PROFIT *hunters*

ARTEMIS Alpha Trust *plc*

Annual Financial Report
for the year ended
30 April 2013

ARTEMIS
The PROFIT Hunter

Contents

Objective and Policy

The investment objective of the Company is to achieve above average rates of total return over the longer-term and to achieve a growing dividend stream. The investment policy is to invest mainly in UK and selected international equities, with the potential for investment in limited liability hedge funds, cash and bonds, unquoted investments, derivative instruments and other investments and securities as appropriate.

The Company will not invest more than 15 per cent of its gross assets in securities issued by other UK listed investment companies, including investment trusts.

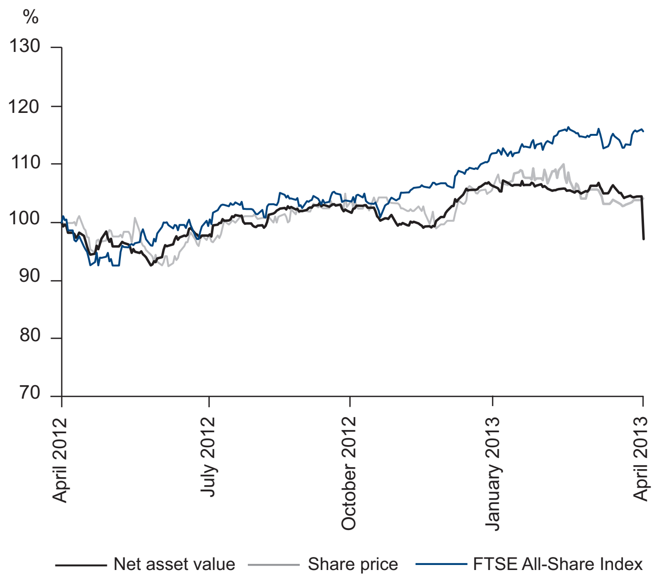
Financial Highlights

Returns for the year ended 30 April 2013

Total returns	Year ended 30 April 2013	Year ended 30 April 2012
Net asset value per ordinary share	(2.8)%	(4.6)%
Ordinary share price	4.5%	(13.9)%
FTSE All-Share Index	17.8%	(2.0)%
Revenue and dividends		
Revenue earnings per ordinary share	2.24p	1.76p
Dividends per ordinary share	3.05p	2.95p
Ongoing charges (excluding performance fees)	0.9%	1.0%
Capital	**As at 30 April 2013**	**As at 30 April 2012**
Net asset value per ordinary share	296.32p	307.64p
Ordinary share price	293.00p	283.25p
Gearing	17.3%	10.5%

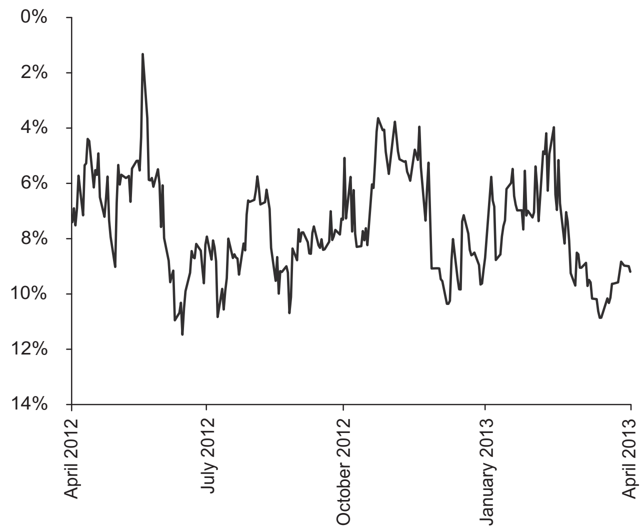
Source: Artemis/Datastream

Performance for the year ended 30 April 2013



Source: Artemis/Datastream

Discount during the year ended 30 April 2013



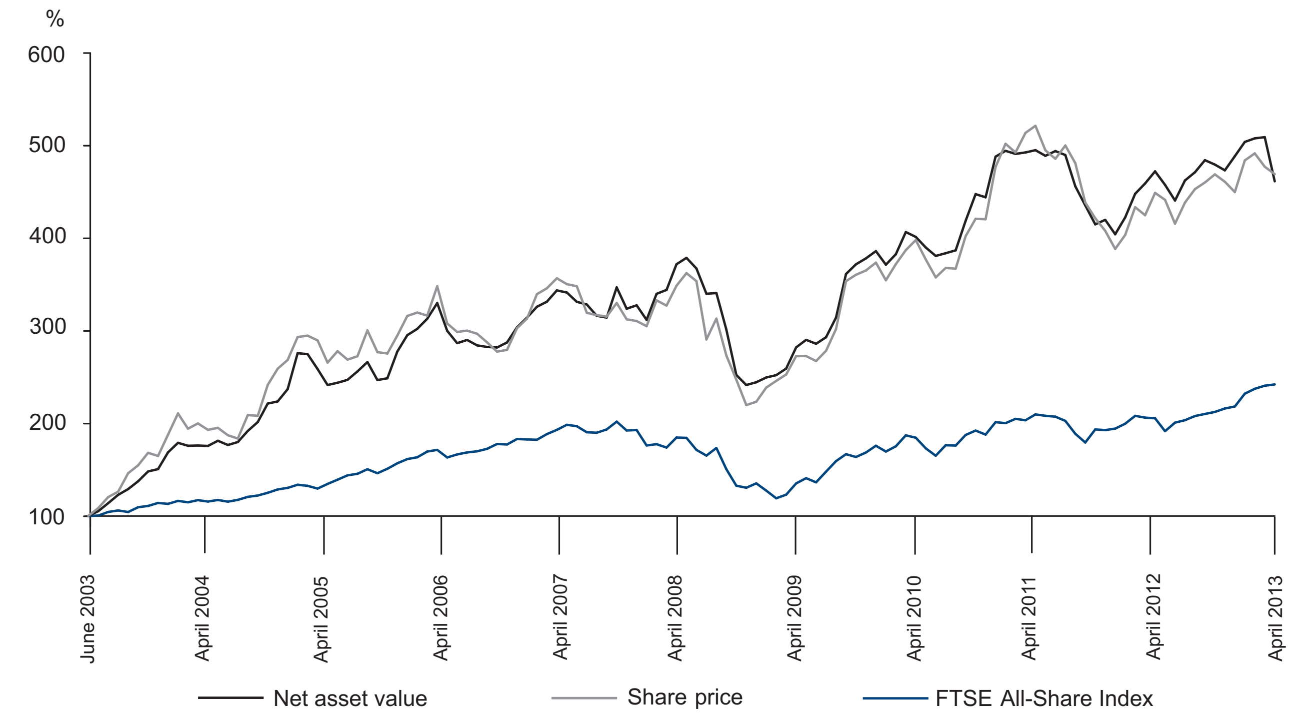
Source: Artemis/Datastream

Total returns to 30 April 2013	3 years	5 years	Since 1 June 2003*
Net asset value per ordinary share	14.4%	23.5%	360.4%
Ordinary share price	17.9%	34.6%	370.5%
FTSE All-Share Index	31.3%	31.1%	142.5%

* The date when Artemis was appointed as Investment Manager.

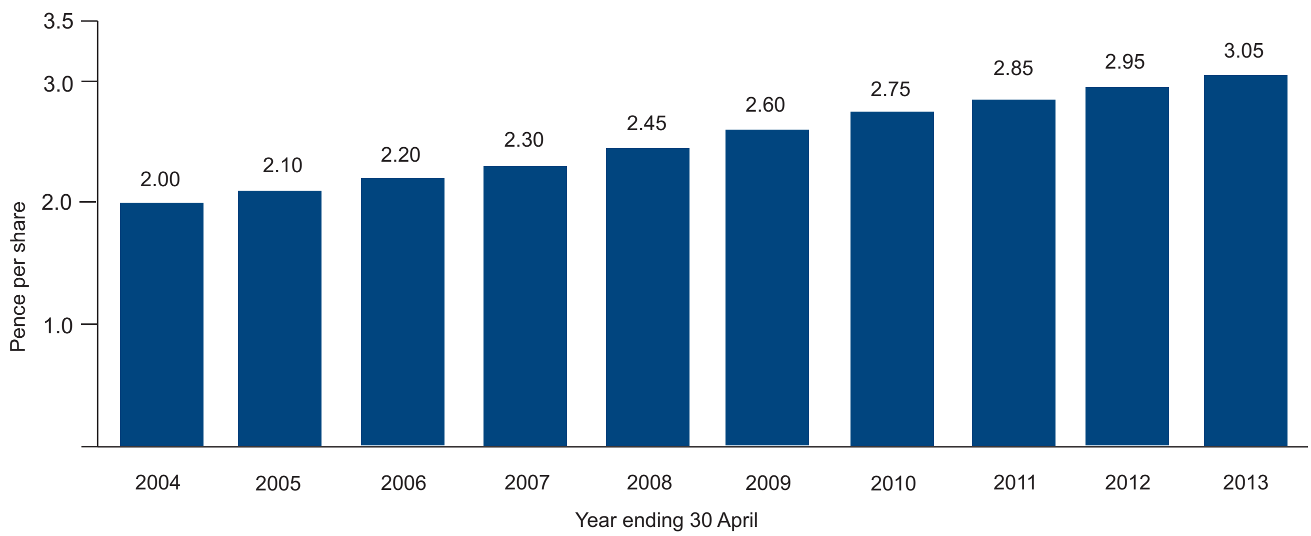
Source: Artemis/Datastream

Performance from 1 June 2003 to 30 April 2013



Source: Artemis/Datastream

Dividends paid/payable to shareholders



This chart shows the Company's dividend history since Artemis was appointed as Investment Manager.

Chairman's Statement

Performance

The year to 30 April 2013 was a disappointing one for the Company. The net asset value total return was (2.8) per cent, with the net asset value falling by 4.2 per cent in the second half of the year. This performance came against a background of an improving stockmarket. The FTSE All-Share Index, which we consider a good proxy for an investment in the UK, rose by 17.8 per cent over the year.

As shareholders are aware, the Company's investment remit is broad and the stock-picking focus of the Investment Manager means that returns are unlikely to track any index. As can be seen from the portfolio composition (pages 9 to 13), there is significant exposure to particular industry sectors and to unquoted investments, reflecting the Investment Manager's high-conviction style of investing. Whilst this has been successful over the long term, it can, as has been the case this year, result in performance that diverges from that of the market and the peer group.

Performance was adversely affected by our exposure to unquoted investments, valuations for a number of which were revised down, and by the portfolio's significant exposure to the oil & gas sector. In addition, the AIM market, on which a significant proportion of the Company's investments are listed, had a poor year in relative terms, falling by 8.3 per cent. Further details on the portfolio and performance can be found in the Investment Manager's Review.

I would remind shareholders that an investment in the Company should be seen as long-term in nature. On 1 June 2013, the Company marked 10 years under the management of Artemis, during which time the net asset value has risen by 376.6 per cent. An investment in the UK market over the same period would have produced a return of 142.5 per cent.

Unquoted investments

As I have indicated above, the carrying values of a number of the Company's unquoted investments were lowered during the year. The largest of these, Hurricane Energy and Vostok Energy, had been working on plans to float or sell their businesses. These plans, however, are taking longer than expected to reach completion. This prompted the Investment Manager to recommend to the Board that the valuations assigned to these investments be lowered. The aggregate impact of these reductions was over 8 per cent of the net asset value. This serves as a reminder of the realisation risks associated with investing in unquoted companies.

There was, however, better news elsewhere in the unquoted portfolio, with upward valuation revisions for The Hut Group and Reaction Engines, both of which raised new money through share issues. This added around 4 per cent to the Company's net asset value.

One of the attractions of the Company is that investors can obtain exposure to interesting investment ideas not readily accessible through the quoted stockmarkets. The closed-ended nature of the Company makes it well suited to this type of investment, allowing the Investment Manager to take a long-term view of the investee company. We continue to believe that, over the longer term, shareholders will benefit from investment in these types of companies, as they have in the past.

There is more discussion of the unquoted investments, including an overview of the valuation process, in the Investment Manager's Review.

Gearing

The Company has a £30 million revolving loan facility with Royal Bank of Scotland. At the year-end, £26.5 million was drawn down and £24 million was invested, delivering a gearing level of 17.3 per cent. The Investment Manager has discretion to vary the level of gearing, subject to gearing not being greater than 20 per cent of net assets. The Company's gearing range is zero to 20 per cent.

Dividends

Your Board has declared a second interim dividend of 1.85p (2012: 1.75p) per ordinary share, bringing total dividends for the year ended 30 April 2013 to 3.05p (2012: 2.95p), an increase of 3.4 per cent. This dividend will be paid on 16 August 2013 to shareholders on the register on 26 July 2013.

Any shareholders wishing to re-invest their dividends can do so using the dividend re-investment plan, details of which are set out on page 51.

Discount

The Company bought back 1,535,128 ordinary shares during the year, 3.2 per cent of the share capital, at a cost of £4.3 million and an average discount to the prevailing net asset value of 9.6 per cent. The Board and the Investment Manager are fully committed to having the Company's shares trade at a low and stable discount to the net asset value and will continue to buy back shares whenever required to achieve this. Indeed, between the year end and the date of this report a further 1,751,800 ordinary shares have been bought back.

At the time of writing, the share price stood at a discount of 9.7 per cent to the net asset value.

Regulatory matters

The Alternative Investment Fund Managers Directive (AIFMD), a European directive that seeks to introduce further protection for investors, comes into force in the UK on 22 July 2013. There is, however, a one-year transitional period and therefore the Company needs to comply with AIFMD by 22 July 2014. Compliance with AIFMD will have an impact on a number of operational matters, as well as the contractual arrangements between the Company and the Investment Manager. We are discussing this new regulation with the Investment Manager and the Company's lawyers to ensure that compliance is achieved in the most efficient and cost effective way.

Board composition

I plan to step down at next year's AGM. I joined the Board in 2003 and have served as Chairman for the best part of ten years. The appointment of a successor and a replacement director will be addressed by the Board in the coming months.

The annual review also concluded that each of the Directors of the Company should now stand for re-election on an annual basis. Accordingly resolutions for this are being proposed at the Annual General Meeting.

Annual General Meeting ("AGM")

The Company's AGM will take place on Thursday, 12 September 2013 at 12.30 pm at the offices of Artemis Investment Management LLP, Cassini House, 57 St James's Street, London SW1A 1LD. The Notice of Meeting, containing full details of the business to be conducted at the meeting, is set out on pages 46 to 50.

The Directors look forward to welcoming you to the AGM. The fund managers, John Dodd and Adrian Paterson, will make a short presentation at the meeting. There will be light refreshments following the meeting, at which shareholders will have an opportunity to meet the Directors and fund managers. Should you be unable to attend the AGM in person, the Board would encourage you to use your proxy votes by completing and returning the form of proxy enclosed with this report.

Investment Plan and ISA

Shareholders are reminded that the Investment Manager operates an Investment Plan and an ISA which enable investors to acquire shares in the Company through lump sum or regular investments. More details are set out in the 'Information for Shareholders' section on page 51.

Outlook

Although a lack of clarity over future monetary policy has resulted in some volatility since the end of the reporting period, markets have broadly moved higher since the New Year. The gains have been underpinned by improvements in the global macro-economic picture and an increase in investor appetite for equities, given the meagre returns available on other asset classes. The US economy is growing again, albeit slowly, but growth in the UK remains stubbornly slow. As events in Cyprus illustrated, there remain unresolved problems in the eurozone. On the other hand, economic trends in emerging Asia, to which the Company has increased its exposure, appear more positive. Overall, although markets can continue to rise, macro headwinds seem likely to persist.

Whilst the Company had a disappointing year, the Investment Manager has, over the course of its 10-year tenure, demonstrated its ability to generate considerable value for shareholders. We therefore remain confident in its ability to continue to produce attractive returns for shareholders over the longer term.

And finally…

Your Board is always keen to hear from shareholders. Should you wish to do so, you can contact me at Simon.Miller@artemisfunds.com. You can find regularly updated information on the Company, including a factsheet and performance data, on the Company's dedicated web pages at artemis.co.uk.

A summary of these details and some additional information for shareholders is set out on pages 51 and 52 of this report.

Simon Miller
Chairman
4 July 2013

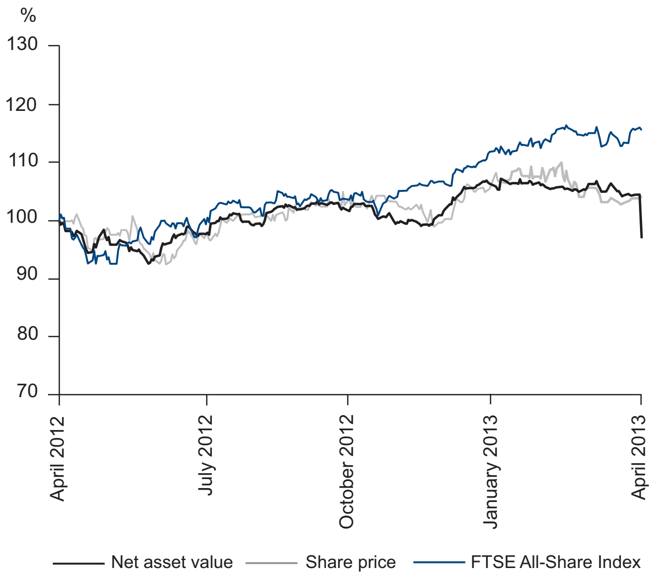
Investment Manager's Review

Performance

The performance of your Company over the year to 30 April 2013 saw its net asset value fall by 2.8 per cent versus a rise of 17.8 per cent in the FTSE All-Share Index. A write-down in the values ascribed to some of its unquoted investments was a contributing factor. The largest negative revaluation was to its holding in Vostok Energy, accounting for a 5.2 per cent reduction in the Company's net asset value.

We discuss later in this report the methods we use to determine fair value for unquoted investments, such as Vostok Energy. But we would emphasize that, despite the poor performance of a number of our unquoted holdings over the last year, these types of investment have been positive contributors to performance over the longer term.

Performance over one year to 30 April 2013



Source Artemis/Datastream.

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* The date when Artemis was appointed as Investment Manager. All figures are total return to 30 April 2013.

Review

Following a turbulent summer, stockmarkets rallied strongly through the latter part of 2012 and into early 2013. The main trigger for the rally was Mario Draghi's statement that he would do "whatever it takes" to prevent a break-up of the eurozone. After months of uncertainty – and some nail-biting parliamentary votes across southern Europe – investors welcomed the new, as yet untested, steadfastness of policymakers. Yields on bonds issued by peripheral eurozone economies began to fall from alarmingly high levels.

As worries about the future of the eurozone receded, equity prices surged higher despite the macro-economic headwinds. Along with Mr Draghi's reassuring comments, the gains were driven by a combination of additional quantitative easing, reasonable valuations and low interest rates.

Portfolio

The portfolio has settled down to core holdings in around 60 stocks, which together account for around 93 per cent of the total portfolio. The main investment themes in the portfolio are oil & gas, companies using the internet for their businesses, such as online retailers and social media, and other financials – predominantly fund and wealth managers.

Set out below are the five largest stock contributors and detractors to absolute performance over the year:

Five largest stock contributors

Company	Market	Contribution %
The Hut Group	Unquoted	3.5
Africa Oil	Toronto SE	1.8
Telford Homes	AIM	1.6
Polar Capital Holdings	AIM	1.5
Oxford Catalysts	AIM	1.2

Five largest stock detractors

Company	Market	Contribution %
Vostok Energy	Unquoted	(5.2)
Hurricane Energy	Unquoted	(3.0)
New Britain Palm Oil	LSE	(2.2)
Lynton Holding Asia	Unquoted	(1.6)
Madagascar Oil	AIM	(0.9)

Online retailing remains an area of interest for the Company. A growing number of consumers are choosing to shop using the internet rather than on the high street and online retailers are enjoying very strong top-line growth compared to their traditional 'bricks-and-mortar' peers. And, because their property costs are far lower, online retailers also benefit from a significant inbuilt cost advantage. While there are very few listed online retailers at present, the portfolio has exposure through holdings in three private companies – Gift Library, Hardlyever and The Hut Group.

The Hut Group was the year's standout performer. It raised equity in December to acquire a specialist online bike-retailing business to slot alongside its existing niche businesses. This fund raising also brought a new investor into the business and, together with a smaller equity issuance earlier in the year, added just over 3.5 per cent to the Company's net asset value over the review period. The intention remains to float the business. Given that quoted comparators are trading on high valuations despite inferior growth profiles, we believe there is still further upside here.

Elsewhere we have invested in All The Worlds Entertainment, which is a social entertainment business. Its main focus is to aggregate information gathered from social media sites like Facebook and Twitter and use the data to create social entertainment charts across a wide range of genres and people. The company is developing rapidly and we have seen an uplift in our valuation since we first invested. We believe that this as an exciting area for the future.

Following a strong showing in 2012, the portfolio's holdings in the oil & gas sector have been rather becalmed over recent months. That said, two stocks – Africa Oil and Providence Resources – performed well. Africa Oil discovered large amounts of oil in Kenya and is now drilling in adjacent areas. Providence Resources, having made a sizeable discovery (Barryroe) in the southern Irish Sea, is now involved in a formal farmout process following the publication of the independent competent persons report. Drilling is being carried out at Dunquin, another prospective well. We expect positive news soon.

On the negative side, two of our larger unquoted positions, namely Vostok Energy and Hurricane Energy were written down in value. In regard to Vostok Energy, the company has been in advanced discussions to sell itself to a third party, but had begun to lose faith in the negotiations owing to the long period of time that had elapsed since talks had commenced. Consequently, it was considered appropriate to write down the value of the holding, reflecting the appraisal of the discussions and the possible outcomes. The cost to the net asset value of this adjustment was approximately 5.2 per cent.

In the case of Hurricane Energy, there has been a frustrating period of inactivity, which is now set to continue with the planned drilling operations for 2013 having been cancelled. The drilling rig that Hurricane Energy had contracted would be delivered late as a result of the current operator suffering severe delays in another operation. The late delivery of the rig leaves insufficient time to allow the company to carry out its drilling and testing programme ahead of the onset of winter weather, which in turn could compromise the test results and expose the company to further costs and so the rig contract has been cancelled. The focus for the company has turned to the 2014 appraisal work for its West of Shetland assets. As a consequence of the cancellation of the 2013 drilling programme, the company's intention to IPO will not proceed at this time. It remains committed to seeking an AIM listing, but the approach and timetable require to be reviewed in light of developments.

Whilst oil & gas will remain a theme in the portfolio, exposure has been reduced over the year. As we make realisations from this part of the portfolio, we intend to reinvest the proceeds in those sectors where we see the best prospects for future growth, including online retailers and other financial companies.

Two other profitable areas for the portfolio, particularly towards the end of the review period, were its investments in the fund and wealth-management sectors. In fund management we have built decent positions in Polar Capital and Liontrust Asset Management; both are benefiting from strong inflows and rising equity markets. These businesses are at a tipping point where operational gearing is really starting to kick in, leading to strong profit growth. In wealth management, the portfolio has holdings in Brewin Dolphin and Ashcourt Rowan. Both are well positioned to take market share from smaller advisers following the implementation of the Retail Distribution Review.

Our longstanding holding in Telford Homes is also worthy of mention. It is a niche housebuilder specialising in East London. The Olympic Games put this part of London on the map and the appetite of overseas buyers to invest in property there has been voracious.

There were some other negatives too. Our palm oil holdings performed poorly. This came against a background of weakness in the underlying commodity price resulting from high stock levels in Malaysia. But we expect stock levels to fall as the year progresses and believe the structural increase in demand from Asia makes palm oil a very attractive area in which to invest.

Lynton Holding Asia, another of our unquoted holdings, had previously been valued based on an equity fund raising, and it was partially written down to an earnings basis of valuation to better reflect the recent trading position of the company.

Five largest sector contributors

Sector	Contribution %
General Retailers	3.5
Financial Services	2.3
Household Goods & Home Construction	2.1
Software & Computer Services	1.8
Chemicals	1.2

Five largest sector detractors

Sector	Contribution %
Oil & Gas Producers	(8.0)
Mining	(2.9)
Food Producers	(2.5)
Personal Goods	(1.0)
Aerospace & Defence	(0.5)

Valuation of unquoted investments

Given that unquoted investments made a negative contribution to the Company's returns over the review period a short overview of the process we use to determine the valuations of unquoted investments may be useful.

Investment Manager's Review (continued)

Accounting rules require that the Company's unquoted investments be valued at fair value. As the bases of valuation and the inputs used to determine fair value can vary, there is a degree of subjectivity to this process. Valuation bases may include, for example, recent transaction prices, earnings multiples or net assets.

The Investment Manager's process for valuing the unquoted investments is summarised as follows. Each investment is covered by at least one fund manager, who has the responsibility for monitoring this investment and producing a valuation proposal. This is then submitted to a review panel for discussion. The panel consists of Artemis' chief investment officer and two further experienced fund managers, neither of whom have direct responsibility for producing the initial valuation proposals. This panel carefully considers the recommendations before making the final determination of the proposed valuations.

As the Board has ultimate responsibility for the valuation of the unquoted investments, the panel's recommendations are then presented to the Board at each quarterly meeting where they are discussed and approved. Should there be any significant developments between these quarterly reviews, a revised valuation recommendation will be proposed by the Investment Manager for the Board's approval.

The net asset value is then updated to reflect the revised unquoted valuations as soon as practicably possible after the Board's approval.

Gearing

We increased the Company's level of gearing through the year as we identified further investment opportunities and our confidence in equities grew. By the end of the period, borrowings represented 17.3 per cent of net assets. As fund managers, we consider that the borrowing powers give us additional flexibility in managing the portfolio. So, in our pursuit of shareholder returns, we will continue to use this flexibility within the parameters set by the Board.

Outlook

After a good run, markets have become more volatile. The lack of economic growth, despite the vast amounts of liquidity central banks have pumped into the system, has come into focus again. The crisis in the eurozone remains unresolved. But, as we have stated before, we don't invest in economies or countries – but in companies. We continue to find investment opportunities and we believe that our unconstrained, high conviction approach to stock selection will continue to produce value for shareholders over the longer term. We will, no doubt, encounter some headwinds along the way, but we remain confident in our ability to produce positive returns for shareholders.

John Dodd and Adrian Paterson
Fund managers
Artemis Investment Management LLP
4 July 2013

Portfolio of Investments as at 30 April 2013

Investment	Sector	Country of incorporation	Market Value £'000	% of total investments
Providence Resources[1]	Oil & Gas Producers	Ireland	8,998	5.6
Hurricane Exploration[2]	Oil & Gas Producers	UK	7,663	4.7
The Hut Group[2]	General Retailers	UK	7,561	4.7
Polar Capital Holdings[1]	Financial Services	UK	5,876	3.6
Africa Oil	Oil & Gas Producers	Canada	5,001	3.1
Salamander Energy	Oil & Gas Producers	UK	4,882	3.0
Emis Group[1]	Software & Computer Services	UK	4,563	2.8
Eland Oil & Gas[1]	Oil & Gas Producers	UK	4,284	2.6
Brewin Dolphin Holdings	Financial Services	UK	4,180	2.6
Liontrust Asset Management	Financial Services	UK	4,175	2.6
Top 10 investments			**57,183**	**35.3**
Telford Homes[1]	Household Goods & Home Construction	UK	4,085	2.5
Genel Energy	Oil & Gas Producers	Jersey	3,560	2.2
Lynton Holding Asia[2]	Aerospace & Defence	Denmark	3,464	2.1
Ashcourt Rowan[1]	Financial Services	UK	3,182	2.0
Reaction Engines[2]	Aerospace & Defence	UK	3,150	2.0
Asian Plantations[1]	Food Producers	Singapore	3,067	1.9
R.E.A. Holdings[3]	Food Producers	UK	2,980	1.8
Lansdowne Oil & Gas[1]	Oil & Gas Producers	UK	2,860	1.8
All The Worlds Entertainment[2]	Media	Singapore	2,636	1.6
Continental Farmers Group[1]	Food Producers	UK	2,620	1.6
Top 20 investments			**88,787**	**54.8**
Madagascar Oil[1]	Oil & Gas Producers	Bermuda	2,535	1.6
Gleeson(M.J.)	Household Goods & Home Construction	UK	2,520	1.6
Retroscreen Virology[1]	Pharmaceuticals & Biotechnology	UK	2,363	1.5
Helical Bar	Real Estate Investment & Services	UK	2,232	1.4
Claremont Partners[2]	Travel & Leisure	UK	2,165	1.3
Igas Energy[1]	Oil & Gas Producers	UK	2,160	1.3
Avation	Industrial Transportation	UK	2,095	1.3
Oxford Catalysts Group[1]	Chemicals	UK	2,072	1.3
Rockhopper Exploration[1]	Oil & Gas Producers	UK	2,051	1.3
Oxford Nanopore Technologies[2]	Pharmaceuticals & Biotechnology	UK	1,975	1.2
Top 30 investments			**110,955**	**68.6**
City of London Investment Group	Financial Services	UK	1,862	1.1
Halley Asian Prosperity Fund	Equity Investment Instruments	Luxembourg	1,859	1.1
Lamp Group[2]	Non-Life Insurance	UK	1,718	1.1
Gresham Computing	Software & Computer Services	UK	1,677	1.0
New Britain Palm Oil	Food Producers	Papua New Guinea	1,662	1.0
Hot Can[2]	Beverages	UK	1,606	1.0
Pittards[1]	Personal Goods	UK	1,575	1.0
The Vitec Group	Industrial Engineering	UK	1,535	0.9
Equus Petroleum[2]	Oil & Gas Producers	UK	1,533	0.9
Gift-Library.Com [2]	General Retailers	UK	1,500	0.9
Top 40 investments			**127,482**	**78.6**

[1] AIM quoted

[2] Unquoted investment

[3] Includes fixed interest element

Portfolio of Investments (continued)

Investment	Sector	Country of incorporation	Market Value £'000	% of total investments
Intelligent Energy[2]	Alternative Energy	UK	1,500	0.9
Metapack[2]	Industrial Transportation	UK	1,476	0.9
Parity Group	Software & Computer Services	UK	1,459	0.9
Praetorian Resources[1]	Mining	Guernsey	1,431	0.9
Hargreaves Services	Support Services	UK	1,336	0.8
Canaccord Financial	Financial Services	Canada	1,242	0.8
Rangers International Football Club[1]	Travel & Leisure	UK	1,220	0.8
Faroe Petroleum[1]	Oil & Gas Producers	UK	1,184	0.7
Powerflute[1]	Forestry & Paper	Finland	1,175	0.7
Charlemagne Capital[1]	Financial Services	Cayman Islands	1,100	0.7
Top 50 investments			**140,605**	**86.7**
Park Group[1]	Financial Services	UK	1,100	0.7
Genmark Diagnostics	Healthcare Equipment & Services	USA	1,084	0.7
Senhouse Southeast Asian Focus	Equity Investment Instruments	Bermuda	1,076	0.7
Buried Hill Energy (Cyprus)[2]	Oil & Gas Producers	Cyprus	1,071	0.7
Randall & Quilter[1]	Non-Life Insurance	UK	1,049	0.6
Nplus1 Singer[2]	Financial Services	UK	962	0.6
Redcentric[1]	Software & Computer Services	UK	944	0.6
Ithaca Energy[1]	Oil & Gas Producers	Canada	878	0.5
Ten Alps[1,3]	Media	UK	864	0.5
Consort Medical	Healthcare Equipment & Services	UK	800	0.5
Top 60 investments			**150,433**	**92.8**
Real Estate Investors[1]	Real Estate Investment & Services	UK	781	0.5
Eden Research[1]	Pharmaceuticals & Biotechnology	UK	753	0.5
Sandvine[2]	Technology Hardware & Equipment	UK	750	0.5
Trinity Exploration & Production[1]	Oil & Gas Producers	UK	730	0.5
Management Consulting Group	Support Services	UK	646	0.4
Wasabi Energy[1]	Alternative Energy	Australia	633	0.4
Physiolab Technologies[2]	Healthcare Equipment & Services	UK	600	0.4
MBA Polymers[2]	Industrial Engineering	USA	566	0.3
Reneuron Group[1]	Pharmaceuticals & Biotechnology	UK	565	0.3
Ironveld[1]	Industrial Metals & Mining	UK	540	0.3
Top 70 investments			**156,997**	**96.9**
Bumi	Mining	UK	539	0.3
Penna Consulting[1]	Support Services	UK	476	0.3
Chateau Lafite Rothschild 2009[2]	Beverages	France	455	0.3
Chateau Lafite Rothschild 2010[2]	Beverages	France	425	0.3
Fox Marble[1]	Mining	UK	425	0.3
Patagonia Gold[1]	Mining	UK	420	0.2
MWB Group Holdings[3]	Real Estate Investment & Services	UK	384	0.2
EastCoal	Mining	Canada	362	0.2
H&T Group[1]	Financial Services	UK	313	0.2
Hardlyever[2]	General Retailers	UK	300	0.2
Top 80 investments			**161,096**	**99.4**

[1] AIM quoted
[2] Unquoted investment
[3] Includes fixed interest element

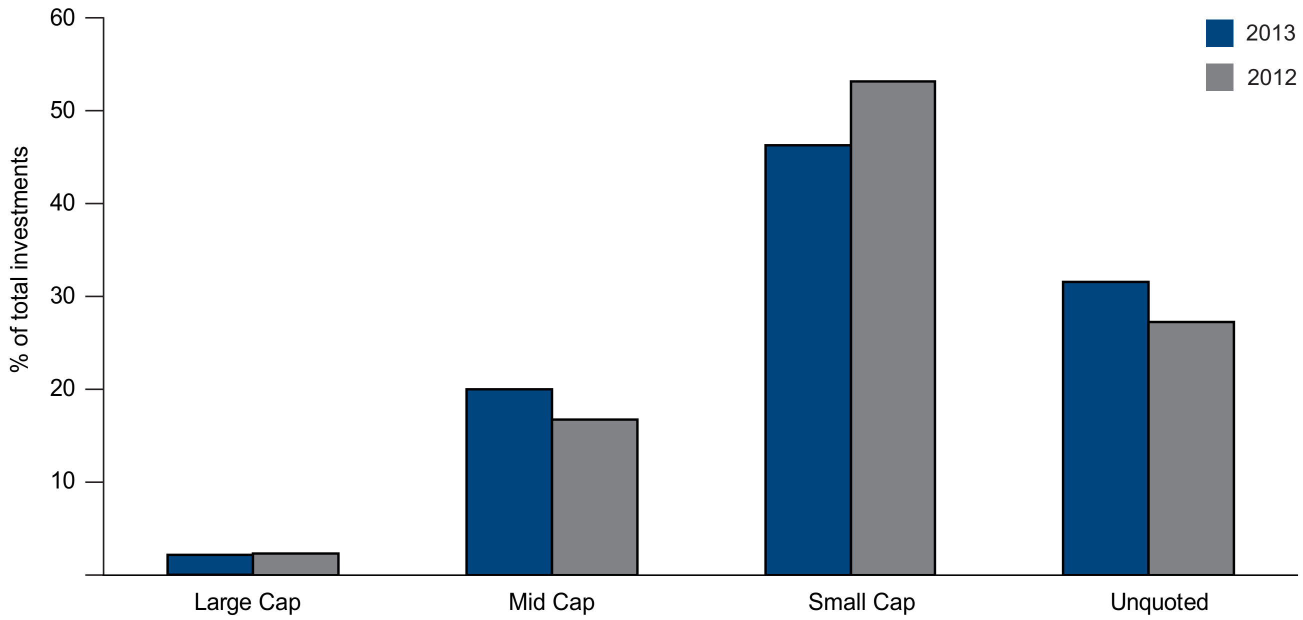
Investment	Sector	Country of incorporation	Market Value £'000	% of total investments
Oilex[1]	Oil & Gas Producers	Australia	279	0.2
Niche Group[2]	Financial Services	UK	175	0.1
Infusion 2002[2]	Industrial Transportation	UK	143	0.1
Redstone[1]	Software & Computer Services	UK	133	0.1
FastJet[1]	Travel & Leisure	UK	105	0.1
MBL Group[1]	Media	UK	54	–
Jubilant Energy[1]	Oil & Gas Producers	Netherlands	44	–
Flying Brands	General Retailers	UK	36	–
Petrohunter Energy	Oil & Gas Producers	USA	21	–
Chateau Rieussec 2010[2]	Beverages	France	18	–
Top 90 investments			**162,104**	**100.0**
Conexion Media Group[1]	Media	UK	13	–
Resaca Exploitation[1]	Oil & Gas Producers	USA	3	–
Leed Resources[1]	Oil & Gas Producers	UK	1	–
Homeland Renewable Energy[2]	Electricity	USA	–	–
Energy Equity Resources[2]	Oil & Gas Producers	UK	–	–
Hawk Group[2]	Financial Services	UK	–	–
Betex Group[2]	Travel & Leisure	UK	–	–
ROK Entertainment	Media	USA	–	–
ROK Global	Media	UK	–	–
Vostok Energy[2]	Oil & Gas Producers	UK	–	–
Top 100 investments			**162,121**	**100.0**
Other investments (4)			–	–
Total investments			**162,121**	**100.0**

[1] AIM quoted

[2] Unquoted investment

[3] Includes fixed interest element

Market cap analysis of the portfolio as at 30 April 2013



Large cap – market cap equivalent to FTSE 100 companies

Mid cap – market cap equivalent to FTSE 250 companies

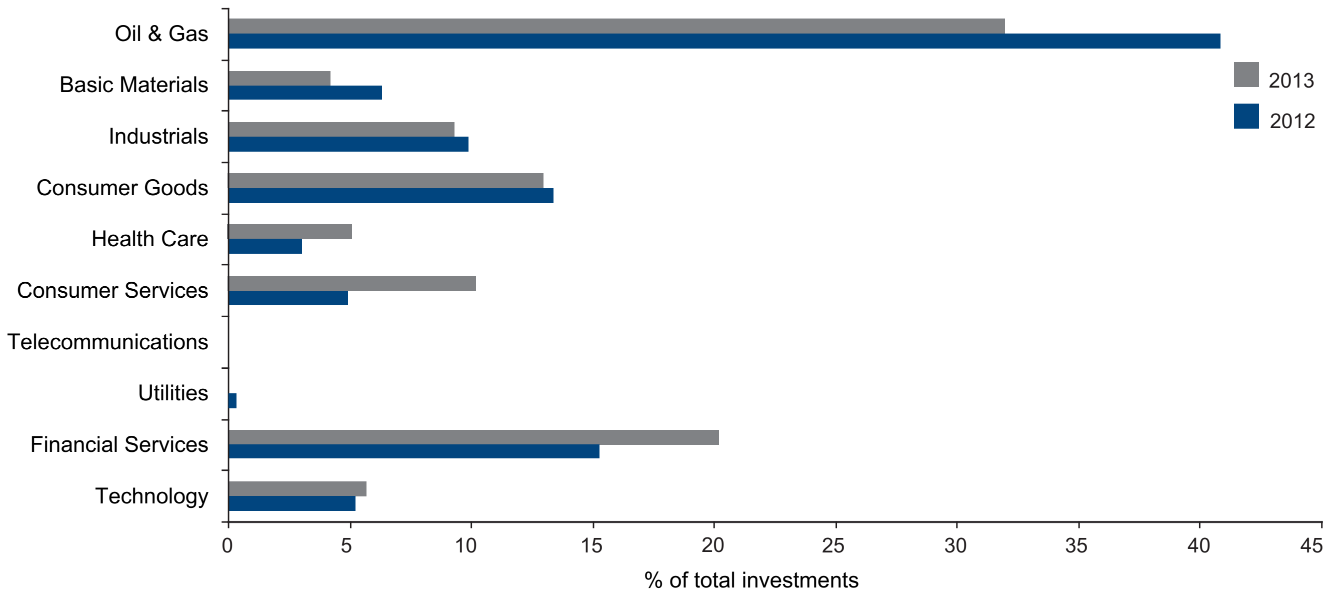
Small cap – market cap equivalent to companies below FTSE 250

Portfolio of Investments (continued)

Geographical analysis of the portfolio as at 30 April 2013

Country of incorporation	2013 % of total investments	2012 % of total investments
UK	72.5	73.0
Ireland	5.6	5.2
Canada	4.6	5.8
Singapore	3.5	3.6
Bermuda	2.3	0.3
Jersey	2.2	0.3
Denmark	2.1	3.5
Luxembourg	1.1	–
USA	1.0	0.8
Papua New Guinea	1.0	3.7
Guernsey	0.9	–
Finland	0.7	0.8
Cayman Islands	0.7	–
Cyprus	0.7	0.6
Australia	0.6	1.6
France	0.5	0.7
Netherlands	–	0.1
	100.0	**100.0**

Industry analysis of the portfolio as at 30 April 2013



Sectors are ICB Industry classifications

Sector analysis of the portfolio as at 30 April 2013

Sector	2013 % of total investments	2012 % of total investments
Oil & Gas Producers	30.7	39.3
Financial Services	15.0	10.8
Food Producers	6.3	9.7
General Retailers	5.8	1.4
Software & Computer Services	5.4	4.8
Aerospace & Defence	4.1	4.2
Household Goods & Home Construction	4.1	1.5
Pharmaceuticals & Biotechnology	3.5	2.0
Industrial Transportation	2.3	1.8
Travel & Leisure	2.2	2.9
Media	2.1	0.6
Real Estate Investment & Services	2.1	3.3
Mining	1.9	4.1
Equity Investment Instruments	1.8	0.4
Non-Life Insurance	1.7	1.4
Healthcare Equipment & Services	1.6	1.3
Beverages	1.6	0.7
Support Services	1.5	2.1
Alternative Energy	1.3	1.3
Chemicals	1.3	1.5
Industrial Engineering	1.2	1.8
Personal Goods	1.0	1.4
Forestry & Paper	0.7	0.8
Technology Hardware & Equipment	0.5	0.4
Industrial Metals & Mining	0.3	–
Oil Equipment, Services & Distribution	–	0.2
Gas, Water & Multiutilites	–	0.2
Electronic & Electrical Equipment	–	0.1
	100.0	**100.0**

Sectors are ICB sector classifications

Directors

Simon Miller (Chairman)

Simon Miller, aged 60, qualified as a barrister before joining Lazard Brothers in 1976. He is chairman of Dunedin LLP, a private equity business, chairman of Brewin Dolphin Holdings plc, of Blackrock North American Income Trust plc and of JP Morgan Global Convertibles Income Fund Limited. He is a non-executive director of Scottish Friendly Assurance.

Appointed as a non-executive Director on 14 July 2003 and Chairman on 25 September 2003. Chairman of the Nomination and Management Engagement Committees.

David Barron (Senior Independent Director)

David Barron, aged 54, was head of the investment trust business at J.P. Morgan Asset Management until March 2013. He joined the asset management business of Robert Fleming & Co. Limited in 1995. Before joining Flemings in 1995, Mr Barron worked in corporate finance for Hambros Bank and Merrill Lynch. He is a non-executive director of the Association of Investment Companies. He is a member of the Institute of Chartered Accountants of Scotland and holds an MBA from INSEAD.

Appointed as a non-executive Director on 17 February 2005. Mr Barron was Chairman of the Audit Committee until 5 July 2011.

Tom Cross Brown

Tom Cross Brown, aged 65, was global chief executive officer of ABN AMRO Asset Management, having previously been chief executive officer of ABN AMRO Asset Management in the UK and global head of business development. Prior to joining ABN AMRO, Mr Cross Brown spent 21 years at Lazard Brothers & Co. and was chief executive of Lazard Brothers Asset Management Limited between 1994 and 1997. He is currently the chairman of Just Retirement (Holdings) Limited, and a non-executive director of Phoenix Group Holdings. He is a non-executive member of the management committee of Artemis Investment Management LLP.

Appointed as a non-executive Director on 5 April 2006.

Andrew Dalrymple

Andrew Dalrymple, aged 53, is currently an investment manager at Aubrey Capital Management Limited, having previously been a senior portfolio manager (Global Equities) with First State Investments (UK) Limited where he managed the First State Global Opportunities Fund from its inception in July 1999 until 2006. He joined Stewart Ivory Limited as a portfolio manager in 1998 before its acquisition by First State in 2000. Between 1991 and 1998 he was based in Hong Kong as a director and dealing director with S.G. Warburg and UBS Warburg Limited. He was also a director of James Capel (Far East) Limited during that period, having served at Cazenove & Co. Limited in London for several years.

Appointed as a non-executive Director on 1 April 2004.

Ian Dighé

Ian Dighé, aged 57, was a director of Gartmore Growth Opportunities plc and joined the Board following the merger in December 2010. He has over 25 years of industry experience and was previously a director of Singer & Friedlander and was the founder and deputy chairman of Bridgewell Group plc. He is currently executive chairman of Miton Group plc, a director of Strategic Equity Capital plc and a number of private companies and charitable trusts.

Appointed as a non-executive Director on 13 December 2010. Mr Dighé was appointed as Chairman of the Audit Committee on 5 July 2011.

With the exception of Mr Cross Brown, each of the Directors were independent of the Investment Manager throughout the year ended 30 April 2013 and up to the date of this Report.

With the exception of Mr Cross Brown, all Directors were members of the Audit, Nomination and Management Engagement Committees throughout the reporting period.

The Directors have pleasure in presenting their report, together with the audited financial statements of the Group and the Company, for the year ended 30 April 2013.

Business review

Operating environment

The Company operates as an investment trust company and is an investment company within the meaning of section 833 of the Companies Act 2006 (the "Act"). The Company was approved by HM Revenue & Customs as an investment trust in accordance with the requirements of section 1158 of the Corporation Taxes Act 2010 for the year ended 30 April 2012.

The regulations which apply to investment trusts changed with effect from 1 January 2012. The Company has been approved as an investment trust under the new regime for the year ended 30 April 2013 and future periods, subject to the Company continuing to meet the eligibility conditions and ongoing requirements of the regulations. The Board will manage the Company so as to continue to meet these conditions.

The Company has no employees and delegates most of its operational functions to service providers, details of which are set out below.

Objective and investment policy

The objective of the Company is to achieve above average rates of total return over the longer term and to achieve a growing dividend stream.

In pursuit of this objective, the Company's portfolio is actively managed by the Investment Manager and comprises largely UK equities, with selected overseas investments. The Investment Manager takes a stock specific approach in managing the portfolio and therefore sector weightings are of secondary consideration. As a result of this approach the portfolio will not track any stock market index. There is no restriction on the number of investments that can be held in the portfolio.

The Company invests in unquoted companies. The Investment Management Agreement provides that at the time of investment these investments shall represent no more than 30 per cent of net assets. For the purpose of measuring this, unquoted investments will be measured by the lower of their cost or current valuation. The Company can invest up to 30 per cent of its net assets in hedge funds and/or other unregulated collective investment schemes. The Company will not invest more than 15 per cent of its gross assets in other investment companies listed on the main market of the London Stock Exchange.

The Company uses gearing as part of its investment strategy. The Articles of Association (the "Articles") permit the Company to borrow up to 25 per cent of its adjusted capital and reserves. Subject to this being complied with, the level of borrowing is a matter for the Board, whilst the utilisation of borrowings is delegated to the Investment Manager. This utilisation may be subject to specific guidelines established by the Board from time to time. The current guidelines permit the Investment Manager to utilise borrowings of up to 20 per cent of net assets. The Company has a £30 million borrowing facility with The Royal Bank of Scotland plc, of which £26.5 million was drawn down at the year end. The use of gearing by the Investment Manager will vary from time to time, reflecting its views on the potential returns from stockmarkets. The Company's gearing is reviewed by the Board and Investment Manager on an ongoing basis.

Performance

The performance of the Company is reviewed regularly by the Board and it uses a number of key performance indicators ("KPIs") to assess the Company's success in meeting its objective. The KPIs which have been established for this purpose are:

- Discrete annual total returns

Year ended 30 April	Net asset value	Share price	FTSE All-Share Index
2009	(24.2)%	(21.8)%	(26.9)%
2010	42.0%	46.0%	36.6%
2011	23.4%	31.0%	13.7%
2012	(4.6)%	(13.9)%	(2.0)%
2013	(2.8)%	4.5%	17.8%

Source: Artemis/Datastream

- Dividends per ordinary share

Year ended 30 April	Rate per ordinary share	% increase
2009	2.60p	6.1%
2010	2.75p	5.8%
2011	2.85p	3.6%
2012	2.95p	3.5%
2013	3.05p	3.4%

- Ongoing charges as a proportion of shareholders' funds (excluding performance fees)

As at 30 April	Ongoing charges
2009	1.1%
2010	1.1%
2011	0.9%
2012	1.0%
2013	0.9%

Directors' Report (continued)

Further information on the KPIs can be found in the Financial Highlights summary on pages 2 and 3. In addition to the above KPIs, the Board monitors the discount at which the shares trade at against the underlying net asset value. Whilst no specific discount target has been set, the Board has given the Investment Manager discretion to exercise the Company's authority to buy-back its own shares from time to time to address any imbalances between the supply and demand of the Company's shares in order to achieve a stable discount. The Board will also use its authority to issue new ordinary shares from time to time should there be excess demand for the Company's shares.

Current and future developments

A summary of the Company's developments during the year ended 30 April 2013, together with its prospects for the future, is set out in the Chairman's Statement on pages 4 and 5 and Investment Manager's Review on pages 6 to 8.

The Board's principal focus is the delivery of positive long-term returns for shareholders. This will be dependent on the success of the investment strategy, in the context of both economic and stockmarket conditions. The investment strategy, and factors that may have an influence on it, are discussed regularly by the Board and the Investment Manager. The Board regularly considers the ongoing development and strategic direction of the Company, including its promotion and the effectiveness of communication with shareholders.

Principal risks and risk management

The Board, in conjunction with the Investment Manager, has developed a risk map which sets out the principal risks faced by the Company. It is used to monitor these risks and to review the effectiveness of the controls established to mitigate them. Further information on the Company's internal controls is set out in the corporate governance section on pages 20 to 23. As an investment company the main risks relate to the nature of the individual investments and the investment activities generally. These include market price risk, foreign currency risk, interest rate risk, credit risk and liquidity risk.

A summary of the key areas of risk is set out below:

- *Investment:* the Company's investments are selected on their individual merits and the performance of the portfolio is not likely to track the wider UK market (FTSE All-Share Index). The Board believes this approach will continue to generate good long-term returns for shareholders. Currently 31.0 per cent (2012: 28.0 per cent) of the Company's investments (at market value) is represented by unquoted companies and these investments can carry a higher degree of risk. The Board considers that this risk is justified by the longer term nature of the investment objective and the Company's closed-ended structure, and that such investments will continue to be a source of positive returns for shareholders. The Company may also have significant exposure to particular industry sectors from time to time. Risk will be diversified through a broad range of investments being held. The Board discusses the investment portfolio with the Investment Manager at each Board meeting and part of this discussion includes a detailed review of the Company's unquoted investments and their valuations.
- *Regulatory:* failure to comply with the requirements of a framework of regulation and legislation, within which the Company operates. The Company relies on the services of the Company Secretary and Investment Manager to monitor ongoing compliance with relevant regulations and legislation.
- *Operational:* failure of the Investment Manager's and/or any third party service providers' systems which could result in an inability to accurately report and monitor the Company's financial position. The Investment Manager has established a business continuity plan to facilitate continued operation in the event of a major service disruption or disaster.
- *Financial:* any failings in the Investment Manager's and/or third party service providers' controls which could lead to the Company's assets being misappropriated. Failure to comply with appropriate accounting standards could result in a reporting error or breach of regulations or legislation.

Further information on risks and the management of them are set out in the notes to the financial statements on pages 43 and 44.

Other matters

Results and dividends

The Group's results for the year are set out in the Consolidated Income Statement on page 27. The Board has declared dividends for the year totalling 3.05 pence per share. The second interim dividend for the year ended 30 April 2013 of 1.85 pence per share will be paid on 16 August 2013 to shareholders who are on the register at the close of business on 26 July 2013.

Life of the Company

The Company's Articles provide that at the AGM to be held in 2018, and at every fifth AGM thereafter, a vote on whether the Company should continue in existence as an investment trust will be proposed as an ordinary resolution.

Management and management fees

The Company's investments are managed by Artemis, subject to an Investment Management Agreement dated 3 June 2003 and a Supplemental Agreement dated 11 November 2010 (together the "Agreement"). Pursuant to the Agreement, Artemis is entitled to a management fee of 0.75 per cent per annum of the monthly market capitalisation of the Company, payable quarterly in arrears. In addition, a performance-related fee equal to 15 per cent of any outperformance by the Company's share price (on a total return basis) of the rate of total return on the FTSE All-Share Index plus 2 per cent per annum, measured over a rolling three year period, other than for the first two performance periods ending on 30 April 2012 and 30 April 2013 respectively.

The performance fee payable each year cannot exceed 2.5 per cent of the Company's market capitalisation at the end of the performance period. The performance fee operates a "high water mark" such that it will only be payable if the Company's share price ends the measurement period higher than at the start of such period and is higher than the share price level (on a total return basis) at which a performance fee was last paid. No performance fee was earned for the year ended 30 April 2013.

The Agreement may be terminated by either party on twelve months' written notice. In the event of the Company terminating the Agreement by giving less than twelve months' notice, Artemis is entitled to an amount in lieu of notice equivalent to 0.75 per cent of the market capitalisation of the Company on the date of termination and the performance fee (if any) due in accordance with the Agreement.

John Dodd and Adrian Paterson are the day to day fund managers. Portfolio ideas may also be generated by the other members of the Artemis investment team from time to time. Artemis is authorised and regulated by the Financial Conduct Authority and at 30 April 2013 had £14.5 billion of assets under management.

Continuing appointment of the Investment Manager

Having recently reviewed the Investment Manager's engagement, the Board believes that its continuing appointment, on its current terms, remains in the interests of shareholders. In arriving at this view, consideration was given to the long-term performance against the broader market, represented by the FTSE All-Share Index, the investment strategy and the general support and information provided by Artemis. Such a review is carried out on an annual basis.

Directors

The Directors of the Company and their biographical details are set out on page 14. Each of the Directors held office throughout the year under review.

No Director has a contract of service with the Company.

Elections of Directors

Mr Miller and Mr Dalrymple have both served as Directors for more than nine years. In accordance with the AIC's Code of Corporate Governance they are now subject to annual re-election. The Board does not consider length of service itself to affect a Director's independence.

Mr Cross Brown is not considered to be independent due to his membership of the management committee of Artemis and therefore stands for re-election on an annual basis.

Following the annual review of the Board, it has now adopted a policy that all Directors should offer themselves up for re-election on an annual basis with effect from this year's AGM. Accordingly Mr Barron and Mr Dighé will also stand for re-election at the AGM.

The Board recommends the re-election of each of the Directors on the basis of their industry knowledge, experience and their contribution to the operation of the Company.

Directors' insurance and indemnification

Directors' and Officers' liability insurance cover is held by the Company to cover Directors against certain liabilities that may arise in conducting their duties.

The Company's Articles provide the Directors of the Company, subject to the provisions of UK law, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. Save for this, there are no qualifying third party indemnity provisions in force.

Directors' interests

The Directors' interests in the capital of the Company who held office at 30 April 2013 were as follows:

Ordinary shares

	30 April 2013		1 May 2012	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Mr Miller	10,144	–	10,044	–
Mr Barron	8,792	–	5,000	–
Mr Cross Brown	44,321	–	44,321	–
Mr Dalrymple	46,000	32,000	46,000	32,000
Mr Dighé	6,325	–	6,325	–

Subscription shares

	30 April 2013		1 May 2012	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Mr Miller	1,428	–	1,428	–
Mr Barron	713	–	713	–
Mr Cross Brown	6,331	–	6,331	–
Mr Dalrymple	8,285	2,857	8,285	2,857
Mr Dighé	–	–	–	–

There have been no changes to the above holdings between 30 April 2013 and the date of this Report.

At no time during the year did any Director hold a material interest in any contract, arrangement or transaction with the Company or its subsidiary undertakings.

Directors' Report (continued)

Share capital

The Company has two share classes: ordinary shares of 1 pence each and subscription shares of 1 pence each. As at 30 April 2013 the Company had 48,535,988 ordinary shares (2012: 48,844,470) and 6,865,616 subscription shares (2012: 6,867,134) in issue.

The Company made market purchases of its own ordinary shares totalling 1,535,128 (2012: 622,048) for an aggregate consideration of £4,315,000 (2012: £1,730,000). This represented 3.2 per cent of issued ordinary share capital at the start of the period, with a nominal value of £15,351. The shares were bought at an average discount of 9.6 per cent (2012: 7.3 per cent) and are held in treasury.

During the year the Company issued and allotted 1,518 (2012: 19,231) ordinary shares in connection with the exercise of subscription rights by holders of a corresponding number of subscription shares. These shares were issued at the subscription price of 345.0 pence per share.

The ordinary share capital includes 1,847,176 shares held in treasury (2012: 622,048). During the year 310,000 treasury shares were cancelled (2012: nil).

Since the period end, 1,751,800 ordinary shares have been purchased into treasury, and 666,448 ordinary shares held in treasury have been cancelled. As at 4 July 2013, the Company had 47,869,540 ordinary shares in issue. Of these, 2,932,528 ordinary shares are held in treasury, and therefore the Company's total voting rights are 44,937,012.

The subscription shares rank equally with each other and do not carry any voting rights or the right to receive any dividends from the Company. Each subscription share confers the right (but not the obligation) to subscribe for one ordinary share at 345.0 pence on the last business day in June and December of each year up to 31 December 2017, after which the subscription shares will lapse. The subscription shares are freely transferable in the form of which they are currently registered and are traded on the London Stock Exchange.

At any general meeting of the Company, every ordinary shareholder attending in person or by proxy (or by corporate representative) is entitled to one vote on a vote on a show of hands and, where a poll is called every ordinary shareholder attending in person or by proxy is entitled to have one vote for every ordinary share of which he is the holder. There are no restrictions concerning the voting rights of the Company's ordinary shares or the holding or transfer of the Company's shares and there are no special rights attached to any of the ordinary shares. The Company's ordinary shareholders may, by ordinary resolution, declare dividends provided such dividends are not in excess of any dividends recommended by the Directors. The Directors may also pay interim dividends. The Company is not aware of any agreements between shareholders which may result in any restriction on the transfer of shares or on the voting rights.

As at the date of this Report, the table below sets out those shareholders who have notified the Company that they hold more than 3 per cent of the voting rights attaching to the ordinary shares in issue.

Shareholder	Number of ordinary shares held as at 4 July 2013	% of voting rights
JPMorgan Asset Management	2,597,549	5.8%
Mr John Dodd	2,560,955	5.7%
Mr Mark Tyndall	2,125,590	4.7%
Investec Wealth & Investment	1,683,799	3.7%
Mr Adrian Paterson	1,476,401	3.3%

Additional shareholder information

The requirements relating to the appointment and replacement of Directors are contained in the Articles of the Company, a copy of which can be found on the Company's web site at artemis.co.uk. Amendments to the Articles, and the giving of powers to issue or buy-back the Company's shares, require appropriate resolutions to be passed by shareholders. The current authorities to buy-back and issue shares will expire at the AGM and proposals for their renewal are set out on pages 46 to 50. There are no agreements which the Company is party to that might affect its control following a takeover bid; and there are no agreements between the Company and its Directors concerning compensation for loss of office.

Payment of suppliers

It is the Company's policy to obtain the best possible terms for all business and therefore there are no standard payment terms. The Company agrees with its suppliers the terms on which business will be transacted and it is the Company's policy to abide by those terms. At 30 April 2013 there were no amounts owed to suppliers in respect of invoices received but unpaid (30 April 2012: none).

Going concern

The Directors, having considered the likely cash flows and operational costs of the Company for the 18 months from the year end, are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in the preparation of the financial statements.

AGM

Details of the 2013 AGM are set out in the Chairman's Statement on page 5 and the Notice of Meeting on pages 46 to 50. Resolutions in relation to the re-issue of treasury shares and special business are set out below.

Treasury shares

The Board believes that the use of treasury shares can assist with the liquidity of the Company's ordinary shares to address any imbalances between supply and demand and consider that being able to resell any such treasury shares at a discount to net asset value provides maximum flexibility in the management of the Company's capital. The Listing Rules of the United Kingdom Listing Authority require that shareholder approval is obtained in order to issue shares or resell treasury shares at a discount to net asset value. Accordingly, Resolution 9 will be proposed as an ordinary resolution to allow the Company to sell shares from treasury at a discount to net asset value. Shares would only be sold from treasury when market demand is identified and, pursuant to the authority conferred by Resolution 9, subject to the condition that the discount at which shares are resold must not be less than the average discount at which the total number of shares held in treasury were repurchased. This resolution is conditional on the passing of Resolution 11.

Any shares held in treasury for more than twelve months from the date of acquisition will be cancelled.

Authority to allot shares and disapply pre-emption rights

The Directors were authorised at the AGM in September 2012 to allot up to an aggregate nominal amount of £68,660 pursuant to the exercise rights attaching to the subscription shares and up to an aggregate nominal amount of £23,772 under a general authority to allot ordinary shares. These authorities shall expire at the conclusion of the next AGM of the Company to be held in 2013. Resolution 10, which will be proposed as an ordinary resolution, seeks to renew these authorities.

The current authority for Directors to allot shares in the Company without first offering them to existing shareholders, in accordance with statutory pre-emption procedures, will also expire at the forthcoming AGM. The Directors believe it to be in shareholders' interests to continue to have such an authority for the forthcoming year and accordingly will seek to renew the authority and to disapply pre-emption rights at the forthcoming AGM.

Accordingly, Resolution 11 will, if approved, authorise the Directors to allot new ordinary shares up to an aggregate nominal amount of £68,656 in respect of subscription shares and £22,469, under a general authority, representing approximately 15.3 per cent and 5 per cent of the Company's issued ordinary share capital as at the date of this report, for cash without first offering such shares to existing shareholders pro rata to their existing holdings. Resolution 11 will be proposed as a special resolution and the authorities will continue in effect until the conclusion of the AGM to be held in 2014 or, if earlier, on 31 October 2014. The Directors will only issue new ordinary shares pursuant to the general authority if they believe it is advantageous to the Company's shareholders to do so.

Authority to buy-back shares

The Company's existing authority to make market purchases of up to 14.99 per cent of the issued ordinary and subscription share capital will expire at the forthcoming AGM. The Directors consider that the Company should continue to have authority to make market purchases of its own shares and accordingly Resolution 12 will be proposed as a special resolution at the forthcoming AGM to renew that authority.

Repurchased ordinary shares may be held in treasury or cancelled. All repurchased subscription shares will be cancelled. The ability to repurchase subscription shares will allow the Board to manage the dilutive effect of these when there is no demand for them through the market.

The maximum price which may be paid for purchases of ordinary shares and subscription shares (as applicable) through the market will not exceed the higher of (i) 5.0 per cent above the average of the middle market quotations (as derived from the Official List) for the relevant shares for the five consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for, any number of ordinary shares or subscription shares, as applicable, on the trading venue where the purchase is carried out. In addition, repurchases of ordinary shares will only be made in the market at prices below the prevailing net asset value per ordinary share.

Recommendation

The Directors consider that passing the resolutions to be proposed at the AGM will be in the best interests of the Company and shareholders as a whole and unanimously recommend that shareholders vote in favour of each of these resolutions as they intend to do in respect of their own holdings.

Independent auditor

Our auditor, KPMG Audit Plc has instigated an orderly wind down of its business. The Audit Committee has responsibility for making a recommendation to the Board on the appointment of the external auditor and after careful consideration of the services provided during the year and a review of their effectiveness, the Audit Committee recommended to the Board that KPMG LLP (an intermediate parent company of KPMG Audit Plc) should

Directors' Report (continued)

be appointed as auditor. Accordingly, an ordinary resolution will be proposed at the forthcoming AGM for the appointment of KPMG LLP and to authorise the Directors to agree its remuneration.

Audited information

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Corporate Governance

Compliance

The Company is committed to high standards of Corporate Governance. This statement outlines how the principles of the AIC Code of Corporate Governance issued in October 2010 (the "AIC Code") were applied throughout the financial year. The AIC Code has been endorsed by the Financial Reporting Council (the "FRC") and compliance with the AIC Code enables the Company to meet its obligations in relation to the provisions of the UK Corporate Governance Code, insofar as they relate to the Company's business. The Board considers that in the course of the year and up to the date of this report the Company has complied with the AIC Code.

Set out below is how the Company has applied the principles of the AIC Code.

All Directors on the Board of the Company are non-executive and the Company's day-to-day responsibilities are delegated to third party service providers.

Board responsibilities

The Board is responsible for determining the strategic direction of the Company. It meets at least four times a year to review the performance of the Company's investments, the financial position of the Company, its performance in relation to the investment objective and all other important issues to ensure that the Company's affairs are managed within a framework of prudent and effective controls. Whilst certain responsibilities are delegated, a schedule of matters specifically reserved for its decision has been adopted by the Board.

Responsibilities are clearly defined and allocated between the Chairman, the Board, the Investment Manager and a number of third party service providers.

No one individual has unfettered powers of decision. The Chairman, Mr Miller, was at the time of his appointment, and remains, independent of the Investment Manager. The Chairman leads the Board and ensures its effectiveness on all aspects of its operation ensuring that each Director receives accurate, timely and clear information enabling them to perform effectively as a Board. The Company Secretary liaises with the Chairman prior to each meeting to agree agenda content and papers to be submitted to Board and Committee meetings. In addition, the Chairman is responsible for ensuring there is effective communication with shareholders.

The Board has set the parameters within which the Investment Manager operates and these are set out in the Investment Management Agreement and in Board minutes. Representatives of the Investment Manager attend each Board meeting enabling the Directors to seek clarification on its activities in managing the Company.

The Board has formalised arrangements under which Directors, in furtherance of their duties, may take independent professional advice at the Company's expense. The Directors have access to the advice and services of the Company Secretary, through its appointed representatives, who are responsible to the Board for ensuring that proper procedures are followed and that applicable rules and regulations are complied with.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Board composition

The Board comprises five Directors, all of whom are non-executive. The names of the Directors, together with their biographical details, are set out on page 14 of this Report.

The Board considers that all the Directors, with the exception of Mr Cross Brown, were independent of the Investment Manager and comply with the criteria for independence as set out in the AIC Code. Mr Cross Brown is not considered independent due to his position on the management committee of Artemis. Each of the Directors is deemed to be independent in character and judgement. The Nomination Committee meets annually to consider matters of independence.

The Company's Senior Independent Director is David Barron. This position is reviewed annually.

Appointment of Directors and performance evaluation

Directors are appointed subject to the provisions of the Act and the Company's Articles. Any Directors appointed by the Board are subject to election by shareholders at the first AGM following their appointment.

At the AGM, all Directors offer themselves for re-election.

The Board recommends the re-election of each Director to shareholders on the basis of their expertise and experience in investment matters and their continuing effectiveness and commitment to the Company.

	Date of appointment	Due for re-election
Mr Miller	14 July 2003	AGM 2013
Mr Cross Brown	5 April 2006	AGM 2013
Mr Dalrymple	1 April 2004	AGM 2013
Mr Barron	17 February 2005	AGM 2013
Mr Dighé	13 December 2010	AGM 2013

The Directors of the Company have not been appointed subject to a service contract. The terms and conditions of their appointments are set out in letters of appointment, which are available for inspection at the registered office of the Company and at the AGM.

The Board, led by the Nomination Committee, conduct an annual review of its performance and that of its Committees, the Chairman and individual Directors. This review is based on a process of appraisal by interview, with the evaluation of the performance of the Chairman being undertaken by the other Directors, led by the Senior Independent Director. The Board is satisfied that it continues to have an appropriate balance of skills and experience and therefore supports the resolutions to re-elect each of the Directors at the forthcoming AGM.

Board committees

In order to enable the Directors to discharge their duties, three Board Committees, each with written terms of reference, have been established. Committee membership is set out on page 14 of this Report. Attendance at meetings of the Committees is restricted to members and persons expressly invited to attend. Copies of the terms of reference for the Board Committees are available from the Company Secretary or on the Investment Manager's website at artemis.co.uk. The Chairman of the Board acts as Chairman for the Committees, with the exception of the Audit Committee, which is chaired by Mr Dighé.

The Company Secretary acts as the Secretary to each Committee.

Audit Committee

The main responsibilities of the Audit Committee include monitoring the integrity of the Company's financial statements, the appropriateness of its accounting policies, reviewing the internal control systems and the risks to which the Company is exposed. It is also responsible for making recommendations to the Board regarding the appointment of the auditor, the independence of the auditor, the objectivity and effectiveness of the audit process and the approval of the financial statements. It meets at least twice per year.

The Audit Committee provides a forum through which the Company's auditor reports to the Board. The Audit Committee monitors the non-audit services being provided to the Company by its auditor and a policy with regard to the provision of these services has been formalised. All members of the Audit Committee are considered to have relevant and recent financial and investment experience as a result of their employment in financial services and other industries.

Representatives from the Investment Manager and the Administrator may be invited to attend the meetings of the Audit Committee to report on issues as required. The Company does not have an internal audit function as most of its day-to-day operations are delegated to third parties. Both the Investment Manager and the Administrator have established internal control frameworks to provide reasonable assurance as to the effectiveness of the internal controls operated on behalf of their clients. Both third parties report to the Board, on a quarterly basis, any breaches of law or regulation or any operational errors. The Audit Committee considers annually whether there is a need for an internal audit function, and has agreed that it remains appropriate for the Company to rely on the internal controls that exist within its third party service providers.

Management Engagement Committee

The Management Engagement Committee, which meets at least annually, reviews the terms of appointment and the performance of each of the Company's third party service providers, including the Investment Manager, and makes recommendations to the Board for improvement or change as appropriate.

Nomination Committee

The Nomination Committee meets at least annually. It is responsible for ensuring that the Board has an appropriate balance of skills and experience to carry out its duties, for identifying and nominating to the Board new Directors and for proposing that existing Directors be re-elected. The Committee undertakes an annual performance evaluation of the Board, led by the Chairman. On those occasions when the Committee is reviewing the Chairman, or considering his successor, the Nomination Committee will normally be chaired by the Senior Independent Director.

Board and Committee Meetings

The following table sets out the Directors' attendance at the Board and Committee meetings held during the year.

	Board Meetings	Audit Committee Meetings
Number of meetings held	4	3
Mr Miller	4	3
Mr Barron	4	3
Mr Cross Brown*	4	3
Mr Dalrymple	4	3
Mr Dighé	4	3

Directors' Report (continued)

	Management Engagement Committee Meetings	Nomination Committee Meetings
Number of meetings held	1	1
Mr Miller	1	1
Mr Barron	1	1
Mr Cross Brown*	1	1
Mr Dalrymple	1	1
Mr Dighé	1	1

* Mr Cross Brown is not a member of the Audit, Management Engagement or Nomination Committees, but he is invited to attend any meetings held.

Directors' remuneration

As the Company has no executive Directors, the Directors do not consider it appropriate to appoint a Remuneration Committee. The Board as a whole considers the Directors' remuneration within the limits set by the Company's Articles. Further details are set out in the Directors' Remuneration Report on page 24.

Directors' tenure

All Directors' continuing appointments are subject to re-election by shareholders at least every three years, however, the Board has adopted a policy of annual re-election in line with best practice. Where a Director has served for more than nine years they will be subject to an annual re-election. Directors are subject to a rigorous review after six years of service. The Board does not consider length of service itself to affect a Director's independence. The Board has agreed a procedure for the appointment of new Directors. Formal consideration of the skills and experience of the Board is undertaken to help identify the capabilities of a new Director when a vacancy arises. The Board is formulating a succession plan, and accordingly the Chairman will step down with effect from the AGM to be held in 2014.

Induction and training

New Directors appointed to the Board are provided with an induction which is tailored to the particular circumstances of the appointee. Regular updates are provided on changes in regulatory requirements that could affect the Company. The Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts and receive other training as necessary.

Diversity policy

The Board supports the principles of diversity in the boardroom. It acknowledges the benefits of having greater diversity, including gender, and considers this in seeking to ensure that the overall balance of skills and knowledge that the Board remains appropriate so that it can continue to operate effectively. The Board's Director selection policy will, first and foremost, seek to identify the person best qualified to become a Director of the Company, but in so doing, consideration will be given to diversity, including gender.

Relations with shareholders

The Board considers communication with shareholders an important function and Directors are always available to respond to shareholder queries. Shareholders can contact the Chairman using the email address simon.miller@artemisfunds.com. The Board aims to ensure that shareholders are kept fully informed of developments in the Company's business through the Annual and Half-Yearly Reports and Interim Management Statements, as well as the daily announcement of the net asset values of the Company's ordinary shares to the London Stock Exchange. The Investment Manager produces a monthly factsheet which can be found on the Investment Manager's website at artemis.co.uk, along with other information on the Company. The Investment Manager meets with major shareholders on a periodic basis.

All shareholders are encouraged to attend and vote at the AGM, during which the Board and Investment Manager will be available to discuss issues affecting the Company. Details of shareholder voting are declared at every AGM and are available on the Investment Manager's website as soon as practicable following the close of the meeting. All Directors intend to attend this year's AGM, details of which are set out in the Notice of Meeting on pages 46 to 50 of this report.

UK Stewardship Code

Artemis has endorsed the UK Stewardship Code. This sets out the responsibilities of institutional investors in relation to the companies in which they invest and a copy of this can be found on Artemis' website at artemis.co.uk.

Voting Policy

The Directors have given the Investment Manager discretion to exercise the Company's voting rights and the Investment Manager, so far as is practicable, will exercise them in respect of resolutions proposed by investee companies. The Investment Manager's voting for its clients is summarised on its website at artemis.co.uk.

Bribery Act 2010

The Company is committed to carrying out business fairly, honestly and openly. The Investment Manager has established policies and procedures to prevent bribery.

Conflicts of interest

The Board has put in place procedures to deal with conflicts and potential conflicts of interest and considers that these have operated effectively throughout the year. The Board also confirms that its procedures for the approval of conflicts and potential conflicts of interest have been followed by the Directors during the year under review.

Social & environmental matters

The Company has delegated the investment management of the Company to Artemis and, in its capacity as Investment Manager, Artemis has established certain procedures to assess investee companies' businesses in relation to social and environmental matters. It will follow these in its investment decision making process, subject to the overriding requirement of seeking to protect the economic interests of the Company and its shareholders.

Internal controls and management of risk

The Board recognises its responsibility for the implementation, review and maintenance of effective systems of internal control to manage the risks to which the Company is exposed as well as ensuring that a sound system of internal control is maintained to safeguard shareholders' interests and the Company's assets. As the majority of the Company's systems are maintained on behalf of the Company by third party service providers under contract, the Board fulfils its obligations by requiring these service providers to report and provide assurances on their systems of internal control, which are designed to manage, rather than eliminate, risks. In light of the Board's reliance on these systems and the reports thereon, the Board can only provide reasonable and not absolute assurance against material misstatement or loss. The Board does, however, ensure that these service providers are employed subject to clearly defined contracts.

Both the Investment Manager and the Administrator have established internal control frameworks to provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of their clients. The Investment Manager reports to the Board on a regular basis with regard to the operation of its internal controls and risk management within its operations in so far as it impacts the Company. In addition, the Investment Manager reports quarterly to the Board on compliance with the terms of its delegated authorities under the Investment Management Agreement and other restrictions determined by the Board.

The Administrator also reports, on a quarterly basis, any breaches of law and regulation and any operational errors. This enables the Board to address any issues with regard to the management of the Company as and when they arise and to identify any known internal control failures. The key procedures which have been established to provide effective internal controls are as follows:

- The Board carried out and documented a risk and control assessment, which was reviewed twice during the year and will be kept under ongoing, and at least a six monthly, review.
- Investment management, accounting and custody of assets are segregated. The procedures of the individual parties carying out these functions are designed to complement each other.
- Investment management and company secretarial services are provided by Artemis. The Board is responsible for setting the overall investment policy and monitoring the actions of the Investment Manager. The Board reviews information produced by the Investment Manager in detail on a regular basis.
- Administration services are provided by J.P. Morgan Europe Limited. The Administrator reports to the Board on a quarterly basis and ad hoc as appropriate. In addition, the Board receives the Administrator's reports on internal controls.
- The Board is aware of the whistleblowing procedures of Artemis and the Administrator, which are considered satisfactory.
- Safekeeping of the Company's assets is undertaken by J.P. Morgan Chase Bank N.A..
- The Directors of the Company clearly define the duties and responsibilities of its agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted by the Board after consideration of the quality of parties involved; their ongoing performance and contractual arrangements are monitored to ensure that they remain effective.
- Mandates for authorisation of investment transactions and expense payments are approved by the Board.

By the procedures set out above, the Directors have reviewed the effectiveness of the Company's internal controls throughout the year under review and up to the date of this Report.

By order of the Board

Artemis Investment Management LLP
Company Secretary
4 July 2013

Directors' Remuneration Report

The Directors are pleased to present their report on remuneration for the year ended 30 April 2013. The Company's auditor is required to audit certain information contained within this report and, where information set out below has been audited, it is clearly indicated. The auditor's opinion is included in the Independent Auditor's Report, which can be found on page 26.

Policy on Directors' Remuneration

The Company's policy is that fees payable to the Directors should reflect the time spent on the Company's affairs, the responsibilities borne by the Directors and should be sufficient to enable candidates of a high calibre to be recruited. The Company's policy is for the Chairman of the Board to be paid a higher fee than the other Directors, to reflect his more onerous role. The Chairman of the Audit Committee also receives an additional fee to reflect the additional responsibilities associated with the role. The Board reviews the level of Directors' fees each year, taking into account a range of external information, including peer group comparisons and relevant independent research. After consideration at a Board meeting on 20 June 2013, it was agreed that the fees for all the Directors should remain unchanged for the year ending 30 April 2014. It is the Company's policy that no Director shall be entitled to any benefits in kind, share options, long-term incentives, pensions or other retirement benefits, or compensation for loss of office. It is also considered appropriate that no aspect of Directors' remuneration should be performance-related in light of the Directors' non-executive status. Directors are entitled to claim expenses in respect of duties undertaken in connection with the management of the Company. It is the intention of the Board that, unless deemed appropriate to implement a revision, the above remuneration policy will continue to apply for the forthcoming and subsequent financial years.

The Board

During the year ended 30 April 2013, the Board consisted of non-executive Directors, who determine their remuneration as a whole. Accordingly, a separate Remuneration Committee has not been established. The Board has not relied upon the advice or services of any person to assist in making its remuneration decisions, although the Directors carry out reviews from time to time of the fees paid to directors of other investment trusts. The Directors do not have a contract of service with the Company but are instead appointed by letters of appointment. A Director may resign in writing to the Board at any time; there are no fixed notice periods or any entitlement to compensation for loss of office.

Directors' fees (audited)

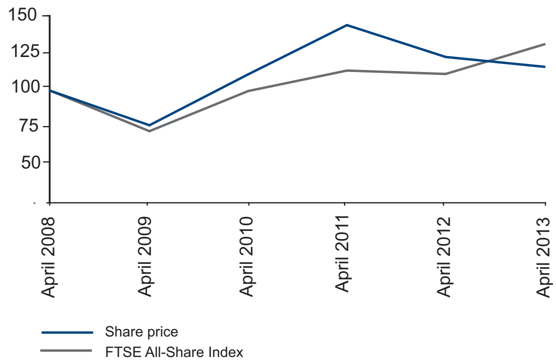
The information in this section has been subject to audit. The Directors who served during the years ended 30 April 2013 and 30 April 2012 received the following emoluments:

Director[1]	2013	2012
Mr Miller	£28,000	£28,000
Mr Barron[2]	£20,000	£21,000
Mr Cross Brown	£20,000	£20,000
Mr Dalrymple	£20,000	£20,000
Mr Dighé	£22,000	£21,000

1 None of the Directors who are Directors of the Company's wholly owned subsidiary received any remuneration from this company.

2 Mr Barron's fees were paid to nominated charities until 31 March 2013.

Performance graph



Source: Artemis/Datastream

The performance graph above sets out the Company's ordinary share price total return (assuming re-investment of dividends) to ordinary shareholders from 30 April 2008 to 30 April 2013 compared to the total return of a notional investment in the FTSE All-Share Index. As investments are selected on their individual merits, the portfolio will not track any comparative index, and there is likely to be a divergence in performance between the Company and the index.

For and on behalf of the Board

Simon Miller
Chairman
4 July 2013

Management Report and Statement of Directors' Responsibilities

in respect of the Annual Financial Report

Management Report

Listed companies are required by the FCA's Disclosure and Transparency Rules (the "Rules") to include a management report in their annual financial statements. The information required to be in the management report for the purpose of the Rules is included in the Chairman's Statement (pages 4 and 5), the Investment Manager's Review (pages 6 to 8) and the Business Review contained in the Directors' Report (pages 15 to 23). Therefore no separate management report has been included.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Financial Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and parent company financial statements for each financial year. Under that law they are required to prepare the group financial statements in accordance with IFRS as adopted by the EU and applicable law and have elected to prepare the parent company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Financial Statements are published on a website, artemis.co.uk, maintained by the Company's Investment Manager, Artemis Investment Management LLP. The maintenance and integrity of the corporate and financial information relating to the Company is the responsibility of the Investment Manager. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

(a) the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities and financial position of the Company and the Group, and of the profit or loss of the Group; and

(b) the Report of the Directors includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Simon Miller
Chairman
4 July 2013

Independent Auditor's Report To the members of Artemis Alpha Trust plc

We have audited the financial statements of Artemis Alpha Trust plc for the year ended 30 April 2013 set out on pages 27 to 45. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2013 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 18, in relation to going concern;
- the part of the Corporate Governance Statement in the Directors' Report relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Catherine Burnet (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Edinburgh

4 July 2013

	Notes	Year ended 30 April 2013 Revenue £'000	Capital £'000	Total £'000	Year ended 30 April 2012 Revenue £'000	Capital £'000	Total £'000
Investment income	2	1,760	–	1,760	2,018	–	2,018
Other income	2	(21)	–	(21)	35	–	35
Total revenue		**1,739**	**–**	**1,739**	**2,053**	**–**	**2,053**
Losses on investments		–	(4,013)	(4,013)	–	(7,274)	(7,274)
Losses on current asset investments	10	(140)	–	(140)	(638)	–	(638)
Currency losses		–	(21)	(21)	–	(68)	(68)
Total income/(loss)		**1,599**	**(4,034)**	**(2,435)**	**1,415**	**(7,342)**	**(5,927)**
Expenses							
Investment management fee	3	(102)	(920)	(1,022)	(103)	(929)	(1,032)
Performance fee	3	–	–	–	40	363	403
Other expenses	4	(380)	(2)	(382)	(407)	(6)	(413)
Profit/(loss) before finance costs and tax		**1,117**	**(4,956)**	**(3,839)**	**945**	**(7,914)**	**(6,969)**
Finance costs	5	(44)	(400)	(444)	(63)	(568)	(631)
Profit/(loss) before tax		**1,073**	**(5,356)**	**(4,283)**	**882**	**(8,482)**	**(7,600)**
Tax	6	(12)	–	(12)	(24)	–	(24)
Profit/(loss) for the year		**1,061**	**(5,356)**	**(4,295)**	**858**	**(8,482)**	**(7,624)**
Earnings/(loss) per share	8	**2.24p**	**(11.31)p**	**(9.07)p**	**1.76p**	**(17.44)p**	**(15.68)p**

The total column of this statement represents the Statement of Comprehensive Income of the Group, prepared in accordance with International Financial Reporting Standards as adopted by the EU. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

All income is attributable to the equity shareholders of Artemis Alpha Trust plc. There are no minority interests.

The notes on pages 32 to 45 form part of these financial statements.

Balance Sheets

As at 30 April 2013

	Notes	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Non-current assets					
Investments	9	162,121	163,291	162,480	163,811
Current assets					
Investments held by subsidiary		950	–	1,635	–
Other receivables	12	547	405	664	853
Cash and cash equivalents		2,530	2,514	404	517
		4,027	2,919	2,703	1,370
Total assets		**166,148**	**166,210**	**165,183**	**165,181**
Current liabilities					
Other payables	13	(1,300)	(1,362)	(834)	(832)
Bank loan	18	(26,500)	(26,500)	(16,000)	(16,000)
		(27,800)	**(27,862)**	**(16,834)**	**(16,832)**
Net assets		**138,348**	**138,348**	**148,349**	**148,349**
Equity attributable to equity holders					
Share capital	14	554	554	557	557
Share premium		635	635	630	630
Special reserve		65,334	65,334	69,649	69,649
Capital redemption reserve		36	36	33	33
Retained earnings – revenue		1,621	870	1,956	1,044
Retained earnings – capital	15	70,168	70,919	75,524	76,436
Total equity		**138,348**	**138,348**	**148,349**	**148,349**
Net asset value per share	16	**296.32p**	**296.32p**	**307.64p**	**307.64p**

These financial statements were approved by the Board of Directors and signed on its behalf on 4 July 2013 by:

Simon Miller
Director

The notes on pages 32 to 45 form part of these financial statements.

Company No: 253644

Group	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Retained earnings Revenue £'000	Retained earnings Capital £'000	Total £'000
For the year ended 30 April 2013							
At 1 May 2012	557	630	69,649	33	1,956	75,524	148,349
Total comprehensive income:							
Profit/(loss) for the year	–	–	–	–	1,061	(5,356)	(4,295)
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	(4,315)	–	–	–	(4,315)
Cancellation of ordinary shares from treasury	(3)	–	–	3	–	–	–
Conversion of subscription shares	–	5	–	–	–	–	5
Dividends paid	–	–	–	–	(1,396)	–	(1,396)
At 30 April 2013	**554**	**635**	**65,334**	**36**	**1,621**	**70,168**	**138,348**
For the year ended 30 April 2012							
At 1 May 2011	557	69,136	2,807	33	2,485	84,006	159,024
Total comprehensive income:							
Profit/(loss) for the year	–	–	–	–	858	(8,482)	(7,624)
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	(1,730)	–	–	–	(1,730)
Conversion of subscription shares	–	66	–	–	–	–	66
Cancellation of share premium	–	(68,572)	68,572	–	–	–	–
Dividends paid	–	–	–	–	(1,387)	–	(1,387)
At 30 April 2012	**557**	**630**	**69,649**	**33**	**1,956**	**75,524**	**148,349**

The notes on pages 32 to 45 form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 April 2013 (continued)

Company	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Retained earnings Revenue £'000	Retained earnings Capital £'000	Total £'000
For the year ended 30 April 2013							
At 1 May 2012	557	630	69,649	33	1,044	76,436	148,349
Total comprehensive income:							
Profit/(loss) for the year	–	–	–	–	1,222	(5,517)	(4,295)
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	(4,315)	–	–	–	(4,315)
Cancellation of ordinary shares from treasury	(3)	–	–	3	–	–	–
Conversion of subscription shares	–	5	–	–	–	–	5
Dividends paid	–	–	–	–	(1,396)	–	(1,396)
At 30 April 2013	**554**	**635**	**65,334**	**36**	**870**	**70,919**	**138,348**
For the year ended 30 April 2012							
At 1 May 2011	557	69,136	2,807	33	983	85,508	159,024
Total comprehensive income:							
Profit/(loss) for the year	–	–	–	–	1,448	(9,072)	(7,624)
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	(1,730)	–	–	–	(1,730)
Conversion of subscription shares	–	66	–	–	–	–	66
Cancellation of share premium	–	(68,572)	68,572	–	–	–	–
Dividends paid	–	–	–	–	(1,387)	–	(1,387)
At 30 April 2012	**557**	**630**	**69,649**	**33**	**1,044**	**76,436**	**148,349**

The notes on pages 32 to 45 form part of these financial statements.

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Operating activities				
Loss before tax	(4,283)	(4,283)	(7,600)	(7,600)
Interest payable	444	444	631	631
Losses on investments	4,013	4,174	7,274	7,864
Losses on current asset investments	140	–	638	–
Currency losses	21	21	68	68
Decrease/(increase) in other receivables	271	260	(87)	(90)
Decrease in other payables	(23)	(23)	(441)	(422)
Net cash inflow from operating activities before interest and tax	**583**	**593**	**483**	**451**
Interest paid	(444)	(444)	(631)	(631)
Irrecoverable overseas tax suffered	(12)	(12)	(24)	(24)
Net cash inflow/(outflow) from operating activities	**127**	**137**	**(172)**	**(204)**
Investing activities				
Purchases of investments	(53,258)	(51,895)	(53,526)	(51,082)
Sales of investments	50,484	48,672	69,240	73,325
Net cash (outflow)/inflow from investing activities	**(2,774)**	**(3,223)**	**15,714**	**22,243**
Financing activities				
Repurchase of ordinary shares into treasury	(4,315)	(4,315)	(1,730)	(1,730)
Conversion of subscription shares	5	5	66	66
Dividends paid	(1,396)	(1,396)	(1,387)	(1,387)
Increase/(decrease) in inter-company loan	–	310	–	(6,195)
Net cash outflow from financing activities	**(5,706)**	**(5,396)**	**(3,051)**	**(9,246)**
Net (increase)/decrease in net debt	**(8,353)**	**(8,482)**	**12,491**	**12,793**
Net debt at the start of the year	**(15,596)**	**(15,483)**	**(28,019)**	**(28,208)**
Effect of foreign exchange rate changes	(21)	(21)	(68)	(68)
Net debt at the end of the year	**(23,970)**	**(23,986)**	**(15,596)**	**(15,483)**
Bank loans	(26,500)	(26,500)	(16,000)	(16,000)
Cash	2,530	2,514	404	517
	(23,970)	**(23,986)**	**(15,596)**	**(15,483)**

The notes on pages 32 to 45 form part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

(a) Basis of preparation. The Group's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The Company's Financial Statements have also been prepared in accordance with IFRSs as adopted by the EU and in accordance with the provisions of the Companies Act 2006 (the "Act"). The principal accounting policies adopted by the Group and by the Company are set out below. The Company has taken advantage of the exemption provided under Section 408 of the Act not to publish its Income Statement and related notes.

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 2013. There are no differences between the accounting policies applied in the Group and the Company.

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

A number of estimates and judgements have been made in the preparation of the financial statements. These are reviewed regularly by the Board and Investment Manager. The most significant judgement is the valuation of unquoted investments, which is described in note 1(e) below.

(b) Basis of consolidation. The Group financial statements consolidate the financial statements of Artemis Alpha Trust plc and the entities it controls (its subsidiary) drawn up to 30 April each year. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement. The financial statements of subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits arising from them, are eliminated on consolidation.

(c) Presentation of Consolidated Income Statement. In order to better reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Consolidated Income Statement between items of revenue and capital nature has been presented alongside the Consolidated Income Statement.

(d) Segmental reporting. The Group has only one material segment of business being that of an investment trust company.

(e) Investments. Investments (including current assets 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 in the Company's financial statements at fair value, which is deemed to be the net assets of each subsidiary.

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 or SETS prices without deduction for the estimated future selling costs. Unquoted investments are valued at fair value which is determined by the Board, through discussion with the Investment Manager and with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Board. Valuation techniques employed include: price of recent investment; earnings multiples; net assets; discounted cash flow techniques; industry valuation benchmarks; and available market prices.

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.

(f) 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.

(g) 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; and
- expenses are treated as capital where they are made in connection with the maintenance or enhancement of the value of investments. As a result, investment management fees and finance costs are allocated on the basis of 10 per cent to revenue and 90 per cent 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.

(h) 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 of section 1158 of the Corporation Taxes Act 2010 in the forseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(i) Cash and cash equivalents and borrowings. Cash and cash equivalents comprises deposits and overdrafts with banks and bank loans.

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.

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

(k) 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.

(l) 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.

(m) 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
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 are accounted for through this reserve.

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.

Retained 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.

(n) Accounting developments. At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue. They are not yet mandatory, but are available for early adoption. They are not expected to have any impact on the Group or the Company:

- 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 IAS 1 – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012).
- IFRS 10 – Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013).
- IFRS 11 – Joint Arrangements (effective for annual periods beginning on or after 1 January 2013).
- IFRS 12 – Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2013).
- IFRS 13 – Fair Value Measurement: (effective for annual periods beginning on or after 1 January 2013).
- IAS 27 Separate Financial Statements (2011): (effective for annual periods beginning on or after 1 January 2013).
- Amendments to IAS 19 Employee Benefits (effective for annual periods beginning on or after 1 January 2013).
- IAS 28 Investments in Associates and Joint Ventures (2011): (effective for annual periods beginning on or after 1 January 2013).
- Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).
- Additions to IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2015).

Notes to the Financial Statements (continued)

2. Income

	2013 £'000	2012 £'000
Investment income*		
UK dividend income	1,341	1,167
UK fixed interest	157	295
Overseas dividend income	139	485
UK scrip dividend income	62	–
UK REIT income	61	71
	1,760	2,018
Other income		
Underwriting commission	13	–
Bank interest	2	3
Subsidiary undertaking's dealing (losses)/profits	(36)	32
	(21)	35
Total income	1,739	2,053
Total income comprises:		
Dividends and interest from investments	1,760	2,018
Bank interest	2	3
Other income and dealing (losses)/profits	(23)	32
	1,739	2,053
Income from investments		
UK quoted investments	1,607	1,253
UK unquoted investments	14	280
Overseas quoted investments	139	485
	1,760	**2,018**

* All investments are designated at fair value through profit or loss on initial recognition, therefore all investment income arises on investments at fair value through profit or loss.

3. Investment management and performance fees

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Investment management fee	102	920	1,022	103	929	1,032
Performance fee	–	–	–	(40)	(363)	(403)

Details of the investments management fee and performance fee are set out in the Directors' Report on pages 16 and 17. As at 30 April 2013, £347,000 was outstanding in respect of amounts due to the Investment Manager (2012: £322,000). As the performance in this period did not meet the criteria required, no performance fee was due (2012: nil).

4. Other expenses

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Directors' remuneration (excluding VAT and NIC)	110	–	110	110	–	110
Auditor's remuneration (excluding VAT):						
– Fee for the audit of the Company's financial report	22	–	22	21	–	21
– Audit of the subsidiary pursuant to legislation	2	–	2	2	–	2
– Non-audit services – taxation	10	–	10	10	–	10
Other expenses	236	2	238	264	6	270
	380	**2**	**382**	**407**	**6**	**413**

5. Finance costs

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Loan interest*	39	352	391	51	462	513
Loan non-utilisation fee	3	27	30	3	23	26
Loan commitment fee	2	21	23	8	75	83
Overdraft interest*	–	–	–	1	8	9
	44	**400**	**444**	**63**	**568**	**631**

* Interest on financial liabilities that are not held at fair value through profit or loss.

6. Tax

(a) Tax charge for the year

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Irrecoverable overseas tax	12	–	12	24	–	24
	12	**–**	**12**	**24**	**–**	**24**

Notes to the Financial Statements (continued)

6. Tax (continued)

(b) Factors affecting the tax charge for the year

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Profit/(loss) before tax	1,073	(5,356)	(4,283)	882	(8,482)	(7,600)
Profit/(loss) on ordinary activites multiplied by the standard rate of UK corporation tax of 23.92% (2012: 25.84%)	257	(1,281)	(1,024)	228	(2,192)	(1,964)
Non-taxable capital losses	–	965	965	–	1,897	1,897
Non-taxable UK dividends	(321)	–	(321)	(297)	–	(297)
Non-taxable scrip dividends	(15)	–	(15)	–	–	–
Non-taxable overseas dividends	(33)	–	(33)	(125)	–	(125)
Unutilised management expenses	112	316	428	194	295	489
Irrecoverable overseas tax	12	–	12	24	–	24
	12	**–**	**12**	**24**	**–**	**24**

(c) Factors that may affect future tax charges

The Group has excess management expenses, surplus loan relationship deficits and trading losses of £8,764,000 (2012: £7,742,000) that are available to offset future taxable revenue. No deferred tax asset has been recognised in respect of these amounts as it is unlikely to be utilised in the foreseeable future.

7. Dividends paid and proposed

Set out below are the total dividends recognised in respect of the financial year ended 30 April 2013.

	2013 £'000	2012 £'000
2012 second interim dividend of 1.75p per ordinary share (2011: 1.65p)	831	803
2013 first interim dividend of 1.20p per ordinary share (2012: 1.20p)	565	584
	1,396	**1,387**

Dividends are recognised in the period in which they are due to be paid and are shown through the Statement of Changes in Equity. Therefore, the Statement of Changes in Equity for the year ended 30 April 2013 reflects the second interim dividend for the year ended 30 April 2012 which was paid on 17 August 2012. For the year ended 30 April 2013, a first interim dividend of 1.20 pence has been paid and a second interim dividend of 1.85 pence per share will be paid on 16 August 2013.

Set out below are the total dividends paid/payable in respect of the financial year ended 30 April 2013.

	2013 £'000	2012 £'000
First interim dividend of 1.20p per ordinary share (2012: 1.20p)	565	584
Second interim dividend of 1.85p per ordinary share (2012: 1.75p)	864	844
	1,429	**1,428**

8. Earnings per share

The basic revenue return per ordinary share is based on the revenue profit for the year of £1,061,000 (2012: £858,000) and on the 47,350,570 (2012: 48,635,430) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The basic capital return per ordinary share is based on the capital loss for the year of £5,356,000 (2012: £8,482,000) and on the 47,350,570 (2012: 48,635,430) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

There was no dilution to the returns for the year ended 30 April 2013 (2012: none).

9. Non-current assets – Investments

(a) Valuation of investments

All investments are designated as fair value through profit or loss at initial recognition and all gains and losses arise on investments designated as fair value through profit or loss. Where investments are considered to be readily realisable for cash, the fair value gains and losses, recognised in these financial statements are treated as realised. All other fair value gains and losses are treated as unrealised.

IFRS 7 'Financial Instruments: Disclosures' requires an entity to provide an analysis of investments held at fair value through profit and loss using a fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value. The hierarchy used to analyse the fair values of financial assets is set out below.

Level 1 – investments with quoted prices in an active market;

Level 2 – investments whose fair value is based directly on observable current market prices or is indirectly being derived from market prices; and

Level 3 – investments whose fair value is determined using a valuation technique based on assumptions that are not supported by observable current market prices or are not based on observable market data.

The investments held at the balance sheet date fell in to two categories, Level 1 and Level 3. The values and movements in these categories are summarised in parts (a) to (d) of this note. Any investments that are delisted or suspended from a listed stock exchange are transferred from Level 1 to Level 3.

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
UK quoted investments *(Level 1)*				
– UK listed	37,245	37,245	41,968	41,968
– AIM quoted	70,330	70,330	64,374	64,374
– Fixed interest	765	765	753	753
– Preference shares	581	581	511	511
Overseas quoted investments *(Level 1)*	10,153	10,153	9,367	9,367
Unquoted investments *(Level 3)*				
– Equities and warrants	41,199	41,199	42,570	42,570
– Preference shares and loan notes	950	950	1,826	1,826
– Other	898	898	1,111	1,111
– Subsidiary undertakings	–	1,170	–	1,331
	162,121	**163,291**	**162,480**	**163,811**

Notes to the Financial Statements (continued)

9. Non-current assets – Investments (continued)

(b) Movements in investments – Group

	2013 Quoted (Level 1) £'000	2013 Unquoted (Level 3) £'000	2013 Total £'000	2012 Quoted (Level 1) £'000	2012 Unquoted (Level 3) £'000	2012 Total £'000
Opening book cost	102,967	38,902	141,869	114,486	39,259	153,745
Opening fair value adjustment	14,004	6,607	20,611	13,104	14,700	27,804
Opening valuation	116,971	45,509	162,480	127,590	53,959	181,549
Movements in year:						
Purchases at cost	45,060	7,324	52,384	42,394	7,961	50,355
Sales – proceeds	(48,018)	(712)	(48,730)	(53,914)	(8,236)	(62,150)
– realised gains/(losses) on sales	4,750	(3,472)	1,278	655	(736)	(81)
Transfer to/(from) unquoted investments (cost)	2,027	(2,027)	–	(654)	654	–
Transfer to/(from) unquoted investments (unrealised gain/(loss))	285	(285)	–	(150)	150	–
Decrease in fair value adjustment	(2,001)	(3,290)	(5,291)	1,050	(8,243)	(7,193)
Closing valuation	119,074	43,047	162,121	116,971	45,509	162,480
Closing book cost	106,786	40,015	146,801	102,967	38,902	141,869
Closing fair value adjustment	12,288	3,032	15,320	14,004	6,607	20,611
	119,074	**43,047**	**162,121**	**116,971**	**45,509**	**162,480**

(c) Movements in investments – Company

	2013 Quoted (Level 1) £'000	2013 Unquoted (Level 3) £'000	2013 Total £'000	2012 Quoted (Level 1) £'000	2012 Unquoted (Level 3) £'000	2012 Total £'000
Opening book cost	102,967	38,902	141,869	114,486	46,279	160,765
Opening fair value adjustment	14,004	7,938	21,942	13,104	16,714	29,818
Opening valuation	116,971	46,840	163,811	127,590	62,993	190,583
Movements in year:						
Purchases at cost	45,060	7,324	52,384	42,394	7,961	50,355
Sales – proceeds	(48,018)	(712)	(48,730)	(53,914)	(15,349)	(69,263)
– realised gains/(losses) on sales	4,750	(3,472)	1,278	655	(643)	12
Transfer to/(from) unquoted investments (cost)	2,027	(2,027)	–	(654)	654	–
Transfer to/(from) unquoted investments (unrealised gain/(loss))	285	(285)	–	(150)	150	–
Decrease in fair value adjustment	(2,001)	(3,451)	(5,452)	1,050	(8,926)	(7,876)
Closing valuation	119,074	44,217	163,291	116,971	46,840	163,811
Closing book cost	106,786	40,015	146,801	102,967	38,902	141,869
Closing fair value adjustment	12,288	4,202	16,490	14,004	7,938	21,942
	119,074	**44,217**	**163,291**	**116,971**	**46,840**	**163,811**

(d) Analysis of fair value assets

For Level 3 investments IFRS 7 requires that if the effect of changing one or more of the inputs to reasonably possible alternative assumptions would be to change the fair value significantly, it should be disclosed. The information used in determination of the fair value of Level 3 investments is specific to each investee company and is in accordance with the methodologies set out in the accounting policies in Note 1(e). The investments have been reviewed and where reasonable possible alternatives have been identified, these have been applied to each investment. The potential impact to the net assets of the Company by using the reasonably possible alternative assumptions would be an increase/decrease of £nil of the fair value of Level 3 assets.

During the year, there were reductions in value of the following Level 3 assets, Vostok Energy (£7,817,000), Hurricane Energy (£4,488,000), Lynton Holding Asia (£2,195,000), MBA Polymers (£442,000), Chateau Lafite Rothschild 2009 (£107,000), Chateau Lafite Rothschild 2010 (£100,000) and Chateau Rieussec 2010 (£6,000).

(e) Gains on investments – Group

	2013 £'000	2012 £'000
Realised gains/(losses) on sales of investments	1,278	(81)
Decrease in fair value adjustment	(5,291)	(7,193)
	(4,013)	**(7,274)**

(f) Transaction costs

Included in purchases at cost and proceeds from sales are the following transaction costs:

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Purchases	163	155	202	194
Sales	112	108	120	115
	275	**263**	**322**	**309**

10. Investment in subsidiary undertaking

	% of ordinary Share capital held	Principal activity	Country of incorporation and operation
Alpha Securities Trading Limited	100	Investment dealing	England

Investment in the subsidiary undertaking is held at fair value, which is deemed to be the net assets of the company. Alpha Securities Trading Limited holds a portfolio of listed investments which are measured at their quoted bid prices. During the year the company made an unrealised loss of £140,000 (2012: £638,000) and a dealing loss of £36,000 (2012: gain of £32,000) which are included in the Income Statement.

Notes to the Financial Statements (continued)

11. Significant interests

At 30 April 2013 the Company held shares amounting to 3 per cent or more of the nominal value of any class of share capital of the following companies, not being participating interests.

	Class Held	% of class held
Gift-Library.com	Ordinary	57.8
Claremont Partners	Ordinary	42.4
Lynton Holding Asia	Ordinary	35.1
Senhouse Southeast Asian Focus Fund	Ordinary	19.9
Pittards	Ordinary	19.4
All The Worlds Entertainment	Ordinary	18.3
Hardlyever	Ordinary	15.3
Infusion 2002	Ordinary	13.0
Physiolab Technologies	Ordinary	10.5
Praetorian Resources	Ordinary	10.2
Hot Can	Ordinary	8.4
Ashcourt Rowan	Ordinary	7.9
Ten Alps	Ordinary	7.8
Eden Research	Ordinary	6.9
Lamp Group	Ordinary	6.9
Avation	Ordinary	6.4
Forest Support Service	Ordinary	6.3
Liontrust Asset Management	Ordinary	6.2
Nplus1 Singer	Ordinary	6.1
Conexion Media Group	Ordinary	5.5
Metapack	Ordinary	5.4
Parity Group	Ordinary	5.1
Reaction Engines	Ordinary	4.7
Betex Group	Ordinary	4.6
Lansdowne Oil & Gas	Ordinary	4.6
Continental Farmers Group	Ordinary	4.5
The Hut Group	Ordinary	4.2
Flying Brands	Ordinary	3.9
Ironveld	Ordinary	3.8
Gresham Computing	Ordinary	3.6
Telford Homes	Ordinary	3.6
Charlemagne Capital	Ordinary	3.5
Madagascar Oil	Ordinary	3.5
Rangers International Football Club	Ordinary	3.3
Homeland Renewable Energy	Ordinary	3.2
Vostok Energy	Ordinary	3.1

These investments are held by the Company at fair value through profit or loss as part of a portfolio of investments rather than as a medium through which the company carries out its business and therefore are not considered associated undertakings of the Company.

12. Other receivables

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Amounts due from brokers	383	241	229	183
Prepayments and accrued income	110	110	410	399
Taxation recoverable	54	54	25	25
Amount due from subsidiary undertakings	–	–	–	246
	547	**405**	**664**	**853**

13. Other payables

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Amounts due to brokers	813	813	324	324
Accrued expenses	487	485	510	508
Amounts due to subsidiary undertakings	–	64	–	–
	1,300	**1,362**	**834**	**832**

14. Share capital

(a) Share capital

	2013 Number	2013 £'000	2012 Number	2012 £'000
Allotted, called up and fully paid:				
Ordinary shares of 1p each	46,688,812	467	48,222,422	482
Ordinary shares of 1p each held in treasury	1,847,176	18	622,048	6
Subscription shares of 1p each	6,865,616	69	6,867,134	69
		554		**557**

(b) Ordinary shares

	Number	£'000
Movements in ordinary shares during the year:		
Ordinary shares in issue on 1 May 2012	48,222,422	482
Repurchases of ordinary shares into treasury	(1,535,128)	(15)
Issue of ordinary shares on exercise of subscription shares	1,518	–
Ordinary shares in issue on 30 April 2013	**46,688,812**	**467**

The movements in ordinary shares held in treasury during the year are as follows:

	2013 Number	2013 £'000	2012 Number	2012 £'000
Balance brought forward	622,048	6	–	–
Repurchases	1,535,128	15	622,048	6
Shares cancelled	(310,000)	(3)	–	–
Balance carried forward	**1,847,176**	**18**	**622,048**	**6**

During the year ended 30 April 2013, a total of 1,535,128 ordinary shares were repurchased by the Company at a total cost, including transaction costs, of £4,315,000 for placement in treasury (2012: 622,048 ordinary shares were repurchased for placement in treasury for £1,730,000).

During the year ended 30 April 2013, no ordinary shares were re-issued from treasury by the Company (2012: nil).

During the year ended 30 April 2013, 310,000 ordinary shares were cancelled by the Company (2012: nil). At 30 April 2013 the Company held 1,847,176 ordinary shares in treasury (2012: 622,048).

Notes to the Financial Statements (continued)

14. Share capital (continued)

(c) Subscription shares

The movements in subscription shares during the year are as follows:

	Number	£'000
Balance brought forward	6,867,134	69
Conversion of subscription shares into ordinary shares	(1,518)	–
Balance carried forward	**6,865,616**	**69**

During the year, holders of 1,518 (2012: 19,231) subscription shares exercised their rights to covert those shares into ordinary shares at a price of 345 pence per ordinary share, giving a total consideration received of £5,000 (2012: £66,000).

Holders of the remaining subscription shares may exercise their right to convert those shares into ordinary shares at a price of 345 pence per ordinary share as at the close of business on the last business day in either June or December each year to 31 December 2017, whereupon rights under the subscription shares will lapse.

15. Retained earnings – Capital

	Group			Company		
	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Total capital reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Total capital reserve £'000
Balance at 1 May 2012	**75,561**	**(37)**	**75,524**	**75,142**	**1,294**	**76,436**
Decrease in fair value adjustment	–	(5,291)	(5,291)	–	(5,452)	(5,452)
Net gain on realisation of investments	1,278	–	1,278	1,278	–	1,278
Currency losses on capital items	(21)	–	(21)	(21)	–	(21)
Costs charged to capital (net of tax relief)	(1,322)	–	(1,322)	(1,322)	–	(1,322)
Transfer between reserves	(16,832)	16,832	–	(16,832)	16,832	–
Balance at 30 April 2013	**58,664**	**11,504**	**70,168**	**58,245**	**12,674**	**70,919**
Balance at 1 May 2011	**73,364**	**10,642**	**84,006**	**72,852**	**12,656**	**85,508**
Decrease in fair value adjustment	–	(7,193)	(7,193)	–	(7,876)	(7,876)
Net (loss)/gain on realisation of investments	(81)	–	(81)	12	–	12
Currency losses on capital items	(67)	(1)	(68)	(67)	(1)	(68)
Costs charged to capital (net of tax relief)	(1,140)	–	(1,140)	(1,140)	–	(1,140)
Transfer between reserves	3,485	(3,485)	–	3,485	(3,485)	–
Balance at 30 April 2012	**75,561**	**(37)**	**75,524**	**75,142**	**1,294**	**76,436**

16. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets of £138,348,000 (2012: £148,349,000) and on 46,688,812 (2012: 48,222,422) ordinary shares, being the number of ordinary shares in issue at the year end.

The diluted net asset value per ordinary share has been calculated on the assumption that nil (2012: nil) subscription shares were exercised resulting in a total of 46,688,812 ordinary shares in issue (2012: 48,222,422).

17. Financial commitments

At 30 April 2013, the Group and Company did not have any financial commitments which had not been accrued (2012: nil).

18. Financial instruments

As detailed on page 2, the principal investment objective of the Group is to achieve above average rates of total return over the longer term and to achieve a growing dividend stream.

The Group's financial instruments comprise equities, fixed interest securities, warrants, cash balances, a bank loan as well as debtors and creditors that arise from its operations. These are held in accordance with its investment policy. The principal risks the Group faces are (i) market price risk (comprising currency risk, interest rate risk and other price risk); (ii) liquidity risk; and (iii) credit risk.

(i) Market price risk

Market risk, which includes, foreign currency, interest rate and other price risk, arises mainly from uncertainty about future values of financial instruments held in the Group's investment portfolio. It is the Board's policy that the Group should maintain an appropriate spread of investments in the portfolio to seek to reduce the risks arising from factors specific to a particular company or sector. The day to day management of the portfolio is the responsibility of the Investment Manager, in accordance with the Company's investment policy. This includes ongoing detailed analysis of existing and potential investee companies. No derivatives or hedging instruments are used to manage market risk. The Board monitors the Company's overall market positions on a regular basis.

Details of the investments held at 30 April 2013 are disclosed in the investment portfolio set out on pages 9 to 11.

Foreign currency risk

The portfolio has a number of overseas investments and the income and capital value can be affected by movements in exchange rates. The Group also operates a number of currency bank accounts and exchange gains or losses may arise as a result of the movement in the exchange rate between the date of the transaction denominated in a currency other than sterling and its settlement. It is not the Group's policy to hedge currency risk on an ongoing basis.

An analysis of the Group's currency exposure is detailed below:

	Investments at 30 April 2013 £'000	Net monetary assets at 30 April 2013 £'000	Investments at 30 April 2012 £'000	Net monetary assets at 30 April 2012 £'000
US Dollar	8,320	–	12,445	54
Canadian Dollar	6,771	–	7,368	–
Danish Krone	3,464	–	5,659	–
Euro	–	28	1	64
Australian Dollar	–	–	1,922	–
Total	**18,556**	**28**	**27,395**	**118**

Foreign currency sensitivity

A 5 per cent increase in sterling against the relevant foreign currencies would have the effect of reducing the profit or loss and the net assets by £929,000 (2012: £1,370,000). A 5 per cent decrease in sterling would have an equal and opposite effect.

Interest rate risk

The majority of the Group's financial assets are non interest bearing and therefore exposure to fair value interest rate fluctuations is limited.

Notes to the Financial Statements (continued)

18. Financial instruments (continued)

Floating rate

When the Company has cash balances these are maintained in an interest bearing account. The benchmark that determines the interest paid on the cash balances is the UK bank base rate, which was 0.5 per cent at 30 April 2013 (2012: 0.5 per cent).

The Company has a 24 month multi-currency revolving credit facility of £30,000,000 of which £26,500,000 was drawn down at 30 April 2013 (2012: £16,000,000). Interest is charged at variable rates equivalent to 120 basis points over the London interbank market rate.

Fixed rate

The table below sets out the weighted average effective interest rates for the fixed interest-bearing financial instruments:

	30 April 2013			30 April 2012		
	Fixed rate investments £'000	Weighted average interest rate %	Weighted average period until maturity Years	Fixed rate investments £'000	Weighted average interest rate %	Weighted average period until maturity Years
Interest bearing securities	1,149	3.52	2.86	2,329	7.91	2.58

Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as result of changes in market prices (other than those relating to interest rate and credit risk), whether caused by factors specific to an investment of wider issues affecting the market generally. A 5 per cent increase in the value of the Group's investments would have the effect of increasing net assets by £8,106,000 (2012: £8,124,000). A 5 per cent decrease would have an equal and opposite effect.

(ii) Liquidity risk

This is the risk that the Group will encounter difficulty in meeting obligations associated with financial commitments. A proportion of the Group's financial instruments includes companies that are trading on AIM or are unquoted and these may not be readily realisable. The Group's investment strategy is to ensure that there are a sufficient number of investments that are readily realisable and can be sold to meet any funding requirements. The Company has an agreed overdraft facility of £2,500,000 to provide short-term funding flexibility in addition to the £30,000,000 multi-currency revolving credit facility. There was no overdraft at 30 April 2013 (2012: nil).

Financial liabilities

The Group primarily finances its operations through equity, retained profits and bank borrowings. As at 30 April 2013, the Group had drawn down £26,500,000 of its committed £30,000,000 multi-currency revolving credit facility with The Royal Bank of Scotland plc (30 April 2012: £16,000,000). Interest is incurred at a variable rate as agreed at the time of draw down and is payable at the maturity date of each advance. The interest rate at 30 April 2013 was 1.70 per cent per annum (2012: 1.89 per cent per annum). There was no interest rate risk associated with other short-term creditors at 30 April 2013 or 30 April 2012. There is no difference between the fair value of the financial liabilities and their carrying value.

The credit facility is committed until 30 November 2013. The amount that can be drawn down under the facility is limited by a covenant measured against a proportion of the Company's portfolio and cash such that the Company's gross borrowings must not exceed 30% of adjusted net assets (net assets adjusted for unquoted holdings and other concentration deductions).

(iii) Credit risk

This is the risk that an issuer or counterparty will fail to discharge its obligations or commitments to the Company resulting in a financial loss. The Investment Manager has a pre-approved list of counterparties it uses for investment transactions, which is reviewed on a regular basis.

The largest counterparty risk is with J.P. Morgan Chase Bank N.A., which acts as custodian and banker.

Bankruptcy or insolvency of the custodian may cause the Company's rights with regard to securities and cash balances held to be delayed or limited. The Board receives and review the custodian's annual report on internal controls.

19. Transactions with the Investment Manager and related parties

The amounts paid to the Investment Manager and amounts outstanding at the year end are disclosed in Note 3. However, the existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under IAS 24: Related Party Disclosures, the Investment Manager is not considered to be a related party. All other transactions with subsidiary undertakings were on an arms length basis. During the year transactions in securities between the Company and its subsidiary undertakings amounted to £nil (2012: £nil). Outstanding balances are set out in note 13.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Artemis Alpha Trust plc (the "Company") will be held at the offices of Artemis Investment Management LLP, Cassini House, 57 St James's Street, London SW1A 1LD on Thursday, 12 September 2013 at 12.30 pm for the purpose of transacting the following business:

Ordinary Business

To consider and, if thought fit, to pass the following as ordinary resolutions:

Resolution 1. To receive the Report of the Directors and audited Financial Statements for the year ended 30 April 2013.

Resolution 2. To approve the Directors' Remuneration Report for the year ended 30 April 2013.

Resolution 3. To re-elect Mr Simon Miller as a Director of the Company.

Resolution 4. To re-elect Mr David Barron as a Director of the Company.

Resolution 5. To re-elect Mr Tom Cross Brown as a Director of the Company.

Resolution 6. To re-elect Mr Andrew Dalrymple as a Director of the Company.

Resolution 7. To re-elect Mr Ian Dighé as a Director of the Company.

Resolution 8. To appoint KPMG LLP as independent auditor of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which financial statements are laid and to authorise the Directors to determine the remuneration of KPMG LLP.

Resolution 9. That, subject to the passing of Resolution 11 set out below, the Directors of the Company be authorised, for the purposes of paragraph 15.4.11 of the Listing Rules of the United Kingdom Listing Authority, to sell ordinary shares of 1 pence each in the capital of the Company held in treasury for cash at a price below the diluted net asset value per share of the existing ordinary shares in issue pursuant to the authority conferred by Resolution 11, provided always that the discount at which such ordinary shares are to be resold must be less than the weighted average discount at which the ordinary shares held in treasury have been repurchased.

Special Business

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 10. That, in substitution for any existing authorities, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot:

(i) up to 6,865,616 ordinary shares having an aggregate nominal value of £68,656 to the holders of subscription shares on completion of conversion; and

(ii) up to an aggregate nominal value of £22,469 (approximately 5 per cent of the aggregate nominal amount of the issued ordinary share capital as at 4 July 2013);

provided that this authority shall expire at the conclusion of the next annual general meeting of the Company to be held in 2014, unless previously revoked, varied or extended by the Company at a general meeting, save that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry as if the authority conferred by this Resolution had not expired.

To consider and, if thought fit, to pass the following as special resolutions:

Resolution 11. That, subject to the passing of Resolution 10 set out above, the Directors be and they are hereby authorised, pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in Section 560 of the Act) (including the grant of rights to subscribe for, or to convert any securities into, ordinary shares in the capital of the Company and the sale of any ordinary shares held by the Company in treasury) wholly for cash as if section 561(1) of the Act did not apply to any such allotment, grant or sale provided that this power shall:

(a) expire at the conclusion of the next annual general meeting of the Company to be held in 2014, unless previously revoked, varied or extended by the Company at a general meeting, save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require equity securities to be allotted after such expiry and the Directors may allot such equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired; and

(b) be limited to the allotment of equity securities and the sale or transfer of treasury shares:

(i) in connection with an offer of such securities by way of rights to holders of ordinary shares and/or subscription shares on the register of members of the Company on a fixed record date in proportion (as nearly as may be practicable) to their respective holdings of ordinary shares and/or subscription shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems arising under the laws of, or the requirements of, any territory or any regulatory or governmental body or authority or stock exchange;

(ii) pursuant to the conversion rights of the subscription shares; and

(iii) otherwise than pursuant to paragraph (i) and (ii) above up to an aggregate nominal value of £22,469 approximately 5 per cent of the aggregate nominal amount of the issued ordinary share capital as at 4 July 2013.

Resolution 12. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693 of the Act) of its issued ordinary shares for cancellation or to be held in treasury and subscription shares for cancellation, provided that:

(a) the maximum aggregate number of ordinary shares and subscription shares hereby authorised to be purchased shall not exceed 6,736,058 or 1,029,155 respectively, or if different, that number of ordinary shares or subscription shares which is equal to 14.99 per cent of the relevant share class of the Company's issued share capital as at the date of this Resolution;

(b) the minimum price which may be paid for both an ordinary share and a subscription share shall be 1 pence per share;

(c) the maximum price which may be paid for both an ordinary share and a subscription share shall not exceed the higher of (i) 5 per cent above the average of the middle market quotations for the relevant class of share (as derived from the Daily Official List of the London Stock Exchange) for the five consecutive dealing days immediately preceding the date on which the purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of; or (b) the highest current independent bid for, any number of shares of the relevant class on the trading venue where the purchase is carried out;

(d) the authority hereby conferred shall expire at the conclusion of the Company's annual general meeting to be held in 2014 unless previously revoked, varied or extended by the Company at a general meeting; and

(e) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.

By order of the Board:

Artemis Investment Management LLP
Secretary
4 July 2013

Registered Office:
Cassini House
57 St James's Street
London SW1A 1LD

Notice of Annual General Meeting (continued)

Notes:

1. Attending the AGM in person

   If you wish to attend the AGM in person, you should arrive at the venue for the AGM in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity prior to being admitted to the AGM.

2. Appointment of proxies

   Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company but must attend the AGM to represent a member. To be validly appointed a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying proxy form.

   If members wish their proxy to speak on their behalf at the meeting, members will need to appoint their own choice of proxy (not the chairman of the AGM) and give their instructions directly to them.

   Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact Capita Registrars on 0871 664 0300 (calls to this number are charged at 10 pence per minute from a BT landline. Other providers' costs may vary. Lines are open from 8.30 am to 5.30 pm, Monday to Friday).

   A member may instruct their proxy to abstain from voting on any resolution to be considered at the meeting by marking the "vote withheld" option when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "for" or "against" the resolution.

   The appointment of a proxy will not prevent a member from attending the AGM and voting in person if he or she wishes.

   A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 below.

3. Appointment of a proxy using a proxy form

   A proxy form for use in connection with the AGM is enclosed. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU no later than 48 hours (excluding non working days) before the time of the AGM or any adjournment of that meeting.

   If you do not have a proxy form and believe that you should have one, or you require additional proxy forms, please contact the Registrar on 0871 664 0300 (calls to this number are charged at 10 pence per minute from a BT landline. Other providers' costs may vary. Lines are open from 8.30 am to 5.30 pm, Monday to Friday).

4. Appointment of a proxy through CREST

   CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must in order to be valid be transmitted so as to be received by the Registrar (ID RA 10) no later than 48 hours (excluding non working days) before the time of the General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Appointment of proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

6. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

7. Entitlement to attend and vote

To be entitled to attend and vote at the AGM (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.00 pm on 10 September 2013 (or, if the AGM is adjourned, at 6.00 pm two working days prior to the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the AGM.

8. Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

9. Website giving information regarding the AGM

Information regarding the AGM, including information required by section 311A of the Act, and a copy of this notice of AGM is available on the Investment Manager's web site: artemis.co.uk.

10. Voting rights

As at 4 July 2013 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 44,937,012 ordinary shares, carrying one vote each and 6,865,616 subscription shares, which carry no voting rights. Therefore, the total voting rights in the Company as at 14 July 2013 were 44,937,012 votes.

11. Notification of shareholdings

Any person holding 3 per cent or more of the total voting rights of the Company who appoints a person other than the Chairman of the General Meeting as his proxy will need to ensure that they both comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.

12. Members' right to require circulation of resolution to be proposed at the meeting.

Members meeting the threshold requirements set out in the Act have the right to: (a) require the Company to give notice of any resolution which can properly be, and is to be, moved at the meeting pursuant to section 338 of the Act; and/or (b) include a matter in the business to be dealt with at the meeting, pursuant to section 338A of the Act.

13. Further questions and communication

Under section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the AGM put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members who have any queries about the AGM should contact the Company Secretarial Department by writing to Artemis Investment Management LLP, Cassini House, 57 St James's Street, London, SW1A 1LD.

Members may not use any electronic address provided in this notice or in any related documents (including the accompanying circular and proxy form) to communicate with the Company for any purpose other than those expressly stated.

Notice of Annual General Meeting (continued)

14. Documents available for inspection

    The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting:

    14.1. a statement of all transactions of each Director and of their family interests in the share capital of the Company; and

    14.2. copies of the Directors' letters of appointment.

    No Director has a service contract with the Company.

15. Announcement of results

    As soon as practicable following the AGM, the results of the voting at the AGM, the number of votes cast for and against and the number of votes withheld in respect of each resolution will be announced via a Regulatory Information Service and placed on the Investment Manager's website: artemis.co.uk.

16. Audit concerns

    Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's financial statements (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

Information for Shareholders

Buying shares in the Company

The Company's ordinary and subscription shares are traded on the London Stock Exchange and can be bought or sold through a stockbroker. The Company is also a qualifying investment trust for ISA purposes.

Company numbers:

Ordinary shares

London Stock Exchange (SEDOL) number: 0435594

ISIN number: GB0004355946

Reuters code: ATS.L

Bloomberg code: ATS:LN

Subscription shares

London Stock Exchange (SEDOL) number: B5SLGR8

ISIN number: GB00B5SLGR82

Reuters code: ATSS.L

Bloomberg code: ATSS:LN

Company Investment Plan & ISA

Shares can also be purchased through the Artemis Alpha Trust Investment Plan and/or ISA operated by the Investment Manager, Artemis Investment Management LLP.

Artemis Alpha Trust Investment Plan

- No initial charge
- No annual charge
- Invest a lump sum from £1,000 or monthly from just £50
- No maximum investment limits
- Weekly dealing

Artemis Alpha Trust ISA

- Tax-efficient investment
- No set-up charge
- Flat rate annual management charge currently of £30 + VAT
- Invest a lump sum from £1,000 or monthly from £50 (subject to annual ISA limits)

If investors would like further information on the Investment Plan or ISA please contact the Investment Manager on 0800 092 2051 or write to Artemis Investment Management LLP, Cassini House, 57 St James's Street, London, SW1A 1LD or e-mail investor.support@artemisfunds.com.

Shareholder enquiries

All administrative enquiries relating to shareholder queries concerning holdings, dividend payments, notification of change of address, loss of certificate or to be placed on a mailing list should be addressed to the Company's registrars at: Shareholder Services Department, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by calling 0871 664 0300 (calls cost 10 pence per minute from a BT landline. Other providers' costs may vary. Lines are open from 8.30 am to 5.30 pm, Monday to Friday).

If you would like to receive dividend payments directly into your bank account, please contact the Company's registrar at the address above.

Dividend Reinvestment Plan (the "Plan")

Shareholders are able to re-invest their cash dividends using the Plan operated by Capita Registrars. To find out more about the Plan, please contact Capita at: Shareholder Services Department, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by calling 0871 664 0300 (calls cost 10 pence per minute from a BT landline. Other providers' costs may vary. Lines are open from 8.30 am to 5.30 pm, Monday to Friday).

Further information on the Company

The Company's net asset value is calculated daily and released to the London Stock Exchange. The share prices are listed in the Financial Times and also on the TrustNet website (trustnet.com). Up to date information can be found on the Investment Manager's website (artemis.co.uk), including a factsheet which is updated monthly. Shareholders can also contact the Chairman to express any views on the Company or to raise any questions they have using the email address Simon.Miller@artemisfunds.com.

Subscription shares

Subscription shareholders can exercise their subscription shares at a price of 345 pence per share on 30 June and 31 December each year, up to 31 December 2017.

If you received subscription shares when they were issued, for the purposes of UK taxation, the issue of subscription shares is treated as a reorganisation of the Company's share capital. Such reorganisations do not trigger a chargeable disposal for the purposes of the taxation of capital gains, but they do require shareholders to reallocate the base cost of their ordinary shares between their ordinary shares and subscription shares received.

At the close of business on 13 December 2010 the middle market prices of the Company's ordinary shares and subscription shares were as follows:

Ordinary shares:	308.25
Subscription shares:	62.75

To exercise subscription shares, in whole or in part, shareholders must complete the notice of exercise of subscription share rights on the reverse of the share certificate and lodge the relevant subscription share

Information for Shareholders (continued)

certificate(s) at the office of the Company's registrars during the period 28 days ending at 5.00 p.m. on the relevant subscription date, accompanied by a remittance for the aggregate conversion price for the ordinary shares in respect of which the subscription share rights are exercised.

Subscription shares that are in uncertificated form on the relevant subscription date shall be exercisable, in whole or in part, if (i) an uncertificated subscription notice is received on or within 28 days prior to the relevant subscription date (but not later than the latest time for input of the instruction permitted by the relevant electronic systems on that date) and (ii) a remittance for the aggregate conversion price for the ordinary shares in respect of which the subscription share rights are being exercised is received by the Company (or by such person as it may require for these purposes).

Taxation

For capital gains purposes, the cost of the Company's ordinary shares at 31 March 1982 was 13.22p per share.

AIC

The Company is a member of The Association of Investment Companies ("AIC") which publishes monthly statistics on the majority of investment trusts. Further details can be obtained by contacting the AIC on 020 7282 5555 or at its website theaic.com.

Reporting Calendar

Year End

30 April

Results Announced

Interim: December
Annual: June/July

Dividends Payable

February and August

Annual General Meeting

September

Investment Manager, Company Secretary and Advisers

Investment Manager and Company Secretary

Artemis Investment Management LLP
Cassini House
57 St James's Street
London SW1A 1LD

The Investment Manager is authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS

Registered Office

Cassini House
57 St James's Street
London SW1A 1LD

Tel: 0800 092 2051
Email: investor.support@artemisfunds.com
Website: artemis.co.uk

Administrator

J.P. Morgan Europe Limited
125 London Wall
London EC2Y 5AJ

Registrar and Transfer Agent

Capita Registrars
Shareholder Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Shareholder enquiries: 0871 664 0300
(Calls cost 10 pence per minute plus network extras. Lines are open from 8.30 am to 5.30 pm Monday to Friday).

Banker

J.P. Morgan Chase Bank N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Auditor

KPMG Audit Plc
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Custodian

J.P. Morgan Chase Bank N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Stockbroker

Cantor Fitzgerald
One America Square, 3rd Floor
17 Crosswall
London EC3N 2LB

Solicitors

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