253644

ARTEMIS ALPHA TRUST PLC

Interim accounts for the year ended 30 April 2010

(prepared in accordance with Section 838 of the Companies Act 2006)

Artemis Alpha Trust plc

Income Statement

for the year ended 30 April 2010

	Year ended 30 April 2010			Year ended 30 April 2009		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment Income	1,078	-	1,078	1,112	-	1,112
Other Income	195	-	195	171	-	171
Total revenue	1,273	-	1,273	1,283	-	1,283
Gains/(losses) on investments	-	28,803	28,803	-	(24,880)	(24,880)
Exchange gains/(losses)	-	20	20	-	(61)	(61)
Total income	1,273	28,823	30,096	1,283	(24,941)	(23,658)
Expenses						
Investment management fees	(50)	(450)	(500)	(43)	(388)	(431)
VAT Recoverable on Investment management fees	-	-	-	24	215	239
Other operating expenses	(329)	-	(329)	(329)	-	(329)
Profit/(loss) before finance costs and tax	894	28,373	29,267	935	(25,114)	(24,179)
Finance Costs	(17)	(160)	(177)	(32)	(285)	(317)
Profit/(loss) before tax	877	28,213	29,090	903	(25,399)	(24,496)
Tax	(32)	-	(32)	(38)	-	(38)
Profit/(loss) for the year	845	28,213	29,058	865	(25,399)	(24,534)

Artemis Alpha Trust plc

Balance Sheet
as at 30 April 2010

	Note	As at 30 April 2010 £'000	As at 30 April 2009 £'000
Non-current assets			
Investments		**100,480**	59,285
Investments in subsidiary undertakings		**8,842**	8,370
		109,322	67,655
Current assets			
Cash and cash equivalents		**414**	2,826
Due from brokers		**190**	290
Loans and receivables		**125**	501
		729	3,617
Current liabilities			
Payable to brokers		**(547)**	(428)
Bank loan		**(11,500)**	-
Amounts due to subsidiary undertakings		**(7,741)**	(8,198)
Other payables		**(445)**	(245)
		(20,233)	(8,871)
Net current liabilities		**(19,504)**	(5,254)
Net assets		**89,818**	62,401
Equity			
Share capital		**305**	327
Share premium		**24,116**	23,984
Special Reserve		**1,910**	2,878
Warrant reserve		**1,278**	1,299
Capital redemption reserve		**32**	9
Retained earnings	3	**62,177**	33,904
Total Equity		**89,818**	62,401

These financial statements were approved by the Board of Directors and signed on its behalf on 13 August 2010 by

DIRECTOR

Company No 253644

Artemis Alpha Trust plc

Statement of Changes in Equity
For the year ended 30 April 2010

For year ended 30 April 2010

	Share capital £'000	Share premium £'000	Special reserve £'000	Warrant reserve £'000	Capital redemption reserve £'000	Retained Earnings £'000	Total £'000
At 1 May 2009	327	23,984	2,878	1,299	9	33,904	62,401
Repurchase of own shares	(23)	-	(968)	-	23	-	(968)
Exercise of warrants	1	132	-	(21)	-	21	133
Dividends paid and declared	-	-	-	-	-	(806)	(806)
Profit for the year	-	-	-	-	-	29,058	29,058
At 30 April 2010	305	24,116	1,910	1,278	32	62,177	89,818
						-	-

For year ended 30 April 2009

	Share capital £'000	Share premium £'000	Special reserve £'000	Warrant reserve £'000	Capital redemption reserve £'000	Retained Earnings £'000	Total £'000
At 1 May 2008	334	23,984	6,762	1,299	2	59,244	91,625
Repurchase of own shares	(7)	-	(3,884)	-	7	-	(3,884)
Dividends paid and declared	-	-	-	-	-	(806)	(806)
Profit for the year	-	-	-	-	-	(24,534)	(24,534)
At 30 April 2009	327	23,984	2,878	1,299	9	33,904	62,401

Artemis Alpha Trust plc

Cash Flow Statements

for the year ended 30 April 2010

	2010 £'000	2009 £'000
Operating activities		
Profit/(loss) before tax	29,090	(24,496)
Interest payable	177	317
(Gains)/losses on investments	(28,803)	24,880
Currency (gains)/losses	(20)	61
Decrease/(increase) in other receivables	376	(229)
Increase/(decrease) in other payables	200	(39)
Net cash inflow from operating activities before interest and tax	1,020	494
Interest paid	(177)	(371)
Corporation tax paid	-	-
Withholding tax suffered	(32)	(38)
Net cash inflow from operating activities	811	85
Investing activities		
Purchases of investments	(59,181)	(22,566)
Sales of investments	46,536	40,972
Net cash (outflow)/inflow from investing activities	(12,645)	18,406
Financing activities		
Repurchase of own shares	(968)	(3,884)
Exercise of warrants	133	-
Dividends paid	(806)	(806)
(Decrease)/increase in inter-company loan	(457)	277
Net cash outflow from financing activities	(2,098)	(4,413)
Net (decrease)/increase in cash and cash equivalents	(13,932)	14,078
Cash and cash equivalents at the start of the year	2,826	(11,191)
Effect of foreign exchange rate changes	20	(61)
Cash and cash equivalents at the end of the year	(11,086)	2,826
Bank loans	(11,500)	-
Cash	414	2,826
	(11,086)	2,826

Artemis Alpha Trust
Notes to Financial Statements

1. Accounting policies

(a) Basis of preparation

The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") The principal accounting policies adopted by the Company are set out below

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") in January 2009 is consistent with the requirements of IFRS, the financial statements have been prepared in accordance with the SORP

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30th April 2010

The Company financial statements are presented in Sterling, which is the currency of the primary environment in which the Company operates All values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated

(b) Segmental reporting

The Company is engaged in a single segment of business being that of an investment trust company

(c) Investments

Investments are designated as fair value through profit or loss upon initial recognition Listed investments are measured initially at cost, and are recognised at trade date Investments in subsidiary undertakings are stated at fair value

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 cost Unquoted investments are fair valued by the Directors using primary valuation methodologies such as earning multiples, cost of recent transactions and net assets Where fair value cannot be reliably 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

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Consolidated Income Statement as gains/(losses) on investments Also included within this caption are transaction costs in relation to the purchase or sale of investments

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

(d) Revenue

Dividends receivable on equity shares are recognised as revenue on an ex-dividend basis Provision is made for any dividends not expected to be received

Income from fixed interest securities is recognised on an effective interest rate basis

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

Special dividends are treated as repayment of capital or as revenue depending on the facts of each particular case

(e) Expenses and finance costs

All expenses and interest payable are accounted for on an accruals basis Expenses are charged through the revenue column in the Consolidated 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 they are made in connection with the maintenance or enhancement of the value of the investments As a result, investment management fees and finance costs are allocated on the basis of 10% to revenue and 90% to capital

(f) Taxation

Deferred taxation is recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised

Due to the Company's status as an investment trust, and the intention to meet the conditions required to obtain approval under s1158-1159 CTA 2010 (formerly s842 ICTA 1988) in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments

1. Accounting policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents comprises current deposits and overdrafts with banks and bank loans These are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purpose

(h) Dividends payable

Dividends are recognised from the date on which they are irrevocably committed to payment In accordance with the Company's status as a UK investment company, net capital returns may not be distributed by way of a dividend

(i) 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 investment transactions are recognised through capital

(j) Other receivables and payables

Other receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value Other payables are non-interest bearing and are stated at their nominal value

(k) Reserves

Capital Reserves – realised

The following are accounted for in this reserve

- gains and losses on the realisation of investments and changes in the fair value of investments which are readily convertible to cash, and,
- expenses, together with any related taxation effect, in accordance with the above policies

Capital Reserves – unrealised

The following are accounted for in this reserve

- changes in the fair value of investments that are not readily convertible to cash and amounts by which other assets and liabilities valued at market value differ from their book value

Special Reserve

This reserve is treated as distributable profits for all purposes, excluding the payment of dividends The cost of share buy-backs is accounted for through this reserve

Capital Redemption Reserve

This reserve includes the nominal value of all shares bought back and cancelled by the Company

Warrant Reserve

This reserve includes the premiums of all manager warrants issued by the Company

Retaining earnings – revenue

The revenue profit or loss for the year is taken to or from this reserve, and any dividends declared by the Company are paid from this reserve

(l) Accounting Developments

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective

- IFRS 9 - Financial Instruments Classification and Measurement (effective for annual periods beginning on or after 1 January 2013) This standard has not yet been adopted by the EU
- Amendments to IFRS 1 - First-time Adoption of IFRSs and Additional Exemptions for First-time adopters (effective for annual periods beginning on or after 1 July 2009 and 1 January 2010 respectively)
- Amendments to IFRS 2 - Company Cash-settled Share-based Payments (effective for annual periods beginning on or after 1 January 2010)
- Amendments to IFRS 3 & IAS 27 - Business Combinations (effective for annual periods beginning on or after 1 July 2009)
- Amendments to IAS 24 - Related Party Disclosures (effective for annual periods beginning on or after 1 January 2011)
- Amendments to IAS 32 - Classification of Rights Issues (effective for annual periods beginning on or after 1 February 2010)
- Amendments to IAS 39 - Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2010
- IFRIC 17 - Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009)
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2009)
- Amendments to IFRIC 14 - Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after 1 January 2011)

Artemis Alpha Trust plc

Notes to the financial statements (continued)

2. Dividends

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Ordinary dividends on equity shares		
Second interim dividend for year ended 30 April 2008 - 1 40p	-	457
First interim dividend for year ended 30 April 2009 - 1 10p	-	349
Second interim dividend for year ended 30 April 2009 - 1 50p	456	-
First interim dividend for year ended 30 April 2010 - 1 15p	350	-
	806	806

A second interim dividend for the year ended 30 April 2010 of £481,491 (1 60p per ordinary share) has been declared This will be paid on 20 August 2010

3. Analysis of Retained Earnings

	30 April 2010 £'000	30 April 2009 £'000
Capital reserve - realised	55,754	43,409
Capital reserve - unrealised	5,793	(10,095)
Revenue reserve	630	590
	62,177	33,904

The distributable reserves of the Company are set out as follows

Special reserve	1,910	2,878
Revenue reserve	630	590
	2,540	3,468

4. Comparative information

The above financial information does not constitute statutory financial statements as defined in Section 434 of the Companies Act 2006 The audited financial statements for the year ended 30 April 2009, which contained an unqualified auditor's report, have been lodged with the Registrar of Companies and did not contain a statement required under Section 498 of the Companies Act 2006