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ARTEMIS ALPHA TRUST PLC

Interim accounts for the year ended 30 April 2011

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

Artemis Alpha Trust plc

Income Statement
for the year ended 30 April 2011

	Year ended 30 April 2011			Year ended 30 April 2010		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Investment income	**1,406**	**-**	**1,406**	1,078	-	1,078
Other income	**250**	**-**	**250**	195	-	195
Total revenue	1,656	-	1,656	1,273	-	1,273
Gains on investments	**-**	**24,236**	**24,236**	-	28,803	28,803
Currency gains	**-**	**31**	**31**	-	20	20
Total income	1,656	24,267	25,923	1,273	28,823	30,096
Expenses						
Investment management fees	**(80)**	**(722)**	**(802)**	(50)	(450)	(500)
Performance fees	**(40)**	**(363)**	**(403)**	-	-	-
Other expenses	**(282)**	**(25)**	**(307)**	(329)	-	(329)
Profit before finance costs and taxation	1,254	23,157	24,411	894	28,373	29,267
Finance costs	**(53)**	**(474)**	**(527)**	(17)	(160)	(177)
Profit before taxation	1,201	22,683	23,884	877	28,213	29,090
Tax	**(9)**	**-**	**(9)**	(32)	-	(32)
Profit for the year	1,192	22,683	23,875	845	28,213	29,058

Artemis Alpha Trust plc

Balance Sheet
as at 30 April 2011

	Note	As at 30 April 2011 £'000	As at 30 April 2010 £'000
Non-current assets			
Investments		**181,549**	100,480
Investments in subsidiary undertakings		**9,034**	8,842
		190,583	109,322
Current assets			
Cash and cash equivalents		**-**	414
Amounts due from brokers		**4,245**	190
Other receivables		**334**	125
		4,579	729
Total assets		**195,162**	110,051
Current liabilities			
Bank loan		**(26,500)**	(11,500)
Bank overdraft		**(1,708)**	-
Amounts payable to subsidiary undertakings		**(5,949)**	(7,741)
Amounts payable to brokers		**(1,051)**	(547)
Other payables		**(930)**	(445)
		(36,138)	(20,233)
Net assets		**159,024**	89,818
Equity attributable to equity holders			
Share capital		**557**	305
Share premium		**69,136**	24,116
Special reserve	3	**2,807**	1,910
Warrant reserve		**-**	1,278
Capital redemption reserve		**33**	32
Retained earnings	3	**86,491**	62,177
Total equity		**159,024**	89,818

These financial statements were approved by the Board of Directors and signed on its behalf on 5 July 2011 by

DIRECTOR
DAVID BARRON

Company No 253644

Artemis Alpha Trust plc

Statement of Changes in Equity
For the year ended 30 April 2011

For year ended 30 April 2011

	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
Issue of ordinary shares	117	37,323	-	-	-	-	37,440
Repurchase of ordinary shares	-	-	(319)	-	-	-	(319)
Sale of ordinary shares from treasury	-	527	1,286	-	-	-	1,813
Bonus issue of subscription shares	70	-	(70)	-	-	-	-
Cancellation of subscription shares	(1)	-	-	-	1	-	-
Conversion of subscription shares	-	28	-	-	-	-	28
Costs of merger	-	(772)	-	-	-	-	(772)
Exercise of manager warrants	66	7,914	-	(1,278)	-	1,278	7,980
Dividends paid	-	-	-	-	-	(839)	(839)
Profit for the year	-	-	-	-	-	23,875	23,875
At 30 April 2011	557	69,136	2,807	-	33	86,491	159,024

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 ordinary 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

Cash Flow Statements
for the year ended 30 April 2011

	Company 2011 £'000	Company 2010 £'000
Operating activities		
Profit before tax	23,884	29,090
Interest payable	527	177
Gains on investments	(24,236)	(28,803)
Currency gains	(31)	(20)
(Increase)/decrease in other receivables	(217)	376
Increase in other payables	484	200
Net cash inflow from operating activities before interest and tax	411	1,020
Interest paid	(527)	(177)
Corporation tax paid	-	-
Withholding tax suffered	(9)	(32)
Net cash (outflow)/inflow from operating activities	(125)	811
Investing activities		
Purchases of investments	(95,397)	(59,181)
Sales of investments	72,267	46,536
Net cash outflow from investing activities	(23,130)	(12,645)
Financing activities		
Repurchase of ordinary shares into treasury	(319)	(968)
Exercise of manager warrants	7,980	133
Reissue of ordinary shares from treasury	1,813	-
Costs of Merger	(772)	-
Conversion of subscription shares	28	-
Dividends paid	(839)	(806)
Decrease in inter-company loan	(1,789)	(457)
Net cash inflow/(outflow) from financing activities	6,102	(2,098)
Net increase in net debt	(17,153)	(13,932)
Net debt at the start of the year	(11,086)	2,826
Effect of foreign exchange rate changes	31	20
Net debt at the end of the year	(28,208)	(11,086)
Bank loans	(26,500)	(11,500)
(Bank overdraft)/cash	(1,708)	414
	(28,208)	(11,086)

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 30 April 2011

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, performance fees and finance costs are allocated on the basis of 10% to revenue and 90% to capital

The performance fee is accrued in the daily net asset value and is calculated using the prevailing price of the Company's ordinary shares and benchmark performance The accrued fee is based on the full expected liability of performance fee as at the date of the calculation Payments will be made to the investment manager at the end of each performance period, in line with the Investment Management Agreement Any amounts accrued but not due for payment may be reversed as a result of future relative performance

(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 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

Artemis Alpha Trust
Notes to Financial Statements (continued)

1. Accounting policies (continued)

(g) Cash and cash equivalents
Cash and cash equivalents comprises deposits and overdrafts with banks
Bank borrowings are used on a periodic basis to meet the Company s cash requirements and are reviewed regularly by the investment manager Loan draw downs are normally of short durations which are subject to an insignificant risk of change in valuation

(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
Amendments to the following IFRS were applicable for the year ended 30 April 2011 but had no impact on the financial statements

- IFRS 1 – Additional Exemptions for First Time Adopters (effective for annual periods beginning on or after 1 January 2010)
- IFRS 2 Group Cash-settled Share-based Payments (effective for annual periods beginning on or after 1 January 2010)
- IFRS 5 – Non-current assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after 1 January
- IFRS 8 – Operating Segments (effective for annual periods beginning on or after 1 January 2010)
- IAS 1 – Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2010)
- IAS 7 – Statements of Cash Flows (effective for annual periods beginning on or after 1 January 2010)
- IAS 17 – Leases
- IAS 32 – Financial Instruments (effective for annual accounting periods beginning on or after 1 February 2010)
- IAS 36 – Impairment of Assets (effective for annual periods beginning on or after 1 January 2010)
- IAS 39 – Financial Instruments Recognition and Measurement (effective for annual periods beginning on or after 1 January 2010)

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but are not yet effective for the year ended 30 April 2011 and have not been applied in preparing the financial statements of the Company but are not expected to have any impact on the Company

- IFRS 7 – Financial Instruments Disclosures (effective for annual periods beginning on or after 1 July 2011)
- IFRS 9 – Financial Instruments Classification and Measurement (effective for annual periods beginning on or after 1 January 2013)
- IAS 24 – Related Party Transactions (effective for annual periods beginning on or after 1 January 2011)
- Amendments to IFRS 1 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective for annual periods beginning on or after 1 July 2011)
- Amendments to IAS 12 – Deferred Tax Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2012)
- Amendments to IAS 39 – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2010
- 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 2011 £'000	Year ended 30 April 2010 £'000
2010 second interim dividend of 1 60p (2009 1 50p)	479	456
2011 first interim dividend of 1 20p (2010 1 15p)	360	350
	839	806

A second interim dividend for the year ended 30 April 2011 of £806,000 (1 65p per ordinary share) has been declared This will be paid on 19 August 2011

3 Analysis of Retained Earnings

	30 April 2011 £'000	30 April 2010 £'000
Capital reserve - realised	69,003	55,754
Capital reserve - unrealised	16,505	5,793
Revenue reserve	983	630
	86,491	62,177

The distributable reserves of the Company are set out as follows

Special reserve	2,807	1,910
Revenue reserve	983	630
	3,790	2,540

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 2010, 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