Athelney
TRUST PLC

Half Yearly Financial Report

30 June 2021

Contents

Interim Report for the period ended

30 June 2021

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 59, 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 67, 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 60, 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 is 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 2021.

Period Highlights

- Unaudited Net Asset Value (NAV) increased by 8.8% to 277.8p and this improvement lagged the FTSE 250 by just 0.4%
- The Trust now heads the AIC's 'Next Generation of Dividend Heroes' table published each March - with a yield at that time of 4.8% after 18 years of dividend growth
- Total return to shareholders increased by 11.8%. This is calculated as the change in net asset value (NAV) during the half year including dividend paid
- Gross revenue has increased to £82,309 an increase of 56% compared to the same period last year (£52,578)
- Revenue return per ordinary share was 3p (31 December 2020: 5.9p, 30 Jun 2020: 1.7p)
- An interim dividend of 1.7p was paid in September 2020 and a final dividend of 7.7p was paid in April 2021 making the total dividend 9.4p (2020: 9.3p)
- Our interim dividend will be 2.0p.

Performance

I am pleased to report your Company has produced very strong comparable investment performance with more than twice the percentage increase of the FTSE 250 index in the past three months.

The NAV return for the half year period was 8.81% compared to 9.21% for the FTSE 250 Index, a lag of just 0.4 percentage points. Further information on portfolio activity and the drivers behind recent performance and six months of contrasting quarters, is contained in the Managing Director's Report below. We have a great deal of confidence in Manny Pohl as he leads investment decisions, particularly in such unusual and challenging times; I would like to thank him personally for his attention to detail, application of clear and beneficial process and commitment to a disciplined approach over the past 18 months: All shareholders benefit, I hope you agree.

I am very encouraged to see the share price recover to 250p and the discount to NAV narrow to 10.0% (NAV at 277.8p) as the half year concludes. Most investment trusts this time last year were running at deep discounts and our small fund, at -27.4% was no exception. As we look back over the past 12 months, it has been quite a journey as COVID-19 laid waste to plans from the small, for example family level, to the large at country level. Unfortunately the journey still continues as we try to discern what changes are temporary and which are permanent, as we assess the depth of economic scarring, all against a background of continuing, uncertainty as Delta and other variants threaten the rate of recovery.

We now have a concentrated portfolio reflecting conviction, subject to process for both investment and divestment, that is delivering consistent performance for the investor wishing to reduce risk over the long term. Investment in this company means you benefit from closed-end status and our dividend policy, which has marked us out in an 18 month period when many others have faltered.

Dividends

According to Link Group, the pandemic accounted for a 41.6% drop in UK dividend payouts (£44.8bn from Q2 2020 to Q1 2021) as two thirds of companies reduced or pulled their dividends. Banking dividends are returning, albeit at low levels and oil and gas companies are also showing signs of increasing payouts.

As a result we are seeing a very welcome increase in our Company's dividend revenue of 56.6% to £82,309 in this period, compared to last year. Link Group expects underlying dividends to rise 5.6% for the year. We would rather see slow, steady progress in the current direction for UK dividends than more volatility and uncertainty.

Your board is delighted that the Company topped the AIC's 'Next Generation Heroes' table published each year in March with dividend yield of 4.81% as we extended the run of consecutive years of dividend growth to eighteen. To provide more context, eight trusts lost their place in that table since March 2020, as they maintained or cut their dividend.

Chairman's Statement
Continued

Your board has decided to pay an interim dividend of 2.0p; we will pay this on 24 September 2021 to all shareholders on the register of members at close of business on 10 September 2021.

We will review the case for a final dividend in Q1 2022, and subject to shareholder approval, pay any final dividend on 13 April 2022 to all shareholders on the register at 11 March 2022.

Shareholder Relations

The Board held the AGM on 30 March 2021 in Yorkshire, in order to safeguard the health of its shareholders, officers and service providers. It intends to hold the AGM for the current financial year in London on 5 April 2022.

Outlook

Just five months ago I wrote in our Annual Report that there may be pent-up enthusiasm from shoppers and a possible spending spree might lead to upside risk and inflationary pressures. Given the unbalancing effect that COVID-19 has had on supply and demand, with a very variable impact by sector and sub-sector, inflation is now being forecast to rise to a peak between 3% and 4%. Members of the Bank of England's Monetary Policy Committee (MPC) still differ on how temporary this will be or to be more precise, how quickly we may return to a more normal condition at or below the 2% target for CPI.

Other areas of life, including the amount of time spent working from the office, the use of online versus store-based shopping, seem unlikely ever to return to the pre-Covid normal. Several false dawns have passed on travel, whether locally or internationally for business or pleasure and it still seems likely to be a long time before the world's population approaches vaccination-based protection that allows more normal free movement.

Even as we are about to move to Step 4 and release restrictions in England, it still does not feel like a return to normal. Despite nearly 90% of the UK population being vaccinated with at least one dose and over 60% with both doses, there are still enough concerns within government to have delayed the release by a month and now also to issue guidance for each of us to continue to be cautious as cases are high and rising, driven by the Delta variant. Disruption from being required to isolate by the NHS Test and Trace app seems to be higher than at any other time in the past 12 months, including for schoolchildren and workplaces. Some businesses struggle to stay open and others run restricted services, especially in the leisure/restaurant industry, where supply of labour, which used to be bolstered by EU workers is now outstripped by demand. Here also a new normal will need to be created.

Supply and demand as a general topic is much in the news lately. Globally, there are still examples of supply chain problems, in particular in microchip manufacture (tin supplies), steel production (Chinese steel mills increased production, but iron ore supply problems exist in Australia and Brazil leading to record high prices), and also shipping (some evidence of retail majors bringing forward shipping of Christmas stocks to the UK, to reduce risk). More locally, Brexit teething problems continue and at least one member of the MPC believes there may be little spare capacity in the UK economy.

In summary, consumer and business confidence still seem fragile, and imbalances or bottlenecks in the supply-demand equation can soon lead to a drag on growth and problems with productivity or the rate of return to normal employment levels.

However we do know that in the face of uncertainty and also growth opportunities which are definitely on the rise, better management teams, with access to funds for development will be well placed. The review process conducted by Manny Pohl and his team ensures both the potential for growth (e.g. competitive advantage) and the conditions for growth (e.g. quality balance sheet and management team) are evident in investee companies, and ultimately will provide comparative advantage to Athelney shareholders.

We each continue to have our lives impacted directly or indirectly by the virus, and this will be the case for some time to come. I wish you patience and stamina in completing the journey and look forward to the AGM next year when we might, I hope, be able to meet in person once more.

Frank Ashton
Chairman
27 July 2021

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 2021 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 2021 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 2020 on pages 12 and 13 and pages 36 and 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 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
27 July 2021

Managing Director's Report

Portfolio Commentary

As we reach the half-way mark in the financial year it is remarkable to consider the current position against the outlook from 12 months ago. Thinking back to July 2020 we had witnessed an unprecedented market decline and were hopeful of a recovery against the backdrop of a worldwide pandemic. Future economic prospects of the economy relied heavily on the development and rollout of vaccines and the ongoing coordinated stimulus from government and central banks.

Over the last 18 months, the number of individuals becoming involved in financial markets has increased dramatically. However, the mob-like behaviours of the WallStreetBets crowd have been a truly unique phenomenon as has been the activist nature of retail investors in the US against companies that had been targeted by short-sellers. This culminated in the Dow Jones Industrial Index being up by 12.7% over the six-month period to June 2021.

After a substantial improvement in the second half of last year, the UK market was up by 9.21% over the first six months of this financial year as can be seen from the Chart above. By comparison, our portfolio performed exceptionally well and after providing for a 7.7p dividend in March, the NAV went up by 8.81% over the same six-month period, albeit with two quarters of vastly different results as shown in the table below.

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 2020	255.30						
Jan 2021	256.20	0.35%			-1.27%		
Feb 2021	253.20	-1.17%			3.37%		
Mar 2021	253.30	0.04%	-0.78%		2.91%	5.03%	
Apr 2021	274.20	8.25%			4.55%		
May 2021	279.30	1.86%			0.83%		
Jun 2021	277.80	-0.54%	9.67%	8.81%	-1.36%	3.98%	9.21%

Managing Director's Report
Continued

This can be attributed to the fact that during the first quarter as the vaccine rollout gained momentum and restrictions were being lifted, stock market commentary focused on inflationary pressures and the likely BOE response to this. The impact that this had on the equities market was dramatic in the sense that previously outperforming (growth) stocks were evaluated using a higher discount rate for their long-dated earnings reducing their present value while value stocks with current earnings became more attractive and saw an improvement. This shift was relatively short lived and was not as evident in the overall market as was the case for Athelney where our investment process as outlined below does favour growth companies.

Dividend revenue in the current financial year increased by 56.6% as compared to same period last year which is a welcome sign of business conditions returning to normal. As detailed elsewhere in this report, the number of stocks in the portfolio has been reduced further to the current holding of 30 stocks. Consequently, the Company realised capital profits before expenses arising from the sale of investments during the period in the sum of £149,653 (30 June 2020: £241,205).

Even though we are now coming off a much higher base, we expect the earnings of our portfolio companies to increase materially over the next five years which provides some reassurance at a time when valuations (PE multiples) are stretched. While it is almost certain that there will be further COVID outbreaks in the months ahead despite the success of the vaccine program, the past year has shown how resourceful and resilient quality growth companies can be. This provides us with the confidence to face the next six months and to make the most of the opportunities ahead of us as the ongoing volatility in the financial markets will provide us with welcome opportunities to deploy our capital.

Sustainable Investing

Athelney 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-term 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 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
27 July 2021

Investment Portfolio at 30 June 2021

	Stock	Holding	Value (£)	SECTOR £	%
Biotechnology	Abcam	13,000	179,400	**179,400**	**3.1%**
Chemicals	Treatt	21,000	244,650	**244,650**	**4.2%**
Construction & materials	Clarke T	145,000	188,863		
	Forterra	40,000	107,800	**296,663**	**5.1%**
Electronic & electrical equipment	XP Power	4,000	223,200	**223,200**	**3.8%**
Food & beverages	Fevertree	4,000	102,880	**102,880**	**1.8%**
General financial	Close Brothers	13,500	204,390		
	Jarvis Securities	116,000	290,580		
	Liontrust Asset Management	33,000	619,740		
	S & U	6,000	159,600	**1,274,310**	**21.8%**
Healthcare	Clinigen	30,000	185,550	**185,550**	**3.2%**
Leisure goods	Games Workshop	3,500	398,650	**398,650**	**6.8%**
Media	4imprint	5,000	133,500		
	Rightmove	30,000	194,760		
	Yougov	10,100	118,674	**446,934**	**7.6%**
Mobile communications	Gamma Communications	10,000	198,800	**198,800**	**3.4%**
Multiutilities	National Grid	14,000	128,898	**128,898**	**2.2%**
Property, commercial & residential	AEW UK REIT	430,000	412,370		
	Lok'n Store	33,000	208,890		
	Londonmetric	100,000	231,200		
	LXI REIT	106,923	142,208		
	Mountview Estates	800	98,400		
	Target Healthcare REIT	150,000	172,800		
	Tritax BigBox REIT	170,000	333,540	**1,599,408**	**27.3%**
Retailers	JD Sports	10,000	91,880	**91,880**	**1.6%**
Support services	Begbies Traynor	95,000	129,010		
	Homeserve	16,000	152,800		
	NWF Group	35,000	70,700		
	Paypoint	9,000	50,850		
	Smart Metering Systems	8,000	69,440	**472,800**	**8.1%**

Investment Portfolio at 30 June 2021
Top 20 Holdings

	Holding	Value £	% of portfolio
Liontrust Asset Management	33,000	619,740	10.6
AEW UK REIT	430,000	412,370	7.1
Games Workshop	3,500	398,650	6.8
Tritax Big Box	170,000	333,540	5.7
Jarvis Securities	116,000	290,580	5.0
Treatt	21,000	244,650	4.2
LondonMetric Property	100,000	231,200	4.0
XP Power Ltd	4,000	223,200	3.8
Lok'n Store Group	33,000	208,890	3.6
Close Brothers	13,500	204,390	3.5
Gamma Communications	10,000	198,800	3.4
Rightmove	30,000	194,760	3.3
Clarke T	145,000	188,863	3.2
Clinigen	30,000	185,550	3.2
Abcam	13,000	179,400	3.1
Target Healthcare REIT	150,000	172,800	3.0
S & U	6,000	159,600	2.7
Homeserve	16,000	152,800	2.6
LXI REIT	106,923	142,208	2.4
4Imprint	5,000	133,500	2.3

Portfolio Value	**5,844,023**
Net Current Assets	**151,649**
TOTAL VALUE	**5,995,672**
Shares in issue	**2,157,881**
NAV	**277.8p**

Income Statement
For the Six Months Ended 30 June 2021

	Notes	Unaudited 6 months ended 30 June 2021			Unaudited 6 months ended 30 June 2020			*Audited Year ended 31 December 2020*
		Revenue	Capital	Total	Revenue	Capital	Total	*Total*
		£	£	£	£	£	£	*£*
Gains/(Loss) on investments held at fair value		-	149,653	149,653	-	241,205	241,205	*(30,695)*
Income from investments		82,309	-	82,309	52,578	-	52,578	*160,876*
Investment Management expenses		(2,120)	(19,230)	(21,350)	(1,903)	(17,136)	(19,039)	*(38,002)*
Other expenses		(15,545)	(35,734)	(51,279)	(14,420)	(42,039)	(56,459)	*(105,508)*
Net return on ordinary activities before taxation		64,644	94,689	159,333	36,255	182,030	218,285	*(13,329)*
Taxation	2	-	-	-	-	-	-	
Net return on ordinary activities after taxation		64,644	94,689	159,333	36,255	182,030	218,285	*(13,329)*
Dividends Paid:								
Dividend		(166,157)	-	(166,157)	(200,683)	-	(200,683)	*(237,367)*
Transferred to reserves		(101,513)	94,689	(6,824)	(164,428)	182,030	17,602	*(250,696)*
Return per ordinary share	3	3p	4.4p	7.4p	1.7p	8.4p	10.1p	*(0.6p)*

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 October 2019 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 2021

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 Six Months Ended 30 June 2020 (Unaudited)

	Called-up Share Capital	Share Premium	Capital Reserve Realised	Capital Reserve Unrealised	Retained Earnings	Total Shareholders' Funds
	£	£	£	£	£	£
Balance at 1 January 2020	539,470	881,087	1,916,502	1,982,060	439,598	5,758,717
Net profits on realisation of investments	-	-	241,205	-	-	241,205
Decrease in unrealised appreciation	-	-	-	(870,649)	-	(870,649)
Expenses allocated to capital	-	-	(59,175)	-	-	(59,175)
Profit for the period	-	-	-	-	36,255	36,255
Dividend paid in period	-	-	-	-	(200,683)	(200,683)
Shareholders' Funds at 30 June 2020	539,470	881,087	2,098,532	1,111,411	275,170	4,905,670

For the Year Ended 31 December 2020 (Audited)

	Called-up Share Capital	Share Premium	Capital Reserve Realised	Capital Reserve Unrealised	Retained Earnings	Total Shareholders' Funds
	£	£	£	£	£	£
Balance at 1 January 20120	539,470	881,087	1,916,502	1,982,060	439,598	5,758,717
Net profits on realisation of investments	-	-	223,957	-	-	223,957
Decrease in unrealised appreciation	-	-	-	(254,652)	-	(254,652)
Expenses allocated to Capital	-	-	(109,909)	-	-	(109,909)
Profit for the year	-	-	-	-	127,275	127,275
Dividend paid in year	-	-	-	-	(237,367)	(237,367)
Shareholders' Funds at 31 December 2020	539,470	881,087	2,030,550	1,727,408	329,506	5,508,021

Statement of Financial Position
As at 30 June 2021

	Notes	Unaudited 30 June 2021	Unaudited 30 June 2020	*Audited 31 December 2020*
		£	£	*£*
Fixed assets				
Investments held at fair value through profit and loss		5,844,023	4,724,305	*5,310,661*
Current assets				
Trade receivables		124,709	124,342	*142,136*
Cash at bank and in hand		36,912	74,101	*72,601*
		161,621	198,443	*214,737*
Creditors: amounts falling due within one year		(9,969)	(17,078)	*(17,377)*
Net current assets		151,652	181,365	*197,360*
Total assets less current liabilities		5,995,675	4,905,670	*5,508,021*
Provisions for liabilities and charges		-	-	-
Net assets		5,995,675	4,905,670	*5,508,021*
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		2,125,239	2,098,532	*2,030,550*
Capital reserve - unrealised		2,221,886	1,111,411	*1,727,408*
Revenue reserves (distributable)		227,993	275,170	*329,506*
Shareholders' funds - all equity		5,995,675	4,905,670	*5,508,021*
Net Asset Value per share	4	277.8p	227.3p	*255.3p*
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 27 July 2021.

Dr Manny Pohl AM
Managing Director

Statement of Cash Flows

For the Six Months Ended 30 June 2021

	Unaudited 6 months ended 30 June 2021 £	Unaudited 6 months ended 30 June 2020 £	*Audited Year ended 31 December 2020 £*
Cash flows from operating activities			
Net revenue return	64,644	36,255	*127,275*
Adjustments for:			
Expenses charged to capital	(54,964)	(59,175)	*(109,909)*
(Decrease)/Increase in creditors	(7,408)	(5,031)	*(4,732)*
Decrease/(Increase) in debtors	17,427	99,389	*81,597*
Cash from operations	19,699	71,438	*94,231*
Cash flows from investing activities			
Purchase of investments	(344,385)	(481,304)	*(1,137,856)*
Proceeds from sales of investments	455,154	593,748	*1,262,691*
Net cash from investing activities	110,769	112,444	*124,835*
Equity dividends paid	(166,157)	(200,683)	*(237,367)*
Net Decrease	(35,689)	(16,801)	*(18,301)*
Cash at the beginning of the period	72,601	90,902	*90,902*
Cash at the end of the period	36,912	74,101	*72,601*

Notes to the Financial Statements

For the Six Months Ended 30 June 2021

1. Accounting Policies

a) Statement of Compliance

The Company's Financial Statements for the period ended 30 June 2021 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 October 2019 ('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 2020.

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 2021 and 30 June 2020 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 2020 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 2021 is nil (year to 31 December 2020: nil; six months to 30 June 2020: nil).

The Company has an effective tax rate of 0% for the year ending 31 December 2020. 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 2021 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 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

6 months ended 30 June 2020			
	Revenue	Capital	Total
	£	£	£
Attributable return on ordinary activities after taxation	36,225	182,030	218,285
Weighted average number of shares		2,157,881	
Return per ordinary share	1.7p	8.4p	10.1p

12 months ended 31 December 2020			
	Revenue	Capital	Total
	£	£	£
Attributable return on ordinary activities after taxation	127,275	(140,604)	(13,329)
Weighted average number of shares		2,157,881	
Return per ordinary share	5.9p	(6.5p)	(0.6p)

Notes to the Financial Statements

For the Six Months Ended 30 June 2021
(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 (2020: classification A investments only).

6. Related Party Transactions

Dr. E. C. Pohl is the sole beneficial owner of E C Pohl & Co Pty Limited, which owns 54.1% of the issued share capital of Global Masters Fund Limited on behalf of itself and clients whose portfolios it manages. E C Pohl & Co Pty Limited held 496,000 (2020: 339,054), Global Masters Fund Limited held Nil (2020: 204,951) shares in the Company as at 30 June 2021.

Copies of the Half Yearly Financial Statements for the six months ended 30 June 2021 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
Registered Office:	Waterside Court Falmouth Road Penryn Cornwall TR10 8AW	Website: http://www.athelneytrust.co.uk Email: secretary@athelneytrust.co.uk Tel: 01326 378 288
Company Number:	2933559 (Registered in England)	
Solicitor:	Druces LLP Salisbury House London Wall London EC2M 5PS	Email: d.smith@druces.com Tel: 020 7216 5572
Stockbroker:	James Sharp & Co. 5 Bank Street Bury, BL8 0DN	Email: i.bolton@jamessharp.co.uk Tel: 0161 764 4043
Auditors:	Hazlewoods LLP Staverton Court Staverton GL51 0UX	Email: ryan.hancock@hazelwoods.co.uk Tel: 01242 680 000
Banker:	HSBC Bank Market Street Falmouth Cornwall TR11 3AA	
Registrar:	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR	Email: peter@shareregistrars.uk.com Tel: 01252 821 390