Athelney
TRUST PLC

HALF YEARLY FINANCIAL REPORT

— 30 June 2022 —

Contents

Interim Report for the period ended

30 June 2022

Company number 02933559

Athelney Trust
Waterside Court, Falmouth Road
Penryn, Cornwall TR10 8AW

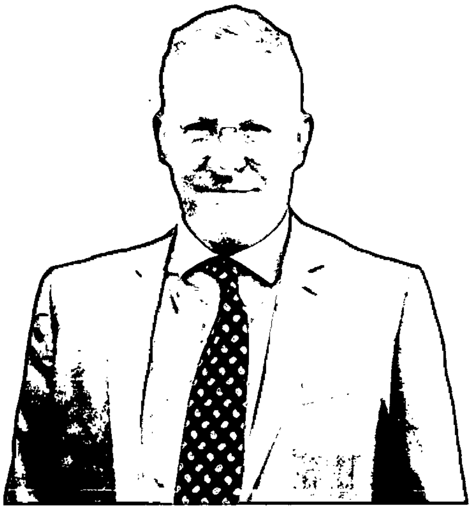
Investment Objective

The investment objective of the Trust is to provide long-term growth in dividends and capital, with the risks inherent in small cap investment minimised through a spread of holdings in quality small cap companies that operate in various industries and sectors. The Fund Manager also considers that it is important to maintain a progressive dividend record.

Investment Policy

The assets of the Trust are allocated predominantly to companies with either a full listing on the London Stock Exchange or a trading facility on AIM or AQSE. The assets of the Trust have been allocated in two main ways: first, to the shares of those companies which have grown steadily over the years in terms of profits and dividends but, despite this progress are undervalued by the market when compared to future earnings and dividends; second, those companies whose shares are undervalued by the market when compared with the value of land, buildings, other assets or cash on their balance sheet.

Directors of the Company



Frank Ashton

Non-Executive Chairman

Frank Ashton, aged 60, is a highly experienced senior manager and independent management consultant. After leaving Cambridge University with a Natural Sciences degree (Metallurgy & Materials Science), he spent much of his career providing independent management advice to companies in a wide variety of sectors. With 15 years spent at PricewaterhouseCoopers and KPMG (Operational Due Diligence) and 5 years working in Strategy and M&A for Cummins Inc, he has a proven track record in shareholder value creation and governance, in providing strategic and operational advice to both public and private companies in Europe and the USA, as well as working at a policy level for Government entities.

Dr Emmanuel Clive Pohl AM

Managing Director

Manny Pohl, aged 68, is the Chairman and CEO of investment house EC Pohl & Co which he founded in June 2012 and has led through its evolution into today's independent, highly acclaimed Australian fund manager. Manny holds engineering and MBA degrees from the University of Witwatersand and a doctorate in Business Administration (Economics) from Potchefstroom University.

Manny has over 30 years of investment experience, initially as head of research for leading South African broking firm, Davis Borkum Hare, followed by Westpac Investment Management in Australia after he emigrated to Australia in 1994. Manny founded Hyperion Asset Management in 1996 and left in 2012. He has served on the Boards of several major corporations in his native South Africa, the UK and his adopted home Australia. In 2019 Manny was recognised in the Queen's Birthday honours list for significant service to the finance sector, and to the community.

Directors of the Company

Continued

Simon Moore
Non-executive Director

Simon Moore, aged 61, is a consultant Senior Investment Analyst. He has been an investment trust analyst since 1994 and has worked with several stockbrokers in the City of London including Williams de Broe, Teather & Greenwood and Collins Stewart. He was also Senior Investment Manager at Seven Investment Management and Head of Research at Tilney Bestinvest and Senior Investment Analyst at EQ Investors. Simon has been a long-standing member of two important committees at the Association of Investment Companies: the Statistics committee and the Property and Infrastructure Forum. In 2013 and 2014 Simon was chosen as one of the Citywire Wealth Manager Top 100 most influential people in UK private client fund selection. Simon is a scientist by training and has worked at two start up UK biotechnology companies, before passing on his knowledge and passion as a science tutor for the Open University. He has a Biochemistry BSc from Imperial College, and an MSc in Computer Modelling of molecules from Birkbeck College. He is a member of the UK Society of Investment Professionals and the CFA institute. During 2020 he was appointed as a Non-Executive Director of Home REIT Plc.

Chairman's Statement

Dear Shareholder

I am pleased to present the Interim Financial Report for the half year to 30 June 2022.

Period Highlights

• Investment performance trailed the FTSE 250 index by 4.2% – unaudited Net Asset Value (NAV) declined to 233.7p, a drop of 24.7% for the half year compared to a FTSE 250 drop of 20.5%. Over the past 12 months, our portfolio beat the same index by 1.4%

• Against global market performance, the Company's share price has been remarkably resilient, only falling 4% since 31 December 2021

• The Trust now tops the AIC's 'Next Generation of Dividend Heroes' table published in March with a dividend yield at that time of 4.42%, after 19 years of dividend growth

• Total return to shareholders decreased by 22.3% in this six-month period, calculated as the change in net asset value (NAV) during the half year, including dividend paid

• Gross revenue has increased to £102,311, a welcome increase of 24.3% compared to the same period last year (£82,309)

• Revenue return per ordinary share was 3.9p (31 December 2021: 7.0p, 30 Jun 2021: 3.0p)

• A final dividend of 7.5p was paid in April 2022 (April 2021: 7.7p) and an interim dividend of 2.0p was paid in September 2021 (September 2020: 1.7p) making the total dividend 9.5p (2021: 9.4p)

• The interim dividend will be 2.1p (2021: 2.0p).

Performance

I am pleased to report the Company has produced solid investment performance in comparative terms over these six months for its shareholders; the board is very pleased with our Managing Director and Fund Manager's focus and resilience over a period of increasing uncertainty in the global economy and the UK market.

The NAV return for the half year was -24.7% compared to -20.5% for the FTSE 250 Index, an underperformance of 4.2% (but in contrast to 1.4% outperformance against the same index for the 12 months ending 30 June 2022). Further information on portfolio activity and the drivers behind the portfolio's performance is contained in the Managing Director's Report below. We believe the relatively short term, market-related issues of NAV return should be viewed in the context of the longer term benefits of investment trust status, and our ability to return value over time.

In a period that ended with indices across the world in rapid decline, I am very pleased by the resilience of the Company's share price which only dropped 4.4% to 215p from 225p on 31 December 2021. As a result, it is now trading at a modest discount to NAV of around 8% compared to the AIC UK Smaller Companies investment trust sector average of just over 13%. The board believes this reflects the value of our not pursuing a geared approach to investment, where market falls will often exacerbate the negative impact for trusts using gearing.

Dividends

The balance of influence for the UK market has now passed from one-off special payment dividends that characterised 2021, to underlying dividends that increased 13% in Q1 2022 (according to the Link Group). There are dividend increases in all sectors but especially for oil-, gas- and metals-related companies that benefit from supply-demand mismatches as we release from lockdowns, and the price increases resulting from the Russian invasion of Ukraine.

We are therefore very pleased to see how income from your Company's portfolio of UK companies, has steadily been returning to levels more usually associated with pre-COVID years. Gross revenue has increased by more than 24% over the comparative period last year to £102,311 (£82,309). We are delighted to head the league table of trusts in the AIC's 'Next Generation Dividend Heroes' published in March each year. This year is the nineteenth consecutive year of dividend growth. I would like to pay tribute to Manny Pohl's wisdom and experience in finely balancing the portfolio's need to generate income as well as spot the growth companies that will provide superior shareholder returns over the long term.

I am delighted to report your board has decided to pay an interim dividend of 2.1p per share on 23 September 2022 to all shareholders on the register of members at close of business on 9 September 2022.

We will review the case for a final dividend in Q1 2023.

Shareholder Relations

The Board held the AGM on 5 April 2022 and was delighted to be able to do this in person, for the first time since 2019. The AGM for the current financial year will be held in London on 16 March 2023.

Outlook

I wrote in our Annual Report in February 2022 that there were a number of ongoing uncertainties that could slow the rate of recovery and delay a return to growth post-pandemic.

Firstly, there has been a steady relaxation of COVID restriction in many countries over the past six months; we seem to be transitioning to 'living with the virus' however we continue to deal with the supply side challenges and this has now, driven by increased energy prices and the Russia-Ukraine war, translated into the dark cloud of persistent inflation, imminent recession and possible wage-price spirals in at least some of the G7 nations.

Secondly, the fallout from the now likely very long-term Russia-Ukraine conflict inevitably has wide-ranging regional even global impacts for some commodity prices. There is a clear destabilising effect on market confidence and risk premiums as the conflict could somehow result in catastrophic 'unintended consequences'. There are no short-term answers palatable to either side. Cooperation has increased for western nations ranged against Putin with one very clear positive result: Substantial acceleration of and increased targets for the race to Net Zero in Europe as it weans off Russian fossil fuels. This will drive more gross value added (GVA – defined as output minus consumption) from highly skilled jobs, services and products, subject to further regulatory support from governments.

Thirdly Boris Johnson's era has finally come to an end as he resigned on 7 July. Able to cut through to the voting public with his personal brand, convince like so few other politicians that he was the one to 'get the job done', Johnson has wasted the opportunity provided by a huge government majority. Ultimately, he demonstrated why self-awareness and good judgment of others are two basic requirements for any leader. We now await confirmation of Rishi Sunak or Liz Truss as his replacement on 5th September. Who would envy them the job, given the challenges of increasing industrial unrest as UK inflation is forecast to top 11%, a looming European winter energy crisis, the need to stimulate UK growth and productivity, even as some economies assess the need for a 100 basis point increase in interest rates? It is time for a 'new broom'; the UK economy, any long term success of Brexit, even perhaps the Union itself depend on it sweeping clean, and quickly too.

In the meantime, your board continues to relentlessly focus on the conditions that translate into stability and benefit for you as existing and potential shareholders, in as far as market conditions allow.

We know that investors are and will remain attracted by the risk diversification inherent in our portfolio, where both income and capital growth is possible across a wide range of sectors and companies. Most understand that for all but a few stocks in the current climate, there will be a degree of share price volatility for a while and that our investment trust status will help smooth the impact of such volatility.

Overall, the board remains confident the Company remains well-positioned to meet its objectives, as well as to take advantage of opportunities to identify and capture value where possible, within the remit of the investment mandate.

Frank Ashton
Chairman
26 July 2022

Other Matters

The important events that have occurred during the period under review and the key factors influencing the financial statements are set out above.

Directors' Responsibility Statement

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with applicable laws and regulations. The Directors confirm that to the best of their knowledge:

- The condensed set of Financial Statements for the six months to 30 June 2022 have been prepared in accordance with FRS 104 "Interim Financial Reporting", gives a fair view of the assets, liabilities, financial position and profit of the Company.

- The Half Yearly Financial Report includes a fair review of the information required by:

a) rule 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) rule 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

The Half Yearly Financial Report for the six months ended 30 June 2022 comprises an Interim Management Report, in the form of the Chairman's Statement and Other Matters, the Managing Director's Report, Portfolio Information and a set of Financial Statements which have not been reviewed or audited by the Company's Auditor.

Principal Risks and Uncertainties

The Board considers that the principal risks and uncertainties facing the Company, other than as set out below, remain the same as those disclosed in the Annual Report for the year ended 31 December 2021 on pages 13 and 14 and page 36. These risks include, but are not limited to, market risk, investment and strategic risk, regulatory risk, operational risk, financial risk and liquidity risk.

Global Pandemic

The global pandemic COVID-19 declared by WHO on 11 March 2020 has emerged as a significant risk which has impacted global commercial activities. The board has been monitoring the development of the pandemic and has considered the impact it has had to date and assessed the impact it may have in the future. The Chairman's Statement and Managing Director's Report cover this in more detail.

On behalf of the Board

Frank Ashton
Chairman
26 July 2022

Managing Director's Report

Portfolio Commentary

"Time is the friend of the wonderful business, the enemy of the mediocre." Warren Buffett - Letter to Shareholders 1989

"When America sneezes, the rest of the world catches a cold" Circa 1920

After the turmoil of recent years, many had hoped that 2022 would see a return to a more normal environment. However, the year so far has been punctuated by macro events such as the crisis in Ukraine and interest rate rises. In the US, investors are clearly fearful of inflationary pressures and the resulting US Federal Reserve's (The Fed) policy response. Accordingly, the US equity market recorded its worst first half period in 60 years, shifting the market into bear territory and, unfortunately the Fed has signalled more rate hikes are to come, noting the difficulty of bringing down inflation without triggering a recession. Despite the economy slowing with early signs of a recession evident, the US labour market continues to remain strong with unemployment holding steady at 3.6%. Wage growth has not kept up with inflationary pressures with US inflation rising +8.6% compared to a year ago.

Similarly to what occurred in the 1920's and the 1950's the beginning of the tightening cycle by the Fed is also impacting the equity markets globally, which have had a volatile start to the year. The S&P500 declined by 20.6%, with the Nasdaq materially worse, declining by 29.5% over the past six months. In Europe, specifically the ongoing Ukraine conflict continued to drive declines in Eurozone equities as concerns relating to gas shortages continue to rise. Ongoing disruptions saw Germany shift into phase two of its emergency plan, with the next steps being to ration gas supplies. High inflation and the increasing cost of living are affecting consumer confidence in an environment when the Central Banks are expected to raise rates in the coming month.

In the UK, while the Bank of England increased its official rate by a combined 50 bps, the FTSE100 performed relatively well due to its number of large cap, defensive stocks declining by only 2.9%. While the FTSE100 posted this moderate decline, the FTSE 250 posted a decline of 20.5%, the CAC -17.2%, and the DAX -19.5%.

I have purposely focused on world macro events because the primary driver of the portfolio decline over the past six months has been compression of the PE multiple on the back of these expectations of inflationary and interest rate increases and not a decline in business metrics. It is important to note that the idiosyncratic portion of the portfolio return - that return of the portfolio that is related to the underlying operations of the companies that we invest in - has been positive and growing through time.

We expect that these fundamental drivers of return will continue to be positive despite the factor headwinds remaining for a while. What this means is that we have an opportunity now to allocate capital to businesses which are growing strongly and whose share prices are trading at significantly cheaper prices than their valuations suggest they should be. Once we see these headwinds ease up, we expect that there will be a significant unlocking of value throughout the portfolio.

After a substantial improvement in the second half of last year, the UK market was down by 9.88% in the first quarter of this financial year as can be seen from the table below. By comparison, our portfolio underperformed even after making an adjustment for the 3.9p dividend in March, but did outperform in the second quarter with the NAV down by 11.44% as compared to the FTSE250 which declined by 11.78%.

Month	NAV Pence per Share	Month on Month Movement	Three-month movement	Six-month movement	FTSE 250 Movement	Three-month movement	Six-month movement
Dec 2021	310.3						
Jan 2022	282.0	-9.12%			-1.27%		
Feb 2022	270.1	-4.22%			3.37%		
Mar 2022	263.9	-2.30%	-14.95%		2.91%	-9.88%	
Apr 2022	260.0	-1.48%			4.55%		
May 2022	253.3	-2.58%			0.83%		
Jun 2022	233.7	-7.74%	-11.44%	-24.69%	-1.36%	-11.78%	-20.50%

Managing Director's Report

As reflected in the Financial Statements, dividend revenue in the current financial year increased by 24.3% as compared to same period last year which is a welcome sign of business conditions continuing to normalise. As detailed elsewhere in this report, mergers, acquisitions and our assessment of underlying business resilience has resulted in a further reduction in the number of stocks in the portfolio to the current holding of 24 stocks with the intention of using the proceeds to acquire a few new names as soon as market volatility wanes. Consequently, the Company realised capital profits before expenses arising from the sale of investments during the period in the amount of £304,722 (30 June 2021: £149,653).

The continued increase in the dividend income that we receive from our investments, as well as the current level of retained earnings and realised capital reserves, should provide shareholders comfort that even in the current environment when share prices are under pressure, we are in the enviable position of being able to continue to pay dividends to our loyal shareholders for the foreseeable future.

As this market uncertainty continues, it is more important than ever that one has a strict investment process. It is vital not to get caught up in the hype and noise of the daily market movements, and instead invest with a long-term approach. A sound investment philosophy sets out a number of 'rules' or 'procedures' that we fall back on when the market noise gets too loud. Companies that have a sustainable competitive advantage will always be well-placed to withstand short-term headwinds, regardless of market conditions, maintain market share and ultimately find new ways to grow.

It can be challenging to recognise the potential in companies, particularly those that are in the growth stage of their life cycle. It can also be difficult to evaluate the 'narratives' that some companies are telling about themselves. To invest in a company in the growth stage of their life cycle it is important to balance the company's narrative alongside its numbers.

By drilling down into a company's financials and growth plans in a careful, considered and committed way, it is possible to identify the quality growth stocks that will prosper over the long-term. Their ability to be flexible, to move quickly to take advantage of opportunities as they arise, and to capitalise on market trends and demand, will continue to support the ongoing success of such businesses and provide significant long-term opportunities for their investors.

Sustainable Investing

Athelney Trust Plc is committed to responsible investment and we believe that Environmental, Social and Governance (ESG) factors have a material impact on long-term investment outcomes. The consideration of ESG factors is an integral part of our decision-making process and is fully integrated through asset selection and portfolio management procedures. ESG issues are central to understanding and framing the contextual, systematic and idiosyncratic elements of the business and to this end we have adopted a Quality Franchise framework comprising six distinct pillars into our research process. This framework ensures that companies are analysed in a systematic way to ensure they are sustainable over the long-terms as well as able to improve shareholder returns. Furthermore, through the application of this six-pillar framework, our investment process aims to mitigate our portfolio against ESG and sustainability risks through placing a material emphasis on Sustainability and Management by being two of the six distinct pillars:

• The sustainability pillar focuses on areas of a business where there may be risk to the predictability of business operations through time. This assists our mitigation of default risk and uncertainty of business expansion.

• The management pillar focuses on the trustworthiness of management. This assists our mitigation of uncertainty by reducing the risk of managerial conduct or failure of business strategy execution.

The other pillars are the Industry, the Business, the Competition and the Financials.

Our investment philosophy and corporate values steer us away from companies that have the potential to harm society, and moreover, help us avoid companies where there is a risk to the sustainability of their business operations. It is also important to note that we also exclude a number of industries including weapons, tobacco, gambling, thermal coal, petroleum, old-forest logging, palm oil, and pesticides – a list that is reviewed annually.

Managing Director's Report

Continued

Investment Philosophy

As far as portfolio investments are concerned, our investment philosophy is clear:

I. The economics of a business drives long-term investment returns; and
II. Investing in high quality, growth businesses' that have the ability to generate predictable, above-average economic returns will produce superior investment performance over the long-term.

In essence, this means that in assessing potential investments we:

a) Value long-term potential, not just performance
b) Choose sustainable, growing businesses; and
c) Ignore temporary market turbulence

The key attributes that will define our investments are:

(1) Organic Sales Growth: Quality franchises organically growing sales above GDP growth that can do so (sustainably) because they have a large, growing market opportunity and compelling competitive advantage which will drive ongoing market share gains are attractive.
(2) A Proven Track Record: This encompasses both the management's capability and the strength of the business' model. Generally, a firm that consistently delivers a Return on Equity of greater than 15% indicates a Quality Franchise for us. Our investment philosophy is built on the belief that a stock's long-term return to shareholders is driven by the return on capital of the underlying business.
(3) Company's future profits: In essence we are backing a proven management team and a successful business model. Management are the key decision makers regarding the company's strategy and its competitive position in the marketplace and it is critical that we have confidence in the company's ability to sustainably execute its strategy and grow their earnings, even in a tough environment like the current Covid-19 and Brexit conundrum.
(4) Low Leverage: We require investments to operate with low levels of debt, which ensure that they have sufficient resources to execute on their strategy. An Interest Coverage above 4x provides sufficient bandwidth in times of economic trouble. As a long-term investor, capital preservation is the highest priority. There is nothing that changes a management team's focus toward the short term quicker than impending debt refinancing when market conditions suddenly change for the worse. We need to be comfortable that this will not happen and that the company has a strong enough balance sheet so that it will retain optionality and can quickly and efficiently execute its strategy over the long-term.

Dr Manny Pohl AM
Managing Director
26 July 2022

Investment Portfolio at 30 June 2022

	Stock	Holding	Value (£)	SECTOR £	%
Biotechnology	Abcam	13,000	153,010	**153,010**	**3.5%**
Chemicals	Treatt	30,000	227,400	**227,400**	**5.3%**
Construction & materials	Clarke T	145,000	221,125	**221,125**	**5.1%**
Electronic & electrical equipment	XP Power	4,000	113,800	**113,800**	**2.6%**
Food & beverages	Fevertree	15,000	182,850	**182,850**	**4.2%**
General financial	Close Brothers	20,000	204,800		
	Jarvis Securities	116,000	261,000		
	Liontrust Asset Management	27,000	246,240		
	S & U	6,000	121,200	**833,240**	**19.2%**
Leisure goods	Games Workshop	3,500	233,625	**233,625**	**5.4%**
Media	4Imprint	5,000	115,750		
	Rightmove	30,000	170,460		
	Yougov	10,100	86,660	**372,870**	**8.6%**
Mobile communications	Gamma Communications	15,000	161,100	**161,100**	**3.7%**
Multiutilities	National Grid	14,000	147,210	**147,210**	**3.4%**
Property, commercial & residential	AEW UK REIT	385,000	440,442		
	Londonmetric	100,000	228,200		
	LXI REIT	70,000	99,540		
	Target Healthcare REIT	245,000	265,090		
	Tritax BigBox REIT	180,000	326,520	**1,359,792**	**31.1%**
Support services	Begbies Traynor	95,000	134,900		
	NWF Group	35,000	77,000		
	Paypoint	12,000	67,320		
	Smart Metering Systems	8,000	65,440	**344,660**	**7.9%**

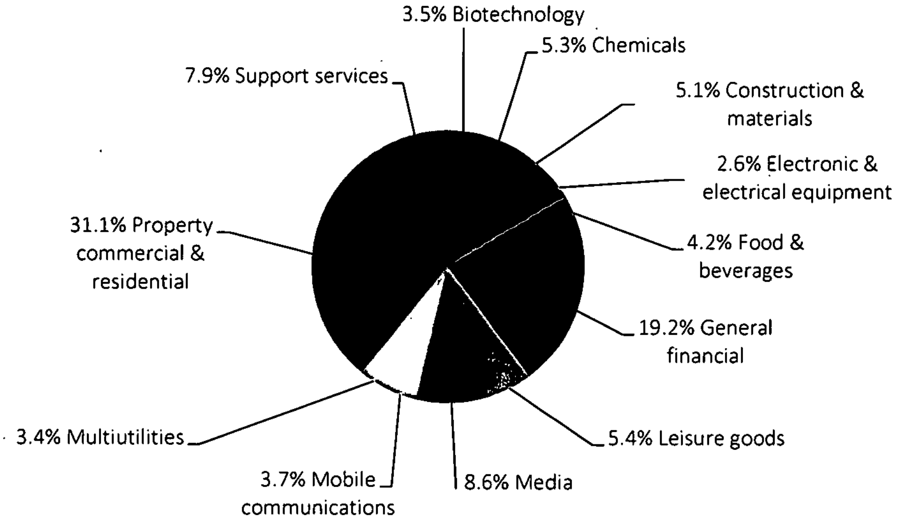
Investment Portfolio at 30 June 2022
Top 20 Holdings

	Holding	Value £	% of portfolio
AEW UK REIT	385,000	440,442	10.1
Tritax Big Box	180,000	326,520	7.5
Target Healthcare REIT	245,000	265,090	6.1
Jarvis Securities	116,000	261,000	6.0
Liontrust Asset Management	27,000	246,240	5.7
Games Workshop	3,500	233,625	5.4
LondonMetric Property	100,000	228,200	5.2
Treatt	30,000	227,400	5.2
Clarke T	145,000	221,125	5.1
Close Brothers	20,000	204,800	4.7
Fevertree	15,000	182,850	4.2
Rightmove	30,000	170,460	3.9
Gamma Communications	15,000	161,100	3.7
Abcam	13,000	153,010	3.5
National Grid	14,000	147,210	3.4
Begbies Traynor	95,000	134,900	3.1
S & U	6,000	121,200	2.8
4Imprint	5,000	115,750	2.7
XP Power Ltd	4,000	113,800	2.6
LXI REIT	70,000	99,540	2.3

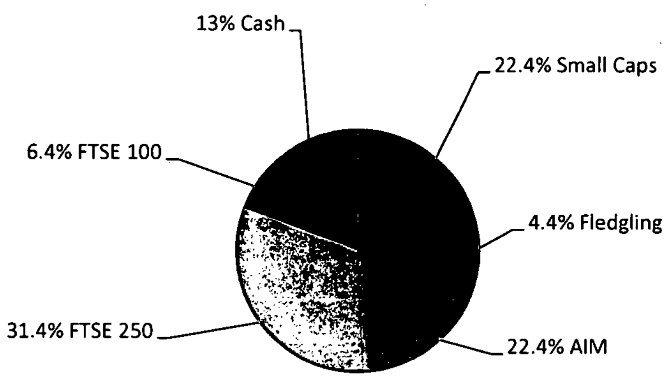
Portfolio Value	**4,350,682**
Net Current Assets	**691,388**
TOTAL VALUE	**5,042,070**
Shares in issue	**2,157,881**
NAV	**233.7p**

Investment Portfolio Analysis at 30 June 2022

Portfolio By Sectors



Portfolio By Listing



Income Statement

For the Six Months Ended 30 June 2022

	Notes	Unaudited 6 months ended 30 June 2022			Unaudited 6 months ended 30 June 2021			*Audited Year ended 31 December 2021*
		Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	***Total***
		£	**£**	**£**	**£**	**£**	**£**	***£***
Gains on investments held at fair value		-	304,722	304,722	-	149,653	149,653	*1,359,219*
Income from investments		102,311	-	102,311	82,309	-	82,309	*186,393*
Investment Management expenses		(2,211)	(20,042)	(22,253)	(2,120)	(19,230)	(21,350)	*(45,180)*
Other expenses		(15,552)	(39,294)	(54,846)	(15,545)	(35,734)	(51,279)	*(103,609)*
Net return on ordinary activities before taxation		84,548	245,386	329,934	64,644	94,689	159,333	*1,396,823*
Taxation	**2**	-	-	-	-	-	-	-
Net return on ordinary activities after taxation		84,548	245,386	329,934	64,644	94,689	159,333	*1,396,823*
Dividends Paid:								
Dividend		(161,841)	-	(161,841)	(166,157)	-	(166,157)	*(209,314)*
Transferred to reserves		(77,293)	245,386	168,093	(101,513)	94,689	(6,824)	*1,187,509*
Return per ordinary share	**3**	3.9p	11.4p	15.3p	3p	4.4p	7.4p	*64.7p*

The total column of this statement is the statement of comprehensive income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice issued in April 2021 by the Association of Investment Companies ("AIC SORP").

All revenue and capital items in the above statement derive from continuing operations.

The revenue column of the Income statement includes all income and expenses. The capital column includes the realised and unrealised profit or loss on investments

Statement of Changes in Equity

For the Six Months Ended 30 June 2022

For the Six Months Ended 30 June 2022 (Unaudited)

	Called-up Share Capital	Share Premium	Capital Reserve Realised	Capital Reserve Unrealised	Retained Earnings	Total Shareholders' Funds
	£	£	£	£	£	£
Balance at 1 January 2022	539,470	881,087	2,271,737	2,731,784	271,452	6,695,530
Net profits on realisation of investments	-	-	304,722	-	-	304,722
Decrease in unrealised appreciation	-	-	-	(1,821,553)	-	(1,821,553)
Expenses allocated to capital	-	-	(59,336)	-	-	(59,336)
Profit for the period	-	-	-	-	84,548	84,548
Dividend paid in period	-	-	-	-	(161,841)	(161,841)
Shareholders' Funds at 30 June 2022	539,470	881,087	2,517,123	910,231	194,159	5,042,070

For the Six Months Ended 30 June 2021 (Unaudited)

	Called-up Share Capital	Share Premium	Capital Reserve Realised	Capital Reserve Unrealised	Retained Earnings	Total Shareholders' Funds
	£	£	£	£	£	£
Balance at 1 January 2021	539,470	881,087	2,030,550	1,727,408	329,506	5,508,021
Net profits on realisation of investments	-	-	149,653	-	-	149,653
Increase in unrealised appreciation	-	-	-	494,478	-	494,478
Expenses allocated to capital	-	-	(54,964)	-	-	(54,964)
Profit for the period	-	-	-	-	64,644	64,644
Dividend paid in period	-	-	-	-	(166,157)	(166,157)
Shareholders' Funds at 30 June 2021	539,470	881,087	2,125,239	2,221,886	227,993	5,995,675

For the Year Ended 31 December 2021 (Audited)

	Called-up Share Capital	Share Premium	Capital Reserve Realised	Capital Reserve Unrealised	Retained Earnings	Total Shareholders' Funds
	£	£	£	£	£	£
Balance at 1 January 2021	539,470	881,087	2,030,550	1,727,408	329,506	5,508,021
Net profits on realisation of investments	-	-	354,843	-	-	354,843
Increase in unrealised appreciation	-	-	-	1,004,376	-	1,004,376
Expenses allocated to Capital	-	-	(113,656)	-	-	(113,656)
Profit for the year	-	-	-	-	151,260	151,260
Dividend paid in year	-	-	-	-	(209,314)	(209,314)
Shareholders' Funds at 31 December 2021	539,470	881,087	2,271,737	2,731,784	271,452	6,695,530

Statement of Financial Position

As at 30 June 2022

	Notes	Unaudited 30 June 2022	Unaudited 30 June 2021	*Audited 31 December 2021*
		£	£	*£*
Fixed assets				
Investments held at fair value through profit and loss		4,350,682	5,844,023	*6,436,820*
Current assets				
Trade receivables		666,199	124,709	*245,163*
Cash at bank and in hand		36,599	36,912	*30,676*
		702,798	161,621	*275,839*
Creditors: amounts falling due within one year		(11,410)	(9,969)	*(17,129)*
Net current assets		691,388	151,652	*258,710*
Total assets less current liabilities		5,042,070	5,995,675	*6,695,530*
Provisions for liabilities and charges		-	-	-
Net assets		5,042,070	5,995,675	*6,695,530*
Capital and reserves				
Called up share capital		539,470	539,470	*539,470*
Share premium account		881,087	881,087	*881,087*
Other reserves (non distributable)				
Capital reserve - realised		2,517,123	2,125,239	*2,271,737*
Capital reserve - unrealised		910,231	2,221,886	*2,731,784*
Revenue reserves (distributable)		194,159	227,993	*271,452*
Shareholders' funds - all equity		5,042,070	5,995,675	*6,695,530*
Net Asset Value per share	4	233.7P	277.8p	*310.3P*
Number of shares in issue		2,157,881	2,157,881	*2,157,881*

Approved and authorised for issue by the Board of Directors on 26 July 2022.

Dr Manny Pohl AM
Managing Director

Statement of Cash Flows
For the Six Months Ended 30 June 2022

	Unaudited 6 months ended 30 June 2022 £	Unaudited 6 months ended 30 June 2021 £	*Audited* *Year ended* *31 December* *2021* *£*
Cash flows from operating activities			
Net revenue return	84,548	64,644	*151,260*
Adjustments for:			
Expenses charged to capital	(59,336)	(54,964)	*(113,656)*
Decrease in creditors	(5,719)	(7,408)	*(248)*
(Increase)/Decrease in debtors	(421,036)	17,427	*(103,027)*
Cash from operations	(401,543)	19,699	*(65,.671)*
Cash flows from investing activities			
Purchase of investments	(504,660)	(344,385)	*(545,379)*
Proceeds from sales of investments	1,073,967	455,154	*778,439*
Net cash from investing activities	569,307	110,769	*233,060*
Equity dividends paid	(161,841)	(166,157)	*(209,314)*
Net Decrease	5,923	(35,689)	*(41,925)*
Cash at the beginning of the period	**30,676**	**72,601**	***72,601***
Cash at the end of the period	**36,599**	**36,912**	***30,676***

Notes to the Financial Statements

For the Six Months Ended 30 June 2022

1. Accounting Policies

a) Statement of Compliance

The Company's Financial Statements for the period ended 30 June 2022 have been prepared under UK Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in April 2021 ('the SORP') issued by the Association of Investment Companies.

The financial statements have been prepared in accordance with the accounting policies set out in the statutory accounts for the year ended 31 December 2021.

b) Financial information

The financial information contained in this report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the period ended 30 June 2022 and 30 June 2021 have not been audited or reviewed by the Company's Auditor pursuant to the Auditing Practices Board guidance on such reviews. The information for the year to 31 December 2021 has been extracted from the latest published Annual Report and Financial Statements, which have been lodged with the Registrar of Companies, contained an unqualified auditor's report and did not contain a statement required under Section 498(2) or (3) of the Companies Act 2006.

c) Going concern

The Company's assets consist mainly of equity shares in companies listed on a recognised stock exchange which, in most circumstances, are realisable within a short timescale under normal market conditions. The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. In assessing the Company's ability to continue as a going concern, the Board has fully considered the impact of COVID-19.

2. Taxation

The tax charge for the six months to 30 June 2022 is nil (year to 31 December 2021: nil; six months to 30 June 2021: nil).

The Company has an effective tax rate of 0% for the year ending 31 December 2021. The estimated effective tax rate is 0% as investment gains are exempt from tax owing to the Company's status as an Investment Trust and there is expected to be an excess of management expenses over taxable income.

3. The calculation of earnings per share for the six months ended 30 June 2022 is based on the attributable return on ordinary activities after taxation and on the weighted average number of shares in issue during the period.

6 months ended 30 June 2022			
	Revenue	**Capital**	**Total**
	£	**£**	**£**
Attributable return on ordinary activities after taxation	84,548	245,386	329,934
Weighted average number of shares	2,157,881		
Return per ordinary share	3.9p	11.4p	15.3p

6 months ended 30 June 2021			
	Revenue	**Capital**	**Total**
	£	**£**	**£**
Attributable return on ordinary activities after taxation	64,644	94,689	159,333
Weighted average number of shares	2,157,881		
Return per ordinary share	3.0p	4.4p	7.4p

12 months ended 31 December 2021			
	Revenue	**Capital**	**Total**
	£	**£**	**£**
Attributable return on ordinary activities after taxation	151,260	1,245,563	1,396,823
Weighted average number of shares	2,157,881		
Return per ordinary share	7.0p	57.7p	64.7p

Notes to the Financial Statements

For the Six Months Ended 30 June 2022
(continued)

4. Net Asset Value per share is calculated by dividing the net assets by the weighted average number of shares in issue 2,157,881.

5. **Financial Instruments**

Fair value hierarchy

The fair value hierarchy consists of the following three classifications:

Classification A – Quoted prices in active markets for identical assets or liabilities. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Classification B – The price of a recent transaction for an identical asset, where quoted prices are unavailable. The price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If it can be demonstrated that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

Classification C – Inputs for the asset or liability that are based on observable market data and unobservable market data, to estimate what the transaction price would have been on the measurement data in an arm's length exchange motivated by normal business considerations.

The Company only holds classification A investments (2021: classification A investments only).

6. **Related Party Transactions**

Dr. E. C. Pohl is the sole beneficial owner of E C Pohl & Co Pty Limited and a Director of Astuce Group. E C Pohl & Co Pty Limited held 86,000 (2021: 496,000) shares and Astuce Group held 550,000 (2021: 140,000) shares in the Company as at 30 June 2022.

Copies of the Half Yearly Financial Statements for the six months ended 30 June 2022 will be available on the Company's website www.athelneytrust.co.uk as soon as practicable.

Officers and Financial Advisors

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	Dr E.C. Pohl AM (Managing Director)	Email: mannypohl@athelneytrust.co.uk
	S. Moore (Non-executive Director)	Email: simonmoore@athelneytrust.co.uk
Secretary:	D. Warburton Waterside Court Falmouth Road Penryn Cornwall TR10 8AW	Email: secretary@athelneytrust.co.uk Tel: 01326 378 288
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