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ARTEMIS ALPHA TRUST PLC

Section 272 Interim Accounts

For the six months ended 31 October 2005

Income Statement
for the six months ended 31 October 2005

		6 months ended 31 October 2005			6 months ended 31 October 2004 (restated - see note 2)			Year ended 30 April 2005 (restated - see note 2)		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains / (losses) on investments		-	(3,178)	(3,178)	-	5,319	5,319	-	19,876	19,876
Exchange loss		-	(37)	(37)	-	(17)	(17)	-	(13)	(13)
Investment Income		596	-	596	480	-	480	1,046	-	1,046
Other Income		-	-	-	16	-	16	16	-	16
		596	(3,215)	(2,619)	496	5,302	5,798	1,062	19,863	20,925
Expenses										
Management fees		(28)	(249)	(277)	(18)	(161)	(179)	(44)	(389)	(433)
Other operating expenses		(164)	-	(164)	(147)	-	(147)	(301)	(60)	(361)
Finance Costs		(34)	(305)	(339)	(15)	(138)	(153)	(42)	(374)	(416)
		(226)	(554)	(780)	(180)	(299)	(479)	(387)	(823)	(1,210)
Profit / (loss) before taxation		370	(3,769)	(3,399)	316	5,003	5,319	675	19,040	19,715
Taxation		-	-	-	(9)	-	(9)	(19)	-	(19)
Profit / (loss) for the period		370	(3,769)	(3,399)	307	5,003	5,310	656	19,040	19,696
Earnings per ordinary share	3	1.11 p	(11.31) p	(10.20) p	1.00 p	16.35 p	17.36 p	2.12 p	61.59 p	63.71 p

Balance Sheet
as at 31 October 2005

	Note	**As at 31 October 2005 £'000**		As at 31 October (restated - see note 2) 2004 £'000	As at 30 April (restated - see note 2) 2005 £'000
Non-current assets					
Investments		**69,660**		50,211	74,238
Investments in subsidiary undertakings		**7,888**	Section 2	497	7,708
		77,548		50,708	81,946
Current assets					
Cash and cash equivalents		**3,178**		1,027	-
Amounts due from subsidiary undertakings		**379**		321	-
Due from brokers		**-**		168	716
Trade and other receivables		**237**		159	121
		3,794		1,675	837
Current liabilities					
Payable to brokers		**(1,096)**		(48)	-
Bank loan		**(11,500)**		(4,800)	(11,500)
Amounts due to subsidiary undertakings		**(7,255)**		-	(4,490)
Other payables		**(291)**		(2,188)	(1,858)
		(20,142)		(7,036)	(17,848)
Net current liabilities		**(16,348)**		(5,361)	(17,011)
Net assets		**61,200**		45,347	64,935
Equity					
Called up share capital		**333**		306	333
Share premium account		**23,912**		18,431	23,912
Special Reserve		**8,208**		8,208	8,208
Warrant reserve		**1,101**		1,101	1,101
Capital redemption reserve		**2**		2	2
Retained earnings	5	**27,644**		17,299	31,379
Equity shareholders' funds		**61,200**		45,347	64,935

These financial statements were approved by the Board of Directors and signed on its behalf
on ~~xxx~~ 31st January 2006 by

DIRECTOR
DAVID J. BARRON

Statement of Changes in Equity
For the six months ended 31 October 2005

For six months ended 31 October 2005

	Share capital	Share premium	Special reserve	Warrant reserve	Capital redemption reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net assets at 30 April 2005 (as restated see note 2)	333	23,912	8,208	1,101	2	31,379	64,935
Dividends paid and declared	-	-	-	-	-	(336)	(336)
Net loss on ordinary activities after taxation	-	-	-	-	-	(3,399)	(3,399)
Net assets at 31 October 2005	333	23,912	8,208	1,101	2	27,644	61,200

For six months ended 31 October 2004

	Share capital	Share premium	Special reserve	Warrant reserve	Capital redemption reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net assets at 30 April 2004 (as restated see note 2)	306	18,431	8,208	367	2	12,120	39,434
Issue of warrants	-	-	-	734	-	-	734
Dividends paid and declared	-	-	-	-	-	(131)	(131)
Net profit on ordinary activities after taxation	-	-	-	-	-	5,310	5,310
Net assets at 31 October 2004	306	18,431	8,208	1,101	2	17,299	45,347

For year ended 30 April 2005

	Share capital	Share premium	Special reserve	Warrant reserve	Capital redemption reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net assets at 30 April 2004 (as restated see note 2)	306	18,431	8,208	367	2	12,120	39,434
Issue of warrants	-	-	-	734	-	-	734
Issue of shares	27	5,493	-	-	-	-	5,520
Expense of share issues	-	(12)	-	-	-	-	(12)
Dividends paid and declared	-	-	-	-	-	(437)	(437)
Net profit on ordinary activities after taxation	-	-	-	-	-	19,696	19,696
Net assets at 30 April 2005	333	23,912	8,208	1,101	2	31,379	64,935

Notes to the Financial Statements

1 Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Reporting Interpretations Committee of the IASB (IFRIC).

These are the Company's first financial statements prepared in accordance with IFRS and IFRS1. First Time Adoption has been applied. Previously the financial statements were prepared in accordance with UK Generally Accepted Accounting Principles (UK GAAP) including the Statement of Recommended Practice "Financial Statements of Investment Trust Companies." UK GAAP differs in certain respects from IFRS. In preparing the IFRS financial statements under IFRS, the Directors have amended certain accounting and valuation methods applied under UK GAAP.

Reconciliations concerning the transition to IFRS are shown in note 2.

(a) Basis of preparation

These interim financial statements have been prepared on the basis of the recognition and measurement requirements of IFRS in issue that either are adopted by the EU and effective (or available for early adoption) or are expected to be adopted and effective (or available for early adoption) at 30th April 2006.

The interim financial statements are prepared on an historical cost basis, except for the measurement at fair value of investments and derivative instruments.

(b) Investments

Investments are all held at fair value through profit or loss. Listed investments are measured initially at cost, and are recognised at trade date.

For financial assets acquired, the cost is the fair value of the consideration. Subsequent to initial recognition, all listed investments are measured at their quoted bid prices without deduction for the estimated future selling costs. Unlisted investments are valued by the directors using primary valuation methodologies such as earnings multiples, recent transactions and net assets. Where fair value cannot reliably be measured the investment will be carried at the previous reporting date value unless there is evidence that the investment has since been impaired. In such cases the value will be reduced to reflect the estimated extent of impairment.

Assets are derecognised at the trade date of the disposal. Proceeds will be measured at fair value which will be regarded as the proceeds of sale less any transaction costs.

(c) Movements in fair value

Changes in the fair value of all held-at-fair-value assets are taken to the Income Statement. On disposal, realised gains and losses are also recognised in the Income Statement.

(d) Income

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available dividends receivable on or before the year end are treated as revenue for the year. Provision is made for any dividends not expected to be received.

Income from fixed interest securities is recognised on an effective yield basis.

Interest receivable from cash and short term deposits and interest payable is recognised on an accruals basis.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses have been charged to the revenue column in the income statement except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital.

- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. As a result management fees and finance costs are allocated on the basis of 10% to revenue and 90% to capital.

(f) Taxation

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted.

(g) Dividends payable

Dividends are recognised from the date on which they are irrevocably committed to payment.

(h) Foreign currency translation

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated into Sterling at the rate ruling on the balance sheet date. Foreign exchange differences arising on translation are recognised in the income statement.

Notes to the financial statements (continued)

2. *Transition to IFRS Reconciliation*

a) Reconciliation of Equity at 31 October 2004

At 1 May 2004 the Company adopted International Financial Reporting Standards.
In accordance with IFRS 1 First Time Adoption of Financial Reporting Standards, the following are *reconciliations of the figures previously reported under the applicable UK Accounting Standards.*

	Notes	Previously reported 31 October 2004 £'000	IFRS Adjustments £'000	Restated 31 October 2004 £'000
Fixed assets				
Investments	(i)	50,323	(112)	50,211
Investments in subsidiary undertakings	(ii)	-	497	497
Current assets		1,675	-	1,675
Creditors : amounts falling due within one year	(iii)	(7,342)	306	(7,036)
Total assets less current liabilities		44,656	691	45,347
Capital and reserves				
Called up share capital		306	-	306
Share premium		18,431	-	18,431
Special reserve		8,208	-	8,208
Warrant reserve		1,101	-	1,101
Capital redemption reserve		2	-	2
Capital reserve - realised	(iv)	*8,794*	*(8,794)*	-
Capital reserve - unrealised	(iv)	7,787	(7,787)	-
Revenue reserve / Retained earnings	(iv)	27	17,272	17,299
		44,656	691	45,347
Net Asset Value per Ordinary share		145.97	2.25	148.22

b) Reconciliation of the Statement of Total Return to the Income Statement for the six months ended 31 October 2004

Under IFRS the Income Statement is the equivalent of the Statement of Total Return as reported previously.

	£000
Total transfer to reserve per Statement of Total Return	4,699
Add back dividends on ordinary shares	306
Change from mid to bid basis at 30 April 2004	143
Change from mid to bid basis at 31 October 2004	(112)
Change in valuation of investment in subsidiary at 30 April 2004	(223)
Change in valuation of investment in subsidiary at 31 October 2004	497
Net gain per Income Statement	5,310

c) **Reconciliation of Equity at 30 April 2005**

		Previously reported 30 April 2005 £'000	IFRS Adjustments £'000	Restated 30 April 2005 £'000
Fixed assets				
Investments	(i)	74,416	(178)	74,238
Investments in subsidiary undertakings	(ii)	7,020	688	7,708
Current assets		837	-	837
Creditors : amounts falling due within one year	(iii)	(18,184)	336	(17,848)
Total assets less current liabilities		64,089	846	64,935
Capital and reserves				
Called up share capital		333	-	333
Share premium		23,912	-	23,912
Special reserve		8,208	-	8,208
Warrant reserve		1,101	-	1,101
Capital redemption reserve		2	-	2
Capital reserve - realised	(iv)	13,115	(13,115)	-
Capital reserve - unrealised	(iv)	17,378	(17,378)	-
Revenue reserve / Retained earnings	(iv)	40	31,339	31,379
		64,089	846	64,935
Net Asset Value per Ordinary share		193.38	1.50	194.88

d) Reconciliation of the Statement of Total Return to the Income Statement for the year ended 30 April 2005

Under IFRS the Income Statement is the equivalent of the Statement of Total Return as reported previously.

	£000
Total transfer to reserve per Statement of Total Return	18,624
Add back dividends on ordinary shares	642
Change from mid to bid basis at 30 April 2004	143
Change from mid to bid basis at 30 April 2005	(178)
Change in valuation of investment in subsidiary at 30 April 2004	(223)
Change in valuation of investment in subsidiary at 30 April 2005	688
Net gain per Income Statement	19,696

e) Reconciliation of Equity at 30 April 2004

	Notes	Previously reported 30 April £'000	IFRS Adjustments £'000	Restated 30 April 2004 £'000
Fixed assets				
Investments	(i)	39,742	(143)	39,599
Investments in subsidiary undertakings	(ii)	-	223	223
Current assets		5,673		5,673
Creditors : amounts falling due within one year	(iii)	(6,192)	131	(6,061)
Total assets less current liabilities		39,223	211	39,434
Capital and reserves				
Called up share capital		306	-	306
Share premium		18,431	-	18,431
Special reserve		*8,208*	-	*8,208*
Warrant reserve		367	-	367
Capital redemption reserve		2	-	2
Capital reserve - realised	(iv)	4,655		4,655
Capital reserve - unrealised	(iv)	7,228	80	7,308
Revenue reserve / Retained earnings	(iv)	26	131	157
		39,223	211	39,434
Net Asset Value per Ordinary share		128.86	0.04	128.90

Notes to the reconciliations

(i) Investments are all classified as held-at-fair-value under IFRS and are carried at bid prices which equates to their fair value. They were previously carried at mid prices.The resultant difference is included in retained earnings.

(ii) Investments in subsidiaries are classified as held-at-fair-value under IFRS and are carried at fair value based on the bid prices of of the underlying investments. They were previously carried at cost. The resultant difference is included in retained earnings.

(ii) No provision has been made for the dividends relating to the period ends as these were not declared until after the balance sheet date. Under IFRS the dividend is not recognised until paid. This is therefore added to retained earnings.

(iv Under IFRS there is no distinction between capital and revenue gains / losses. The previous headings of "Capital reserve - realised" and "Capital Reserve - unrealised " are now included under the heading retained earnings.

Notes to the financial statements (continued)

3. Return Per Ordinary Share

	Six months ended 31 October 2005			Six months ended 31 October 2004			Year ended 30 April 2005		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total	Revenue	Capital	Total
Basic	1.11	(11.31)	(10.20)	1.00	16.35	17.36	2.12	61.59	63.71

The revenue return per ordinary share is based on the net revenue on ordinary activities after tax of £370,000(October 2004: £307,000, April 2005: £656,000) and on 33,320,799 (October 2004: 30,593,452 and April 2005: 30,914,756) 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 loss for the period of £3,769,000(October 2004: gains of £5,003,000, April 2005: gains of £19,040,000) and on 33,320,799 (October 2004: 30,593,452 and April 2005: 30,914,756) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

4. Interim dividend

	Six months ended 31 October 2005 £'000	Six months ended 31 October 2004 £'000	Year ended 30 April 2005 £'000
Ordinary dividends on equity shares:			
Second interim dividend for year ended 30 April 2004 - 1.0p	-	131	131
First interim dividend for year ended 30 April 2005 - 1.0p	-	-	306
Second interim dividend for year ended 30 April 2005 - 1.1p	336	-	-
	336	131	437

A first interim dividend for the year ended 30 April 2006 of £333,000 (1.0p per Ordinary share) has been declared.This will be paid on 3 February 2006.

5. Analysis of Retained Earnings

	31 October 2005 £'000	31 October 2004 £'000	30 April 2005 £'000
Capital reserve - realised	**15,531**	8,794	13,115
Capital reserve - unrealised	**11,703**	8,172	17,888
Revenue reserve	**410**	333	376
	27,644	17,299	31,379

The Revenue Reserve represents the distributable reserves of the Company.

6. Transaction Costs

During the period transaction costs were incurred on purchases and sales of investments as follows :

	Six months ended 31 October 2005 £'000	Six months ended 31 October 2004 £'000	Year ended 30 April 2005 £'000
Purchases	**5**	**99**	**145**
Sales	**40**	**68**	**119**
	45	**167**	**264**

7. Comparative information

The above financial information does not constitute statutory financial statements as defined in Section 240 of the Companies Act 1985. The audited financial statements for the year ended 30 April 2005, which contained an unqualified auditor's report, have been lodged with the Registrar of Companies and did not contain a statement required under Section 237 (2) or (3) of the Companies Act 1985.