253644

ARTEMIS ALPHA TRUST PLC

Interim accounts for the six months ended 31 October 2010

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

Artemis Alpha Trust plc

Income Statement
For the six months ended 31 October 2010

	6 months ended 31 October 2010			6 months ended 31 October 2009			Year ended 30 April 2010		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	547	-	547	629	-	629	1,078	-	1,078
Other income	-	-	-	43	-	43	195	-	195
Total revenue	**547**	**-**	**547**	**672**	**-**	**672**	**1,273**	**-**	**1,273**
Gains on investments	-	11,024	11,024	-	21,699	21,699	-	28,803	28,803
Foreign exchange gains	-	13	13	-	12	12	-	20	20
Total income	**547**	**11,037**	**11,584**	**672**	**21,711**	**22,383**	**1,273**	**28,823**	**30,096**
Expenses									
Investment management fees	(28)	(250)	(278)	(23)	(206)	(229)	(50)	(450)	(500)
Other expenses	(127)	-	(127)	(165)	-	(165)	(329)	-	(329)
Profit before finance costs and taxation	**392**	**10,787**	**11,179**	**484**	**21,505**	**21,989**	**894**	**28,373**	**29,267**
Finance costs	(19)	(170)	(189)	(3)	(31)	(34)	(17)	(160)	(177)
Profit before taxation	**373**	**10,617**	**10,990**	**481**	**21,474**	**21,955**	**877**	**28,213**	**29,090**
Taxation	(8)	-	(8)	(71)	50	(21)	(32)	-	(32)
Profit for the period	**365**	**10,617**	**10,982**	**410**	**21,524**	**21,934**	**845**	**28,213**	**29,058**

Artemis Alpha Trust plc

Balance Sheet
As at 31 October 2010

	Note	As at 31 October 2010 £'000	As at 31 October 2009 £'000	As at 30 April 2010 £'000
Non-current assets				
Investments		110,123	90,228	100,480
Investments in subsidiary undertakings		8,867	8,615	8,842
		118,990	**98,843**	**109,322**
Current assets				
Cash and cash equivalents		-	472	414
Amounts due from brokers		2,811	-	190
Other receivables		125	164	125
		2,936	**636**	**729**
Total assets		**121,926**	**99,479**	**110,051**
Current liabilities				
Bank loan		(11,500)	(5,000)	(547)
Bank overdraft		(716)	-	-
Amounts due to subsidiary undertakings		(7,272)	(8,314)	(11,500)
Amounts payable to brokers		(2,096)	(2,029)	(7,741)
Other payables		(298)	(252)	(445)
		(21,882)	**(15,595)**	**(20,233)**
Net assets		**100,044**	**83,884**	**89,818**
Equity attributable to equity holders				
Share capital		305	328	305
Share premium		24,157	24,117	24,116
Special reserve	3	1,592	2,749	1,910
Warrant reserve		1,270	1,278	1,278
Capital redemption reserve		32	9	32
Retained earnings	3	72,688	55,403	62,177
Total equity		**100,044**	**83,884**	**89,818**

These financial statements were approved by the Board of Directors and signed on its behalf on 25 January 2011 by

DIRECTOR
ANDREW DALRYMPLE

Company number 253644

Artemis Alpha Trust plc

Statement of Changes in Equity
For the six months ended 31 October 2010

For the six months ended 31 October 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 2010	305	24,116	1,910	1,278	32	62,177	89,818
Repurchase of own shares	-	-	(318)	-	-	-	(318)
Exercise of manager warrants	-	41	-	(8)	-	8	41
Dividends paid	-	-	-	-	-	(479)	(479)
Profit for the period	-	-	-	-	-	10,982	10,982
At 31 October 2010	**305**	**24,157**	**1,592**	**1,270**	**32**	**72,688**	**100,044**

For the six months ended 31 October 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 2009	327	23,984	2,878	1,299	9	33,904	62,401
Repurchase of own shares	-	-	(129)	-	-	-	(129)
Exercise of manager warrants	1	133	-	(21)	-	21	134
Dividends paid	-	-	-	-	-	(456)	(456)
Profit for the period	-	-	-	-	-	21,934	21,934
At 31 October 2009	**328**	**24,117**	**2,749**	**1,278**	**9**	**55,403**	**83,884**

For the 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 manager warrants	1	132	-	(21)	-	21	133
Dividends paid	-	-	-	-	-	(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**

Artemis Alpha Trust plc

Notes to the interim accounts

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

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Notes to the interim accounts (continued)

1 Accounting policies (continued)

(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

(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

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Notes to the interim accounts (continued)

2 Interim dividend

	Six months ended 31 October 2010 £'000	Six months ended 31 October 2009 £'000	Year ended 30 April 2010 £'000
2009 second interim dividend of 1 50p (2008 1 40p)	-	456	456
2010 first interim dividend of 1 15p (2009 1 10p)	-	-	350
2010 second interim dividend of 1 60p (2009 1 50p)	479	-	-
	479	**456**	**806**

A first interim dividend for the year ended 30 April 2011 of £360,000 (1 2p per ordinary share) has been declared This will be paid on 4 February 2011 to those shareholders on the register at close of business on 26 November 2010

3 Analysis of retained earnings

	Six months ended 31 October 2010 £'000	Six months ended 31 October 2009 £'000	Year ended 30 April 2010 £'000
Capital reserve - realised	50,741	43,937	55,754
Capital reserve - unrealised	21,431	10,921	5,793
Revenue reserve	516	545	630
	72,688	**55,403**	**62,177**

The distributable reserves of the Company are set out as follows

Special reserve	1,592	2,749	1,910
Revenue reserve	516	595	630
	2,108	**3,344**	**2,540**

4 Comparative information

The above financial information does not constitute statutory financial statements as defined in Section 234 of the Companies Act 2006 The Annual Financial Report for the year ended 30 April 2010, which contained an unqualified auditor's report, has been lodged with the Registrar of Companies and did not contain a statement required under Section 498 of the Companies Act 2006