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ARTEMIS ALPHA TRUST PLC

Section 272 Accounts

For the year ended 30 April 2005

Statement of Total Return (incorporating the revenue account)
for the year ended 30 April 2005

	Notes	Year to 30 April 2005 Revenue £'000	Year to 30 April 2005 Capital £'000	Year to 30 April 2005 Total £'000	Year to 30 April 2004 Revenue £'000	Year to 30 April 2004 Capital £'000	Year to 30 April 2004 Total £'000
Gains / (losses) on investments	9	-	19,446	19,446	-	11,643	11,643
Exchange losses on capital items		-	(13)	(13)	-	(83)	(83)
Income	2	1,062	-	1,062	567	-	567
Investment Management fee	3	(44)	(389)	(433)	(21)	(190)	(211)
Other expenses	4	(301)	(60)	(361)	(260)	(120)	(380)
Net return on ordinary activities before *finance costs and taxation*		*717*	*18,984*	*19,701*	*286*	*11,250*	*11,736*
Interest payable and similar charges	5	(42)	(374)	(416)	(11)	(102)	(113)
Return on ordinary activities before tax		675	18,610	19,285	275	11,148	11,623
Tax on ordinary activities	6	(19)	-	(19)	(18)	-	(18)
Return on ordinary activities after tax for the financial year		656	18,610	19,266	257	11,148	11,605
Dividends paid and proposed in respect of equity shares	7	(642)	-	(642)	(261)	-	(261)
Transfer to / (from) reserves		14	18,610	18,624	(4)	11,148	11,344
Return per ordinary share	8	2.12 p	60.20 p	62.32 p	1.20 p	52.17 p	53.37 p

Balance Sheet
as at 30 April 2005

	Notes	As at 30 April 2005 £'000	As at 30 April 2004 £'000
Fixed assets			
Investments	9	**74,416**	39,742
Investments in subsidiary undertakings	10	**7,020**	-
Current assets			
Debtors	11	**837**	878
Cash at bank		**-**	4,795
		837	5,673
Creditors: amounts falling due within one year	12	**(18,184)**	(6,192)
Net current liabilities		**(17,347)**	(519)
Total net assets		**64,089**	39,223
Capital and reserves			
Called up share capital	13	**333**	306
Share premium account	14	**23,912**	18,431
Capital redemption reserve	14	**2**	2
Warrant reserve	14	**1,101**	367
Capital reserve - realised	14	**13,115**	4,655
- unrealised	14	**17,378**	7,228
Special Reserve	14	**8,208**	8,208
Revenue reserve	14	**40**	26
Equity shareholders' funds		**64,089**	39,223

These financial statements were approved by the Board of Directors and signed on its behalf on 11 August 2005 by

David Barron
Director

Notes to the financial statements
as at 30 April 2005

1. 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 issued in 2003. ("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 are included on an accruals basis.

Expenses and finance costs
All expenses are accounted for on an accrual basis. Expenses are charged through the revenue account except where incurred in connection with the maintenance or enhancement of the value of the Company's assets and taking account of the expected long term returns as follows:
- Interest payable on the term bank loan is allocated 10% to revenue and 90% to capital.
- Management fees and certain other expenses payable have been allocated 10% to revenue and 90% to capital.

Investments
Listed investments are included in the balance sheet at mid-market value at close of business on the balance sheet date. Unlisted investments are valued at a valuation determined by the Directors. where a dealing facility exists and apply a discount if considered appropriate. Where no dealing facility exists the factors to which the Directors have regard include, interalia, the earnings record and growth prospects of the security, the ratings of comparable listed companies, the yield on the security, where appropriate, and any recent transactions. 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 year 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 and 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 30 April 2005

2. INCOME

	Year to 30 April 2005 £'000	Year to 30 April 2004 £'000
Income from investments		
UK dividend income	**851**	452
Overseas unfranked investment income	**155**	65
	1,006	517
Other income		
Underwriting commission	**16**	-
Bank interest	**40**	50
	1,062	567
Total income comprises		
Dividends	**1,006**	517
Interest	**40**	50
Other income	**16**	-
	1,062	567
Income from investments		
Listed UK	**851**	452
Listed overseas	**155**	65
	1,006	517

3.INVESTMENT MANAGEMENT FEE

	Year to 2005 Revenue £'000	Capital £'000	Total £'000	Year to 2004 Revenue £'000	Capital £'000	Total £'000
Investment Management fee	**38**	**339**	**377**	18	162	180
Irrecoverable VAT thereon	**6**	**50**	**56**	3	28	31
	44	**389**	**433**	21	190	211

4. OTHER EXPENSES

	Year to 2005 Revenue £'000	Capital £'000	Total £'000	Year to 2004 Revenue £'000	Capital £'000	Total £'000
Secretarial fees	**15**	**-**	**15**	16	-	16
Auditor's remuneration for:						
Audit services	**13**	**-**	**13**	14	-	14
Non audit services	**-**	**14**	**14**	3	14	17
Directors' remuneration	**66**	**-**	**66**	54	-	54
Other	**207**	**46**	**253**	173	106	279
	301	**60**	**361**	260	120	380

Notes to the financial statements (continued)
as at 30 April 2005

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 30 April 2005			Year to 30 April 2004		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Overdraft interest	**2**	**16**	**18**	-	2	2
Loan interest payable	**40**	**357**	**397**	10	89	99
Loan utilisation and arrangement fees	**-**	**1**	**1**	1	11	12
	42	**374**	**416**	11	102	113

6. Tax on Ordinary Activities

	Year to 30 April 2005 £'000	Year to 30 April 2004 £'000
Overseas taxation suffered	**19**	18

Taxation for the year is charged wholly to the revenue account in accordance with the policy set out in note1.

(a) Factors affecting the current tax charge
The tax assessed on the net profit of the year is lower than the standard rate of corporation tax of 30%. (2004:30%). The differences are reconciled below:

	Year to 30 April 2005 £'000	Year to 30 April 2004 £'000
Profit on ordinary activities before taxation	**675**	275
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	***203***	*82*
UK dividends not taxable	**(255)**	(136)
Excess expenses of year	**281**	143
Tax relief on capitalised expenses	**(229)**	(123)
Irrecoverable overseas tax	**19**	18
Disallowed expenses	**-**	27
Income taxable in different periods	**-**	10
Tax relief on overseas tax	**-**	(3)
Current year tax charge	**19**	18

7. Dividends Paid and Proposed

	Year to 30 April 2005 £'000	Year to 30 April 2004 £'000
First interim dividend paid of 1p per ordinary share (2004: 1.0p)	**306**	130
Second interim dividend proposed of 1.1p per ordinary share (2004: 1.0p)	**336**	131
	642	261

Notes to the financial statements (continued)
as at 30 April 2005

8. RETURN PER ORDINARY SHARE

	Year to 30 April 2005			Year to 30 April 2004		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Basic	2.12	60.20	62.32	1.20	52.17	53.37

The revenue return per ordinary share is based on the net revenue on ordinary activities after tax of £656,000(2004: £257,000) and on 30,914,756 (2004: 19,616,622) ordinary shares, being the weighted average number of ordinary shares in issue during the year. Capital return per ordinary share is based on net capital gains for the year of £18,610,000(2004: gains of £11,148,000) and on 30,914,756 (2004: 19,616,622) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

9. INVESTMENTS

	30-Apr-05	30-Apr-04
	£'000	£'000
Fixed asset investments		
Overseas listed investments	**7,706**	9,467
UK listed investments	**58,387**	30,275
UK Fixed Interest	**1,047**	-
Unlisted investments	**14,296**	-
	81,436	39,742

All listed investments are of equity shares in quoted companies.

Analysis of investment portfolio movements	**2005**
	£'000
Opening book cost	**32,514**
Opening unrealised depreciation	**7,228**
Opening valuation	**39,742**
Movements in year:	
Purchases at cost	**63,175**
Sales - proceeds	**(40,927)**
- realised gains on sales	**9,296**
Increase in unrealised appreciation	**10,150**
Closing valuation	**81,436**
Closing unrealised appreciation	**17,378**
	17,378

Analysis of capital gains and losses-Company and Group

	2005	2004
	£'000	£'000
Realised gains / (losses) on sales	**5,029**	4,443
Previously recognised as unrealised	**4,267**	(870)
Realised gains/(losses) for the year	**9,296**	3,573
Increase / in unrealised appreciation	**10,150**	8,070
Gains/(losses) on investments	**19,446**	11,643

Notes to the financial statements (continued)
as at 30 April 2005

10. INVESTMENT IN SUBSIDIARY UNDERTAKING

The Company has the following subsidiary undertakings, which are valued at cost.

	% of ordinary share capital held	Principal activity	Country of incorporation and operation
Alpha Securities Trading Limited	100	Investment dealing	England
DMWS 504 Limited	100	Holding Company	Scotland

11. DEBTORS

	30 April 2005 £'000	30 April 2004 £'000
Amounts due from brokers	**716**	714
Prepayments and accrued income	**112**	160
Taxation recoverable	**6**	2
Amounts due from subsidiary	**-**	1
Other debtors	**3**	1
	837	878

12. CREDITORS - amounts falling due within one year

	30 April 2005 £'000	30 April 2004 £'000
Bank loan	**11,500**	4,800
Overdrafts	**1,503**	-
Amounts due to subsidiary undertaking	**4,490**	1
Amounts due to brokers	**-**	1,043
Accruals	**354**	217
Proposed dividend	**337**	131
	18,184	6,192

On 6 August 2001, the Company entered into a facility whereby Allied Irish Banks, plc agreed to make available to the Company a committed 364 day multi-currency revolving credit facility for up to £4.8 million. At 30 April 2004 the drawdown amount under this facility authorised by the Directors was £4.8 million. On 28 June 2004, the company repaid the outstanding balances of £4.8 million to Allied Irish Banks plc. An amount of £4.8 million was then drawndown from The Royal Bank of Scotland plc under a new multi - currency revolving credit facility for up to £6.8 million. This facility was extended to £9.8 million on 24 January 2005 and £11.5 million on 14 February 2005. At 30 April 2005 the drawdown amount authorised by the Directors was £11.5 million.

Notes to the financial statements (continued)
as at 30 April 2005

13. CALLED UP SHARE CAPITAL

	30 April 2005 £'000	30 April 2004 £'000
Authorised:		
60,000,000 ordinary shares of 1 penny each (2004: 60,000,000)	**600**	600
Allotted, issued and fully paid		
33,320,799 ordinary shares of 1 penny each (2004: 30,593,452)	**333**	306

Shares issued during the year

	Number	£'000
Shares in issue on 1 May 2004	30,593,452	306
Shares issued on 18 March 2005	2,727,347	27
Shares in issue on 30 April 2005	**33,320,799**	**333**

14. RESERVES

	Share premium account £'000	Capital redemption reserve £'000	Warrant Reserve £'000	Capital reserve-realised £'000	Capital reserve-unrealised £'000	Special Reserve £'000	Revenue Reserve £'000
Balance at 1 May 2004	18,431	2	367	4,655	7,228	8,208	26
Issue of warrants	-	-	734	-	-	-	-
Issue of shares	5,493	-	-	-	-	-	-
Expenses of share issue	(12)	-	-	(60)	-	-	-
Increase in unrealised appreciation	-	-	-	-	14,417	-	-
Transfer on disposal of investments	-	-	-	4,267	(4,267)	-	-
Net gain on realisation of investments	-	-	-	5,029	-	-	-
Exchange losses on capital items	-	-	-	(13)	-	-	-
Costs charged to capital	-	-	-	(763)	-	-	-
Retained net profit for the year	-	-	-	-	-		14
Balance at 30 April 2005	**23,912**	**2**	**1,101**	**13,115**	**17,378**	**8,208**	**40**

15. COMPARATIVE FIGURES

The accounting information for the year to 30 April 2004 is abridged form the full accounts for that year, which received an unqualified report from the auditors and have been filed with the Registrar of Companies