

ARTEMIS ALPHA TRUST PLC

Interim accounts for the six months ended 31 October 2015

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

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Artemis Alpha Trust plc

Income Statement

For the six months ended 31 October 2015

	6 months ended 31 October 2015			6 months ended 31 October 2014			Year ended 30 April 2015		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	1,321	-	1,321	1,164	-	1,164	2,387	-	2,387
Other income	3	-	3	2	-	2	5	-	5
Total revenue	1,324	-	1,324	1,166	-	1,166	2,392	-	2,392
(Losses)/gains on investments	-	(5,158)	(5,158)	-	3,052	3,052	-	(1,955)	(1,955)
Foreign exchange losses	-	(39)	(39)	-	(2)	(2)	-	(4)	(4)
Total income/(loss)	1,324	(5,197)	(3,873)	1,166	3,050	4,216	2,392	(1,959)	433
Expenses									
Investment management fees	(43)	(389)	(432)	(49)	(436)	(485)	(93)	(839)	(932)
Other expenses	(236)	(2)	(238)	(206)	(10)	(216)	(414)	(10)	(424)
Profit/(loss) before finance costs and taxation	1,045	(5,588)	(4,543)	911	2,604	3,515	1,885	(2,808)	(923)
Finance costs	(21)	(193)	(214)	(28)	(252)	(280)	(53)	(459)	(512)
Profit/(loss) before taxation	1,024	(5,781)	(4,757)	883	2,352	3,235	1,832	(3,267)	(1,435)
Taxation	(11)	-	(11)	(3)	-	(3)	(20)	-	(20)
Profit/(loss) for the period	1,013	(5,781)	(4,768)	880	2,352	3,232	1,812	(3,267)	(1,455)

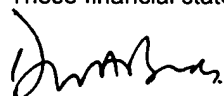
Artemis Alpha Trust plc

Balance Sheet

As at 31 October 2015

	Note	As at 31 October 2015 £'000	As at 31 October 2014 £'000	As at 30 April 2015 £'000
Non-current assets				
Investments		137,164	156,492	150,253
Investments in subsidiary undertakings		2,111	2,200	2,256
		139,275	158,692	152,509
Current assets				
Cash and cash equivalents		2,018	960	1,189
Amounts due from brokers		69	-	1,181
Other receivables		256	286	277
		2,343	1,246	2,647
Total assets		141,618	159,938	155,156
Current liabilities				
Bank loan		(6,500)	(12,500)	(14,500)
Amounts payable to brokers		(6)	-	-
Amounts due to subsidiary undertakings		(689)	(1,300)	(438)
Other payables		(392)	(441)	(435)
		(7,587)	(14,241)	(15,373)
Net assets		134,031	145,697	139,783
Equity attributable to equity holders				
Share capital		500	520	503
Share premium		645	640	644
Special reserve	3	54,598	55,290	54,598
Capital redemption reserve		90	70	87
Retained earnings	3	78,198	89,177	83,951
Total equity		134,031	145,697	139,783

These financial statements were approved by the Board of Directors and signed on its behalf on 16 December 2015 by



Duncan Budge
DIRECTOR

Company number: 253644

Artemis Alpha Trust plc

Statement of Changes in Equity
For the six months ended 31 October 2015

For the six months ended 31 October 2015

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 May 2015	503	644	54,598	87	83,951	139,783
Cancellation of ordinary shares from treasury	(3)	-	-	3	-	-
Conversion of subscription shares	-	1	-	-	-	1
Dividends paid	-	-	-	-	(985)	(985)
Loss for the period	-	-	-	-	(4,768)	(4,768)
At 31 October 2015	500	645	54,598	90	78,198	134,031

For the six months ended 31 October 2014

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 May 2014	539	636	55,649	51	86,809	143,684
Repurchase of ordinary shares into treasury	-	-	(359)	-	-	(359)
Cancellation of ordinary shares from treasury	(19)	-	-	19	-	-
Conversion of subscription shares	-	4	-	-	-	4
Dividends paid	-	-	-	-	(864)	(864)
Profit for the period	-	-	-	-	3,232	3,232
At 31 October 2014	520	640	55,290	70	89,177	145,697

For the year ended 30 April 2015

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 May 2014	539	636	55,649	51	86,809	143,684
Repurchase of ordinary shares into treasury	-	-	(1,051)	-	-	(1,051)
Cancellation of ordinary shares from treasury	(36)	-	-	36	-	-
Conversion of subscription shares	-	8	-	-	-	8
Dividends paid	-	-	-	-	(1,403)	(1,403)
Loss for the year	-	-	-	-	(1,455)	(1,455)
At 30 April 2015	503	644	54,598	87	83,951	139,783

Artemis Alpha Trust plc

Cash Flow Statements

For the six months ended 31 October 2015

	Six months ended 31 October 2015 £'000	Six months ended 31 October 2014 £'000	Year ended 30 April 2015 £'000
Operating activities			
(Loss)/profit before tax	(4,756)	3,235	(1,435)
Interest payable	214	274	512
Losses/(gains) on investments	5,157	(3,052)	1,955
Currency losses	39	2	4
Decrease in other receivables	20	14	23
(Decrease)/increase in other payables	(43)	267	259
Net cash inflow from operating activities before interest and tax	631	740	1,318
Interest paid	(214)	(274)	(512)
Irrecoverable overseas tax suffered	(11)	(3)	(20)
Net cash inflow from operating activities	406	463	786
Investing activities			
Purchases of investments	(22,531)	(11,948)	(29,473)
Sales of investments	31,725	25,981	43,501
Net cash inflow from investing activities	9,194	14,033	14,028
Financing activities			
Repurchase of ordinary shares into treasury	-	(457)	(1,149)
Conversion of subscription shares	1	4	8
Dividends paid	(985)	(864)	(1,403)
Increase/(decrease) in inter-company loan	252	649	(211)
Net cash outflow from financing activities	(732)	(668)	(2,755)
Net decrease/(increase) in net debt	8,868	13,828	12,059
Net debt at the start of the year	(13,311)	(25,366)	(25,366)
Effect of foreign exchange rate changes	(39)	(2)	(4)
Net debt at the end of the year	(4,482)	(11,540)	(13,311)
Bank loans	(6,500)	(12,500)	(14,500)
Cash	2,018	960	1,189
	(4,482)	(11,540)	(13,311)

Artemis Alpha Trust plc

Notes to the interim accounts

1. Accounting policies

(a) Basis of preparation

The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with the provisions of the Companies Act 2006 (the "Act"). The principal accounting policies adopted by the Company are set out below.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") in November 2014 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 2015.

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

A number of estimates and judgements have been made in the preparation of the interim accounts. 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(c) below.

(b) Segmental reporting

The Company has one material segment of business being that of an investment trust company.

(c) Investments

Investments are designated as fair value through profit or loss upon initial recognition. Listed investments are measured initially at cost, and are recognised at trade date. Investments in subsidiary undertakings are stated at fair value, 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 cost. 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 flows 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 Income Statement as gains/(losses) on investments. Also included within this caption are transaction costs in relation to the purchase or sale of investments.

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

(d) Revenue

Dividends receivable on equity shares are recognised as revenue on an ex-dividend basis. Provision is made for any dividends not expected to be received. Income from fixed interest securities is recognised on an effective interest rate basis. Interest receivable from cash and short-term deposits and interest payable is recognised on an accruals basis. Special dividends are treated as repayment of capital or as revenue depending on the facts of each particular case.

(e) Expenses and finance costs

All expenses and interest payable are accounted for on an accruals basis. Expenses are charged through the revenue column in the 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 the investments. As a result, investment management fees, performance fees and finance costs are allocated on the basis of 10% to revenue and 90% to capital.

The performance fee is accrued in the daily net asset value and is calculated using the prevailing price of the Company's ordinary shares and benchmark performance. The accrued fee is based on the full expected liability of performance fee as at the date of the calculation. Payment 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.

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Notes to the interim accounts (continued)

1. Accounting policies (continued)

(f) Taxation

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

Due to the Company's status as an investment trust, and the intention to meet the conditions required to obtain approval under section 1158 of the Corporation Taxes Act 2010 in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(g) Cash and cash equivalents

Cash and cash equivalents comprises deposits and overdrafts with banks and bank loans with maturities of less than 3 months from inception.

Bank borrowings are used on a periodic basis to meet the Company's cash requirements and are reviewed regularly by the Investment Manager. Loan draw downs are normally of short durations which are subject to an insignificant risk of change in valuation.

(h) Dividends

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

(i) Foreign currency translation

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated into Sterling at the rate ruling on the balance sheet date. Foreign exchange differences arising on investment transactions are recognised in the Income Statement and treated as capital.

(j) Other receivables and payables

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

(k) Reserves

Capital Reserve – 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 Reserve – 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 in 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 period is taken to or from this reserve, and any dividends declared by the Company are paid from this reserve.

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Notes to the interim accounts (continued)

2. Interim dividend

	Six months ended 31 October 2015 £'000	Six months ended 31 October 2014 £'000	Year ended 30 April 2015 £'000
2014 second interim dividend of 2.00p (2013: 1.85p)	-	864	864
2015 first interim dividend of 1.25p (2014: 1.20p)	-	-	539
2015 second interim dividend of 2.30p (2014: 2.00p)	985	-	-
	985	864	1,403

A first interim dividend for the year ending 30 April 2016 of £600,000 (1.40p per ordinary share) has been declared. This will be paid on 29 January 2016 to those shareholders on the register at close of business on 29 December 2015.

3. Analysis of retained earnings

	Six months ended 31 October 2015 £'000	Six months ended 31 October 2014 £'000	Year ended 30 April 2015 £'000
Capital reserve - realised	86,551	76,405	80,822
Capital reserve - unrealised	(9,935)	11,611	1,575
Revenue reserve	1,582	1,161	1,554
	78,198	89,177	83,951

The distributable reserves of the Company are set out as follows:

	Six months ended 31 October 2015 £'000	Six months ended 31 October 2014 £'000	Year ended 30 April 2015 £'000
Special reserve	54,598	55,290	54,598
Revenue reserve	1,582	1,161	1,554
	56,180	56,451	56,152

4. Comparative information

The above financial information does not constitute statutory financial statements as defined in Section 234 of the Companies Act 2006. The Annual Financial Report for the year ended 30 April 2015, which contained an unqualified auditor's report, has been lodged with the Registrar of Companies and did not contain a statement required under Section 498 of the Companies Act 2006.