PROFIT *hunters*

ARTEMIS Alpha Trust *plc*

Annual Financial Report for the year ended 30 April 2015

ARTEMIS

The PROFIT Hunter

Contents

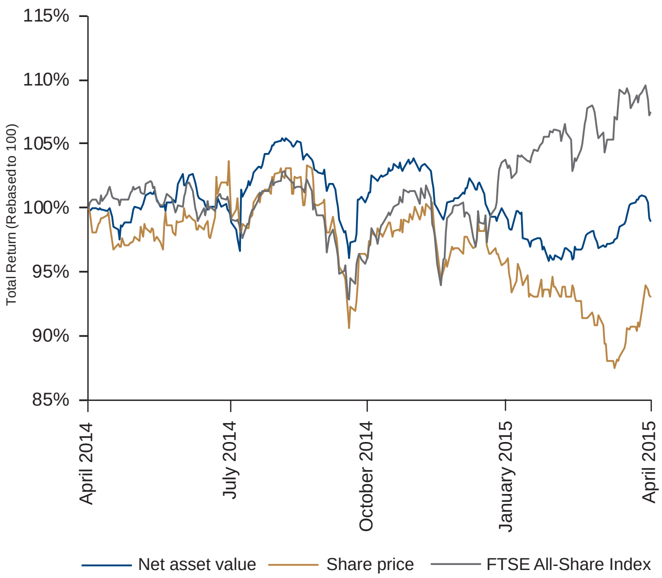
Financial Highlights

Returns for the year ended 30 April 2015

Total returns	Year ended 30 April 2015	Year ended 30 April 2014
Net asset value per ordinary share	(0.9)%	13.3%
Ordinary share price	(6.9)%	3.1%
FTSE All-Share Index	7.5%	10.5%
Revenue and dividends		
Revenue earnings per ordinary share	4.12p	6.16p
Dividends per ordinary share	3.55p	3.20p
Ongoing charges (excluding performance fees)	0.9%	1.0%
Capital	**As at 30 April 2015**	**As at 30 April 2014**
Net asset value per ordinary share	326.28p	332.55p
Ordinary share price	275.00p	298.75p
Gearing	9.1%	17.4%

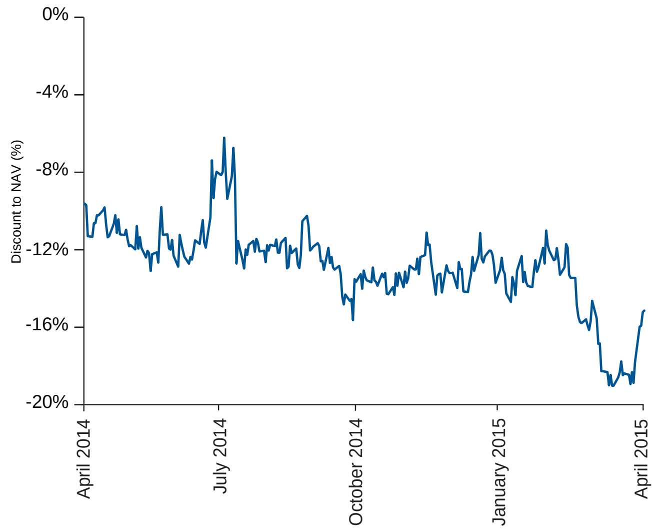
Source: Artemis/Datastream

Performance for the year ended 30 April 2015



Source: Artemis/Datastream

Discount during the year ended 30 April 2015



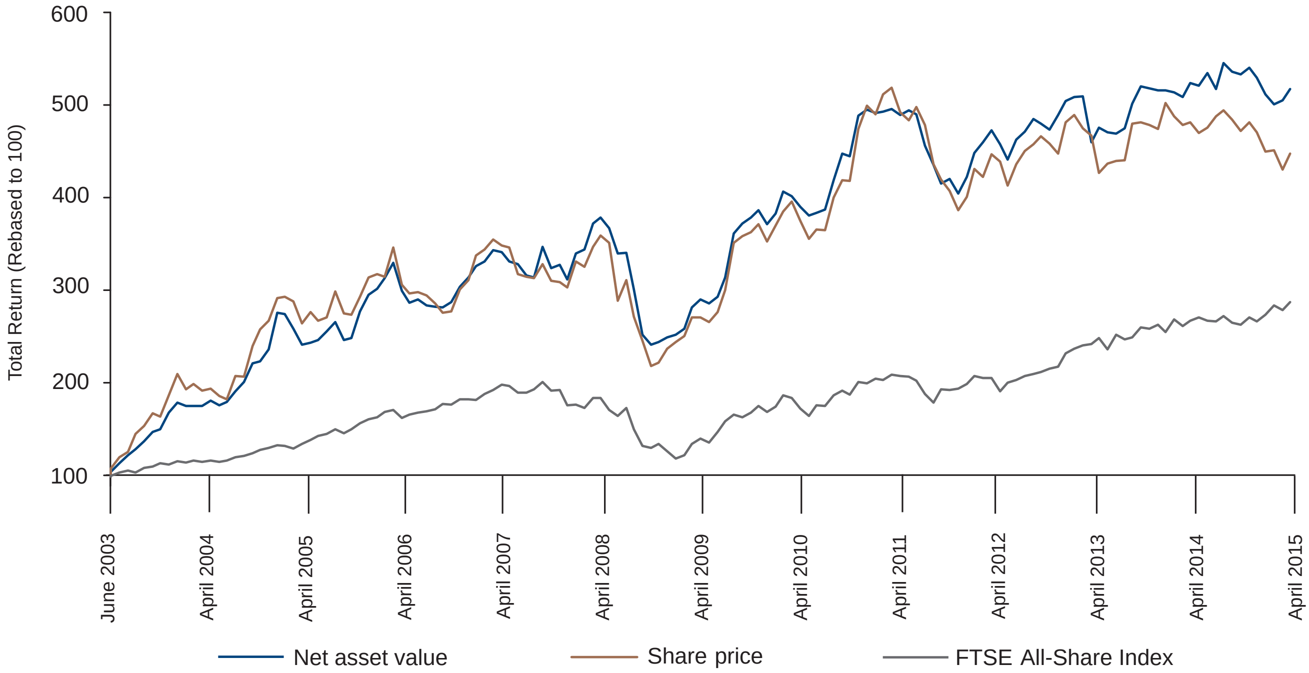
Source: Artemis/Datastream

Total returns to 30 April 2015	3 years	5 years	Since 1 June 2003*
Net asset value per ordinary share	9.2%	28.5%	417.0%
Ordinary share price	0.3%	13.1%	348.7%
FTSE All-Share Index	40.0%	55.9%	188.1%

* The date when Artemis was appointed as Investment Manager.

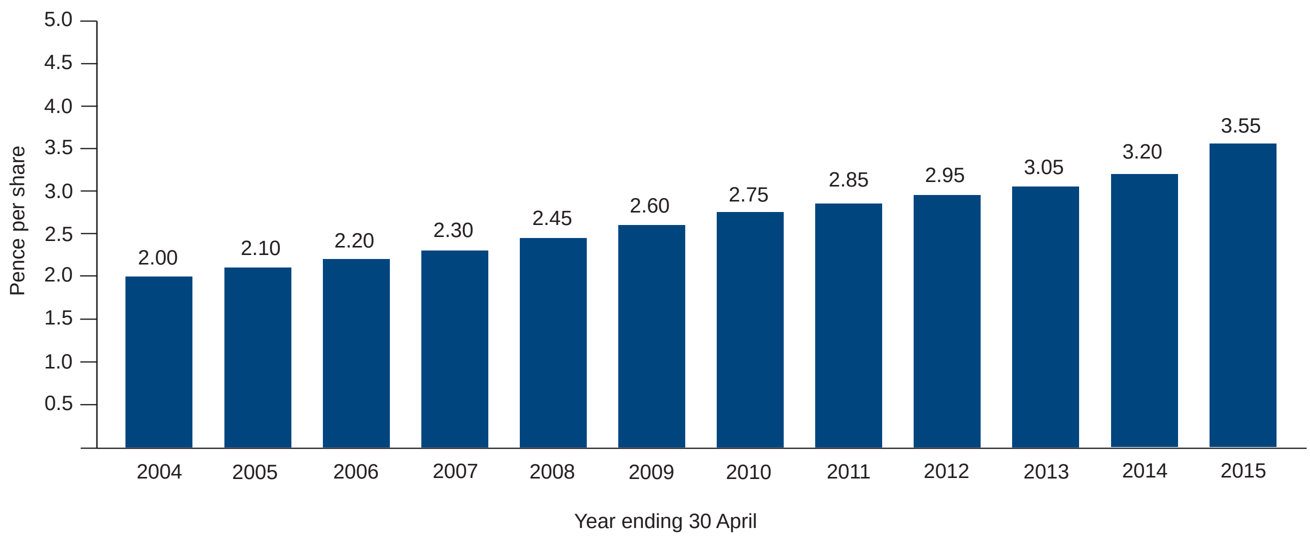
Source: Artemis/Datastream

Performance from 1 June 2003 to 30 April 2015



Source: Artemis/Datastream

Dividends paid/payable to shareholders



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

Strategic Report

This Strategic Report has been prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Corporate strategy & policy

The Company is incorporated in England. Its business as an investment trust is to buy and sell investments with the aim of achieving the objective and policy outlined below.

Objective & 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 also 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.

In addition, 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.

Gearing

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 £14.5 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 stock markets. The Company's gearing is reviewed by the Board and Investment Manager on an ongoing basis.

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 has been approved as an investment trust in accordance with the requirements of section 1158 of the Corporation Taxes Act 2010 for the year ended 30 April 2014 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 Group has no employees and delegates most of its operational functions to service providers.

Current & future developments

A summary of the Company's developments during the year ended 30 April 2015, together with its prospects for the future, is set out in the Chairman's Statement on pages 5 and 6 and Investment Manager's Review on pages 7 to 9. 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 stock market 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.

Chairman's Statement

Performance

The Company's net asset value per share declined by 0.9 per cent during the year ended 30 April 2015, on a total return basis. This compares with an increase of 7.5 per cent in the FTSE All-Share Index over the same period.

It is disappointing to have underperformed in this way and the reasons for the fall in the Company's NAV are examined in greater detail in the Investment Manager's Review. In summary, however, the largest factor was a sharp fall in the price of oil. This had a material adverse effect on the Company's oil and gas investments and reduced the net asset value by 9.6 per cent. While the Company's exposure to this sector had been reduced significantly from the levels seen in previous years, the remaining holdings, on average, fell in value by more than 50 per cent during the year. There was also a disappointment in the unquoted portfolio, where Gift-Library.com, an online retailer of luxury gifts, was put into administration. The valuation of the Company's stake was written down to nil which reduced the net asset value by 3.3 per cent.

On a more positive note, the unquoted investments added value overall. The Company realised its investment in The Hut Group for nearly £15 million in cash – equivalent to just over three times its cost. Lynton Holding Asia was another positive contributor, following the sale of its main asset, an aviation business. The Company will receive its share of the sale proceeds shortly and this should amount to a further £7 million, which also represents over three times the cost of the investment. It is hoped further realisations of unquoted investments can be achieved in the near future and we expect that unquoted investments will form a smaller component of the portfolio going forward.

Whilst there is no denying that the Company has had a period of poor performance, particularly when compared with the FTSE All-Share Index, it may be worth reminding shareholders that the Company's broad investment remit and management approach means that it is unlikely that the Company's performance will track this index. Nevertheless, our aim remains to outperform this index over the long term.

Dividends

As shareholders are aware, part of the Company's objective is to "achieve a growing dividend stream". In line with this, the dividend has increased in each of the last 11 years. The Board and Investment Manager are cognisant of the value that investors place on income, particularly in view of the low yields available elsewhere. We have, therefore, discussed the prospect of the Company paying a higher dividend and adopting a more progressive dividend-growth policy.

The Investment Manager expects the exposure to non or low yielding unquoted investments to reduce and the portfolio to move towards listed investments with greater dividend paying potential, which should increase the natural level of income generated from the portfolio in future. Given this background and the Company's sizeable revenue reserves of 6.6p per share, the Board believes that there is scope to pay a higher level of dividend this year and to target an annual rate of growth of 10 per cent.

The Board has therefore declared a second interim dividend of 2.30p (2014: 2.00p) per ordinary share, bringing the total for the year ended 30 April 2015 to 3.55p (2014: 3.20p). This represents a 15 per cent increase in the second interim dividend and a 10 per cent increase in total dividends over the 2014 payments. The dividend will be paid on 14 August 2015 to shareholders on the register as at 24 July 2015. 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 54.

Share price and discount

Your Board regularly reviews with the Investment Manager and the Company's broker, Cantor Fitzgerald, the discount to net asset value at which the Company's shares have traded and the means available to address this.

To this end, the Company bought back 368,200 of its shares during the year, at a cost of approximately £1 million and an average discount of 13 per cent. However, the discount has widened during the year and stood at 15.7 per cent at the year end. A concerted and substantial programme of share buy-backs would not be sustainable for the Company at its current size and might reduce the liquidity of its shares. In addition, it would increase the proportion of the portfolio held in unquoted investments. We believe that shareholders' interests are best served by the judicious use of buy-backs to help control the discount. We also recognise that the most important factor in reducing the discount is good performance.

We give a high priority to stimulating interest in the Company's shares through a combination of marketing presentations by the Investment Manager and broker to both existing and prospective investors. In recent meetings with shareholders we have sought their views on the subject of the discount and, although there are inevitably varying responses to the question, these have generally been supportive of the current policy. This policy will be subject to regular review in the light of prevailing market conditions.

Strategic Report (continued)

Board changes

I am pleased to report that John Ayton has been appointed as a non-executive director of the Company with effect from 25 June 2015. John is an accomplished entrepreneur with particular expertise in retail, luxury and e-commerce businesses.

I am also pleased to welcome Blathnaid Bergin as a non-executive director with effect from 9 July 2015 with the intention of her becoming Chairman of the Audit Committee in due course. She is currently Group Financial Controller of RSA Insurance, having previously spent 11 years at General Electric in a number of finance roles in both the capital and industrial businesses.

Further information on John and Blathnaid is set out on page 16.

Having served as a director since April 2004, Andrew Dalrymple will retire at the Annual General Meeting ("AGM"). The Board would like to record their thanks for all his valuable insights into markets and significant contribution over a number of years.

Annual General Meeting

The Company's AGM will take place on Thursday, 1 October 2015 at 12.30 pm in the offices of Artemis Fund Managers Limited, 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 49 to 53.

The Directors look forward to welcoming you to the AGM. The fund managers, John Dodd and Adrian Paterson, will make a short presentation and 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.

Outlook

On a number of levels your Board believes that the Company is well-placed to deliver value for shareholders. We have a talented and experienced management team who are able to draw on the extensive resources of the Artemis fund management group. I am pleased that John Dodd and Adrian Paterson have recently increased their holdings in the Company and now between them own some 10% of the shares. I welcome the confidence shown by them and the resulting alignment of their interests with those of the other shareholders.

The closed-end structure of an investment trust is tailor-made for investing for the long-term in a blend of asset classes, including some illiquid holdings where these justify inclusion by the prospect of superior returns. Within this structure it is possible to create a portfolio of investments, many of which would otherwise be difficult for most investors to access, and to deploy gearing when appropriate to boost returns. As a result of this investment flexibility we have a portfolio which is very different from almost any other investment trust and bears little resemblance to the constituents of the benchmark index.

In addition, the portfolio has changed and will continue to do so: the exposure to relatively small oil and gas companies has been much reduced, the proportion in unquoted investments will continue to decline and the amount in listed, dividend-paying companies will increase, enabling the Company to continue, and improve upon, its record of increasing dividend payments to shareholders.

Corporate activity has increased over the last year, offering a more favourable climate for the realisation of unquoted investments. This seems likely to continue. The portfolio has already seen some benefit from this trend and we hope to do so again in the coming year.

Although the Company has endured a period of poor performance, the Board and Investment Manager are determined to bring improved returns to shareholders.

Duncan Budge
Chairman
10 July 2015

Investment Manager's Review

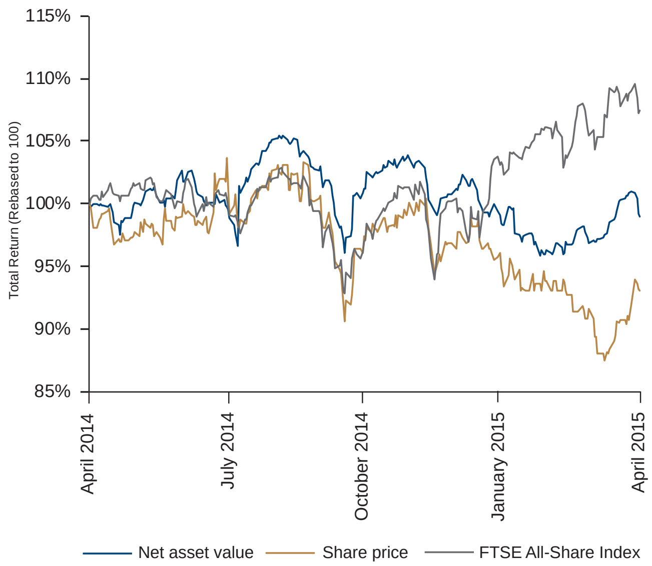
Performance

Over the year under review, the Company's net asset value fell by 0.9 per cent on a total return basis compared with a rise of 7.5 per cent in the FTSE All-Share Index.

The main reason for this disappointing performance was the sharp drop in the oil price in the final quarter of 2014 which in turn led to severe falls in the valuations of a number of the portfolio's oil and gas holdings.

The last 12 months have, in general, been positive for equity markets around the world as policymakers kept interest rates at negligible levels and continued, in some regions, to deploy quantitative easing. This, combined with recovering economies, has led to continued rises in equities and most other asset classes.

Performance over one year to 30 April 2015



Source Artemis/Datastream, total returns.

	3 years	5 years	Since 1 June 2003*
Net asset value	9.2%	28.5%	417.0%
Ordinary share price	0.3%	13.1%	348.7%
FTSE All-Share Index	40.0%	55.9%	188.1%

* The date when Artemis was appointed as Investment Manager. All figures are total returns to 30 April 2015.

Review

While the overall performance was disappointing over the year, there was an unusually wide dispersion between the winners and losers, as the following attribution analysis shows.

Five largest stock contributors

Company	Market	Contribution %
The Hut Group	Unquoted	5.1
Lynton Holding Asia	Unquoted	2.8
Ashcourt Rowan	AIM	2.0
Emis Group	AIM	1.3
Skyepharma	LSE	0.9

Five largest stock detractors

Company	Market	Contribution %
Gift Library.com	Unquoted	(3.3)
Africa Oil	TSX	(2.0)
Providence Resources	AIM	(1.6)
Eland Oil & Gas	AIM	(1.2)
Igas Energy	AIM	(1.1)

Industry attribution

Industry	Contribution %
Financials	2.3
Consumer Services	2.3
Industrials	1.9
Basic Materials	0.5
Technology	0.3
Consumer Goods	0.3
Utilities	0.0
Telecommunications	(0.2)
Oil & Gas	(9.6)

As noted above, a major negative for the portfolio was its exposure to companies in the oil and gas sector which were hit when the oil price slumped unexpectedly from over US$100 per barrel to US$45 per barrel. Although the portfolio's overall oil and gas exposure has been substantially reduced over the last three years, its holdings in Africa Oil, Providence Resources, Eland Oil & Gas and Igas Energy saw significant falls. The Company's exposure to this sector is now below 10 per cent and, given the recovery in the oil price seen in recent months, we are cautiously optimistic that some of the losses incurred on these holdings will be recouped.

Unquoted investments

The biggest individual negative contributor was Gift-Library.com, which had to be written off in its entirety. Its failure to repay a debenture forced the business into administration and then liquidation. This was an online business that had strong potential due to the high margin structure and low returns rate for gift products. However, the failure of its management team to integrate an acquisition resulted in negative synergies and placed a severe strain on cash, meaning the company was unable to honour its obligations.

Strategic Report (continued)

On a more positive note, we had two substantial events in the unquoted portfolio, both of which took place at higher valuations than our carrying values. We sold our holding in The Hut Group, a specialist online retailer, to a new private equity investor, reflecting a period of strong trading. This had proven to be a good investment over the five years we owned it, and we made 3.2 times our investment. The second notable development among the unquoteds was in relation to our long-standing investment in Lynton Holding Asia, which sold its stake in an aviation business, Hawker Pacific. It remains in the portfolio but is now a cash shell which is in the process of being wound up. We expect to receive the cash shortly. Together, these events added 7.9 per cent to the net asset value.

Listed investments

The portfolio made decent gains from its holdings in other financials, notably wealth manager Ashcourt Rowan. This was taken over by Towry Law at nearly double the pre-bid share price. The wealth management industry is undergoing consolidation. The cost of regulation is increasing but significant synergies can be extracted from putting these businesses together. Furthermore, recurring revenues generated remain high. With this in mind we invested some of the proceeds from the Ashcourt Rowan sale into Charles Stanley. The portfolio also retains a holding in Brewin Dolphin, albeit after taking some profits during the year.

Among the asset managers, we retain stakes in Polar Capital, Liontrust Asset Management and in emerging market specialists: Charlemagne Capital and City of London Investment Group. The performance of the funds that these businesses run is strong and although cash flows into them have been fairly muted recently, we expect that to pick up in the coming months. Another attraction of these cash-generative businesses is that they pay regular dividends and offer decent yields, even when growth is a bit sluggish.

Other investments that performed well over the year included Skyepharma, an oral and inhalation drug delivery company. It works in partnership with major pharmaceutical companies and receives royalties from a portfolio of products. Its lead product, Flutiform, has been approved for sale in several countries and royalty payments are starting to increase quite rapidly.

Disappointments included Mopowered, a mobile commerce software provider, whose sales did not match its increased cost base. It had to be refinanced under a new management team. Elsewhere, following a stellar performance in 2013, Polar Capital suffered outflows from its flagship Japanese fund following a period of poor performance. This fund has recently returned to the top quartile of the performance tables and, given that Polar has several other scalable funds, we have high hopes for it over the coming months.

Elsewhere in the listed portfolio, we raised cash from partial sales in Brewin Dolphin, Skyepharma, Emis Group and Telford Homes and through complete disposals of Salamander Energy and Genel Energy.

Portfolio themes

At the broader portfolio level, the two most significant themes remain other financials and internet-related businesses. Two long-standing themes, oil and gas and palm oil, are no longer as significant as they once were. As noted above, the Company's oil and gas exposure has been much reduced over recent years and two of its palm oil stocks, New Britain Palm Oil and Asian Plantations, were taken over, leaving minimal exposure to this area.

The portfolio's other financials investments are split between boutique fund management companies, traditional wealth managers and a newer business area: peer-to-peer lending. This sector has emerged as a consequence of the reluctance of banks to lend to consumers and smaller businesses following the banking crisis. Several platforms have been set up to take advantage of this fast-growing market and GLI Finance, a quoted company in which we have invested, has bought stakes in a number of these fledgling businesses.

Another investment that the Company has made in this area is in Ratesetter (Retail Money Market). It is the fastest growing peer-to-peer lender to consumers in the UK, having lent more than £600 million in the first five months of 2015. An important aspect of Ratesetter's business model is that it has set up a provision fund into which every borrower pays a small amount and which is intended to cover bad debts when default rates rise. We made this investment when the company raised fresh equity to scale up its business and increase spending on marketing. Although unquoted at present, we fully expect the company to float within the next three years when it is of a size to merit a listing.

Within the internet-related investments, Starcount has made significant progress under the new management of Edwina Dunn, the co-founder of Dunnhumby, a world leading retail intelligence business. Starcount is a data analytics business focused on social media. The business is developing a strong pipeline of customers and is now applying its capabilities to data applications for financial services, a large and exciting opportunity. Our second largest investment in this area is Metapack, a software business that manages carrier and postal solutions for online retailers. Metapack has continued its push into Europe to complement its dominant position in the UK. It remains the only company that provides a single point of integration for all UK and European couriers and has never lost a significant customer. We expect the company to benefit from the continued growth of online retail.

Gearing

Over the year we reduced the Company's gearing significantly. At the start of the year it stood at £26.5 million and at 30 April 2015 had fallen to £14.5 million. This trend continued after the year end, with £6 million from the Ashcourt Rowan takeover received in early May. When taking account of £7 million due from Lynton Holding Asia (as noted above), the Company is effectively ungeared at the time of writing. We do not expect this to remain the case over the long term and will look to use the borrowing facility selectively as good investment opportunities arise.

Future investment

Under Artemis' management the Company has taken advantage of its closed-end structure to invest in a number of unquoted investments. The primary objective of this has been to gain exposure to businesses which have exceptional growth potential in areas that often cannot be accessed through listed companies. Clearly there can be higher risks attached to investment in such companies and, like all businesses, their development does not always go to plan. That said, potential, when realised, can result in significant returns. We have experienced both sides of unquoted investing. Our objective over time, is to add value through unquoted investments and, whilst we would have liked to have provided greater returns, we feel we have achieved this to date. Overall, the Company has invested £78 million in unquoted investments and achieved realisations of £66 million to date. The remaining value of our unquoted investments is £48 million.

When making an investment in an unquoted company we look for an achievable pathway to a realisation within a three to five year horizon. In practice there are many reasons why this may not be possible and we have been frustrated that some of our unquoted companies have taken longer to develop their businesses than we expected when we invested. Over the last 12 months we have made a concerted effort to realise cash and reduce the Company's total exposure to these investments. Lynton Holding Asia and The Hut Group are examples of our efforts, The Hut Group returned almost £15 million during the year and £7 million is due from Lynton.

It is our intention to continue to reduce the overall level of unquoted exposure in the portfolio. This is not to say we are abandoning unquoted investments but rather we want to reduce the overall exposure to them over time. Where realisations are achieved we aim to recycle the cash into listed investments, and where appropriate, into dividend-paying companies.

A consequence of this strategy is that as cash is recycled from non or low yielding unquoted companies into dividend-paying companies, the overall yield of the portfolio should rise, and support a more progressive dividend as highlighted in the Chairman's Statement.

Outlook

Markets moved sharply higher in the first few months of 2015. In the UK small and mid cap market, to which the portfolio has a significant level of exposure, companies have started to perform better than they have done for some time.

We have continued to take advantage of this strength to realise a number of unquoted investments and use the cash to bring the overall level of gearing down. That said, we will look to deploy cash back into the market as we identify suitable investment opportunities that meet our valuation expectations.

With the uncertainty around the general election behind us, business confidence has increased. We therefore remain optimistic about the prospects for the UK economy and for your Company in the year ahead.

John Dodd and Adrian Paterson
Fund managers
Artemis Fund Managers Limited
10 July 2015

Strategic Report (continued)

Key Performance Indicators ("KPIs")

The performance of the Company is reviewed regularly by the Board and it uses a number of 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
2011	23.4%	31.0%	13.7%
2012	(4.6)%	(13.9)%	(2.0)%
2013	(2.8)%	4.5%	17.8%
2014	13.3%	3.1%	10.5%
2015	(0.9)%	(6.9)%	7.5%

Source: Artemis/Datastream

- Dividends per ordinary share

Year ended 30 April	Rate per ordinary share	% increase
2011	2.85p	3.6%
2012	2.95p	3.5%
2013	3.05p	3.4%
2014	3.20p	4.9%
2015	3.55p	10.9%

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

As at 30 April	Ongoing charges
2011	0.9%
2012	1.0%
2013	0.9%
2014	1.0%
2015	0.9%

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 sets the policy and 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. This is regularly reviewed by the Board. 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.

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. Further information is set out on pages 46 and 47.

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

- *Strategic:* investment objective and policy not appropriate in the current market and not favoured by investors. The investment objective and policy of the Company is set by the Board and is subject to ongoing review and monitoring in conjunction with the Investment Manager. This includes the views of the Company's larger Shareholders.
- *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 generate good long-term returns for shareholders. The Company holds smaller listed, AIM traded and unquoted investments which can be subject to a higher degree of risk than larger quoted investments. 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 having a broad range of investments in the portfolio. 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, their valuations and future prospects. The Company had no investments in hedge funds or unregulated collective investment schemes during the year.
- *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:* disruption to or failure of the Investment Manager's and/or any other third party service providers' systems which could result in an inability to report accurately and monitor the Company's financial position. Both the Investment Manager and the Administrator have established business continuity plans to facilitate continued operation in the event of a major service disruption or disaster.
- *Gearing:* the Company may borrow money for investment purposes. If the investments fall in value, any borrowings will magnify the extent of the losses. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings. All

borrowing arrangements entered into require the prior approval of the Board and gearing levels are discussed by the Board and Investment Manager at every meeting.

Further information on risks and the management of them are set out in the notes to the financial statements on pages 46 to 48.

Other matters

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.

Share capital management

Shareholders authorised the Company to buy back up to 14.99 per cent of the shares in issue at last year's AGM. This can be used to manage the balance between supply and demand for the Company's shares in the market.

During the year the Company repurchased a total of 368,200 ordinary shares, representing 0.9 per cent of the issued share capital as at 1 May 2014. The Company has not repurchased any further ordinary shares since the year end.

A resolution to renew the Company's buy-back authority will be put to shareholders at the AGM on 1 October 2015.

2,292 ordinary shares were issued during the year as a result the exercise of subscription shares (2014: 382).

Directors

The Directors of the Company and their biographical details are set out on page 16.

No Director has a contract of service with the Company.

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 has 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. The Board is currently comprised of five male directors and one female director.

Social and environmental matters

The Company has no employees and has delegated the management of the Company's investments to Artemis which, in its capacity as Investment Manager, has a Corporate Governance and Shareholder Engagement document which sets out a number of principles that are intended to be considered in the context of its responsibility to manage investments in the financial interests of shareholders. Artemis undertakes extensive evaluation and engagement with company management on a variety of matters such as strategy, performance, risk, dividend policy, governance and remuneration. All risks and opportunities are considered as part of the investment process in the context of enhancing the long-term value of shareholders investments. This will include matters relating to material environmental, human rights and social considerations that will ultimately impact the profitability of a company or its stock market rating and hence these matters are an integral part of Artemis' thinking as investors.

As the Company has delegated the investment management and administration of the Company to third party service providers, and has no fixed premises, there are no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, including those within the underlying investment portfolio.

Leverage

Leverage is defined in the Alternative Investment Fund Manager Directive ("AIFMD") as any method by which the Company can increase its exposure by borrowing cash or securities, or from leverage that is embedded in derivative positions. The Company is permitted by its Articles to borrow up to 25 per cent of its net assets (determined as 125 per cent under the commitment and gross ratios in the AIFMD). The Company is permitted to have additional leverage of up to 100 per cent of its net assets, which results in permitted total leverage of 225 per cent under both ratios. The Alternative Investment Fund Manager ("AIFM") monitors leverage limits on a daily basis and reviews them annually. No changes have been made to these limits since the adoption of the requirements of the AIFMD. At 30 April 2015, the Company's leverage was 108.3 per cent as determined using both the commitment and gross methods.

The Investment Manager is not able to enter into any stocklending agreements, to borrow money against the security of the Company's investments, or create any charges over any of the Company's investments, unless prior approval has been received from the Board.

Financial Statements

The Financial Statements of the Company are included on pages 30 to 48 of this report.

For and on behalf of the Board

Duncan Budge
Chairman

10 July 2015

Portfolio of Investments as at 30 April 2015

Investment	Industry	Country of incorporation	Market value £'000	% of total investments
Starcount[2]	Consumer Services	Singapore	7,803	5.2
Lynton Holding Asia[2]	Industrials	Denmark	7,068	4.7
Polar Capital Holdings[1]	Financials	UK	6,962	4.6
Ashcourt Rowan[1]	Financials	UK	5,985	4.0
Liontrust Asset Management	Financials	UK	5,058	3.4
Reaction Engines[2]	Industrials	UK	4,825	3.2
Gaming Realms[1]	Consumer Services	UK	4,294	2.9
Skyepharma	Health Care	UK	4,200	2.8
Emis Group[1]	Technology	UK	3,760	2.5
Metapack[2]	Industrials	UK	3,746	2.5
Top 10 investments			**53,701**	**35.8**
Claremont Alpha[2]	Consumer Services	Isle of Man	3,675	2.4
Avation	Industrials	Singapore	3,519	2.3
Oxford Nanopore Technologies[2]	Health Care	UK	3,465	2.3
Brewin Dolphin Holdings	Financials	UK	3,224	2.1
Gleeson (M.J.) Group	Consumer Goods	UK	2,886	1.9
Telford Homes[1]	Consumer Goods	UK	2,728	1.8
GLI Finance[1]	Financials	Guernsey	2,636	1.7
City of London Investment Group	Financials	UK	2,606	1.7
Retroscreen Virology[1]	Health Care	UK	2,560	1.7
Pittards[1]	Consumer Goods	UK	2,448	1.6
Top 20 investments			**83,448**	**55.3**
Charles Stanley	Financials	UK	2,411	1.6
Martinco[1]	Financials	UK	2,331	1.6
Halley Asian Prosperity Fund	Financials	Luxembourg	2,227	1.5
Booker Group	Consumer Services	UK	2,172	1.4
Physiolab Technologies[2]	Health Care	UK	2,167	1.4
Redcentric[1]	Technology	UK	2,018	1.3
Powerflute[1]	Basic Materials	Finland	1,982	1.3
Fox Marble[1]	Basic Materials	UK	1,940	1.3
Charlemagne Capital[1]	Financials	Cayman Islands	1,920	1.3
Gresham Computing	Technology	UK	1,920	1.3
Top 30 investments			**104,536**	**69.3**
Urica[2,3]	Financials	UK	1,900	1.3
Hurricane Energy[1]	Oil & Gas	UK	1,805	1.2
Lamp Group[2]	Financials	UK	1,787	1.2
R.E.A. Holdings[3]	Consumer Goods	UK	1,738	1.2
Gama Aviation[1]	Industrials	UK	1,723	1.1
Retail Money Market[2]	Financials	UK	1,600	1.1
Gundaline[2]	Consumer Goods	Australia	1,540	1.0
Eland Oil & Gas[1]	Oil & Gas	UK	1,525	1.0
Sandvine	Technology	Canada	1,373	0.9
Penna Consulting[1]	Industrials	UK	1,301	0.9
Top 40 investments			**120,828**	**80.2**

[1] AIM quoted

[2] Unquoted investment

[3] Includes fixed interest element

Investment	Industry	Country of incorporation	Market value £'000	% of total investments
4D Pharma[1]	Health Care	UK	1,275	0.8
Essenden[1]	Consumer Services	UK	1,200	0.8
N+1 Singer[2]	Financials	UK	1,184	0.8
2CG Senhouse Southeast Asian Focus Fund	Financials	Luxembourg	1,167	0.8
Equus Petroleum[2]	Oil & Gas	UK	1,118	0.7
Velocys[1]	Oil & Gas	UK	1,043	0.7
Cairn Energy	Oil & Gas	UK	1,009	0.7
Africa Oil	Oil & Gas	Canada	998	0.7
Ironveld[1]	Basic Materials	UK	998	0.7
Buried Hill Energy (Cyprus)[2]	Oil & Gas	Cyprus	998	0.7
Top 50 investments			**131,818**	**87.6**
Park Group[1]	Financials	UK	978	0.7
Helical Bar	Financials	UK	975	0.6
Providence Resources[1]	Oil & Gas	Ireland	886	0.6
Rockhopper Exploration[1]	Oil & Gas	UK	857	0.6
Eden Research[1]	Health Care	UK	795	0.5
Hardlyever[2]	Consumer Services	UK	771	0.5
Randall & Quilter[1]	Financials	UK	743	0.5
Lansdowne Oil & Gas[1]	Oil & Gas	UK	709	0.5
Summit[1]	Health Care	UK	700	0.5
MBA Polymers[2,3]	Industrials	USA	696	0.5
Top 60 investments			**139,928**	**93.1**
Ten Alps[1,2,3]	Consumer Services	UK	688	0.5
Genmark Diagnostics	Health Care	USA	678	0.5
Augean[1]	Industrials	UK	675	0.4
Horizon Discovery Group[1]	Health Care	UK	638	0.4
African Petroleum	Oil & Gas	Australia	592	0.4
Millennium & Copthorne	Consumer Services	UK	579	0.4
Hot Can[2]	Consumer Goods	UK	544	0.4
Ceramic Fuel Cells[1,2,3]	Oil & Gas	Australia	500	0.3
Intelligent Energy	Oil & Gas	UK	498	0.3
Infusion 2002[2]	Industrials	UK	446	0.3
Top 70 investments			**145,766**	**97.0**
Majestic Wine[1]	Consumer Services	UK	438	0.3
Occa Design Consultancy[2]	Consumer Goods	UK	432	0.3
Igas Energy[1]	Oil & Gas	UK	420	0.3
Gottex Holdings	Financials	Switzerland	383	0.3
Maison Seven[2]	Consumer Services	UK	355	0.2
Boohoo.com[1]	Consumer Services	UK	347	0.2
Chateau Lafite Rothschild 2009[2]	Consumer Goods	France	342	0.2
Chateau Lafite Rothschild 2010[2]	Consumer Goods	France	290	0.2
Hargreaves Services[1]	Industrials	UK	276	0.2
Rated People[2]	Industrials	UK	256	0.2
Top 80 investments			**149,305**	**99.4**

[1] AIM quoted

[2] Unquoted investment

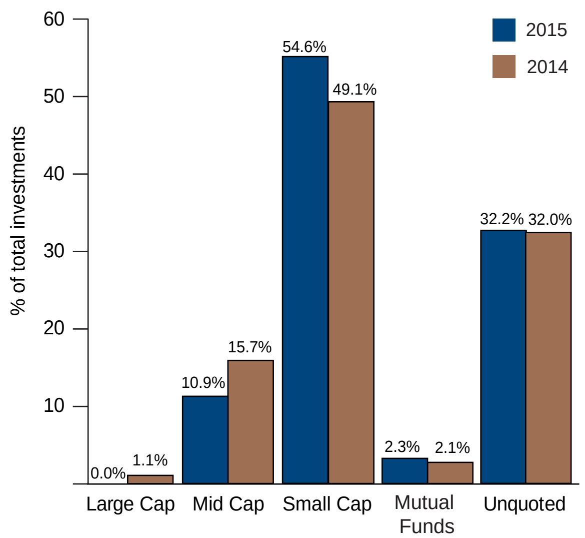
[3] Includes fixed interest element

Portfolio of Investments (continued)

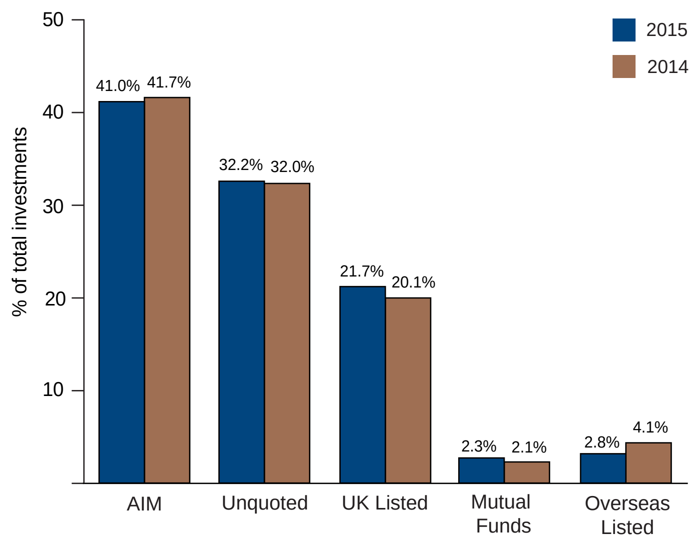
Investment	Industry	Country of incorporation	Market value £'000	% of total investments
Mobile Streams[1]	Telecommunications	UK	195	0.1
Niche Group[2]	Financials	UK	175	0.1
Parity Group[1]	Technology	UK	158	0.1
Mopowered Group[1]	Technology	UK	138	0.1
Praetorian Resources[1]	Basic Materials	UK	102	0.1
MWB Group Holdings[2,3]	Financials	UK	96	0.1
MBL Group[1]	Consumer Services	UK	36	0.0
Flying Brands	Consumer Services	UK	21	0.0
Chateau Rieussec 2010[2]	Consumer Goods	France	12	0.0
Jubilant Energy[1]	Oil & Gas	Netherlands	11	0.0
Top 90 investments			**150,249**	**100.0**
Petrohunter Energy[1]	Oil & Gas	USA	4	0.0
Leed Resources	Industrials	UK	–	0.0
Aero Inventory[2]	Industrials	UK	–	0.0
Betex Group[2]	Consumer Services	UK	–	0.0
Eastcoal	Basic Materials	Canada	–	0.0
Energy Equity Resources[2]	Oil & Gas	UK	–	0.0
Enhanced Systems Technologies[1]	Oil & Gas	Australia	–	0.0
Gift-Library.com[2]	Consumer Services	UK	–	0.0
Hawk Group[2]	Financials	UK	–	0.0
Homeland Renewable Energy[2]	Oil & Gas	USA	–	0.0
Top 100 investments			**150,253**	**100.0**
Other investments (6)			–	–
Total investments			**150,253**	**100.0**

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

Market cap analysis of the portfolio as at 30 April 2015



Market analysis of the portfolio as at 30 April 2015

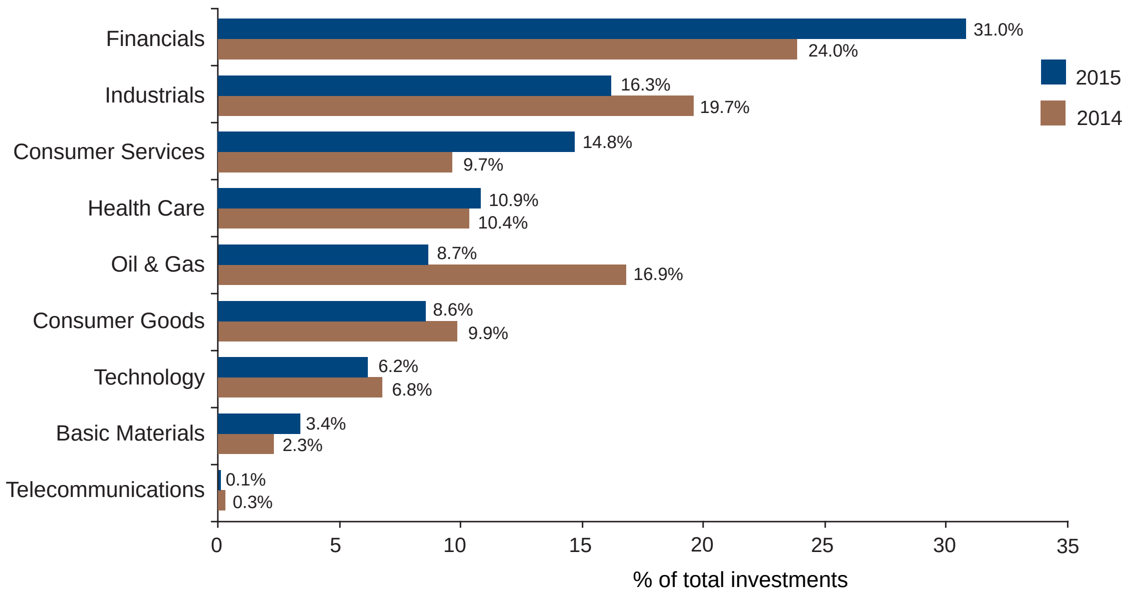


Large cap – market cap equivalent to FTSE 100 companies
Mid cap – market cap equivalent to FTSE 250 companies
Small cap – market cap equivalent to companies below FTSE 250

Geographical analysis of the portfolio as at 30 April 2015

Country of incorporation	2015 % of total investments	2014 % of total investments
UK	72.5	70.5
Singapore	7.5	7.3
Denmark	4.7	1.9
Isle of Man	2.4	2.2
Luxembourg	2.3	1.5
Australia	1.7	1.9
Guernsey	1.7	1.5
Canada	1.6	4.3
Cayman Islands	1.3	1.5
Finland	1.3	0.8
USA	1.0	0.7
Cyprus	0.7	0.6
Ireland	0.6	1.8
France	0.4	0.4
Switzerland	0.3	0.3
Bermuda	–	0.6
Jersey	–	1.1
Papua New Guinea	–	1.1
	100.0	**100.0**

Industry analysis of the portfolio as at 30 April 2015



ICB industry classifications.

Directors

Duncan Budge (Chairman from 2 October 2014)

Duncan Budge, aged 59, retired from his role as Executive Director and Chief Operating Officer of RIT Capital Partners plc in 2011, having been appointed in 1995. He is chairman of Dunedin Enterprise Investment Trust plc and a director of The World Trust Fund, Lowland Investment Company plc and Asset Value Investors Limited. He is also chairman of Spencer House Limited.

Appointed as a non-executive Director on 19 November 2013 and Chairman on 2 October 2014, Mr Budge was also appointed Chairman of the Nomination and Management Engagement Committees on 2 October 2014.

John Ayton MBE

John Ayton, aged 53, practised as a corporate lawyer in Hong Kong and the City of London before founding Links of London, a global jewellery brand. After selling the company in 2007, Mr Ayton has been an investor in, and mentor to, a number of emerging luxury brands businesses, as well as launching the jewellery brand Announshka. He is director of a number of private companies. He was awarded an MBE for his services to the UK jewellery industry in 2012.

Appointed as a non-executive Director on 25 June 2015.

David Barron (Senior Independent Director)

David Barron, aged 56, is director of investment trusts and product strategy at Miton Group plc. Prior to this he was head of the investment trust business at J.P. Morgan Asset Management. 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 member of the Institute of Chartered Accountants of Scotland.

Appointed as a non-executive Director on 17 February 2005, Mr Barron is Chairman of the Audit Committee and Senior Independent Director.

Blathnaid Bergin

Blathnaid Bergin, aged 40, joined RSA Insurance Group plc in 2013 as emerging markets financial controller. She was appointed Group Financial Controller in 2014. Prior to joining RSA, Ms Bergin spent 11 years at General Electric where she held a number of finance roles both in the capital and industrial businesses. She has worked in the UK and across much of Europe, Asia and Australia. Ms Bergin has extensive experience in building strong control environments and financial reporting and is a Fellow of the Institute of Chartered Accountants in Ireland.

Appointed as a non-executive Director on 9 July 2015.

Tom Cross Brown

Tom Cross Brown, aged 67, 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 Group plc, 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 55, 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 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.

Mr Budge, Mr Barron and Mr Dalrymple were all considered independent of the Investment Manager throughout the year ended 30 April 2015 and up to the date of this report. They were all members of the Audit, Nomination and Management Engagement Committees throughout the reporting period.

Mr Cross Brown is not considered independent of the Investment Manager due to his role as a non-executive member of the management committee of Artemis Investment Management LLP.

Mr Ayton and Ms Bergin were both considered independent of the Investment Manager upon appointment and up to the date of this report. They were appointed to the Audit, Nomination and Management Engagement Committees on 25 June and 9 July 2015 respectively.

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 2015.

Results and dividends

The Group's results for the year are set out in the Consolidated Income Statement on page 30. The Board has declared dividends for the year totalling 3.55 pence per ordinary share. The second interim dividend for the year ended 30 April 2015 of 2.30 pence per ordinary share will be paid on 14 August 2015 to shareholders who are on the register at the close of business on 24 July 2015.

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 average monthly market capitalisation of the Company, payable quarterly in arrears. In addition, a performance-related fee may be payable 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.

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 (on a total return basis) than the share price level at which a performance fee was last paid. Any relative underperformance compared to the FTSE All-Share Index (plus 2 per cent) each year is carried forward to the next period. This ensures that any under performance from prior years needs to be made up before any performance fee can become payable. No performance fee was earned for the year ended 30 April 2015.

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 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 2015 had £22.0 billion of assets under management.

Continuing appointment of the Investment Manager

The Board has reviewed the Investment Manager's engagement, including its management processes, risk controls and the quality of support provided to the Board, the Board believes that its continuing appointment, on its current terms, remains in the interests of shareholders at this time. Such a review is carried out on an annual basis.

Alternative Investment Managers Directive ('AIFMD')

As a result of the Company complying with the requirements of the AIFMD, Artemis was appointed as the AIFM to the Company on 15 July 2014. The investment management agreement sets out Artemis' duties to the Company in respect of the AIFMD. No fees are paid to Artemis in respect of its role as the AIFM to the Company. Artemis has delegated responsibility for the day to day portfolio management of the Company's portfolio to Artemis Investment Management LLP.

Information in relation to the leverage of the Company is provided in the Strategic Report on page 11 and details of the monitoring undertaken of the liquidity of the portfolio is provided in note 18 in the notes to the financial statements. The AIFMD requires certain disclosures, including details of the Company's strategy and policies, administration arrangements and risk management and monitoring, to be made to investors in the Company before they invest. These are available on the Investment Manager's website at artemis.co.uk. Any material changes to the information disclosed there is required to be reported in the Company's Annual Financial Report. There have been no material changes to this information requiring disclosure in the Annual Financial Report.

As AIFM to the Company, Artemis is required to make certain disclosures regarding remuneration which will be disclosed at the appropriate time.

A requirement of the AIFMD is the appointment of a depositary, which has responsibility for the oversight of certain administrative and custodial procedures and for the safeguarding of the Company's assets. J.P. Morgan Europe has been appointed as the Depositary for the Company.

Elections of Directors

The Board has adopted a policy that all Directors should stand for re-election on an annual basis at each AGM.

The Board recommends the re-election of Mr Budge, Mr Barron and Mr Cross Brown on the basis of their industry knowledge, experience and their contribution to the operation of the Company.

Mr Ayton and Ms Bergin, having been appointed on 25 June 2015 and 9 July 2015 respectively, are due to stand for election at the first AGM following their appointment, and therefore are proposed for election at this year's AGM.

Directors' Report (continued)

Mr Dalrymple will retire as a director of the Company at the AGM on 1 October 2015.

Mr Miller retired as a director of the Company on 2 October 2014.

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.

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 2015 the Company had 43,419,171 ordinary shares (2014: 47,049,194) and 6,862,942 subscription shares (2014: 6,865,234) in issue.

The Company made market purchases of its own ordinary shares totalling 368,200 (2014: 3,482,409) during the year for an aggregate consideration of £1,051,000 (2014: £9,685,000). This represented 0.9 per cent of issued ordinary share capital at the start of the period, with a nominal value of £3,682. The shares were bought at an average discount of 13.0 per cent (2014: 11.2 per cent) and are held in treasury.

During the year the Company issued and allotted 2,292 (2014: 382) 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. On 10 July 2015 a further 265 ordinary shares were allotted in connection with the exercise of subscription rights.

The ordinary share capital includes 578,294 shares held in treasury (2014: 3,842,409). The Company has adopted a policy whereby any shares held in treasury for more than twelve months from the date of acquisition will be cancelled. During the year 3,632,315 treasury shares were cancelled (2014: 1,487,176).

Since the year end, no ordinary shares have been purchased into treasury, and 210,094 ordinary shares held in treasury have been cancelled. As at 10 July 2015, the Company had 43,209,342 ordinary shares and 6,862,677 subscription shares in issue. Of these, 368,200 ordinary shares are held in treasury, and therefore the Company's total voting rights are 42,841,142.

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 10 July 2015	% of voting rights
Mr John Dodd	2,660,955	6.21
1607 Capital Partners	2,192,000	5.12
Mr Mark Tyndall	2,125,590	4.96
Investec Wealth Investment	1,683,799	3.93
Mr Adrian Paterson	1,648,201	3.85

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 Investment Manager's web site at artemisalphatrust.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 49 to 53. 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.

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 2015 AGM are set out in the Chairman's Statement on page 5 and the Notice of Meeting on pages 49 to 53. 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 be less than the weighted 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 October 2014 to allot up to an aggregate nominal amount of £68,639 pursuant to the exercise rights attaching to the subscription shares and up to an aggregate nominal amount of £21,604 under a general authority to allot ordinary shares. These authorities will expire at the forthcoming AGM of the Company. 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 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 £68,627 in respect of subscription shares and £21,420, under a general authority, representing approximately 16.0 per cent and 5.0 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 2016 or, if earlier, on 31 October 2016. 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 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

KPMG LLP has expressed its willingness to continue in office as independent auditor. The Audit Committee has responsibility for making a recommendation to the Board on the re-appointment of the external auditor.

Directors' Report (continued)

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 should be re-appointed as auditor. Accordingly, a resolution will be proposed at the forthcoming AGM for its re-appointment 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 and has established procedures to monitor its continuing compliance with the AIC Code. This statement outlines how the principles of the AIC Code issued in February 2013 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 FRC's Code of Corporate Governance, 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 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 Budge, 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 six Directors, all of whom are non-executive. The names of the Directors, together with their biographical details, are set out on page 16 of this Report.

The Board considers that all the Directors, with the exception of Mr Cross Brown, are 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 and re-election each year thereafter.

As Mr Ayton was appointed on 25 June 2015 and Ms Bergin on 9 July 2015, they stand for election at the AGM. As stated in the Chairman's Statement, Mr Dalrymple will retire as a Director at the AGM and will not stand for re-election. The Board recommends the election of Mr Ayton and Ms Bergin and the re-election of Mr Barron, Mr Budge and Mr Cross Brown 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 election/ re-election
Mr Ayton	25 June 2015	AGM 2015
Mr Barron	17 February 2005	AGM 2015
Ms Bergin	9 July 2015	AGM 2015
Mr Budge	19 November 2013	AGM 2015
Mr Cross Brown	5 April 2006	AGM 2015
Mr Dalrymple	1 April 2004	–

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, conducts 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 16 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 currently chaired by Mr Barron.

The Company Secretary acts as the Secretary to each Committee.

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.

As detailed in the Strategic Report on page 11, the Board supports the principles of diversity in the boardroom, and considers this in seeking to ensure that the overall balance of skills and knowledge of the Directors remains appropriate so that it can continue to operate effectively.

Board and Committee Meetings

The following table sets out the Directors' attendance at the Board and Committee meetings held during the year to 30 April 2015.

	Board Meetings	Audit Committee Meetings
Number of meetings held	4	3
Mr Miller+	1	0
Mr Barron	4	3
Mr Budge	4	3
Mr Cross Brown*	4	3
Mr Dalrymple	4	3

	Management Engagement Committee Meetings	Nomination Committee Meetings
Number of meetings held	1	1
Mr Miller+	0	0
Mr Barron	1	1
Mr Budge	1	1
Mr Cross Brown*	1	1
Mr Dalrymple	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.

+ Mr Miller retired on 2 October 2014.

Mr Ayton was appointed on 25 June 2015 and Ms Bergin was appointed on 9 July 2015.

Directors' tenure

The Board has adopted a policy of annual re-election by Shareholders. 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.

Directors' Report (continued)

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.

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 alpha.chairman@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 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 website at artemisalphatrust.co.uk, along with other information on the Company. The Investment Manager meets with the Company's 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 49 to 53 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 the Investment Manager's website at artemis.co.uk.

Voting policy

The Board has 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.

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..
- Oversight of certain administrative and custodial procedures is undertaken by the Company's Depositary, J.P. Morgan Europe Limited. The Board reviews any exceptional items raised by the Depositary on a periodic basis.
- 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.

Further information on the risks and the management of them is set out in the Strategic Report on pages 10 and 11 and in note 18 of the notes to the financial statements.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and the information provided to shareholders is sufficient to allow them to assess the Company's performance, business model and strategy.

By order of the Board

Artemis Fund Managers Limited
Company Secretary
10 July 2015

Report of the 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.

The Audit Committee is also responsible for making recommendations to the Board regarding the appointment of the Auditor, the objectivity and effectiveness of the audit process and the approval of the financial statements. It meets at least twice each year.

KPMG LLP was appointed as Auditor to the Company on 7 July 2005. No tender for the audit of the Company has been undertaken since this date. As part of its review of the continuing appointment of the auditors, the Audit Committee considers the tenure of the audit firm, its fees and independence from the Investment Manager along with any matters raised during each audit. The fees paid to KPMG LLP in respect of audit services and non-audit services are disclosed in note 4 of the notes to the financial statements.

The Audit Committee meets with the Audit Partner responsible for the Company's audit at least once each year to discuss any matters arising from the annual audit. Representatives from the Investment Manager and the Administrator may also be invited to attend the meetings of the Audit Committee to report on issues as required.

Following a discussion with the Auditor and the Investment Manager, the Audit Committee considered the main risk that arises in relation to the financial statements to be the valuation and ownership of both listed and unquoted investments held by the Company.

The Administrator, Investment Manager and the Custodian have been appointed subject to clearly defined contracts and any breaches of these, or of any law or regulation the Company is required to comply with, are reported to the Board on a quarterly basis. The Board also receives the semi-annual report on internal controls from the Administrator and the Custodian. The Audit Committee considers all of these items as part of a risk and control assessment of the Company, which is undertaken at least every six months. The results of this are reported to the Board. The last review was undertaken in June 2015 and no exceptions were reported. The Audit Committee also considered the valuation of unquoted investments included in the Annual Financial Report and discussed these in detail with the Investment Manager.

In addition, as part of the annual audit, the Auditor has agreed the valuation of all of the listed investments in the portfolio to independent pricing providers, and for unquoted investments, discussed and challenged the valuation bases with the Investment Manager, considering recent transactions, underlying investee operating performance and capital structure to assess the appropriateness of the valuations. The Auditor also validated the existence of all the securities held by the Company to the records of the Custodian.

The Auditor also highlighted, as part of its planning, the calculation of the investment management fee and performance fee and the Company's compliance with Section 1158 of the Corporation Taxes Act 2010 as other areas considered as part of the audit.

The Auditor has not reported any exceptions as part of its work in these areas.

By order of the Board

David Barron
Chairman of the Audit Committee
10 July 2015

Directors' Remuneration Policy

In accordance with the Regulations, the remuneration policy was approved by shareholders at the AGM held on 2 October 2014. The votes received were as follows:

Votes cast for		Votes cast against		Total	Number of votes
Number	%	Number	%	votes cast	withheld
15,862,623	99.44	88,761	0.56	15,951,384	85,348

The policy will apply until 2 October 2017 (being three years from the date of shareholders approval of the policy) unless renewed, varied or revoked by shareholders at a general meeting and is summarised below.

Fees payable to Directors are commensurate with the amount of time Directors are expected to spend on the Company's affairs, whilst seeking to ensure that fees are set at an appropriate level so as to enable candidates of a sufficient calibre to be recruited. The Company's Articles state the maximum aggregate amount of fees that can be paid to Directors in any year. This is currently set at £200,000 per annum and shareholder approval is required for any changes to this. The Remuneration Committee reviews and sets the level of Directors' fees annually, or at the time of the appointment of a new director, taking into account a range of external information, including peer group comparisons and relevant independent research.

Each Director is entitled to a base fee. The Chairman of the Board is paid a higher fee than the other Directors, to reflect the additional work required to be carried out in this role. The Chairman of the Audit Committee receives an additional fee to reflect the additional responsibilities and work associated with the role.

No Director is entitled to any benefits in kind, share options, annual bonuses, long-term incentives, pensions or other retirement benefits or compensation for loss of office.

Directors are appointed with no fixed notice periods and are not entitled to any extra payments on resignation. It is also considered appropriate that no aspect of Directors' remuneration is performance-related in light of the Directors' non-executive status.

Directors are able to claim expenses that are incurred in respect of duties undertaken in connection with the management of the Company.

New Directors will be remunerated in accordance with this policy and will not be entitled to any payments from the Company in respect of remuneration arrangements in place with any other employers which are terminated upon appointment as a Director of the Company.

No changes have been made, or are proposed to be made, to the Remuneration Policy of the Company as approved by shareholders at the AGM held on 2 October 2014.

To date no comments have been received from shareholders in respect of the Remuneration Policy.

Directors' Remuneration Report

The Directors are pleased to present the Company's remuneration report for the year ended 30 April 2015 in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "Regulations"). The Company's auditors are 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 pages 28 and 29.

In accordance with the Regulations, an ordinary resolution, Resolution 2, to approve this report will be put to shareholders at the AGM.

The Board

During the year ended 30 April 2015, the Board consisted solely, of non-executive Directors, who determine their remuneration as a whole. Accordingly, a separate Remuneration Committee has not been established.

After consideration at a meeting of the Board on 25 June 2015, it was agreed that the fees for each Director, for the year ending 30 April 2016, should remain unchanged.

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 Directors who served during the years ended 30 April 2015 and 30 April 2014 received the following emoluments:

Director[1]	2015	2014
Mr Barron	£22,000	£21,000
Mr Budge[2]	£24,666	£7,337
Mr Cross Brown	£20,000	£20,000
Mr Dalrymple	£20,000	£20,000
Mr Miller[3]	£11,667	£28,000
Mr Dighé[4]	–	£11,000

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

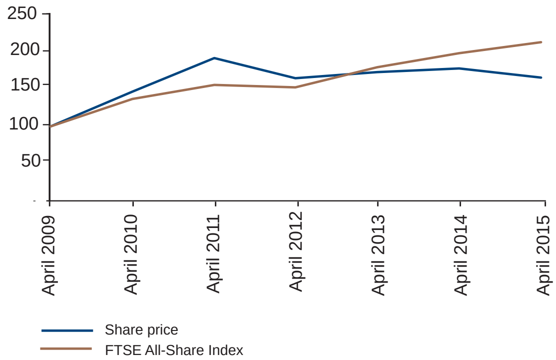
2 Mr Budge was appointed on 19 November 2013.

3 Mr Miller retired on 2 October 2014.

4 Mr Dighé resigned on 1 October 2013.

Directors' Remuneration Policy and Report (continued)

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 2009 to 30 April 2015 compared with 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.

Statement of voting at the last annual general meeting

The following table sets out the votes received at the last annual general meeting of shareholders, held on 2 October 2014, in respect of the approval of the Directors' Remuneration Report:

Votes cast for		Votes cast against		Total	Number of votes
Number	%	Number	%	votes cast	withheld
15,890,716	99.66	54,651	0.34	15,945,367	91,365

Directors' interests

The Directors' interests in the capital of the Company who held office at 30 April 2015 were as follows:

Ordinary shares

	30 April 2015		1 May 2014	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Mr Barron	8,792	–	8,792	–
Mr Budge	15,000	–	–	–
Mr Cross Brown	44,321	–	44,321	–
Mr Dalrymple	46,000	32,000	46,000	32,000

Subscription shares

	30 April 2015		1 May 2014	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Mr Barron	713	–	713	–
Mr Budge	–	–	–	–
Mr Cross Brown	6,331	–	6,331	–
Mr Dalrymple	8,285	2,857	8,285	2,857

There have been no changes to the above holdings between 30 April 2015 and the date of this Report. Mr Ayton and Ms Bergin did not hold any shares in the Company upon appointment or up to 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.

On behalf of the Board and in accordance with the Regulations, I confirm that the Directors' Remuneration Report summarises, for the year ended 30 April 2015, the review undertaken and the decisions made regarding the fees paid to the Board.

For and on behalf of the Board

Duncan Budge
Chairman
10 July 2015

Management Report and Statement of Directors' Responsibilities

in respect of the Annual Financial Report

Management Report

Listed companies are required by the Financial Conduct Authority'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 Strategic Report (pages 4 to 11). 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 Strategic Report, 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, artemisalphatrust.co.uk, maintained by the Company's Investment Manager, Artemis. 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 as at 30 April 2015, and of the profit or loss of the Group for the year then ended; and

(b) the Strategic Report 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

Duncan Budge
Chairman
10 July 2015

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

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Artemis Alpha Trust for the year ended 30 April 2015 set out on pages 30 to 48. 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 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU as applied in accordance with the Companies Act 2006; and
- 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.

2 Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risks of material misstatement that had the greatest effect on our audit were as follows:

Carrying amount of Quoted Investments (£101.9 million)

Refer to page 24 (Report of the Audit Committee), page 35 (accounting policy) and pages 40 to 42 (financial disclosures).

- *The risk* – The Group's portfolio of quoted investments makes up 68.0% of the Group's total assets (by value) and is considered to be one of the key drivers of operations and performance results. We do not consider these investments to be at a high risk of significant misstatement as they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.
- *Our response* – Our procedures over the completeness, valuation and existence of the Group's quoted investment portfolio included, but were not limited to:
  - documenting and assessing the processes in place to record investment transactions and to value the portfolio;
  - agreeing the valuation of 100 per cent of investments in the portfolio to externally quoted prices; and
  - agreeing 100 per cent of investment holdings in the portfolio to independently received third party confirmations.

Existence and Valuation of Unquoted Investments (£48.3 million)

Refer to page 24 (Report of the Audit Committee), page 35 (accounting policy) and pages 40 to 42 (financial disclosures).

- *The risk* – 32.0% of the Group's total assets (by value) is held in investments where no quoted market price is available. Unquoted investments are measured at fair value, which is established in accordance with the International Private Equity and Venture Capital Valuation Guidelines by using measurements of value such as price of recent orderly transactions, earnings multiples and net assets. There is a significant risk over the valuation of these investments and this is one of the key judgemental areas that our audit focused on.
- *Our response* – Our procedures included:
  - documenting and assessing the design and implementation of the investment valuation processes and controls in place;
  - attendance at the year-end valuation meeting with the investment manager to assess its discussion and review of the investment valuations;
  - assessment of investment realisations in the period, comparing actual sales proceeds to prior year end valuations to understand the reasons for significant variances and determine whether they are indicative of bias or error in the company's approach to valuations;
  - challenging the investment manager on key judgements affecting investee company valuations in the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines. In particular, we challenged the appropriateness of the valuation basis selected as well as the underlying assumptions, such as discount factors, and the choice of benchmark for earnings multiples. We compared key underlying financial data inputs to external sources, investee company audited accounts and management information as applicable. We challenged the assumptions around sustainability of earnings based on the plans of the investee companies and whether these are achievable, and we obtained an understanding of existing and prospective investee company cashflows to understand whether borrowings can be serviced or whether refinancing may be required. Where a recent transaction had been used to value a holding, we obtained an understanding of the circumstances surrounding the transaction and whether it was considered to

be on an arms-length basis and suitable as an input into a valuation. Our work included consideration of events which occurred subsequent to the year end up until the date of this audit report;

- attending the year-end Audit Committee meeting where we assessed the effectiveness of the Audit Committee's challenge and approval of unquoted investment valuations; and
- consideration of the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of unquoted investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions.

3. Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements as a whole was set at £3.2 million, determined with reference to a benchmark of Group total assets, of which it represents 2%.

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £160,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group audit team performed the audit of the Group as if it was a single aggregated set of financial information. The audit was performed using the materiality level set out above and covered 100% of total Group revenue, Group profit before tax, and Group total assets.

4 Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy; or
- the Report of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

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; and
- the part of the Corporate Governance Statement on pages 20 to 23 relating to the Group's compliance with the ten provisions of the 2012 Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 27, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at frc.org.uk/auditscopeukprivate. This report is made solely to the Group's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Catherine Burnet (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG
10 July 2015

Consolidated Income Statement

For the year ended 30 April 2015

	Notes	Year ended 30 April 2015 Revenue £'000	Year ended 30 April 2015 Capital £'000	Year ended 30 April 2015 Total £'000	Year ended 30 April 2014 Revenue £'000	Year ended 30 April 2014 Capital £'000	Year ended 30 April 2014 Total £'000
Investment income	2	2,415	–	2,415	2,280	–	2,280
Other income	2	2	–	2	710	–	710
Total revenue		**2,417**	**–**	**2,417**	**2,990**	**–**	**2,990**
(Losses)/gains on investments		–	(1,937)	(1,937)	–	15,054	15,054
(Losses)/gains on current asset investments	10	(63)	–	(63)	392	–	392
Currency losses		–	(4)	(4)	(4)	(3)	(7)
Total income/(loss)		**2,354**	**(1,941)**	**413**	**3,378**	**15,051**	**18,429**
Expenses							
Investment management fee	3	(93)	(839)	(932)	(96)	(864)	(960)
Other expenses	4	(416)	(10)	(426)	(403)	(29)	(432)
Profit/(loss) before finance costs and tax		**1,845**	**(2,790)**	**(945)**	**2,879**	**14,158**	**17,037**
Finance costs	5	(48)	(442)	(490)	(59)	(511)	(570)
Profit/(loss) before tax		**1,797**	**(3,232)**	**(1,435)**	**2,820**	**13,647**	**16,467**
Tax	6	(20)	–	(20)	(98)	–	(98)
Profit/(loss) for the year		**1,777**	**(3,232)**	**(1,455)**	**2,722**	**13,647**	**16,369**
Earnings/(loss) per ordinary share	**8**	**4.12p**	**(7.50)p**	**(3.38)p**	**6.16p**	**30.90p**	**37.06p**

The total column of this statement represents the Statement of Comprehensive Income of the Group, prepared in accordance with International Financial Reporting Standards. 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 35 to 48 form part of these financial statements.

	Notes	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Non-current assets					
Investments	9	150,253	152,509	167,207	169,481
Current assets					
Investments held by subsidiary		1,289	–	1,263	–
Other receivables	12	1,466	1,458	551	492
Cash and cash equivalents		1,778	1,189	1,437	1,134
		4,533	2,647	3,251	1,626
Total assets		**154,786**	**155,156**	**170,458**	**171,107**
Current liabilities					
Other payables	13	(503)	(873)	(274)	(923)
Bank loan	18	(14,500)	(14,500)	(26,500)	(26,500)
		(15,003)	(15,373)	(26,774)	(27,423)
Net assets		**139,783**	**139,783**	**143,684**	**143,684**
Equity attributable to equity holders					
Share capital	14	503	503	539	539
Share premium		644	644	636	636
Special reserve		54,598	54,598	55,649	55,649
Capital redemption reserve		87	87	51	51
Retained earnings – revenue		3,368	1,554	2,994	1,145
Retained earnings – capital	15	80,583	82,397	83,815	85,664
Total equity		**139,783**	**139,783**	**143,684**	**143,684**
Net asset value per ordinary share	**16**	**326.28p**	**326.28p**	**332.55p**	**332.55p**

These financial statements were approved by the Board of Directors and signed on its behalf on 10 July 2015 by:

Duncan Budge
Chairman

The notes on pages 35 to 48 form part of these financial statements.

Company No: 253644

Statements of Changes in Equity

For the year ended 30 April 2015

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 2015							
At 1 May 2014	539	636	55,649	51	2,994	83,815	143,684
Total comprehensive income:							
Profit/(loss) for the year	–	–	–	–	1,777	(3,232)	(1,455)
Transactions with owners recorded directly to equity:							
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)
At 30 April 2015	**503**	**644**	**54,598**	**87**	**3,368**	**80,583**	**139,783**
For the year ended 30 April 2014							
At 1 May 2013	554	635	65,334	36	1,621	70,168	138,348
Total comprehensive income:							
Profit for the year	–	–	–	–	2,722	13,647	16,369
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	(9,685)	–	–	–	(9,685)
Cancellation of ordinary shares from treasury	(15)	–	–	15	–	–	–
Conversion of subscription shares	–	1	–	–	–	–	1
Dividends paid	–	–	–	–	(1,349)	–	(1,349)
At 30 April 2014	**539**	**636**	**55,649**	**51**	**2,994**	**83,815**	**143,684**

The notes on pages 35 to 48 form part of these financial statements.

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 2015							
At 1 May 2014	539	636	55,649	51	1,145	85,664	143,684
Total comprehensive income:							
Profit/(loss) for the year	–	–	–	–	1,812	(3,267)	(1,455)
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	(1,051)	–	–	–	(1,051)
Cancellation of shares from treasury	(36)	–	–	36	–	–	–
Conversion of subscription shares	–	8	–	–	–	–	8
Dividends paid	–	–	–	–	(1,403)	–	(1,403)
At 30 April 2015	**503**	**644**	**54,598**	**87**	**1,554**	**82,397**	**139,783**
For the year ended 30 April 2014							
At 1 May 2013	554	635	65,334	36	870	70,919	138,348
Total comprehensive income:							
Profit for the year	–	–	–	–	1,624	14,745	16,369
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	(9,685)	–	–	–	(9,685)
Cancellation of ordinary shares from treasury	(15)	–	–	15	–	–	–
Conversion of subscription shares	–	1	–	–	–	–	1
Dividends paid	–	–	–	–	(1,349)	–	(1,349)
At 30 April 2014	**539**	**636**	**55,649**	**51**	**1,145**	**85,664**	**143,684**

The notes on pages 35 to 48 form part of these financial statements.

Cash Flow Statements

For the year ended 30 April 2015

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Operating activities				
(Loss)/profit before tax	(1,435)	(1,435)	16,467	16,467
Interest payable	490	512	570	575
Losses/(gains) on investments	1,937	1,955	(15,054)	(16,158)
Losses/(gains) on current asset investments	63	–	(392)	–
Currency losses	4	4	3	3
Decrease/(increase) in other receivables	15	23	(136)	(136)
Increase/(decrease) in other payables	263	259	(311)	(311)
Net cash inflow from operating activities before interest and tax	**1,337**	**1,318**	**1,147**	**440**
Interest paid	(490)	(512)	(570)	(575)
Irrecoverable overseas tax suffered	(20)	(20)	(98)	(98)
Net cash inflow/(outflow) from operating activities	**827**	**786**	**479**	**(233)**
Investing activities				
Purchases of investments	(31,548)	(29,473)	(39,556)	(34,349)
Sales of investments	45,610	43,501	48,922	43,553
Net cash inflow from investing activities	**14,062**	**14,028**	**9,366**	**9,204**
Financing activities				
Repurchase of ordinary shares into treasury	(1,149)	(1,149)	(9,587)	(9,587)
Conversion of subscription shares	8	8	1	1
Dividends paid	(1,403)	(1,403)	(1,349)	(1,349)
(Increase)/decrease in inter-company loan	–	(211)	–	587
Net cash outflow from financing activities	**(2,544)**	**(2,755)**	**(10,935)**	**(10,348)**
Net decrease/(increase) in net debt	**12,345**	**12,059**	**(1,090)**	**(1,377)**
Net debt at the start of the year	**(25,063)**	**(25,366)**	**(23,970)**	**(23,986)**
Effect of foreign exchange rate changes	(4)	(4)	(3)	(3)
Net debt at the end of the year	**(12,722)**	**(13,311)**	**(25,063)**	**(25,366)**
Bank loans	(14,500)	(14,500)	(26,500)	(26,500)
Cash	1,778	1,189	1,437	1,134
	(12,722)	**(13,311)**	**(25,063)**	**(25,366)**

The notes on pages 35 to 48 form part of these 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 IFRS 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 and venture capital 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 2015. 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 its dealing subsidiary Alpha Securities Trading Limited 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 the dealing subsidiary 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.
- 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

Notes to the Financial Statements (continued)

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 required to obtain continuing 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.

(i) Cash and cash equivalents. Cash and cash equivalents comprises deposits and overdrafts with banks and bank loans with maturities of less than three 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.

(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:

- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014).
- IFRS 14 – Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 27 – Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 1 – Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016).
- IFRS 15 – Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017).
- IFRS 9 – Financial Instruments (effective for annual periods beginning on or after 1 January 2018).

2. Income

	Year ended 30 April 2015 £'000	Year ended 30 April 2014 £'000
Investment income*		
UK dividend income	1,898	1,689
UK fixed interest	104	202
Overseas dividend income	413	389
	2,415	2,280
Other income		
Bank interest	6	4
Subsidiary undertaking's dealing (losses)/profits	(4)	706
	2	710
Total income	2,417	2,990
Total income comprises:		
Dividends and interest from investments	2,415	2,280
Bank interest	6	4
Other income and dealing profits/(losses)	(4)	706
	2,417	2,990
Income from investments		
UK quoted investments	1,508	1,479
UK unquoted investments	494	412
Overseas quoted investments	413	389
	2,415	**2,280**

* 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

	Year ended 30 April 2015			Year ended 30 April 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	93	839	932	96	864	960

Details of the investment management fee and performance fee are set out in the Directors' Report on page 17. As at 30 April 2015, £288,000 was outstanding in respect of amounts due to the Investment Manager (2014: £78,000). As the performance of the Company's share price did not meet the criteria required for the payment of a performance fee, no payment has been made (2014: nil).

Notes to the Financial Statements (continued)

4. Other expenses

	Year ended 30 April 2015			Year ended 30 April 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Directors' remuneration (excluding VAT and NIC)	98	–	98	109	–	109
Auditor's remuneration (excluding VAT):						
– Fee for the audit of the Company's financial report	24	–	24	22	–	22
– Audit of the subsidiary pursuant to legislation	2	–	2	2	–	2
– Non-audit services – taxation	11	–	11	7	–	7
Other expenses	281	10	291	263	29	292
	416	**10**	**426**	**403**	**29**	**432**

5. Finance costs

	Year ended 30 April 2015			Year ended 30 April 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loan interest*	40	365	405	50	452	502
Loan commitment fee	3	27	30	3	23	26
Loan non-utilisation fee	5	48	53	3	31	34
Overdraft interest*	–	2	2	3	5	8
	48	**442**	**490**	**59**	**511**	**570**

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

6. Taxation

(a) Tax charge for the year

	Year ended 30 April 2015			Year ended 30 April 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Irrecoverable overseas tax	20	–	20	98	–	98
	20	**–**	**20**	**98**	**–**	**98**

6. Taxation (continued)

(b) Factors affecting the tax charge for the year

	Year ended 30 April 2015			Year ended 30 April 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) before tax	1,797	(3,232)	(1,435)	2,820	13,647	16,467
Profit/(loss) on ordinary activites multiplied by the standard rate of UK corporation tax of 20.92% (2014: 22.84%)	376	(676)	(300)	644	3,117	3,761
Non-taxable capital losses/(gains)	–	405	405	–	(3,438)	(3,438)
Non-taxable UK dividends	(397)	–	(397)	(386)	–	(386)
Non-taxable overseas dividends	(86)	–	(86)	(89)	–	(89)
Unutilised management expenses	107	271	378	(169)	321	152
Irrecoverable overseas tax	20	–	20	98	–	98
	20	**–**	**20**	**98**	**–**	**98**

(c) Factors that may affect future tax charges

The Group has excess management expenses, surplus loan relationship deficits and trading losses of £11,929,000 (2014: £10,170,000) 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 2015.

	Year ended 30 April 2015 £'000	Year ended 30 April 2014 £'000
2014 second interim dividend of 2.00p per ordinary share (2013: 1.85p)	864	824
2015 first interim dividend of 1.25p per ordinary share (2014: 1.20p)	539	525
	1,403	**1,349**

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 2015 reflects the second interim dividend for the year ended 30 April 2014 which was paid on 15 August 2014. For the year ended 30 April 2015, a first interim dividend of 1.25p has been paid on 30 January 2015 and a second interim dividend of 2.30p per share will be paid on 14 August 2015.

Set out below are the total dividends paid/payable in respect of the financial year ended 30 April 2015.

	Year ended 30 April 2015 £'000	Year ended 30 April 2014 £'000
First interim dividend of 1.25p per ordinary share (2014: 1.20p)	539	525
Second interim dividend of 2.30p per ordinary share (2014: 2.00p)	985	864
	1,524	**1,389**

Notes to the Financial Statements (continued)

8. Earnings per share

The revenue earnings per ordinary share is based on the revenue profit for the year of £1,777,000 (2014: £2,722,000) and on the 43,086,557 (2014: 44,162,066) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The capital loss per ordinary share is based on the capital loss for the year of £3,232,000 (2014: capital return £13,647,000) and on the 43,086,557 (2014: 44,162,066) 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 2015 (2014: 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 the categories, Level 1, Level 2 and Level 3. The values and movements in these categories are summarised in parts a to c of this note. Any investments that are delisted or suspended from a listed stock exchange are transferred from Level 1 to Level 3.

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
UK quoted investments *(Level 1)*				
– UK listed	32,508	32,508	32,700	32,700
– AIM quoted	63,090	63,090	69,673	69,673
– Fixed interest	–	–	239	239
– Preference shares	308	308	632	632
Overseas quoted investments *(Level 1)*	2,655	2,655	6,924	6,924
Mutual funds *(Level 2)*	3,394	3,394	3,483	3,483
Unquoted investments *(Level 3)*				
– Equities and warrants	44,713	44,713	49,582	49,582
– Fixed interest	3,099	3,099	2,547	2,547
– Preference shares	486	486	721	721
– Other	–	–	706	706
– Subsidiary undertakings	–	2,256	–	2,274
	150,253	**152,509**	**167,207**	**169,481**

9. Non-current assets – Investments (continued)

(b) Movements in investments – Group

	2015				2014			
	Quoted (Level 1) £'000	Quoted (Level 2) £'000	Unquoted (Level 3) £'000	Total £'000	Quoted (Level 1) £'000	Quoted (Level 2) £'000	Unquoted (Level 3) £'000	Total £'000
Opening book cost	87,541	2,951	50,347	140,839	104,342	2,444	40,015	146,801
Opening fair value adjustment	22,627	532	3,209	26,368	11,798	490	3,032	15,320
Opening valuation	110,168	3,483	53,556	167,207	116,140	2,934	43,047	162,121
Movements in year:								
Purchases at cost	22,678	–	6,795	29,473	22,951	507	10,078	33,536
Sales – proceeds	(29,524)	(647)	(14,319)	(44,490)	(42,522)	–	(982)	(43,504)
– realised gains on sales	6,420	123	9,379	15,922	3,232	–	774	4,006
Transfer to/(from) unquoted investments (cost)	1,968	–	(1,968)	–	(462)	–	462	–
Transfer to/(from) unquoted investments (unrealised loss)	(375)	–	375	–	(7,321)	–	7,321	–
(Decrease)/increase in fair value adjustment	(12,774)	435	(5,520)	(17,859)	18,150	42	(7,144)	11,048
Closing valuation	98,561	3,394	48,298	150,253	110,168	3,483	53,556	167,207
Closing book cost	89,083	2,427	50,234	141,744	87,541	2,951	50,347	140,839
Closing fair value adjustment	9,478	967	(1,936)	8,509	22,627	532	3,209	26,368
	98,561	**3,394**	**48,298**	**150,253**	**110,168**	**3,483**	**53,556**	**167,207**

(c) Movements in investments – Company

	2015				2014			
	Quoted (Level 1) £'000	Quoted (Level 2) £'000	Unquoted (Level 3) £'000	Total £'000	Quoted (Level 1) £'000	Quoted (Level 2) £'000	Unquoted (Level 3) £'000	Total £'000
Opening book cost	87,541	2,951	50,347	140,839	104,342	2,444	40,015	146,801
Opening fair value adjustment	22,627	532	5,483	28,642	11,798	490	4,202	16,490
Opening valuation	110,168	3,483	55,830	169,481	116,140	2,934	44,217	163,291
Movements in year:								
Purchases at cost	22,678	–	6,795	29,473	22,951	507	10,078	33,536
Sales – proceeds	(29,524)	(647)	(14,319)	(44,490)	(42,522)	–	(982)	(43,504)
– realised gains on sales	6,420	123	9,379	15,922	3,232	–	774	4,006
Transfer to/(from) unquoted investments (cost)	1,968	–	(1,968)	–	(462)	–	462	–
Transfer to/(from) unquoted investments (unrealised loss)	(375)	–	375	–	(7,321)	–	7,321	–
(Decrease)/increase in fair value adjustment	(12,774)	435	(5,538)	(17,877)	18,150	42	(6,040)	12,152
Closing valuation	98,561	3,394	50,554	152,509	110,168	3,483	55,830	169,481
Closing book cost	89,083	2,427	50,234	141,744	87,541	2,951	50,347	140,839
Closing fair value adjustment	9,478	967	320	10,765	22,627	532	5,483	28,642
	98,561	**3,394**	**50,554**	**152,509**	**110,168**	**3,483**	**55,830**	**169,481**

Notes to the Financial Statements (continued)

(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 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, the valuations of the following level 3 assets were reduced: Gift-Library.com (£4,527,000), Metapack (£623,000), Lamp Group (£471,000), Gundaline (£106,000), Equus Petroleum (£177,000), Rated People (£569,000), MBA Polymers (£28,000), Maison Seven (£456,000), Infusion 2002 (£74,000) Chateau Lafite Rothschild 2009 (£22,000), Chateau Lafite Rothschild 2010 (£35,000) and Chateau Rieussec 2010 (£6,000).

During the year, The Hut Group, which was valued at £7,562,000 at 30 April 2014, was sold during the year for proceeds of £14,838,000 and Myeye Technology which was valued at £20,000 was sold for £200,000.

(e) (Losses)/gains on investments – Group

	2015 £'000	2014 £'000
Realised gains on sales of investments	15,922	4,006
(Decrease)/increase in fair value adjustment	(17,859)	11,048
	(1,937)	**15,054**

(f) Transaction costs

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

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Purchases	71	63	64	51
Sales	45	42	95	85
	116	**105**	**159**	**136**

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. It holds a portfolio of listed investments which are measured at their quoted bid prices. During the year the company made an unrealised loss of £63,000 (2014: gain of £392,000) and a dealing loss of £4,000 (2014: gain of £706,000) which are included in the Consolidated Income Statement.

The Company controls another investee company by virtue of its voting rights.

	% of ordinary share capital held	Principal activity	Country of incorporation and operation
Claremont Alpha Limited	100	Holding company	Isle of Man

IFRS 10 provides a consolidation exemption to companies that qualify as an "Investment Entity", whereby instead of consolidating subsidiaries, investment entities are permitted to measure the investment in subsidiaries at fair value through profit or loss.

The investment in Alpha Securities Trading Limited continues to be consolidated as this entity is classified as providing services that relate to the investment entity's investment activities.

The Directors have assessed the criteria required for the Company to qualify as an “Investment Entity” and confirms that:

a) The Company obtains funds from investors for the purpose of providing the investors with investment management services;

b) The Company commits to investors that its business purpose is to invest funds solely for returns for capital appreciation, investment income, or both; and

c) The Company confirms that it measures and evaluates the performance of substantially all of its investments on a fair value basis.

Other characteristics of the Company supporting this classification is that there are multiple investments (see portfolio statement) and many underlying shareholders. Additionally investors are not exclusively related parties and the underlying investment positions taken are commonly in the form of equity.

11. Significant interests

At 30 April 2015 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
Ashcourt Rowan	Ordinary	4.93%
Avation	Ordinary	4.62%
Betex Group	Ordinary	4.69%
Ceramic Fuel Cells	Ordinary	5.00%
Charlemagne Capital	Ordinary	5.50%
Claremont Alpha*	Ordinary	100.00%
Eden Reseach	Ordinary	6.88%
Flying Brands	Ordinary	3.95%
Fox Marble	Ordinary	5.80%
Gaming Realms	Ordinary	6.52%
Gift-Library.com+	A Ordinary	100.00%
Gresham Computing	Ordinary	3.16%
Gundaline	Ordinary	12.00%
Hardlyever+	A Ordinary	65.21%
Hardlyever	Ordinary	6.57%
Hot Can	Ordinary	8.40%
Infusion 2002	Ordinary	13.00%
Ironveld	Ordinary	4.56%
Lamp Group	Ordinary	6.93%
Lansdowne Oil & Gas	Ordinary	6.51%
Liontrust Asset Management	Ordinary	3.89%
Lynton Holding Asia	Ordinary	35.10%
Maison Seven	Ordinary	17.76%
Martinco	Ordinary	8.41%
Metapack	Ordinary	4.57%
Mobile Streams	Ordinary	8.08%
Mopowered Group	Ordinary	8.86%
N+1 Singer	Ordinary	6.64%
Occa Design Consultancy	Ordinary	10.38%
Penna Consulting	Ordinary	3.55%
Physiolab Technologies	Ordinary	14.52%
Pittards	Ordinary	19.43%
Praetorian Resources	Ordinary	22.21%
Reaction Engines	Ordinary	4.32%
Senhouse Southeast Asian Focus Fund	Ordinary	11.03%
Starcount	A Ordinary	39.80%
Ten Alps	Ordinary	7.80%
Urica	Ordinary	27.14%

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.

* See note 10 – entity is not consolidated.

+ The Company holds less than 50 per cent of the total voting rights of these companies and therefore does not exercise control.

Notes to the Financial Statements (continued)

12. Other receivables

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Prepayments and accrued income	275	267	252	252
Amounts due from brokers	1,181	1,181	251	192
Taxation recoverable	10	10	48	48
	1,466	**1,458**	**551**	**492**

13. Other payables

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Accrued expenses	439	435	176	176
Amounts due to brokers	64	–	98	98
Amounts due to subsidiary undertakings	–	438	–	649
	503	**873**	**274**	**923**

14. Share capital

(a) Share capital

	2015 Number	2015 £'000	2014 Number	2014 £'000
Allotted, called up and fully paid:				
Ordinary shares of 1p each	42,840,877	428	43,206,785	432
Ordinary shares of 1p each held in treasury	578,294	6	3,842,409	38
Subscription shares of 1p each	6,862,942	69	6,865,234	69
		503		**539**

(b) Ordinary shares

	Number	£'000
Movements in ordinary shares during the year:		
Ordinary shares in issue on 1 May 2014	43,206,785	432
Repurchases of ordinary shares into treasury	(368,200)	(4)
Issue of ordinary shares on exercise of subscription shares	2,292	–
Ordinary shares in issue on 30 April 2015	**42,840,877**	**428**

14. Share capital (continued)

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

	2015 Number	2015 £'000	2014 Number	2014 £'000
Balance brought forward	**3,842,409**	**38**	**1,847,176**	**18**
Repurchases of ordinary shares	368,200	4	3,482,409	35
Cancellation of ordinary shares	(3,632,315)	(36)	(1,487,176)	(15)
Balance carried forward	**578,294**	**6**	**3,842,409**	**38**

During the year ended 30 April 2015, a total of 368,200 ordinary shares were repurchased by the Company at a total cost, including transaction costs, of £1,051,000 for placement in treasury (2014: 3,482,409 ordinary shares were repurchased for placement in treasury for £9,685,000).

(c) Subscription shares

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

	Number	£'000
Balance brought forward	**6,865,234**	**69**
Conversion of subscription shares into ordinary shares	(2,292)	–
Balance carried forward	**6,862,942**	**69**

During the year, holders of 2,292 (2014: 382) subscription shares exercised their rights to covert those shares into ordinary shares at a price of 345.00 pence per ordinary share, giving a total consideration received of £8,000 (2014: £1,000).

Holders of the remaining subscription shares may exercise their right to convert those shares into ordinary shares at a price of 345.00 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 2014	**68,835**	**14,980**	**83,815**	**68,410**	**17,254**	**85,664**
Decrease in fair value adjustment	–	(17,859)	(17,859)	–	(17,877)	(17,877)
Net gain on realisation of investments	15,922	–	15,922	15,922	–	15,922
Currency losses on capital items	(4)	–	(4)	(4)	–	(4)
Costs charged to capital (net of tax relief)	(1,291)	–	(1,291)	(1,308)	–	(1,308)
Transfer between reserves	(2,198)	2,198	–	(2,198)	2,198	–
Balance at 30 April 2015	**81,264**	**(681)**	**80,583**	**80,822**	**1,575**	**82,397**
Balance at 1 May 2013	**58,664**	**11,504**	**70,168**	**58,245**	**12,674**	**70,919**
Increase in fair value adjustment	–	11,048	11,048	–	12,152	12,152
Net gain on realisation of investments	4,006	–	4,006	4,006	–	4,006
Currency losses on capital items	(3)	–	(3)	(3)	–	(3)
Costs charged to capital (net of tax relief)	(1,404)	–	(1,404)	(1,410)	–	(1,410)
Transfer between reserves	7,572	(7,572)	–	7,572	(7,572)	–
Balance at 30 April 2014	**68,835**	**14,980**	**83,815**	**68,410**	**17,254**	**85,664**

Notes to the Financial Statements (continued)

16. Net asset value per ordinary share

The net asset value per share is based on the net assets of £139,783,000 (2014: £143,684,000) and on 42,840,877 (2014: 43,206,785) ordinary shares, being the number of ordinary shares in issue at the year end.

The diluted net asset value per share has been calculated on the assumption that nil (2014: nil) subscription shares were exercised resulting in total ordinary shares in issue of 42,840,877 (2014: 43,206,785).

17. Financial commitments

At 30 April 2015, the Group and Company did not have any financial commitments which have not been accrued (2014: nil).

18. Financial instruments

As detailed on page 4, the 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 revolving credit facility 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 at 30 April 2015 are disclosed in the investment portfolio set out on pages 12 and 14.

Foreign currency risk

The portfolio has a number of overseas investments and the income and capital value of these 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 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 2015 £'000	Net monetary assets at 30 April 2015 £'000	Investments at 30 April 2014 £'000	Net monetary assets at 30 April 2014 £'000
US Dollar	11,890	–	9,502	11
Danish Krone	7,068	–	3,137	–
Canadian Dollar	3,489	–	7,934	–
Australian Dollar	1,540	–	1,646	–
Norwegian Kroner	592	–	–	–
Swiss Franc	383	–	601	–
Euro	–	10	–	–
Total	**24,962**	**10**	**21,917**	**11**

Foreign currency sensitivity

A 5 per cent increase in sterling against the relevant foreign currencies would have the effect of reducing the Group's profit or loss and the net assets by £1,248,000 (2014: £1,096,000). A 5 per cent decrease in sterling would have an equal and opposite effect.

18. Financial instruments (continued)

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.

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 2015 (2014: 0.5 per cent).

The Company has a 5 year multi-currency revolving credit facility of £30,000,000 of which £14,500,000 was drawn down at 30 April 2015 (2014: £26,500,000). Interest is charged at variable rates equivalent to 1.70 per cent 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 2015			30 April 2014		
	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	3,099	0.22	1.20	2,786	3.29	1.65

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 and counterparty 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 £7,513,000 (2014: £8,364,000). 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 include 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.

A substantial proportion of the Company's financial instruments include companies that are traded on AIM and a number of unquoted investments which may not always be readily realisable. As a result, the Company may not be able to realise some of its investments quickly at their fair value to meet any further liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The AIFM has a liquidity management policy for the Company which is intended to ensure that the Company's investment portfolio maintains an appropriate level of liquidity in view of the Company's expected outflows, including share buybacks, dividends and operational expenses. This policy involves an assessment of the prices or values at which it expects to be able to realise its assets over varying periods in varying market conditions, taking into account the sensitivity of particular assets to particular market risks and other relevant factors. This requires the AIFM to identify and monitor investment in asset classes which are considered to be relatively illiquid. Illiquid assets of the Company are likely to include investments in unquoted companies. The majority of the Company's investment portfolio is invested directly in listed equities and this equity portfolio is monitored on an ongoing basis to ensure that it is adequately diversified. The liquidity management policy is reviewed and updated, as required, on at least an annual basis.

Notes to the Financial Statements (continued)

18. Financial instruments (continued)

Financial liabilities

The Group primarily finances its operations all through equity, retained profits and bank borrowings. As at 30 April 2015, the Group had drawn down £14,500,000 of its committed £30,000,000 multi-currency revolving credit facility with The Royal Bank of Scotland plc (30 April 2014: £26,500,000). 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 2015 was 2.21 per cent per annum (2014: 2.19 per cent per annum). There was no interest rate risk associated with other short-term creditors at 30 April 2015 or 30 April 2014. There is no difference between the fair value of the financial liabilities and their carrying value.

The credit facility is committed until 30 November 2018. 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 35% of adjusted net assets (net assets adjusted for unquoted holdings and other concentration deductions).

(iii) Credit and counterparty 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 reviews the custodian's semi 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. 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.

The Company did not surrender any excess management expenses without payment to Alpha Securities Trading Limited in the current year (2014: £353,000). 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 (2014: £nil). During the year the Company paid its subsidiary undertaking Alpha Securities Trading Limited, interest on the intercompany loan amounting to £22,000 (2014: £7,000). 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 Fund Managers Limited, Cassini House, 57 St James's Street, London SW1A 1LD on Thursday, 1 October 2015 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 2015.

Resolution 2. To approve the Directors' Remuneration Report for the year ended 30 April 2015.

Resolution 3. To re-elect Mr Duncan Budge 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 elect Mr John Ayton as a Director of the Company.

Resolution 7. To elect Ms Blathnaid Bergin as a Director of the Company.

Resolution 8. To re-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 6,862,677 ordinary shares having an aggregate nominal value of 68,627 to the holders of subscription shares on completion of conversion; and

(ii) up to an aggregate nominal value of £21,420 (approximately 5 per cent of the aggregate nominal amount of the issued ordinary share capital as at 10 July 2015);

provided that this authority shall expire at the conclusion of the next annual general meeting of the Company to be held in 2016, 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 2016, 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

Notice of Annual General Meeting (continued)

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 £21,420 representing approximately 5 per cent of the aggregate nominal amount of the issued ordinary share capital as at 10 July 2015.

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 6,421,887 or 1,028,715 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 2016 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 Fund Managers Limited
Secretary
10 July 2015

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

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 9.00 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 Asset Services, 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 9.00 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 AGM 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

Notice of Annual General Meeting (continued)

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 29 September 2015 (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. Forms of proxy

   A personalised form of proxy will be sent to each registered shareholder with the Annual Financial Report and instructions on how to vote will be contained therein.

10. 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 website: artemisalphatrust.co.uk.

11. Voting rights

    As at 10 July 2015 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 43,209,392 ordinary shares, carrying one vote each of which 368,200 are held in treasury and 6,862,677 subscription shares, which carry no voting rights. Therefore, the total voting rights in the Company as at 10 July 2015 were 42,841,142 votes.

12. 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.

13. Notification of shareholdings

    If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes of those proxies are cast, and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's ordinary shares already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

14. 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.

15. 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 Fund Managers Limited, 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.

16. 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:

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

16.2. copies of the Directors' letters of appointment.

No Director has a service contract with the Company.

17. Directors biographies

The biographies of the Directors standing for re-election are set out on page 16 of the Company's Annual Financial Report for the year ended 30 April 2015.

18. 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 website: artemisalphatrust.co.uk.

19. 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 AGM; 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 AGM 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

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).

Financial advisors

The Company currently conducts its affairs so that the shares in issue can be recommended by financial advisors to ordinary retail investors in accordance with the Financial Conduct Authority's ("FCA's") rules in relation to non-mainstream investment products and intends to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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 website (artemisalphatrust.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 alpha.chairman@artemisfunds.com.

Subscription shares

Subscription shareholders can exercise their subscription shares at a price of 345.0 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 certificate(s) at the office of the Company's registrars during the period 28 days ending at 5.00 pm 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.

General information

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.co.uk.

Reporting Calendar

Year End

30 April

Results Announced

Interim: December
Annual: July

Dividends Payable

February and August

Annual General Meeting

October

Investment Manager, Company Secretary and Advisers

Registered Office

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

Investment Manager, Alternative Investment Fund Manager and Company Secretary (from 15 July 2014)

Artemis Fund Managers Limited
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

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

Investment Manager and Company Secretary (to 15 July 2014)

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

Administrator

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP

Registrar

Capita Asset Services
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 & Custodian

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

Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Stockbroker

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

Solicitors

Dickson Minto W.S.
Broadgate Tower
Primrose Street
London EC2A 2EW

Depositary (from 15 July 2014)

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP

An investment company as defined under section 833 of the Companies Act 2006.
Registered in England No. 253644

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