperforms the Sterling adjusted Standard & Poors' 500 Composite Index. It is calculated as 10% of the outperformance and paid as a percentage of Shareholders' Funds. It is limited to a maximum payment of 0.5% of Shareholders' Funds. The Performance Fee arrangements payable to GFS have been in place since 1984 when they were approved by Shareholders.

(iv) In addition to the management fees disclosed in note 3(ii) above, Harwood Capital LLP is also paid an investment management related fee of £125,000 per annum (see note 4).

The amounts payable in the year in respect of investment management are as follows:

	Group and Company 2013			Group and Company 2012		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Annual fee	**2,216**	**–**	**2,216**	2,398	–	2,398
Performance Fee	**–**	**1,344**	**1,344**	–	–	–
Irrecoverable VAT thereon	**–**	**73**	**73**	–	2	2
	2,216	**1,417**	**3,633**	2,398	2	2,400

At 31 January 2013, £111,000 was payable to the Joint Manager in respect of outstanding management fees (2012: £120,000). At 31 January 2013, £1,344,000 plus VAT was payable to GFS in respect of outstanding performance fees (2012: £nil).

notes to the financial statements

4 other expenses

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
Auditor's remuneration (see below)	**44**	51	**44**	51
Directors' fees (see pages 30 and 31)	**100**	113	**100**	113
Investment management related fee (see note 3)	**125**	125	**125**	125
Other expenses	**1,759**	2,276	**546**	811
	2,028	2,565	**815**	1,100

auditors' remuneration	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
Fees payable to the Company's Auditor for the audit of the financial statements:	**41**	47	**41**	47
Other services relating to taxation:	**3**	4	**3**	4
	44	51	**44**	51

5 share based remuneration

		2013			2012	
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Accounting charge for the year	**355**	–	**355**	191	–	191
	355	–	**355**	191	–	191

A list of the Options in issue are shown below;

No. of options at 1 February 2012	Year of grant	Cancelled during the year	Grant of options during the year	Price	No. of Options at 31 January 2013
430,000	2011	–	–	1.467.71	**430,000**
–	2012	–	30,000	1.396.24	**30,000**

5 share based remuneration continued

Further details of Options are disclosed on page 31 and in note 14 on page 62.

On 14 July 2011, C H B Mills (Mr Mills) was granted 420,000 share options under the NASCIT 2011 Executive Share Option Scheme at an exercise price of 1,467.71p per share. A further 10,000 options were granted to an eligible employee of Harwood Capital LLP. These options are exercisable providing the necessary performance requirements are met between 14 July 2014 and 14 July 2021.

On 9 July 2012, a further 30,000 options were granted to other eligible employees of Harwood Capital LLP at an exercise price of 1,396.24p. These options are exercisable (providing the necessary performance requirements are met between 9 July 2015 and 9 July 2022.)

The fair value of the share options is estimated at the respective grant date using a binominal lattice. The Board commissioned an independent third party to calculate the fair value of the share options under IFRS 2. The assumptions used in calculating the fair value are included in the table below:

	2011 options	2012 options
Award date	14 July 2011	9 July 2012
Exercise price	1,467.71p	1,396.24p
Assumptions:	per annum	per annum
Future share price volatility	25.0%	20.0%
Future dividend yield	0.0%	0.0%
Future risk-free interest rate	1.2%	0.3%
Minimum gain threshold	33.0%	33.0%
Proportion of options exercised given minimum gain achieved	50.0%	50.0%
Share price^	1,097.00p	1,045.00p

^ Share price is the closing mid-market price on the day before the date of grant.

Based on the above assumptions:

– the fair value of the 2011 options has been calculated as 22.1% of the face value of the awards (based on the share price of 1,097.00p) giving a total fair value of £1,042,000

– the fair value of the 2012 options has been calculated as 15.0% of the face value of the awards (based on the share price of 1,045.00p) giving a total fair value of £47,000.

The accounting charge is based on the fair value of each grant, at the grant date and is spread over the vesting period, being 3 years from the date of grant assuming all necessary performance criteria are met. The deemed expense is transferred to the Share options reserve.

At the date of this report there were a total of 460,000 options in issue with an estimated fair value of £1.09m.

6 interest payable and similar charges

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
On bank loans and overdrafts	**943**	985	**1**	63
Interest on CULS	**8**	9	**8**	9
	951	994	**9**	72

7 taxation on ordinary activities

	Group 2013 Total £'000	Group 2012 Total £'000	Company 2013 Total £'000	Company 2012 Total £'000
UK Corporation tax at 24%	**192**	–	**–**	–
	192	–	**–**	–

The current taxation charge for the year is different from the standard rate of corporation tax in the UK of 26% to 31 March 2012 and 24% from 1 April 2012. The differences are explained below.

	Group 2013 Total £'000	Group 2012 Total £'000	Company 2013 Total £'000	Company 2012 Total £'000
Total return on ordinary activities before taxation	**45,704**	(10,952)	**45,450**	(11,148)
Theoretical tax at UK Corporation tax rate of 24.333% (2012: 26.333%)	**11,121**	(2,884)	**11,059**	(2,935)
Effects of:				
Non taxable capital return	**(11,140)**	2,958	**(11,254)**	2,749
UK dividends which are not taxable	**(445)**	(696)	**(445)**	(696)
Increase in tax losses, disallowable expenses and offshore income gains	**656**	622	**640**	882
Actual current tax charge	**192**	–	**–**	–

Factors that may affect future tax charges:

As at 31 January 2013, the Group has tax losses of £42,923,000 (31 January 2012: £39,229,000) that are available to offset future taxable revenue, comprising excess management expenses of £31,106,000, a non-trade loan relationship deficit of £9,689,000 and a trade loss of £2,128,000 (31 January 2012: excess management expenses of £26,658,000, a non-trade loan relationship deficit of £10,127,000 and a trade loss of £2,444,000). A deferred tax asset has not been recognised in respect of those losses as the Group is not expected to generate taxable income in the future in excess of the deductible expenses of future periods and, accordingly, it is unlikely that the Group will be able to reduce future tax liabilities through the use of those losses.

7 taxation on ordinary activities continued

Of the Group tax losses, the Company has tax losses of £40,795,000 (31 January 2012: £36,785,000) that are available to offset future taxable revenue, comprising excess management expenses of £31,106,000, a non-trade loan relationship deficit of £9,689,000 and a trade loss of £nil (31 January 2012: excess management expenses of £26,658,000, a non-trade loan relationship deficit of £10,127,000 and a trade loss of £nil). A deferred tax asset has not been recognised in respect of those losses as the Company is not expected to generate taxable income in the future in excess of the deductible expenses of future periods and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of those losses.

The Company is exempt from corporation tax on capital gains provided it maintains its status as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010. Due to the Company's intention to continue to meet the conditions required to maintain its investment trust status, it has not provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

8 return per ordinary share and net asset value per ordinary share

a) Consolidated return per Ordinary Share:

	Revenue			**Capital**			**Total**		
	***Net return £'000**	**Ordinary Shares**	**Per Share pence**	***Net return £'000**	**Ordinary Shares**	**Per Share pence**	***Net return £'000**	**Ordinary Shares**	**Per Share pence**
2013									
Basic return per Share	**(494)**	**14,258,470**	**(3.46)**	**46,261**	**14,258,470**	**324.45**	**45,767**	**14,258,470**	**320.99**
CULS**	**8**	**1,834,771**		**–**	**1,834,771**		**8**	**1,834,771**	
Diluted return per Share	**(486)**	**16,093,241**	**(3.02)**	**46,261**	**16,093,241**	**287.46**	**45,775**	**16,093,241**	**284.44**

	Revenue			Capital			Total		
	*Net return £'000	Ordinary Shares	Per Share pence	*Net return £'000	Ordinary Shares	Per Share pence	*Net return £'000	Ordinary Shares	Per Share pence
2012									
Basic return per Share	14	14,062,899	0.10	(11,110)	14,062,899	(79.00)	(11,096)	14,062,899	(78.90)
CULS**	9	1,869,610		–	1,869,610		9	1,869,610	
Diluted return per Share	23	15,932,509	0.14	(11,110)	15,932,509	(69.73)	(11,087)	15,932,509	(69.59)

Basic return per Ordinary Share has been calculated using the weighted average number of Ordinary Shares in issue during the year.

* Profit for the year.

** CULS interest cost and excess of the total number of potential shares on CULS conversion over the number that could be issued at the average market price from the conversion proceeds, as calculated in accordance with IAS 33: Earnings per share.

8 return per ordinary share and net asset value per ordinary share continued

b) Consolidated net asset value per Ordinary Share:

The consolidated net asset value per Ordinary Share calculated in accordance with the Articles of Association is as follows:

2013		Net assets £'000	Number of ordinary shares	Net asset value per Share
Ordinary Shares	**– Basic**	**267,743**	**14,359,107**	**1,865p**
	– Diluted	**274,551**	**16,374,034**	**1,677p**

2012		Net assets £'000	Number of ordinary shares	Net asset value per Share
Ordinary Shares	– Basic	221,611	14,113,553	1,570p
	– Diluted	228,000	16,344,034	1,395p

The diluted net asset value per Ordinary Share is calculated on the assumption that the outstanding 2013 CULS are fully converted at par and that all 460,000 (2012: 430,000) Share Options were exercised at the prevailing exercise prices, giving a total of 16,374,034 issued Ordinary Shares (2012: 16,344,034).

9 investments

a. Investments at fair value through profit or loss and investment property

	Group 2013 £'000	Group 2012 £'000	**Company 2013 £'000**	Company 2012 £'000
Quoted at fair value:				
United Kingdom	**78,653**	52,768	**104,307**	73,163
Overseas	**13,701**	22,438	**13,701**	22,438
Total quoted investments	**92,354**	75,206	**118,008**	95,601
Treasury bills at fair value	**14,190**	–	**14,190**	–
Unlisted and loan stock at fair value	**112,453**	87,968	**126,546**	102,716
Investments at fair value through profit or loss	**218,997**	163,174	**258,744**	198,317
Investment property*	**40,111**	41,654	–	–
Total	**259,108**	204,828	**258,744**	198,317

* The Company holds the investment property through a subsidiary, Hampton Investment Properties Limited.

9 investments continued

group – 2013	Listed equities £'000	AIM quoted £'000	Unlisted equities £'000	Loan stocks £'000	Treasury Bills £'000	Investment property £'000	Total £'000
analysis of investment portfolio movements							
Opening bookcost as at 1 February 2012	71,212	11,550	61,072	4,705	–	35,429	183,968
Opening unrealised (depreciation)/appreciation	(7,432)	(125)	24,146	(1,954)	–	6,225	20,860
opening valuation as at 1 February 2012	63,780	11,425	85,218	2,751	–	41,654	204,828
Movements in year:							
Purchases at cost	18,368	–	5,518	9,112	42,106	198	75,302
Sales – proceeds	(25,116)	–	(7,215)	(2,416)	(28,216)	(234)	(63,197)
– realised gains/(losses) on sales	5,027	–	2,358	(310)	151	35	7,261
Increase/(decrease) in appreciation on assets held	13,266	5,604	16,869	568	149	(1,542)	34,914
closing valuation as at 31 January 2013	75,325	17,029	102,748	9,705	14,190	40,111	259,108
Closing bookcost as at 31 January 2013	69,491	11,550	61,733	11,091	14,041	35,428	203,334
Closing appreciation/(depreciation) on assets held	5,834	5,479	41,015	(1,386)	149	4,683	55,774
	75,325	17,029	102,748	9,705	14,190	40,111	259,108

company – 2013	Listed equities £'000	AIM quoted £'000	Unlisted equities £'000	Loan stocks £'000	Treasury Bills £'000	Investment property £'000	Total £'000
analysis of investment portfolio movements							
Opening bookcost as at 1 February 2012	81,693	11,550	70,909	4,705	–	–	168,857
Opening appreciation/(depreciation) on assets held	2,482	(125)	29,057	(1,954)	–	–	29,460
opening valuation as at 1 February 2012	84,175	11,425	99,966	2,751	–	–	198,317
Movements in year:							
Purchases at cost	18,368	–	5,896	9,112	42,106	–	75,482
Sales – proceeds	(25,116)	–	(7,215)	(2,416)	(28,216)	–	(62,963)
– realised gains/(losses) on sales	5,027	–	2,153	(310)	151	–	7,021
Increase in appreciation on assets held	18,525	5,604	16,041	568	149	–	40,887
closing valuation as at 31 January 2013	100,979	17,029	116,841	9,705	14,190	–	258,744
Closing bookcost as at 31 January 2013	79,972	11,550	71,743	11,091	14,041	–	188,397
Closing appreciation/(depreciation) on assets held	21,007	5,479	45,098	(1,386)	149	–	70,347
	100,979	17,029	116,841	9,705	14,190	–	258,744

notes to the financial statements

9 investments continued

group – 2012	Listed equities £'000	AIM quoted £'000	Unlisted equities £'000	Loan stocks £'000	Treasury Bills £'000	Investment property £'000	Total £'000
analysis of investment portfolio movements							
Opening bookcost as at 1 February 2011	39,142	5,337	70,821	4,349	25,476	35,235	180,360
Opening (depreciation)/appreciation on assets held	(3,836)	6,802	28,154	(1,030)	(640)	6,320	35,770
opening valuation as at 1 February 2011	35,306	12,139	98,975	3,319	24,836	41,555	216,130
Movements in year:							
Transfers	–	6,500	(6,500)	–	–	–	–
Purchases at cost	43,450	5,129	8,819	801	21,351	1,244	80,794
Sales – proceeds	(14,476)	(5,613)	(13,644)	(445)	(45,846)	(1,183)	(81,207)
– realised gains/(losses) on sales	3,096	197	1,576	–	(981)	133	4,021
(Decrease)/increase in appreciation on assets held	(3,596)	(6,927)	(4,008)	(924)	640	(95)	(14,910)
closing valuation as at 31 January 2012	63,780	11,425	85,218	2,751	–	41,654	204,828
Closing bookcost as at 31 January 2012	71,212	11,550	61,072	4,705	–	35,429	183,968
Closing (depreciation)/appreciation on assets held	(7,432)	(125)	24,146	(1,954)	–	6,225	20,860
	63,780	11,425	85,218	2,751	–	41,654	204,828

company – 2012	Listed equities £'000	AIM quoted £'000	Unlisted equities £'000	Loan stocks £'000	Treasury Bills £'000	Investment property £'000	Total £'000
analysis of investment portfolio movements							
Opening bookcost as at 1 February 2011	49,623	5,337	79,462	4,349	25,476	–	164,247
Opening appreciation/(depreciation) on assets held	6,007	6,802	32,385	(1,030)	(640)	–	43,524
opening valuation as at 1 February 2011	55,630	12,139	111,847	3,319	24,836	–	207,771
Movements in year:							
Transfers	–	6,500	(6,500)	–	–	–	–
Purchases at cost	43,450	5,129	10,015	801	21,351	–	80,746
Sales – proceeds	(14,476)	(5,613)	(13,644)	(445)	(45,846)	–	(80,024)
– realised gains/(losses) on sales	3,096	197	1,576	–	(981)	–	3,888
(Decrease)/increase in appreciation on assets held	(3,525)	(6,927)	(3,328)	(924)	640	–	(14,064)
closing valuation as at 31 January 2012	84,175	11,425	99,966	2,751	–	–	198,317
Closing bookcost as at 31 January 2012	81,693	11,550	70,909	4,705	–	–	168,857
Closing appreciation/(depreciation) on assets held	2,482	(125)	29,057	(1,954)	–	–	29,460
	84,175	11,425	99,966	2,751	–	–	198,317

notes to the financial statements

9 investments continued

	Group 2013 £'000	Group 2012 £'000
analysis of capital gains and losses		
Gains on sales	7,226	3,888
Unrealised gains/(losses)	36,456	(14,815)
Movement in subsidiary	–	(154)
	43,682	(11,081)
Losses on loan repayment	–	(174)
Movement in valuation of escrow	–	97
gains/(losses) on investments at fair value	43,682	(11,158)
Realised gains on sales of investment property	35	133
Unrealised losses on investment property held	(1,542)	(95)
(losses)/gains on investment property	(1,507)	38

	Group 2013 £'000	Group 2012 £'000
Unrealised gains	5,259	71
gains on equity accounted investments	5,259	71

	2013 £'000	2012 £'000
Exchange losses on capital items	(31)	(329)
Exchange losses on escrow	(2)	(116)
Exchange (losses)/gains on capital items and currency	(204)	260
exchange losses	(237)	(185)

	2013 £'000	2012 £'000
portfolio analysis		
Equity shares	177,952	138,223
Convertible preference securities	17,150	22,200
Fixed interest securities	9,705	2,751
Treasury Bills	14,190	–
Investment properties	40,111	41,654
	259,108	204,828

9 investments continued

b. subsidiary undertakings

At 31 January 2013 the Company has the following Subsidiaries:

Subsidiary	Principal activity	% equity held	Country of registration
Consolidated Venture Finance Limited*	Security trading	100.00%	England and Wales
Hampton Investment Properties Limited**	Property investment	68.10%	England and Wales

The Subsidiaries were active during the year.

* Directly held by the Company at a cost of less than £1,000.

** Directly held by the Company at a cost of £9,968,000. The subsidiary has been consolidated in the Group financial statements using financial information from its accounts at 31 January 2013.

c. associates

In the Group accounts Oryx is recognised as an Associate and the results of that Company have been accounted for in the Group accounts as an Associate under the equity method of accounting and valued using the Net Asset Value at 31 January 2013 of that Company. Oryx is a separately quoted company and has a financial year end date of 31 March, therefore the statutory accounts are not available to consolidate.

At the date of this report, the Company held 7,106,284 Ordinary shares representing 37.82% of the total voting rights in Oryx.

The value of the investment in associate in the Consolidated Balance Sheet using the equity method is as follows:

	2013 £'000	2012 £'000
Opening share of net assets at 1 February	20,395	20,324
Share of profit for the year	5,259	71
Closing share of net assets at 31 January	25,654	20,395

The figures used to value the Group's holding in Oryx have been extracted from the company's 31 January 2013 management accounts.

The following financial information for Oryx has been extracted from its unaudited interim results for the six months ended 30 September 2012, being the latest available results and therefore do not have any bearing on the figures used to value Oryx as at 31 January 2013 and are presented for informational purposes only.

	£'000
Total assets	61,852
Liabilities	(1,476)
Net assets	60,376
Total revenue	2,472
Net profit for the period	2,230

Oryx is traded on the London Stock Exchange. The value at bid price at 31 January 2013 was £19,542,000, based on the holding of 7,106,284 Ordinary shares priced at 2.75p per share.

9 investments continued

d. significant holdings

At the year-end, the Group and Company held 20% or over of the aggregate nominal value of voting equity of the following companies, all of which are incorporated and registered in England and Wales, unless stated:

		31 January 2013 %	31 January 2012 %
AssetCo PLC	– Ordinary Shares	**23.9**	23.9
Essenden PLC	– Ordinary Shares	**21.4**	21.4
Forefront Group Limited	– Ordinary Shares	**23.1**	23.1
Martley Limited (Jersey)	– Ordinary Shares	**29.6**	29.6
Nationwide Accident Repair Services PLC	– Ordinary Shares	**23.2**	23.2
Bionostics Holdings Limited	– Ordinary Shares	**47.1**	47.1
Orthoproducts Limited	– Ordinary Shares	**40.0**	40.0
Oryx International Growth Fund Limited (incorporated in Guernsey)	– Ordinary Shares	**37.6**	36.5
Performance Chemical Company*	– Ordinary Shares	**65.4**	65.4
Trident Private Equity Fund III LP	– Ordinary Shares	**32.7**	32.7

* The Board has chosen not to consolidate this holding. See note 1(c) for further details.

e. investments in US Treasury Bills

At 31 January 2013, the Group held US Treasury Bills with a market value of £14,190,000 (2012: £nil).

f. transaction costs

During the year, the Group incurred total transaction costs of £163,000 (2012: £177,000) comprising £120,000 (2012: £155,000) and £43,000 (2012: £22,000) on purchases and sales of investments respectively. These amounts are included in gains on investments as disclosed in the Consolidated Statement of Comprehensive Income.

g. material disposals of unlisted investments in the year:

Security Name	Disposal Date	Proceeds £'000	Bookcost £'000	Gain/(loss) £'000	Carrying value at 31 January 2012 £'000
Letchworth	May 2012	2,378	604	1,774	2,376

10 trade and other receivables

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
Amounts owed by Subsidiary	–	–	1,876	775
Amounts due from brokers	329	522	329	522
Accrued income	28	24	28	24
Other debtors	2,005	1,289	1,343	1,309
	2,362	1,835	3,576	2,630

11 bank loans

amounts falling due in more than one year	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
Hampton Investment Property Limited bank loans*	20,996	21,869	–	–
	20,996	21,869	–	–

* The bank loan is a five year facility with RBS which commenced on 2 February 2011 and is secured over the investment property. The loan bears interest at the rate of LIBOR plus 2.76%.

12 trade and other payables

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
Other creditors and accruals	2,800	1,072	1,844	235
	2,800	1,072	1,844	235

13 debenture loan – convertible unsecured loan stock (CULS) 2013

	2013 No. of units	2013 £'000	2012 No. of units	2012 £'000
group and company				
Balance at beginning of year	1,800,481	77	1,971,782	84
Converted during the year	(245,554)	(11)	(171,301)	(7)
Balance at end of year	1,554,927	66	1,800,481	77

notes to the financial statements

13 debenture loan – convertible unsecured loan stock (CULS) 2013 continued

The CULS include an equity component as well as debt. As explained in note 1.(p), the equity component is shown in the CULS Reserve.

The CULS were issued in units of 5p. The CULS units are redeemable at par on 31 May 2013, unless previously redeemed, purchased by the Company or converted at the option of the holder.

During the year ended 31 January 2013, 245,554 (2012: 171,301) CULS units were converted into Ordinary Shares of 5p each at the rate of one 5p Ordinary Share for every unit of 5p.

No CULS units were purchased for cancellation during the year (2012: nil).

The final conversion opportunity for the CULS was on 30th April 2013. The CULS were convertible into Ordinary shares of 5p each at a rate of one 5p Ordinary Share for every unit of 5p. The final conversion notice was posted to the loan stock holders on 22 March 2013 reminding them of their conversion rights and advising them of the procedure if they chose not to convert. Holders of 1,396,825 CULS units opted to convert. These were converted on 30 April 2013. The remaining units are now in the hands of the Trustee, who has until 28 May 2013 to decide whether to compulsorily convert them.

14 share capital

	2013 Number	2013 £'000	2012 Number	2012 £'000
– issued and fully paid:				
Ordinary Shares of 5p:				
Balance at beginning of year	**14,113,553**	**706**	14,057,252	703
Conversion of CULS	**245,554**	**12**	171,301	9
Cancellation of shares	**–**	**–**	(115,000)	(6)
Balance at end of year	**14,359,107**	**718**	14,113,553	706

During the year, 245,554 (2012: 171,301) CULS units were converted into Ordinary Shares of 5p as detailed in note 13.

Since 31 January 2013, a total of nil Ordinary Shares have been purchased by the Company for cancellation. As at the date of this report, the Company's issued share capital consists of 15,755,932 Ordinary shares of 5p nominal value each.

There are contingent rights to subscribe for Ordinary Shares of 5p each pursuant to:

> There are Options totalling 460,000 (2012: 430,000) remaining, details of which are given on page 31 in the Directors' Remuneration Report.

notes to the financial statements

15 reconciliation of total return from ordinary activities before finance costs and taxation to cash expended from operations

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
Total gains/(losses) from ordinary activities before finance costs and taxation	**46,655**	(9,958)	**40,200**	(11,077)
(Gains)/losses on investments	**(41,938)**	11,305	**(42,412)**	10,439
Share of net return of associate	**(5,259)**	(71)	**–**	–
Share based remuneration	**355**	191	**355**	191
Provision for Subsidiary	**–**	–	**(316)**	(43)
Depreciation	**12**	(5)	**–**	–
Dividends and interest reinvested	**(117)**	(93)	**(117)**	(93)
(Increase)/decrease in debtors and accrued income	**(723)**	1,845	**(246)**	1,113
Changes relating to investments of dealing Subsidiary	**16**	581	**–**	–
Increase/(decrease) in creditors and accruals	**1,536**	(5,208)	**1,609**	(1,448)
Cash received/(expended) from operations	**537**	(1,413)	**(927)**	(918)

16 analysis of net cash and net debt

net cash	At 1 February 2012 £'000	Cash flow £'000	Exchange movement £'000	At 31 January 2013 £'000
Group				
Cash and cash equivalents	22,200	(12,535)	(203)	**9,462**
Company				
Cash and cash equivalents	20,924	(13,756)	(204)	**6,964**

net debt	At 1 February 2012 £'000	Cash flow £'000	Exchange movement £'000	At 31 January 2013 £'000
Group				
Loans falling due in more than one year	21,869	(923)	–	**20,996**
	21,869	(923)	–	**20,996**
Company				
Loans falling due in less than one year	–	–	–	**–**

17 financial instruments and risk profile

During the year, the Board has undertaken a review of the risks facing the Company. An explanation of the Group's financial risk management objectives, policies and strategy can be found in the Group Report of the Directors on pages 15 to 23.

The Group's financial instruments comprise its investment portfolio, cash balances, derivatives contracts, borrowing facilities, loan stock and trade receivables and trade payables that arise directly from its operations. note 1 (on pages 42 to 48) sets out the accounting policies, including criteria for recognition and the basis for measurement, applied to significant financial instruments (excluding cash at bank and bank loans) which are carried at fair value. Note 1 also includes the basis on which income and expenses arising from financial assets and liabilities are recognised.

To support its investment in unquoted companies, the Group may periodically agree to guarantee all or part of the borrowings of investee companies. Provision is made for any costs that may be incurred when the Directors consider it likely that the guarantee will crystallise.

The main risks arising from the Group's financial instruments are:

(i) market price risk, including currency risk, interest rate risk and other price risk;

(ii) liquidity risk; and

(iii) credit risk

The Company Secretary in close co-operation with the Board of Directors and the Joint Managers, co-ordinates the Group's risk management. The policies for managing each of these risks are summarised below and have been applied throughout the year.

(i) market price risk

The fair value or future cash flows of a financial instrument held by the Group may fluctuate because of changes in market prices. This market risk comprises currency risk, interest rate risk and other price risk. The Board of Directors reviews and agrees policies for managing these risks, which policies have remained substantially unchanged from those applying in the year ended 31 January 2012. The Joint Managers assess the exposure to market risk when making each investment decision and monitor the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

currency risk

The Group's total return and net assets can be materially affected by currency translation movements as a significant proportion of the Group's assets are denominated in currencies other than Sterling, which is the Group's functional currency. It is not the Group's policy to hedge this risk on a continuing basis but the Group may, from time to time, match specific overseas investment with foreign currency borrowings. The Joint Managers seek, when deemed appropriate, to manage exposure to currency movements on borrowings by using forward foreign currency contracts as a hedge against potential foreign currency movements. At 31 January 2013, the Group had no open forward currency contracts (2012: none).

The revenue account is subject to currency fluctuation arising on overseas income. The Group does not hedge this currency risk.

17 financial instruments and risk profile continued

currency risk continued

Foreign currency exposure by currency of denomination:

group and company

	31 January 2013 Overseas investments £'000	31 January 2013 Net monetary assets £'000	31 January 2013 Total currency exposure £'000	31 January 2012 Overseas investments £'000	31 January 2012 Net monetary assets £'000	31 January 2012 Total currency exposure £'000
US Dollar	82,427	6,713	89,140	60,023	13,086	73,109
New Zealand Dollar	12,721	468	13,189	11,521	–	11,521
Euro	1,027	–	1,027	995	–	995
	96,175	7,181	103,356	72,539	13,086	85,625

Sensitivity analysis is based on the Group's monetary foreign currency financial instruments held at each balance sheet date. If Sterling had moved by 10% against all currencies, with all other variables constant, net assets would have moved by the amounts shown below. The analysis is shown on the same basis for 2011.

	31 January 2013 10% weakening £'000	31 January 2013 10% strengthening £'000	31 January 2012 10% weakening £'000	31 January 2012 10% strengthening £'000
US Dollar	9,904	(8,104)	8,123	(6,646)
NZ Dollar	1,465	(1,199)	1,280	(1,047)
Euro	114	(93)	111	(90)
	11,483	(9,396)	9,514	(7,783)

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the Group's objectives.

interest rate risk

Interest rate movements may affect;

- the fair value of the investments in fixed interest rate securities (including unquoted loans);
- the level of income receivable on cash deposits;
- the fair value of the Company's issued CULS;
- the interest payable on the Group's variable rate borrowings; and
- the loan guarantee, and any amounts payable should the guarantee be called upon.

17 financial instruments and risk profile continued

interest rate risk continued

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

The Board reviews on a regular basis the values of the fixed interest rate securities and the unquoted loans to companies in which private equity investment is made.

The Group finances part of its activities through borrowings at levels approved and monitored by the Board.

Movements in interest rates would not significantly affect net assets attributable to the Group's Shareholders and total profit.

term bank loans

The subsidiary undertaking, Hampton Investment Properties Limited, has a five year term loan with RBS which is secured over its investment property. The loan bears interest at the rate of LIBOR plus 2.76% and is repayable on 2 February 2016.

other price risk

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

The Group's exposure to price risk comprises mainly movements in the value of the Group's investments. It should be noted that the prices of options tend to be more volatile than the prices of the underlying securities. As at the year-end, the spread of the Group's investment portfolio analysed by sector was as set out on page 7.

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

When appropriate, derivative contracts are used to hedge against the exposure to price risk.

The Group's exposure to other changes in market prices at 31 January 2013 on its quoted and unquoted investments and options on investments was as follows:

	2013 Group £'000	2012 Group £'000	**2013 Company £'000**	2012 Company £'000
Financial assets at fair value through profit or loss				
– Non current investments at fair value through profit or loss	**218,997**	163,174	**258,744**	198,317
– Non current investment property	**40,111**	41,654	**–**	–
Financial assets at fair value through profit or loss and held for trading				
– Current asset investments	**498**	1,093	**–**	–

17 financial instruments and risk profile continued

other price risk continued

The following table illustrates the sensitivity of the profit after taxation and net assets to an increase or decrease of 10% in the fair values of the Group's equities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Group's equities and equity exposure through options at each Balance Sheet date, with all other variables held constant.

	2013		2012	
	Increase in fair value £'000	**Decrease in fair value £'000**	Increase in fair value £'000	Decrease in fair value £'000
Increase/(decrease) in net assets	**25,911**	**(25,911)**	20,487	(20,487)

(ii) liquidity risk

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

The Group invests in equities and other investments that are readily realisable. It invests in property through the subsidiary Hampton Investment Properties Limited. As at 31 January 2013, the Group has a five year loan facility with RBS.

(iii) credit risk

The Group does not have any significant exposure to credit risk arising from any one individual party. Credit risk is spread across a number of counterparties, each having an immaterial effect on the Group's cash flows, should a default happen. The Company assesses the credit worthiness of its debtors from time to time to ensure they are neither past due or impaired.

The maximum exposure of the financial assets to credit risk at the Balance Sheet date was as follows:

	2013 Group £'000	2012 Group £'000	**2013 Company £'000**	2012 Company £'000
financial assets neither past due or impaired				
Fixed income securities	**9,705**	2,751	**9,705**	2,751
Preference shares	**17,150**	22,200	**17,150**	22,200
Treasury Bills	**14,190**	–	**14,190**	–
Accrued income and other debtors	**1,079**	1,085	**1,079**	1,085
Cash and cash equivalents	**9,462**	22,200	**6,964**	20,924
	51,586	48,236	**49,088**	46,960

The maximum credit exposure of financial assets represents the carrying amount.
There are no financial assets that are past due or impaired.

commitments giving rise to credit risk

There are no commitments giving rise to credit risk as at 31 January 2013.

17 financial instruments and risk profile continued

fair value of financial assets and financial liabilities

The fair value for each class of financial assets and liabilities of the Group, compared with the corresponding amount in the Balance Sheet was as follows (trade receivables and trade payables, are excluded from the comparison, as their carrying amounts are a reasonable approximation of their fair value).

	31 January 2013 Fair value £'000	31 January 2013 Balance Sheet value £'000	31 January 2012 Fair value £'000	31 January 2012 Balance Sheet value £'000
financial assets				
Financial assets at fair value through profit or loss				
– Non current assets	218,997	218,997	163,174	163,174
Financial assets at fair value through profit or loss and held for trading				
– Current asset investments	498	498	1,093	1,093
Loans and receivables				
– Cash and cash equivalents	9,462	9,462	22,200	22,200
	228,957	228,957	186,467	186,467

	31 January 2013 Fair value £'000	31 January 2013 Balance Sheet value £'000	31 January 2012 Fair value £'000	31 January 2012 Balance Sheet value £'000
financial liabilities				
Other financial liabilities				
– Hampton term loans	(20,996)	(20,996)	(21,869)	(21,869)
– CULS	(66)	(66)	(77)	(77)
	(21,062)	(21,062)	(21,946)	(21,946)

	31 January 2013 Fair value £'000	31 January 2013 Balance Sheet value £'000	31 January 2012 Fair value £'000	31 January 2012 Balance Sheet value £'000
maturing dates of financial liabilities				
Maturity within one year	(66)	(66)	–	–
Maturity 2-3 years	–	–	(77)	(77)
Maturity 3-5 years	(20,996)	(20,996)	(21,869)	(21,869)
	(21,062)	(21,062)	(21,946)	(21,946)

17 financial instruments and risk profile continued

fair value of financial assets and financial liabilities continued

fair values are derived as follows:

– Where assets and liabilities are denominated in a foreign currency, they are converted into Sterling using year-end rates of exchange.

– Financial assets (non current and held for trading) – as set out in the accounting policies on pages 42 to 48.

– Cash and cash equivalents, bank overdraft and bank loans – at face value of the account.

– The Company's CULS – at the face value of the financial liability element of remaining CULS in issue.

The Company adopted the amendment to IFRS 7, effective 1 January 2009. This requires the Company 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 consists of the following three levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1, if they reflect actual and regularly occurring market transactions on an arms length basis.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data from investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the Balance Sheet date, without adjustment for transaction costs necessary to realise the asset.

The table below sets out fair value measurements of financial assets in accordance with the IFRS 7 fair value hierarchy system:

17 financial instruments and risk profile continued

financial assets at fair value through profit or loss
group

At 31 January 2013

	Total £'000	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Equity investments	195,102	89,471	1,460	104,171
Fixed interest investments	23,895	14,190	–	9,705
Total	**218,997**	**103,661**	**1,460**	**113,876**

At 31 January 2012

	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Equity investments	160,423	75,205	–	85,218
Fixed interest investments	2,751	–	–	2,751
Total	163,174	75,205	–	87,969

financial assets at fair value through profit or loss
company

At 31 January 2013

	Total £'000	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Equity investments	234,849	115,125	1,460	118,264
Fixed interest investments	23,895	14,190	–	9,705
Total	**258,744**	**129,315**	**1,460**	**127,969**

At 31 January 2012

	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Equity investments	195,566	95,600	–	99,966
Fixed interest investments	2,751	–	–	2,751
Total	198,317	95,600	–	102,717

17 financial instruments and risk profile continued

A reconciliation of fair value measurements in Level 3 is set out below.

level 3 financial assets at fair value through profit or loss

group

At 31 January 2013

	Total £'000	Equity investments £''000	Fixed interest investments £'000
Opening Balance	87,969	85,218	2,751
Purchases	14,835	5,723	9,112
Sales	(9,631)	(7,215)	(2,416)
Transfer into Level 3*	1,423	1,423	–
Total gains or (losses) included in gains on investments in the Statement of Comprehensive Income:			
– on assets sold	1,843	2,153	(310)
– on assets held at the end of the year	17,437	16,869	568
Closing balance	**113,876**	**104,171**	**9,705**

level 3 financial assets at fair value through profit or loss

company

At 31 January 2013

	Total £'000	Equity investments £'000	Fixed interest investments £'000
Opening Balance	102,717	99,966	2,751
Purchases	15,008	5,896	9,112
Sales	(9,631)	(7,215)	(2,416)
Transfer into Level 3*	1,423	1,423	–
Total gains or (losses) included in gains on investments in the Statement of Comprehensive Income:			
– on assets sold	1,843	2,153	(310)
– on assets held at the end of the year	16,609	16,041	568
Closing balance	**127,969**	**118,264**	**9,705**

*The transfer into Level 3 relates to a holding that was listed (in Level 1) in the prior year but there is no evidence of an active market during the year.

17 financial instruments and risk profile continued

capital management policies and procedures

The Company's capital management objectives are:

– to ensure that the Company will be able to continue as a going concern, and
– to maximise the income and capital return to its equity Shareholders through an appropriate balance of equity capital and debt. The policy is that gearing should not exceed 30% of net assets.

The Company's capital at 31 January comprises:

	2013 £'000	2012 £'000
Debt		
CULS	66	77
Equity		
Equity share capital	718	706
Retained earnings and other reserves	266,656	220,853
	267,440	221,636
Debt as a % of net assets	0.0%	0.0%

The Board, with the assistance of the Joint Managers monitor and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:
– the planned level of gearing, which takes account of the Joint Managers' views on the market;
– the need to buy back equity Shares for cancellation, which takes account of the difference between the net asset value per share and the Share price (i.e. the level of share price discount or premium);
– the need for new issues of equity Shares; and
– the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

18 related party transactions

The Joint Manager, Harwood Capital LLP, is regarded as a related party of the Company and acts as Investment Manager or Investment Adviser of the following companies in which the Company has an investment and from which companies the Joint Manager receives fees or other incentives for its services. The amounts payable to the Joint Manager are disclosed in note 3. The relationships between the Company, its Directors and the Joint Managers are disclosed in the Group Report of the Directors on pages 15 to 23.

18 related party transactions continued

The relevant companies and the annual fees receivable as derived from the last audited accounts are:

	Services	Fees
Oryx International Growth Fund Limited	Investment Advisory	£616,000
Trident Private Equity II LP	Investment Advisory	£331,000

The General Partner's profit share in respect of Trident Private Equity III LP was £1,563,000.

Christopher Mills is Chief Executive Officer and a member of Harwood Capital LLP.

As discussed previously on page 3, Kristian Siem is chairman of Siem Industries Inc. One of Siem Industries Inc's indirect wholly owned subsidiaries, Siem Kapital AS, entered into a joint venture agreement with Harwood Capital LLP to establish SINAV Limited specifically for the purpose of acquiring GTL Resources Plc. The Company has an investment in SINAV Limited.

disclosure of interests

Christopher Mills, the Chief Executive and Investment Manager is also a director of Oryx International Growth Fund Limited (Oryx).

Harwood Capital LLP is investment manager to Oryx and investment adviser to Trident Private Equity II LP and Trident Private Equity III LP and receives fees from them.

Christopher Mills is also a director of the following companies in which the Company has an investment or may have had in the year and/or from which he may receive fees or hold options or shares: Sunlink Health Systems Inc, Bionostics Holdings Limited, Hampton Investment Properties, Izodia PLC, Second London American Trust PLC (in members' voluntary liquidation), Oryx, Glass America, Inc, Progeny, Inc, Global Options, Celsis International Limited and MJ Gleeson PLC. Employees of the Joint Manager may hold options over shares in investee companies. A total of £206,000 in directors fees from these companies was received by Christopher Mills during the year under review.

No formal arrangements exist to avoid double charging on investments held by the Company which are also managed or advised by Christopher Mills (Chief Executive) and/or the Joint Manager. Members and private clients of the Joint Manager and its associates (excluding Christopher Mills) hold 414,993 shares in the Company (2012: 130,393).

Members, employees, institutional clients and private clients of the Joint Manager, Harwood Capital LLP may co-invest in the same investments as the Company.

The Hon. Peregrine Moncreiffe is a director of Crendon Industrial, in which the Company has an interest, and receives a fee of £5,000 per annum for his services.

From time to time Directors may co-invest in the same investments as the Company.

transaction with other companies in the group.

At 31 January 2013 amounts due from the Consolidated Venture Finance Limited (CVF) were £1,876,000 (2012: £775,000). Amounts due from Hampton Investment Properties Limited were £nil (2012: £480,000).

19 commitments and contingent liabilities

(i) Pursuant to an agreement executed in December 2009, the Company pledged its shares held in Glass America Inc for the benefit of Deerpath Funding LP as security against a term loan and revolving credit facility amounting to a total of $7,750,000 granted to Glass America. The pledgers in turn receive the benefit of the credit facilities.

(ii) The Company has also committed to invest £25.5m in Trident Private Equity Fund III over the forthcoming months, of which £16.5m has been drawn down to date.

directors and advisers

Directors
The Hon. Peregrine Moncreiffe (Chairman)
C H B Mills (Chief Executive)
K Siem
C L A Irby
E F Gittes

Joint Manager
Harwood Capital LLP
(*Authorised and regulated by the Financial Conduct Authority*)
6 Stratton Street,
Mayfair
London W1J 8LD
Telephone: 020 7640 3203

Financial Adviser and Stockbroker
Winterflood Investment Trusts
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Company Secretary & Registered Office
Bonita Guntrip ACIS
6 Stratton Street,
Mayfair
London W1J 8LD
Telephone: 020 7640 3203

Registrars
Capita Registrars
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Auditors
KPMG Audit Plc
15 Canada Square
London
E14 5GL

notice of annual general meeting

NOTICE IS GIVEN that the ANNUAL GENERAL MEETING of North Atlantic Smaller Companies Investment Trust PLC will be held on Wednesday 26 June 2013, at midday at 6 Stratton Street, Mayfair, London W1J 8LD for the following purposes:

ordinary business:

1. To receive and approve the Group Report of the Directors and the audited financial statements for the year ended 31 January 2013;

2. To approve the Directors' Remuneration Report;

3. To re-elect Mr E F Gittes as a Director of the Company;

4. To re-elect Mr C L A Irby as a Director of the Company;

5. To re-elect Mr C H B Mills as a Director of the Company;

6. To re-elect The Hon. Peregrine Moncreiffe as a Director of the Company;

7. To re-elect Mr K Siem as a Director of the Company;

8. To re-appoint KPMG Audit Plc as Auditor and authorise the Directors to determine its remuneration;

special business:

To consider the following resolutions of which resolutions 10, 11 and 12 will be proposed as special resolutions:

9. **ordinary resolution – renewal of Directors' authority to allot Shares**
   THAT the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities for the purposes of Section 551 of the Companies Act 2006 ("the Act") up to an aggregate nominal amount of £262,599 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the date of the passing of this resolution, except that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired and that this authority shall be in substitution for all previous authorities conferred upon the Directors pursuant to Section 551 of the Act but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.

10. **special resolution – renewal of Directors' authority for the disapplication of pre-emption rights**
    THAT, subject to and conditional upon the passing of resolution number 9 above, the Directors be empowered, pursuant to Section 570 and 573 of the Act, to allot equity securities (as defined in Section 560 of the Act) for cash as if Section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to:

(i) the allotment of equity securities in connection with a rights issue or other pro rata offer in favour of holders of Ordinary Shares where the equity securities respectively attributable to the interests of all the Ordinary Shareholders are proportionate (as nearly as may be) to the respective number of equity securities held by them subject in each case to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body; and

(ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £39,389; and shall expire at the conclusion of the Annual General Meeting of the Company after the date of the passing of this resolution except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

11. **special resolution – authority to make market purchases of Ordinary Shares**

THAT the Company be and is hereby generally and unconditionally authorised, in accordance with the Company's Articles of Association and section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares of 5p each in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the Directors may from time to time determine provided that:

(a) the maximum number of Ordinary Shares authorised to be purchased is 1,575,593;

(b) the minimum price which may be paid for an Ordinary Share is 5p (the nominal value) (exclusive of expenses (if any) payable by the Company);

(c) the maximum price which may be paid for an Ordinary Share purchased under this authority is an amount equal to the higher of (i) 105% of the average of the middle market quotations for an Ordinary Share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased and (ii) the amount stipulated by Article 5(i) of the Buy-back and Stabilisation Regulation 2003, (in each case exclusive of expenses (if any) payable by the Company); and

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution except that the Company may before such expiry make a contract or contracts to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry.

12. **special resolution – notice required for general meetings**

THAT a general meeting other than an Annual General Meeting may be called on no less than 14 clear days notice.

13. **special resolution – to amend the articles of association to authorise the use of a laser seal for use on share certificates**
THAT Article 89(c) of the Articles of Association be amended by deleting it in its entirety and replacing it with the following wording:

89 (c) A share certificate shall be issued either under seal (which may be affixed to it, printed on it or a representation of it be authentificated by laser seal on the certificate) or in such other manner having the same effect as if issued under a seal and, having regard to the provisions of the Acts and the rules and regulations applicable to any recognised investment exchange(s) to which the Company's shares are admitted (or any other stock exchange on which the Company's shares are normally traded), as the Board may approve. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be signed by any person. A share certificate shall specify the number and class of the shares to which it relates and the amount or respective amounts paid up on the shares. Any certificate so issued shall, as against the Company, be prima facie evidence of title of the person named in that certificate to the shares comprised in it.

Dated this 13 day of May 2013

By order of the Board

Bonita Guntrip ACIS
Company Secretary

Registered Office:
6 Stratton Street
Mayfair
London
W1J 8LD
Registered No. 1091347

notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of Shares in relation to which they are authorised to act as your proxy (which in aggregate should not exceed the number of Shares held by you). Please indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than forty eight hours before the time fixed for the meeting.

3. The return of a completed proxy form will not prevent a Shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

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

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

6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 6 p.m. on 24 June 2013 (or, in the event of any adjournment, 6 p.m. on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. As at 10 May 2013 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 15,755,932 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 10 May 2013 are 15,755,932.

8. Shareholders should note that it is possible that, pursuant to requests made by Shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the Shareholders who have requested any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

9. Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if to do so would interfere unduly with the formal business of the AGM or involve the disclosure of confidential information, or it is not desirable in the interest of the Company or the good order of the AGM that the question be answered.

10. Copies of the letters of appointment of the non-executive Directors are available for inspection at the Company's registered office during normal business hours from the date of this document to the date of the AGM, and at the place of the AGM from at least 15 minutes prior to the meeting and until its conclusion.

shareholder information

financial calendar

Announcement of results and annual report	May
Annual General Meeting	June
Half-Yearly results and report	September
Half-Yearly report posted	September

share price

The Company's share price can be found on:

Reuters:	convertible Loan Stock NASp.L
Bloomberg:	NAS. LN
SEAQ Ordinary Shares:	NAS
Trustnet:	www.trustnet.ltd.uk

net asset value

The latest net asset value of the Company can be found on the Harwood Capital LLP website : www.harwoodcapital.co.uk

share dealing

Investors wishing to purchase more Ordinary Shares or dispose of all or part of their holding may do so through a stockbroker. Many banks also offer this service.

The Company's registrars are Capita Registrars. In the event of any queries regarding your holding of shares, please contact the registrars on: 0871 664 0384, or by email on ssd@capitaregistrars.com

Changes of name or address must be notified to the registrars in writing at:

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

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Cover Image: "HMS 'Brunswick' breaking the line at the battle of the First of June, 1794 "
Artist: Nicholas Pocock (© National Maritime Museum, Greenwich, London)