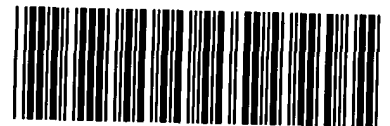


**ALPHA SECURITIES TRADING LIMITED**  
**Report and Financial Statements for the year ended**  
**30 April 2023**

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COMPANIES HOUSE

## **Alpha Securities Trading Limited**

### **Company information**

**Directors:**

Duncan Budge  
John Ayton  
Jamie Korner  
Victoria Stewart  
Tom Smethers

**Registered office:**

Cassini House  
57-59 St James's Street  
London  
SW1A 1LD

**Investment Manager and Company  
Secretary:**

Artemis Fund Managers Limited  
Cassini House  
57-59 St James's Street  
London  
SW1A 1LD

**Independent auditor:**

Johnston Carmichael LLP  
7-11 Melville Street  
Edinburgh  
EH3 7PE

**Company number:**

03759568  
The Company is registered and domiciled in England.

## **Alpha Securities Trading Limited**

### **Directors' Report**

The Directors present their report and Financial Statements for the year ended 30 April 2023.

#### **Principal activities and review of the business**

The Company's principal activity is to carry on the business of dealing in investments.

#### **Principal risks and uncertainties**

As the Company's principal activity is the business of dealing in investments, the main risks relate to the nature of the individual investments and the investment activities generally and include market price risk and foreign currency risk.

Further information is set out in note 10 of the notes to the financial statements on page 16.

#### **Results and dividend**

The results for the year are set out in the Statement of Comprehensive Income on page 8. A dividend of £nil (2022: £nil) was paid during the year. The Directors consider the results for the year to be satisfactory.

#### **Future developments**

The Company expects to continue to carry on its business of dealing in investments for the foreseeable future.

#### **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 auditors are 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 auditors are aware of that information.

#### **Directors and their interests**

The Directors of the Company who held office during the year or have been appointed since the year end are as follows:

Duncan Budge  
John Ayton  
Blathnaid Bergin (resigned on 13 October 2022)  
Jamie Korner  
Victoria Stewart  
Tom Smethers (appointed on 15 March 2023)

During the year, none of the Directors had any interests in the shares of the Company. The Directors' interests in the parent undertaking, Artemis Alpha Trust plc, are shown in the Annual Report of that company.

#### **Directors' insurance and indemnification**

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

**Alpha Securities Trading Limited**  
**Directors' Report (continued)**

The Company's Articles provide the Directors, 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. The Company has prepared deeds of indemnity in favour of each of its Directors. The deeds cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him/her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person.

**Elective resolutions**

Under the Companies Act 2006, there is no longer a statutory requirement for the Company to hold an Annual General Meeting or to lay the Company's Annual Report and Financial Statements before the shareholders in general meeting for approval.

Under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 section 414B, there is an exemption for small companies from preparing a Strategic Report. The Company has taken advantage of this exemption.

**Going concern**

The Directors, having considered the likely cashflow and operational costs of the Company, are of the opinion that the Company has adequate resources to continue in operational existence of the foreseeable future. There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for a period of at least twelve months from the date the financial statements were approved. For this reason they continue to adopt the going concern basis in the preparation of the financial statements.

**Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards with the requirements of the Companies Act 2006.

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 Company and the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards with the requirements of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and to prevent and detect fraud and other irregularities.

By order of the Board

Claire Simpson - For and on behalf of Artemis Fund Managers Limited Secretary

11 July 2023

Company Number - 03759568

## **ALPHA SECURITIES TRADING LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF ALPHA SECURITIES TRADING LIMITED**

##### **Opinion**

We have audited the financial statements of Alpha Securities Trading Limited ('the Company') for the year ended 30 April 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 30 April 2023 and of its profit for the year then ended;
- Have been properly prepared in accordance with UK-adopted International Accounting Standards; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

##### **Other information**

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report have been prepared in accordance with applicable legal requirements.

## **ALPHA SECURITIES TRADING LIMITED INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ALPHA SECURITIES TRADING LIMITED (continued)**

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors remuneration required by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Directors were not entitled to take advantage of the small companies' exemption from preparing a Strategic Report.

#### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### *Extent the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006; and
- UK-adopted International Accounting Standards.

## **ALPHA SECURITIES TRADING LIMITED INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ALPHA SECURITIES TRADING LIMITED (continued)**

#### *Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)*

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulations or any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

#### **Use of our report**

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

**Richard Sutherland (Senior Statutory Auditor)**  
**For and on behalf of Johnston Carmichael LLP**  
**Statutory Auditor**  
**Edinburgh, United Kingdom**  
**11 July 2023**

## Alpha Securities Trading Limited

### Statement of Comprehensive Income For the year ended 30 April 2023

	Note	Year ended 30 April 2023 £	Year ended 30 April 2022 £
<b>Income</b>			
Proceeds on sale of investments		794,825	1,517,771
Cost of investments sold		(282,505)	(808,994)
Realised profits		512,320	708,777
Movement in unrealised gains on investments	6	(592,660)	302,369
Net foreign currency gains		3,887	-
<b>Gross (loss)/profit</b>		<b>(76,453)</b>	<b>1,011,146</b>
Revenue	3	131,917	176
Expenses	4	(9,103)	(9,980)
<b>Profit before taxation</b>		<b>46,361</b>	<b>1,001,342</b>
Taxation	5	(8,238)	-
<b>Profit after taxation</b>		<b>38,123</b>	<b>1,001,342</b>

All the above results relate to continuing operations.

There are no gains or losses other than the profit on ordinary activities after taxation as shown above.

The notes on pages 12 to 17 form part of these financial statements.



**Alpha Securities Trading Limited**

**Statement of Financial Position  
As at 30 April 2023**

	Note	30 April 2023 £	30 April 2022 £
<b>Current assets</b>			
Investments held at fair value	6	549,493	939,119
Trade and other receivables	7	3,548,097	2,855,384
Cash and cash equivalents		182,246	468,698
<b>Total assets</b>		<b>4,277,836</b>	<b>4,263,199</b>
<b>Current liabilities</b>			
Creditors	8	(8,510)	(31,998)
		<b>(8,510)</b>	<b>(31,998)</b>
<b>Net assets</b>		<b>4,269,326</b>	<b>4,231,203</b>
<b>Equity attributable to equity holders</b>			
Share capital	9	2	2
Retained earnings		4,269,324	4,231,201
<b>Total equity</b>		<b>4,269,326</b>	<b>4,231,203</b>

The financial statements were approved by the Board of Directors on 11 July 2023.



Director - Duncan Budge

The notes on pages 12 to 17 form part of these financial statements.

Company Number: 03759568

# Alpha Securities Trading Limited

## Statement of Changes in Equity For the year ended 30 April 2023

	Share capital £	Retained earnings £	Total £
Balance at 1 May 2022	2	4,231,201	4,231,203
Total comprehensive expense:			
Profit after taxation	-	38,123	38,123
<b>Balance at 30 April 2023</b>	<b>2</b>	<b>4,269,324</b>	<b>4,269,326</b>

## For the year ended 30 April 2022

	Share capital £	Retained earnings £	Total £
Balance at 1 May 2021	2	3,229,859	3,229,861
Total comprehensive expense:			
Profit after taxation	-	1,001,342	1,001,342
<b>Balance at 30 April 2022</b>	<b>2</b>	<b>4,231,201</b>	<b>4,231,203</b>

The notes on pages 12 to 17 form part of these financial statements.

## Alpha Securities Trading Limited

### Statement of Cash Flows

For the year ended 30 April 2023

	Year ended 30 April 2023 £	Year ended 30 April 2022 £
<b>Operating activities</b>		
Profit before taxation	46,361	1,001,342
Gross loss/(profit)	76,453	(1,011,146)
Increase/(decrease) in accrued expenses	1,219	(242)
Purchase of investments	(510,244)	(1,026,726)
Sales of investments	794,825	1,517,771
<b>Net cash inflow from operating activities before tax</b>	<b>408,614</b>	<b>480,999</b>
<b>Tax paid</b>	<b>(8,238)</b>	<b>-</b>
<b>Net cash inflow from operating activities</b>	<b>400,376</b>	<b>480,999</b>
<b>Financing activities</b>		
Increase in amounts due from parent undertaking	(690,713)	(404,484)
<b>Net cash outflow from financing activities</b>	<b>(690,713)</b>	<b>(404,484)</b>
<b>Net movement in cash and cash equivalents</b>	<b>(290,337)</b>	<b>76,515</b>
<b>Cash and cash equivalents at the start of the year</b>	<b>468,696</b>	<b>392,181</b>
Net movement in cash and cash equivalents	(290,337)	76,515
Effect of foreign exchange rate changes	3,887	-
<b>Cash and cash equivalents at the end of the year</b>	<b>182,246</b>	<b>468,696</b>

The notes on pages 12 to 17 form part of these financial statements.

## Alpha Securities Trading Limited

### Notes to the Financial Statements

#### 1. Principal activities

The Company is a private company limited by shares and its principal activity is to carry on the business of dealing in investments.

#### 2. Accounting policies

##### (a) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with UK Adopted International Accounting Standards ("IFRSs") which comprise standards and interpretations issued by the International Accounting Standards Board ("IASB"), as applied in accordance with the provisions of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss ("FVTPL").

The Directors, having considered the likely cashflow and operational costs of the Company, 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.

The accounting policies which apply in preparing the financial statements for the year ended 30 April 2023 have been applied consistently, other than where new policies have been adopted.

The financial statements are presented in Sterling, which is the functional currency and the currency of the primary environment in which the Company operates.

##### (b) Investments

Investments are designated as fair value through profit or loss upon initial recognition. Listed investments are measured initially at cost, and are recognised at trade date.

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 Stock Exchange Electronic Trading Service ("SETS") prices without deduction for the estimated future selling costs.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as gains/(losses) on investments. Also included within this caption are transaction costs in relation to the purchase and sale of investments.

Current year realised gains include amounts included in unrealised gains/(losses) in previous years.

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.

##### (c) 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 is recognised on an accrual basis.

##### (d) Expenses and finance costs

All expenses and interest payable are accounted for on an accrual basis.

##### (e) Taxation

Taxation represents the sum payable, any withholding tax suffered and any deferred tax. Taxation is charge or credited in the Statement of Comprehensive Income. Any taxation payable is based on the Company's profit for the year calculated using tax rates in force at the Statement of Financial Position date. Deferred taxation is recognised in full using the 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 Statement of Financial Position 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.

## **Alpha Securities Trading Limited**

### **Notes to the Financial Statements (continued)**

#### **2. Accounting policies (continued)**

**(f) Cash and cash equivalents and borrowings**

Cash and cash equivalents comprises deposits and overdrafts with banks.

**(g) Dividends payable**

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

**(h) 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 Statement of Financial Position date.

**(i) 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.

**(j) Accounting developments**

At the date of authorisation of the financial statements, the following amendment to the IFRS Standards and Interpretations was assessed to be relevant and is effective for annual periods beginning on or after 1 January 2022:

- **Reference to the Conceptual Framework – Amendments to IFRS 3 'Business Combinations'**  
Update of outdated reference in IFRS 3 without significantly changing its requirements.

**Standards issued but not yet effective**

At the date of authorisation of the financial statements, the following standards and interpretations were assessed to be relevant:

- **Classification of Liabilities as Current or Non-current** – Amendments to IAS 1. Effective for annual reporting periods beginning on or after 1 January 2024.
- **Definition of Accounting Estimates** – Amendments to IAS 8. Effective for annual reporting periods beginning on or after 1 January 2023.
- **Disclosure of Accounting Policies** – Amendments to IAS 1 and IFRS Practice Statement 2. Effective for annual reporting periods beginning on or after 1 January 2023.
- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction** – Amendments to IAS 12. Effective for annual reporting periods beginning on or after 1 January 2023.

There are no accounting standards, or interpretations effective in the year and issued but not effective, that have or will have material impact on these financial statements. Furthermore, the company has not early adopted any such standards, amendments, and interpretations to existing standards prior to their effective date.

The directors expect that the adoption of the standards listed above will have either no impact or that any impact will not be material on the financial statements of the company in future periods.

## Alpha Securities Trading Limited

### Notes to the Financial Statements (continued)

#### 3. Income

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
Interest income from intercompany loan	90,160	-
Overseas dividends income	41,187	-
Liquidity fund income	506	-
Bank interest	64	176
	<b>131,917</b>	<b>176</b>

All investments have been designated as fair value through profit or loss upon initial recognition, therefore all dividend income arises on investments at fair value through profit or loss.

#### 4. Expenses

The Company had no employees during the year (2022: nil).

None of the Directors received any emoluments from the Company during the year (2022: nil).

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
Auditor's remuneration for audit services	6,197	6,184
Other expenses	2,906	3,796
	<b>9,103</b>	<b>9,980</b>

#### 5. Taxation

##### Current tax

The tax assessed on the net profit of the year is higher (2022: lower) than the standard rate of corporation tax of 19.50% (2022: 19.00%). The differences are reconciled below:

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
Profit before taxation	46,361	1,001,342
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.50% (2022: 19.00%)	9,040	190,255
Overseas withholding tax	8,238	-
Non-taxable dividends	(8,031)	-
Group surrender of excess expenses by parent company	(1,009)	(190,255)
	<b>8,238</b>	<b>-</b>

Starting 1 April 2023, corporation tax increased from 19% to 25%. The applicable tax rate for the year of 19.5% is the effective rate of tax for the year.

The Company has trading gains of £5,173 (2022: £nil) which will be covered by the excess expenses surrendered by the parent company. The tax charge in the current year pertains to withholding tax on overseas dividends. The prior year tax charge has been extinguished by brought forward losses of £nil and excess expenses of £1,001,342 surrendered by the parent undertaking.

#### 6. Investments held at fair value

	2023 cost £	2023 value £	2022 cost £	2022 value £
Hutchmed China	204,154	244,000	89,477	85,925
Darktrace	142,635	168,000	-	-
Hombly	99,769	87,493	99,769	139,194
Esken	294,724	50,000	294,724	102,000
Thungla Resources	-	-	54,278	612,000
	<b>741,282</b>	<b>549,493</b>	<b>538,248</b>	<b>939,119</b>

## Alpha Securities Trading Limited

### Notes to the Financial Statements (continued)

#### 6. Investments held at fair value (continued)

Movements in investments	Year ended 30 April 2023 £	Year ended 30 April 2022 £
Opening book cost	638,248	295,811
Opening fair value adjustment	400,871	98,502
Opening valuation	939,119	394,313
<b>Movements in year:</b>		
Purchases at cost	485,539	1,051,431
Sale proceeds on sale of investments	(794,825)	(1,517,771)
(Losses)/gains on investments*	(80,340)	1,011,146
Closing valuation	549,493	939,119
Closing book cost	741,282	538,248
Closing fair value adjustment	(191,789)	400,871
	549,493	939,119

\* (Losses)/gains on investments is comprised of net realised gains of £512,320 (2022: £708,777) and decrease in fair value £592,860 (2022: increase of £302,369) as recognised in the Statement of Comprehensive Income (on page 8).

The Company received £794,825 (2022: £1,517,771) from investments sold in the year. The book cost of these investments when they were purchased was £282,505 (2022: £808,994). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the 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.

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 measuring 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.

All investments are included in Level 1.

#### Risk management of investments

The Company buys investments in the expectation of short term gains. The risk associated with the buying and selling of investments is monitored on a regular basis by the Investment Manager.

#### 7. Trade and other receivables

	30 April 2023 £	30 April 2022 £
Amount due from the parent undertaking	3,455,937	2,855,384
Interest receivable from intercompany loan	90,160	-
	3,546,097	2,855,384

#### 8. Creditors

	30 April 2023 £	30 April 2022 £
Amounts due to brokers	-	24,705
Other payables	8,510	7,291
	8,510	31,996

## Alpha Securities Trading Limited

### Notes to the Financial Statements (continued)

#### 9. Share capital

	30 April 2023 £	30 April 2022 £
Issued and fully paid: 2 ordinary shares of £1 each (2022: 2)	2	2

The capital of the Company is managed in accordance with its principal activity of dealing in investments.

There are no restrictions to voting rights and preferences arising on the share capital and the Company does not have any externally imposed capital requirements.

#### 10. Financial instruments

As detailed on page 12, the principal activity of the Company is to carry on the business of dealing in investments.

The Company's financial instruments are comprised of equities, an intercompany loan and debtors and creditors that arise from its operations, for example sales and purchases of securities awaiting settlement and debtors for accrued income. The principal risks the Company faces are (i) market price risk (comprising currency risk, interest rate risk and other price risk), (ii) liquidity risk; and (iii) credit risk.

The Investment Manager regularly monitors the financial risks affecting the Company. The Directors receive financial information on a quarterly basis which is used to identify and monitor 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 Company's investment portfolio.

The day to day management of the portfolio is the responsibility of the Investment Manager. This includes ongoing detailed analysis of existing and potential investee companies. No derivatives or hedging instruments are used by the Company to manage market risk. The Board monitors the Company's overall market positions on a regular basis.

Details of the investments held as at 30 April 2023 and 30 April 2022 are disclosed in note 6.

##### Foreign currency risk

Foreign currency risk is the risk that movements in exchange rates may affect the sterling value of any of the Company's assets or liabilities which are denominated in currencies other than sterling. No investments were denominated in currencies other than Sterling as at 30 April 2023 (2022: £nil).

##### Interest rate risk

All of the Company's financial assets are non-interest bearing and therefore there is no exposure to fair value interest rate fluctuations.



## **Alpha Securities Trading Limited**

### **Notes to the Financial Statements (continued)**

#### **10. Financial instruments (continued)**

##### **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 risk and foreign currency risk), whether caused by factors specific to an investment or wider issues affecting the market generally.

A 5 per cent increase/decrease in the value of the Company's investments, assuming all other variables remained constant, would have resulted in a £27,475 increase/decrease in net assets as at 30 April 2023 (2022: £46,956).

##### **(ii) Liquidity risk**

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial commitments.

The Company'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.

##### **Financial liabilities**

The Company primarily finances its operations through equity and retained earnings and for the year ended 30 April 2023 there were no financial liabilities (2022: £nil).

##### **(iii) Credit risk**

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

The Company's investments are held on its behalf by Northern Trust, the Company's custodian. Bankruptcy or insolvency of Northern Trust may cause the Company's rights with regard to securities held to be delayed or limited. The Board receives and reviews Northern Trust's semi-annual report on internal controls.

#### **11. Parent undertaking**

The ultimate parent undertaking of Alpha Securities Trading Limited is Artemis Alpha Trust plc.

Following the increase in lending rates over the year, interest receivable by Alpha Securities Trading from Artemis Alpha Trust in respect of the intercompany loan over the period is recognised.

#### **12. Related party transactions**

Details of transactions between the Company and its parent Artemis Alpha Trust plc can be found in the Statement of Cash Flows and notes 3, 5 & 7.

The parent undertaking surrendered excess expenses of £5,173 during the year without payment to the Company (2022: £1,001,342).

The Company was due £3,455,937 (2022: £2,855,384) from the parent undertaking at the Statement of Financial Position date.