Athelney
TRUST PLC

HALF YEARLY FINANCIAL REPORT

30 June 2023

Contents

Interim Report for the period ended

30 June 2023

Company number 02933559

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

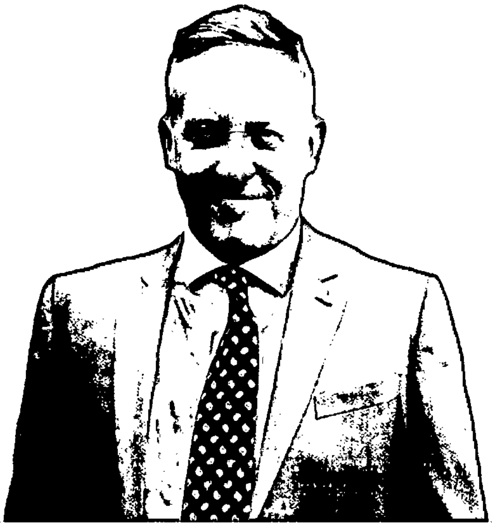
Investment Objective

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 61, 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 69, 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 62, 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 2023.

Period Highlights

•At 30 June 2023, unaudited Net Asset Value (NAV) had declined to 208.87p, (minus 4.8%) for the half year

•The share price fell by 7.1% to 195.0p from 210.0p at 31 December 2022

•The discount to NAV over the first six months of the year increased to 6.6% from 4.3%

•The Trust ranked fourth out of 25 investment trusts in the AIC's comparison of dividend yields for the UK Smaller Companies' segment with a yield of 4.92%

•Share price total return decreased by 8.3% 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 by 19.6% for the half year to £122,408 (30 Jun 2022: £102,311)

•Revenue return per ordinary share was 4.9p (31 Dec 2022: 6.9p, 30 Jun 2022: 3.9p)

•A final dividend of 7.5p was paid in April 2023 (April 2021: 7.5p) and an interim dividend of 2.1p was paid in September 2022 (September 2021: 2.0p) making the total dividend paid for the financial year 9.6p (2022: 9.5p)

•The interim dividend will be 2.2p (2022: 2.1p).

Performance

The Company has produced solid investment performance over these six months for its shareholders by comparison with the UK Smaller Companies segment of Investment Trusts reported by the Association of Investment Companies. The board continues to be pleased with our Managing Director and Fund Manager's results during a period where the world economy's growth expectations have declined and the UK market is still recovering from serious headwinds.

Continuing headwinds include sticky and high inflation, market uncertainties raised by weak global economic growth, the expectation of a protracted Ukraine-Russia war and in the US a mini banking crisis, followed by national debt default concerns.

In addition, the UK has seen considerable labour market tightening and increasing unrest, resulting in many days lost to public sector strikes. The new Sunak/Hunt partnership continues to battle with the result of COVID-related poor growth figures (compared to other advanced economies), the need to find more money for higher wage settlements (now averaging over 6%) from departmental budgets, and the snail-paced return to confidence for their government after the debacle of the Truss mini-budget.

Is inflation becoming embedded in the UK in the meantime? Interest rate rises have so far had much less effect here than in the US where inflation in June returned to a two-year low of 3%. There was downwards movement in the UK June figures for annual and core inflation which dropped to 7.9% and 6.9%. both lower than expected.

Further information on portfolio activity and the drivers behind the portfolio's performance is contained in the Managing Director's Report below.

Given these headwinds and the greater impact they might be expected to have on smaller companies, I am pleased by the Company's share price performance which declined just over 7% to 195p in the first half of our financial year. It is now trading at a modest discount to NAV of around 7% compared to the current AIC UK Smaller Companies investment trust sector discount average of just below 13%. We thank shareholders for their support and continued interest in the company.

Dividends

We are very pleased to see the continuing recovery of your Company's income from dividends, as UK markets, alongside the rest of the world return to more normal conditions, post-pandemic. Our gross revenue has increased by almost 20% over the comparative period last year to £122,408 (30 Jun 2022: £102,311).

UK smaller companies should benefit from a general return to higher trading levels, and in some cases better margins also. The current outlook is that FTSE Small Cap companies will deliver a yield of 3.8% and FTSE 250 3.4% (compared to the forecast for FTSE 100 companies of 3.9% - figures from Octopus Investments).

We therefore have more confidence that companies in the UK are currently well-placed to deliver much better yields in 2023 than in the last two years.

Chairman's Statement
Continued

Against this background I am delighted to report your board has decided to pay an interim dividend of 2.2p per share on 22 September 2023 to all shareholders on the register of members at close of business on 8 September 2023.

As usual, we will review the case for a final dividend in Q1 2024.

Shareholder Relations

The Board held an AGM on 16 March 2023 and was very pleased to take questions from attendees, as well as have some further conversations over refreshments and a light lunch. There was ample opportunity to discuss the company's performance as well as the future. We encourage more shareholders to take advantage of the time and access offered by attending the AGM for this financial year which will be held in London on 21 March 2024.

Outlook

Thankfully we have transitioned to more usual business and market dynamics after the many COVID challenges of 2021 and 2022: The need for immediate personal, governmental, or global action to combat the pandemic and its impacts is now replaced with the slow, delayed effects of interest rate rises or seeing, at long last, increased availability of product or services as capacity rises at production facilities or in supply chains.

We also seem to be transitioning from the expectation of deep recession to a mild recession or possibly no recession at all in both the US and UK. The Bank of England's forecast at the start of 2023 perhaps underestimated the likely persistence of UK inflation at a high level, currently 8.7%. After seeing that it has stuck in the high single digits, alongside negative core inflation, wage growth and employment signals, the Bank has returned to 50 basis point interest rate increases; the market is also resigned to more 'medicine' to bring inflation down to about 5% by the end of 2023 and to the Bank's target of 2% a year later.

Meanwhile companies and the public alike are still transitioning mentally to the new environment of higher costs for everything from basic supplies to financial services; it now seems this is going to be a sustained period of fiscal challenge.

More normal business conditions have allowed UK company dividends to return to more familiar patterns and amounts which is a recent positive potential trend for the future. On the other hand, wage and raw materials inflation threatens margins, and for those companies who are growing, there are struggles to recruit; it is reported there is a 1m-plus labour shortage. Similar labour problems exist in other European countries; many took a break during COVID and have not returned to full employment. Pre-tax profits were under pressure in energy-intensive businesses over the past 12 months as wholesale gas prices peaked at €340/MWh last summer and as gas prices are now decreasing, should ease one of the current constraints to business and consumer confidence.

Your board continues to actively assess opportunities and threats, in order to provide stability and benefit for shareholders. We remain confident the Company remains well-positioned to meet its objectives, and to take advantage of opportunities to capture value.

Frank Ashton
Chairman
25 July 2023

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 2023 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 2023 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 2022 on pages 14 and 15 and page 37. These risks include, but are not limited to, market risk, investment and strategic risk, regulatory risk, operational risk, financial risk and liquidity risk.

Global Issues

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

On behalf of the Board

Frank Ashton
Chairman
25 July 2023

Managing Director's Report

Portfolio Commentary

The Chairman's summary of the macro environment provides a pretty bleak picture, not to mention the recurring news of significant employee layoffs in some of the best-known brands and global tech giants and this has been reflected in the stock market with the FTSE 250 declining by 2.7% over the past six months. This decline occurred predominantly over the last quarter, with energy and basic materials groups being the main detractors due to weak commodity prices and concerns about the Chinese economy.

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 2022	219.4						
Jan 2023	229.4	4.56%			5.31%		
Feb 2023	226.4	-1.31%			0.25%		
Mar 2023	211.7	-6.49%	-3.51%		-4.90%	0.40%	
Apr 2023	219.0	3.45%			2.62%		
May 2023	214.4	-2.10%			-3.62%		
Jun 2023	208.8	-2.61%	-1.37%	-4.83%	-1.64%	-2.70%	-2.31%

While the portfolio has under-performed the broader market, as the year of normalisation progresses, many of our companies are proactively cutting unnecessary expenditures, discarding unprofitable ventures, targeting high-value customers, establishing efficient operations, and honing a clear value proposition to bolster competitive strength. At the core, efficiency is pivotal to business resilience and growth and by boosting overall efficiency and productivity, businesses are well placed to make market share gains and expedited growth in upcoming years once the macro-environmental factors stabilise. Implementing Enterprise Resource Planning (ERP) systems and addressing procurement challenges are among the initiatives that have been used to improve outcomes and spur margin expansion. However, it is pleasing to note that the challenges within supply chains are gradually ameliorating and freight rates are decreasing, though they remain higher than 2019 levels. Additionally, the prices of raw materials are starting to normalise, sometimes even showing deflation. Our companies are reaping the benefits of these positive shifts slowly. Adjustments to inventory levels and operations are releasing working capital and mitigating lingering accounting effects. In this journey, quality businesses stay dedicated to delivering value to their customers, strengthening resilience, and securing market positions amidst economic uncertainties.

An example of this is FeverTree Drinks (LSE: FEVR) which is experiencing the gradual unwinding of significant supply chain issues. Over the coming year, as the company releases inventory, the effects of these accounting issues, particularly energy and glass costs, will gradually subside, driving margin expansion.

The changing landscape has triggered a power struggle among stakeholders in the value chain (consumers, employees, suppliers, distributors, etc.), which is squarely focused on who is delivering value. The ongoing tug-of-war incites changes in business models, drives industry consolidation, and other competitive measures, all aimed at preserving margins and fostering growth.

Gamma Communications (LSE: Gamma) observed channel partner consolidation, while Rightmove (LSE: RMV) noted agent consolidation, which only enhances supplier power.

We are no longer seeing growth for growth's sake, with the economic pie being redistributed between varying stakeholders. An observable shift is that more profitable brands are moving towards direct-to-consumer models as fragmented industries offer opportunities to those willing and capable of focusing on bringing alternative strategies to the market. These changing power dynamics bring into focus the economics of consumer value - who has acted responsibly or who has reached the limits of their pricing power. Companies are honing their customer-centric strategies to guarantee long-term competitive success.

By focusing on their most lucrative customers and core demographics, they enhance customer experience and generate robust free cash flows. A succinct and coherent value proposition is vital in the current environment. Businesses that effectively convey unique selling points distinguish themselves from rivals, build brand recognition, and attract and retain customers - fuelling growth.

Cake Box, a recent addition to the portfolio, has been successful as a franchise retailer promoting cakes that are completely egg free allowing the group to service a much larger potential market which includes those customers who are unable to eat eggs for dietary or religious reasons. The first concept store opened in East London in 2008. The business expanded to a franchise estate of 91 stores by June 2018 when it was listed on AIM and has since grown to 205 stores by the end of March 2023.
We continue to focus on the group's franchisee growth, the empowering of the franchisees utilising a data-driven approach and their multi-channel expansion rather than press reports on issues with the clearing of protected trees on one of the CEO's properties.

While ensuring greater value is provided to a more specific set of customers, companies seek to drive sustained growth and double down on their competitive advantage in the market. The most noticeable shift toward customer-centricity is that companies, broadly across sectors, are now focusing on strategies to increase product value and service quality. The previous approach of growth for growth's sake has been replaced by a more targeted approach.

Rightmove (LSE: RMV) prioritises product development to provide increased value to agents and enhance the customer experience, expecting to reap the benefits in the upcoming year.

Dividend revenue in the current financial year increased by 19.9% as compared to same period last year which is a welcome sign of business conditions continuing to normalise. We have continued to reduce our exposure to the property trusts as dividend growth negates the need to hold these high yielding low growth assets.
Consequently, the Company realised capital profits before expenses arising from the sale of investments during the period in the amount of £12,885 (30 June 2022: £304,722).

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.

When investing 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 appropriately 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.

Managing Director's Report
Continued

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.

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.

(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
25 July 2023

Investment Portfolio at 30 June 2023

	Stock	Holding	Value (£)	SECTOR £	%
Chemicals	Treatt	35,000	218,400	**218,400**	**5.1%**
Construction & materials	Clarke T	145,000	203,725	**203,725**	**4.7%**
Electronic & electrical equipment	XP Power Ltd	4,000	78,640	**78,640**	**1.8%**
Food & beverages	Fevertree Drinks	17,000	207,060	**207,060**	**4.8%**
General financial	Alpha Group International	2,000	42,300		
	Close Brothers	20,000	176,200		
	Impax Asset Management	44,000	249,920		
	Liontrust Asset Management	20,000	143,100		
	S & U	6,000	135,600	**747,120**	**17.3%**
Industrial engineering	Spirax-Sarco Engineering	500	51,800	**51,800**	**1.2%**
Leisure goods	Games Workshop	3,000	327,300	**327,300**	**7.6%**
Media	4Imprint	5,000	239,500		
	Rightmove	23,000	120,290		
	YouGov	10,100	100,495	**460,285**	**10.7%**
Mobile communications	Gamma Communications	15,000	171,000	**171,000**	**4.0%**
Multiutilities	National Grid	14,000	145,600	**145,600**	**3.4%**
Property, commercial & residential	AEW UK REIT	550,000	509,300		
	LondonMetric Property	84,000	138,852		
	Target Healthcare	100,000	71,700		
	Tritax Big Box	200,000	249,800	**969,652**	**22.3%**
Support services	Begbies Traynor	95,000	124,688		
	NWF Group	56,000	148,400		
	Paypoint	24,000	115,680		
	Smart Metering Services	15,000	103,050	**491,818**	**11.4%**
Technology software services	Cerillion	10,000	129,500	**129,500**	**3.0%**
Travel and leisure	Cake Box Holdings	82,000	116,440	**116,440**	**2.7%**

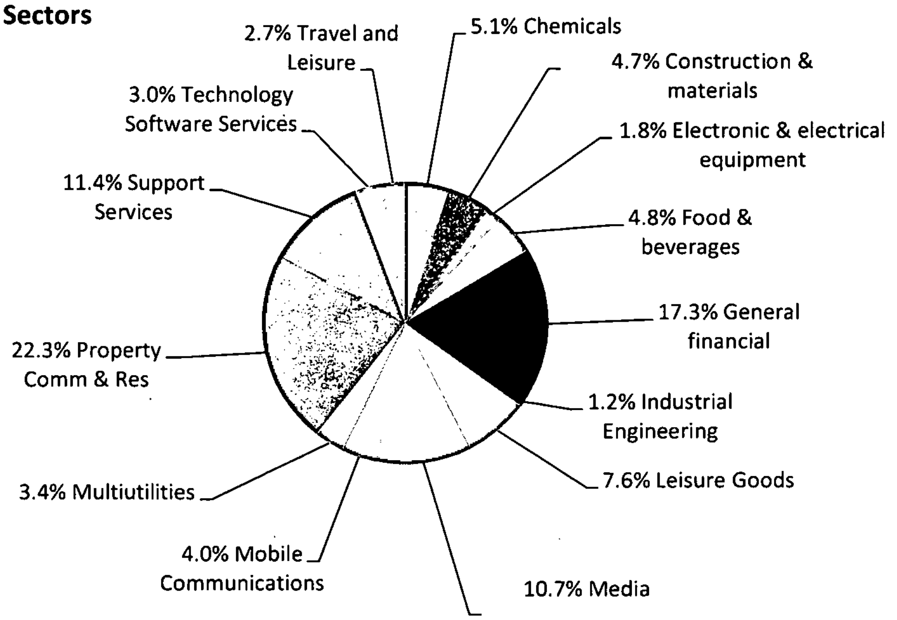
Investment Portfolio at 30 June 2023
Top 20 Holdings

	Holding	Value £	% of portfolio
AEW UK	550,000	509,300	11.3
Games Workshop	3,000	327,300	7.3
Impax Asset Management	44,000	249,920	5.6
Tritax Big Box	200,000	249,800	5.6
4Imprint	5,000	239,500	5.3
Treatt	35,000	218,400	4.9
Fevertree Drinks	17,000	207,060	4.6
Clarke T	145,000	203,725	4.5
Close Brothers	20,000	176,200	3.9
Gamma Communications	15,000	171,000	3.8
NWF Group	56,000	148,400	3.3
National Grid	14,000	145,600	3.2
Liontrust Asset Management	20,000	143,100	3.2
Londonmetric Property	84,000	138,852	3.1
S & U	6,000	135,600	3.0
Cerillion	10,000	129,500	2.9
Begbies Traynor	95,000	124,688	2.8
Rightmove	23,000	120,290	2.7
Cake Box holdings	82,000	116,440	2.6
Paypoint	24,000	115,680	2.6

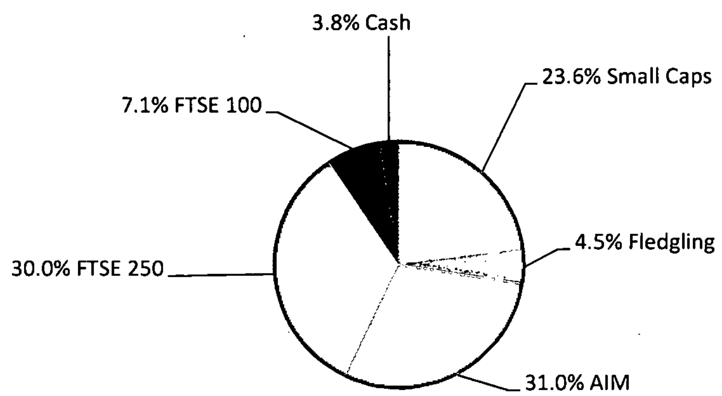
Portfolio Value	**4,318,342**
Net Current Assets	**187,097**
TOTAL VALUE	**4,505,439**
Shares in issue	**2,157,881**
NAV	**208.8p**

Investment Portfolio Analysis at 30 June 2023

Portfolio By Sectors



Portfolio By Listing



Income Statement

For the Six Months Ended 30 June 2023

	Notes	Unaudited 6 months ended 30 June 2023			Unaudited 6 months ended 30 June 2022			*Audited Year ended 31 December 2022*
		Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	***Total***
		£	**£**	**£**	**£**	**£**	**£**	***£***
Gains on investments held at fair value		-	12,885	12,885	-	304,722	304,722	*(1,787,296)*
Income from investments		122,634	-	122,634	102,311	-	102,311	*183,273*
Investment Management expenses		(1,781)	(16,141)	(17,922)	(2,211)	(20,042)	(22,253)	*(40,335)*
Other expenses		(15,728)	(38,500)	(54,228)	(15,552)	(39,294)	(54,846)	*(109,454)*
Net return on ordinary activities before taxation		105,125	(41,756)	63,369	84,548	245,386	329,934	*(1,753,812)*
Taxation	**2**	-	-	-	-	-	-	-
Net return on ordinary activities after taxation		105,125	(41,756)	63,369	84,548	245,386	329,934	*(1,753,812)*
Dividends Paid:								
Dividend		(161,841)	-	(161,841)	(161,841)	-	(161,841)	*(207,156)*
Transferred to reserves		(56,716)	(41,756)	(98,472)	(77,293)	245,386	168,513	(1,960,968)
Return per ordinary share	**3**	4.9p	(1.9)p	3.0p	3.9p	11.4p	15.3p	*(81.3)p*

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 July 2022 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 2023

For the Six Months Ended 30 June 2023(Unaudited)

	Called-up Share Capital	Share Premium	Capital Reserve Realised	Capital Reserve Unrealised	Retained Earnings	Total Shareholders' Funds
	£	£	£	£	£	£
Balance at 1 January 2023	539,470	881,087	2,539,394	561,784	212,827	4,734,562
Net profits on realisation of investments	-	-	12,885	-	-	12,885
Decrease in unrealised appreciation	-	-	-	(130,651)	-	(130,651)
Expenses allocated to capital	-	-	(54,641)	-	-	(54,641)
Profit for the period	-	-	-	-	105,125	105,125
Dividend paid in period	-	-	-	-	(161,841)	(161,841)
Shareholders' Funds at 30 June 2023	539,470	881,087	2,497,638	431,133	156,111	4,505,439

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 Year Ended 31 December 2022 (Audited)

	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	-	-	382,704	-	-	382,704
Decrease in unrealised appreciation	-	-	-	(2,170,000)	-	(2,170,000)
Expenses allocated to Capital	-	-	(115,047)	-	-	(115,047)
Profit for the year	-	-	-	-	148,531	148,531
Dividend paid in year	-	-	-	-	(207,156)	(207,156)
Shareholders' Funds at 31 December 2022	539,470	881,087	2,539,394	561,784	212,827	4,734,562

Statement of Financial Position
As at 30 June 2023

	Notes	Unaudited 30 June 2023	Unaudited 30 June 2022	*Audited 31 December 2022*
		£	£	*£*
Fixed assets				
Investments held at fair value through profit and loss		4,318,342	4,350,682	*4,180,985*
Current assets				
Trade receivables		135,114	666,199	*543,301*
Cash at bank and in hand		74,366	36,599	*27,361*
		209,480	702,798	*570,662*
Creditors: amounts falling due within one year		(22,383)	(11,410)	*(17,085)*
Net current assets		187,097	691,388	*553,577*
Total assets less current liabilities		4,505,439	5,042,070	*4,734,562*
Provisions for liabilities and charges		-	-	-
Net assets		4,505,439	5,042,070	*4,734,562*
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		2,497,638	2,517,123	*2,539,394*
Capital reserve - unrealised		431,133	910,231	*561,784*
Revenue reserves (distributable)		156,111	194,159	*212,827*
Shareholders' funds - all equity		4,505,439	5,042,070	*4,734,562*
Net Asset Value per share	4	208.8p	233.7P	*219.4P*
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 25 July 2023.

Dr Manny Pohl AM
Managing Director

Statement of Cash Flows

For the Six Months Ended 30 June 2023

	Unaudited 6 months ended 30 June 2023 £	Unaudited 6 months ended 30 June 2022 £	*Audited Year ended 31 December 2022 £*
Cash flows from operating activities			
Net revenue return	105,125	84,548	*148,531*
Adjustments for:			
Expenses charged to capital	(54,641)	(59,336)	*(115,047)*
Increase/(decrease) in creditors	5,298	(5,719)	*(44)*
Decrease/(increase) in debtors	408,186	(421,036)	*(298,138)*
Cash from/(used) in operations	463,968	(401,543)	*(264,698)*
Cash flows from investing activities			
Purchase of investments	(669,737)	(504,660)	*(1,003,583)*
Proceeds from sales of investments	414,615	1,073,967	*1,472,122*
Net cash from investing activities	(255,122)	569,037	*468,539*
Equity dividends paid	(161,841)	(161,841)	*(207,156)*
Net Increase/(decrease)	47,005	5,923	*(3,315)*
Cash at the beginning of the period	**27,361**	**30,676**	***30,676***
Cash at the end of the period	**74,366**	**36,599**	***27,361***

Notes to the Financial Statements

For the Six Months Ended 30 June 2023

1. Accounting Policies

a) Statement of Compliance

The Company's Financial Statements for the period ended 30 June 2023 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 2022 ('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 2022.

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 2023 and 30 June 2022 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 2022 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 and the war in Ukraine.

2. Taxation

The tax charge for the six months to 30 June 2023 is nil (year to 31 December 2022: nil; six months to 30 June 2022: nil).

The Company has an effective tax rate of 0% for the year ending 31 December 2022. 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 2023 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 2023			
	Revenue	**Capital**	**Total**
	£	**£**	**£**
Attributable return on ordinary activities after taxation	105,125	(41,756)	63,369
Weighted average number of shares		2,157,881	
Return per ordinary share	4.9p	(1.9p)	3.0p

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

12 months ended 31 December 2022			
	Revenue	**Capital**	**Total**
	£	**£**	**£**
Attributable return on ordinary activities after taxation	148,531	(1,902,343)	(1,753,812)
Weighted average number of shares		2,157,881	
Return per ordinary share	6.9p	(88.2p)	(81.3p)

Notes to the Financial Statements

For the Six Months Ended 30 June 2023
(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 (2022: 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 (2022: 86,000) shares and Astuce Group held 550,000 (2022: 550,000) shares in the Company as at 30 June 2023.

Copies of the Half Yearly Financial Statements for the six months ended 30 June 2023 will be available on the Company's website www.athelneytrust.co.uk as soon as practicable.

Officers and Financial Advisors

Directors:	F. Ashton (Chairman)	Email: frankashton@athelneytrust.co.uk
	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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Company Number:	2933559 (Registered in England)	
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