253644

ARTEMIS ALPHA TRUST PLC
(Formerly Piccadilly Growth Trust PLC)

Unaudited Interim Accounts
For the six months ended 31 October 2003

Prepared for the purposes of Section 272 of the Companies Act 1985

Statement of Total Return (incorporating the revenue account)
for the six months to 31 October 2003

		6 months to 31 October 2003			6 months to 31 October 2002			Year to 30 April 2003		
	Notes	**Revenue £'000**	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains (losses) on investments	10	-	3,938	3,938	-	(3,757)	(3,757)	-	(3,903)	(3,903)
Exchange losses on capital items		-	(72)	(72)	-	(3)	(3)	-	(14)	(14)
Income	3	226	-	226	211	-	211	445	-	445
Investment Management fee	4	(6)	(53)	(59)	(7)	(66)	(73)	(14)	(127)	(141)
Other expenses	5	(90)	(136)	(226)	(64)	-	(64)	(126)	-	(126)
Net return on ordinary activities before finance costs and taxation		130	3,677	3,807	140	(3,826)	(3,686)	305	(4,044)	(3,739)
Interest payable and similar charges	6	(3)	(26)	(29)	(5)	(38)	(43)	(7)	(66)	(73)
Return on ordinary activities before tax		127	3,651	3,778	135	(3,864)	(3,729)	298	(4,110)	(3,812)
Tax on ordinary activities	7	(18)	-	(18)	(8)	-	(8)	(21)	-	(21)
Return on ordinary activities after tax for the financial period		109	3,651	3,760	127	(3,864)	(3,737)	277	(4,110)	(3,833)
Dividends in respect of equity shares	8	(130)	-	(130)	(130)	-	(130)	(261)	-	(261)
Transfer to / (from) reserves		(21)	3,651	3,630	(3)	(3,864)	(3,867)	16	(4,110)	(4,094)
Return per ordinary share	9	0.84 p	27.98 p	28.82 p	0.97 p	(29.61) p	(28.64) p	2.12 p	(31.49) p	(29.37) p

Balance Sheet
as at 31 October 2003

	Notes	As at 31 October 2003 £'000	As at 31 October 2002 £'000	As at 30 April 2003 £'000
Fixed assets				
Investments	10	**14,383**	10,974	8,102
Investment in subsidiary undertaking	11	**-**	-	-
		14,383	10,974	8,102
Current assets				
Debtors	12	**650**	144	682
Cash at bank		**509**	24	999
		1,159	168	1,681
Creditors: amounts falling due within one year	13	**2,440**	1,810	678
Net current (liabilities) / assets		**(1,281)**	(1,642)	1,003
Total net assets		**13,102**	9,332	9,105
Capital and reserves				
Called up share capital	14	**130**	130	130
Share premium account	15	**8,208**	8,208	8,208
Capital redemption reserve	15	**2**	2	2
Warrant reserve	15	**367**	-	-
Capital reserve - realised	15	**2,095**	4,463	1,577
- unrealised	15	**2,291**	(3,482)	(842)
Revenue reserve	15	**9**	11	30
Equity shareholders' funds		**13,102**	9,332	9,105

These unaudited interim accounts were approved by the Directors on 7 January 2004 and were signed on their behalf by:

S E C Miller
Chairman

The notes on the following pages form part of these interim accounts.

Notes to the financial statements
as at 31 October 2003

1. INTERIM ACCOUNTS

These interim accounts have been prepared for the purposes of Section 272 of the Companies Act 1985 and do not constitute statutory accounts.

2. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of fixed asset investments, and in accordance with applicable accounting standards and with the Statement of Recommended Practice regarding the Financial Statements of Investment Trust Companies ("SORP").

The principal accounting policies which the Directors have adopted within the convention are set out below:

Income
Dividend and other investment income is included in revenue when the investments concerned are quoted 'ex-dividend'. UK dividend income is included net of any associated tax credit. French dividend income is included net of any associated Avoir Fiscal. Income arising on holdings of fixed income securities is recognised on a time apportionment basis so as to reflect the effective yield on that security.

Underwriting commission and interest receivable is included on an accruals basis.

Management fees and finance costs
With effect from 1 May 2002 the Company has allocated its management fees and finance costs in the ratio 90:10 to the capital reserve and revenue account respectively, in line with the Board's estimated split of long-term returns from the investment portfolio. For the year ending 30 April 2003, costs incurred in relation to the change of investment manager have also been allocated in the same ratio. All other expenses have been allocated in full to the revenue account.

Investments
Listed investments are included in the balance sheet at mid-market value at close of business on the balance sheet date. Realised gains and losses arising on the disposal of investments are taken to the realised capital reserve. Any unrealised gains and losses arising on portfolio revaluation at the period end are taken to the unrealised capital reserve.

Foreign currency transactions
Transactions involving foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction or at the forward exchange rate where the transaction is covered by a forward contract.

Exchange gains and losses relating to investments are taken to the capital reserve. Assets and liabilities denominated in foreign currency are translated to sterling at the rate of exchange ruling at the balance sheet date or at the forward exchange rate if applicable. Realised and unrealised exchange gains or losses on non-capital assets or liabilities are taken to the revenue account in the year in which they arise.

Taxation
The charge for taxation takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard No. 19: Deferred Tax.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates using the Company's overall effective rate of tax for the accounting period.

Notes to the financial statements (continued)
as at 31 October 2003

3. INCOME

	Six months to 31 October 2003 £'000	*Six months to 31 October 2002 £'000*	*Year to 30 April 2003 £'000*
Income from investments			
UK dividend income	**166**	106	221
Overseas unfranked investment income	**54**	103	219
	220	209	440
Other income			
Underwriting commission	**-**	1	1
Bank interest	**6**	1	4
	226	211	445
Total income comprises			
Dividends	**220**	209	440
Interest	**6**	1	4
Other income/dealing profits	**-**	1	1
	226	211	445
Income from investments			
Listed UK	**166**	86	181
Unlisted UK	**-**	20	40
Listed overseas	**54**	103	219
	220	209	440

4. INVESTMENT MANAGEMENT FEE

	Six months to 31 October 2003			*Six months to 31 October 2002*			*Year to 30 April 2003*		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**5**	**45**	**50**	6	56	62	12	108	120
VAT thereon	**1**	**8**	**9**	1	10	11	2	19	21
	6	**53**	**59**	7	66	73	14	127	141

5. OTHER EXPENSES

	Six months to 31 October 2003			Six months to 31 October 2002			Year to 30 April 2003		
	Revenue *£'000*	**Capital *£'000***	**Total *£'000***	Revenue *£'000*	Capital *£'000*	Total *£'000*	Revenue *£'000*	Capital *£'000*	Total *£'000*
Secretarial fees	**6**	**-**	**6**	5	-	5	11	-	11
Auditors' remuneration	**8**	**-**	**8**	8	-	8	11	-	11
Directors' remuneration	**25**	**-**	**25**	21	-	21	42	-	42
Other	**51**	**136**	**187**	30	-	30	62	-	62
	90	**136**	**226**	64	-	64	126	-	126

Notes to the financial statements (continued)
as at 31 October 2003

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Six months to 31 October 2003			Six months to 31 October 2002			Year to 30 April 2003		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Overdraft interest	**-**	**2**	**2**	-	1	1	-	1	1
Interest repayable on loans *within one year*	**2**	**20**	**22**	4	32	36	6	56	62
Loan utilisation and arrangement fees	**1**	**4**	**5**	1	5	6	1	9	10
	3	**26**	**29**	5	38	43	7	66	73

7. TAX ON ORDINARY ACTIVITIES

	Six months to 31 October 2003 £'000	Six months to 31 October 2002 £'000	Year to 30 April 2003 £'000
Overseas taxation suffered	**18**	8	21
	18	8	21

Taxation for the year is charged wholly to the revenue account in accordance with the policy set out in note 1.

The current tax charge for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	Six months to 31 October 2003 £'000	Six months to 31 October 2002 £'000	Year to 30 April 2003 £'000
Revenue on ordinary activities before taxation	**127**	135	298
Theoretical tax at UK corporation tax rate of 30%	**38**	41	89
Effects of:			
- UK dividends that are not taxable	**(50)**	(32)	(66)
- Expenses in excess of taxable income	**(15)**	(9)	(23)
- Irrecoverable overseas tax	**18**	8	21
- Disallowed expenses	**30**	-	-
- Tax relief on overseas tax suffered	**(3)**	-	-
	18	8	21

8. DIVIDENDS IN RESPECT OF EQUITY SHARES

	Six months to 31 October 2003 £'000	Six months to 31 October 2002 £'000	Year to 30 April 2003 £'000
Interim dividend of 1p per share (2002: 1p)	**130**	130	130
Final dividend of 1p per share (2002: 1p)	**-**	-	131
	130	130	261

Notes to the financial statements (continued)
as at 31 October 2003

9. RETURN PER ORDINARY SHARE

	Six months to 31 October 2003			Six months to 31 October 2002			Year to 30 April 2003		
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Basic	0.84	27.98	28.82	0.97	(29.61)	(28.64)	2.12	(31.49)	(29.37)

Revenue return per ordinary share is based on the net revenue on ordinary activities after tax of £109,000 (October 2002: £127,000; April 2003: £277,000) and on 13,049,698 (October 2002 and April 2003: 13,049,698) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

Capital return per ordinary share is based on net capital gains for the period of £3,651,000 (October 2002: losses of £3,864,000; April 2003: losses of £4,110,000) and on 13,049,698 (October 2002 and April 2003: 13,049,698) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

10. INVESTMENTS

	31 October 2003 £'000	31 October 2002 £'000	30 April 2003 £'000
Fixed asset investments			
Overseas listed investments	996	7,129	5,604
UK listed investments	13,387	3,845	2,498
	14,383	10,974	8,102

All listed investments are of equity shares in quoted companies.

Analysis of investment portfolio movements	31 October 2003 £'000
Opening book cost	8,944
Opening unrealised depreciation	(842)
Opening valuation	8,102
Movements in year:	
Purchases at cost	18,943
Sales - proceeds	(16,600)
- realised gains on sales	805
Decrease in unrealised depreciation	3,133
Closing valuation	14,383
Closing book cost	12,092
Closing unrealised appreciation	2,291
	14,383

Analysis of capital gains and losses

	31 October 2003 £'000	31 October 2002 £'000	30 April 2003 £'000
Realised gains/(losses) on sales	805	(430)	(3,216)
Decrease/(increase) in unrealised depreciation	3,133	(3,327)	(687)
	3,938	(3,757)	(3,903)

Notes to the financial statements (continued)
as at 31 October 2003

11. INVESTMENT IN SUBSIDIARY UNDERTAKING
The company has the following subsidiary undertaking, which is valued at cost:

	% of ordinary share capital held	Principal activity	Country of incorporation and operation
Piccadilly Growth Trading Limited	100	Investment dealing	Great Britain

12. DEBTORS

	31 October 2003 £'000	31 October 2002 £'000	30 April 2003 £'000
Amounts due from brokers	**526**	-	514
Prepayments and accrued income	**65**	46	94
Taxation recoverable	**9**	28	24
Amounts due from subsidiary undertaking	**25**	20	-
Amounts due from the liquidator of KHSFC	**25**	50	50
	650	144	682

At 31 *October 2003 an amount of £25,000 was due from the liquidator of* KHSFC *Limited following the scheme for the* reconstruction of that company (October 2002 and April 2003: £50,000). It is anticipated that this will be received upon the conclusion of the liquidation.

13. CREDITORS - amounts falling due within one year

	31 October 2003 £'000	31 October 2002 £'000	30 April 2003 £'000
Bank loan	**2,000**	1,550	450
Amounts due to subsidiary undertaking	**1**	41	1
Amounts due to brokers	**190**	-	-
Accruals	**104**	74	81
Proposed dividend	**130**	130	131
Share issue costs	**15**	15	15
	2,440	1,810	678

On 6 August 2001, *the Company entered into an agreement whereby* Allied Irish Banks PLC *agreed to make available to* the Company a committed 364 day multi-currency revolving credit facility for up to £3.5 million. This was increased to £4.8 million on 12 December 2003 by agreement with the Bank. The directors have currently authorised draw-down of the full facility. At 31 October 2003, £2 million of this facility had been drawn-down (30 April 2003: £450,000; 31 October 2002: £1,550,000).

Notes to the financial statements (continued)
as at 31 October 2003

14. CALLED UP SHARE CAPITAL

	31 October 2003 £'000	31 October 2002 £'000	30 April 2003 £'000
Authorised:			
17,399,597 ordinary shares of 1p each (30 April 2003 and 31 October 2002: 17,399,597)	**174**	174	174
Allotted, issued and fully paid			
13,049,698 ordinary shares of 1p each (30 April 2003 and 31 October 2002: 13,049,698)	**130**	130	130

15. RESERVES

	Share premium account £'000	Capital redemption reserve £'000	Warrant Reserve £'000	Capital reserve-realised £'000	Capital reserve-unrealised £'000	Revenue Reserve £'000
Balance at 1 May 2003	8,208	2	-	1,577	(842)	30
Issue of warrants	-	-	367	-	-	-
Decrease in unrealised depreciation before transfer on disposal	-	-	-	-	2,377	-
Transfer on disposal of investments	-	-	-	(756)	756	-
Net gain on realisation of investments	-	-	-	1,561	-	-
Exchange losses on capital items	-	-	-	(72)	-	-
Costs charged to capital	-	-	-	(215)	-	-
Retained net profit for the period	-	-	-	-	-	(21)
Balance at 31 October 2003	***8,208***	**2**	***367***	***2,095***	***2,291***	***9***

16. COMPARATIVE FIGURES

The accounting information for the year to 30 April 2003 is abridged from the full accounts for that year, which received an unqualified report from the auditors and have been filed with the Registrar of Companies.