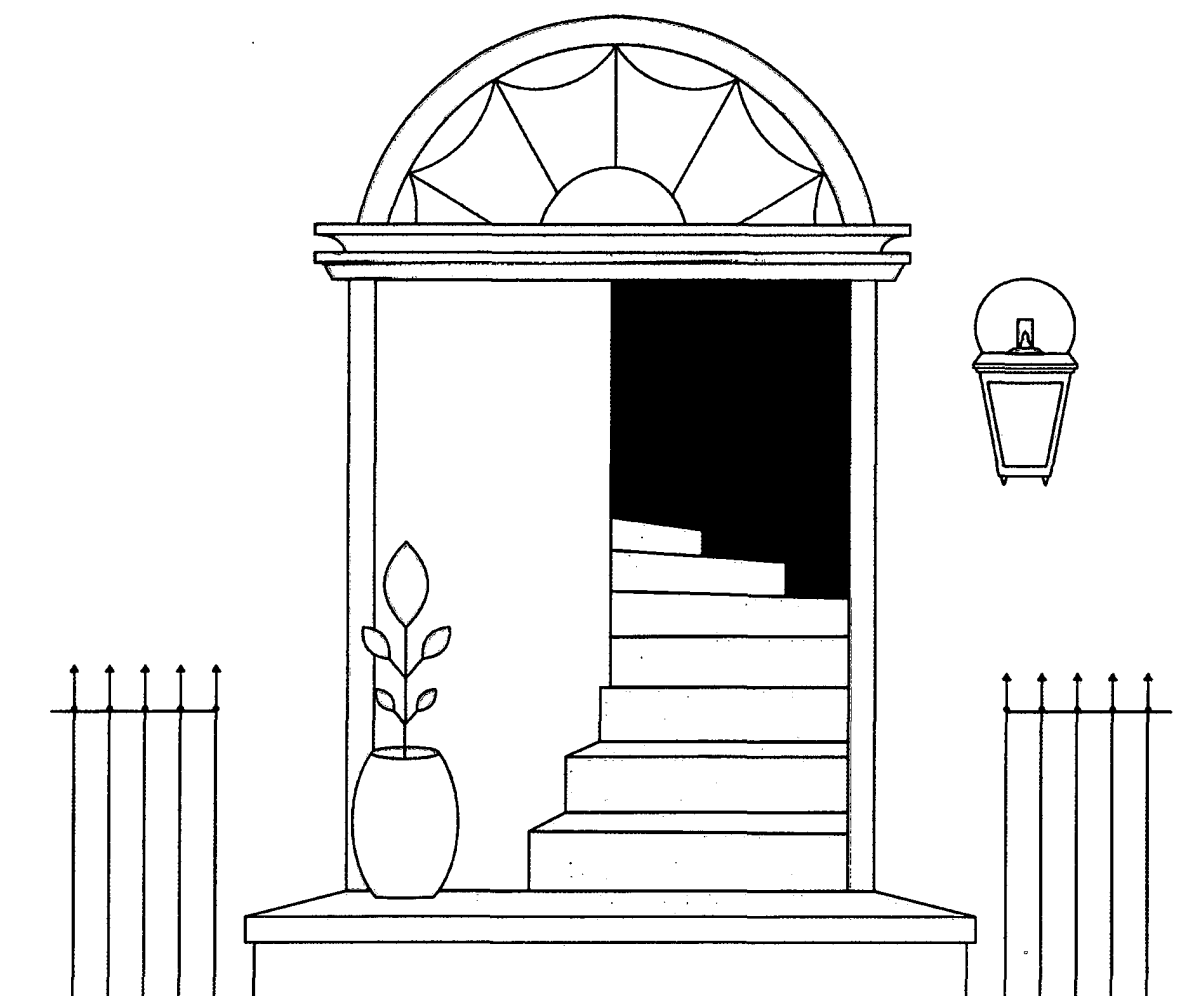
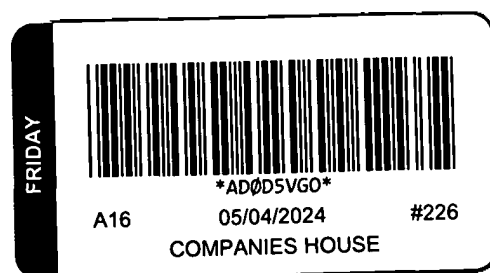


Athelney

TRUST PLC



— Annual Report 2023 —
DISCOVERING POTENTIAL



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Annual Report for the year ended
31 December 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 Chair

Frank Ashton, aged 62, 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 USA, as well as working at a policy level for Government entities.



Dr Emmanuel Clive Pohl AM
Managing Director

Manny Pohl, aged 70, is the Chair and CIO 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 Witwatersrand 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 63, 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, 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.



Jason Pohl
Alternate Director

Jason Pohl, aged 34, has ten years of professional experience in fundamental bottom-up investment research at CCP Asset Management Pty Ltd.

Originally pursuing a legal career, Jason spent his initial stages of his professional career working for Ashurst (previously Blake Dawson) before being admitted as a Legal Practitioner in the NSW Supreme Court. Jason has a B.Com, LLB, and an MBA from Bond University.

During 2023 he was appointed as a Director of Global Masters Fund Limited, a company listed on the Australian Securities Exchange.

Strategic Report

Chair's Statement and Business Review

Dear Shareholder

I am pleased to present the Annual Financial Report for the year to 31 December 2023.

The Strategic Report section of this Annual Report has been prepared to help all Shareholders understand the drivers of performance in the past year, how the Company operates and to assess its performance.

Financial Summary and Overview

The key performance indicators are as follows:

	Year ended 31 December 2023	Year ended 31 December 2022	% Change
NAV total return	(4.4)%	(26.2)%	n/a
Revenue return per ordinary share	7.7p	6.9p	11.4%
Total return per share	(0.6)p	(81.3)p	n/a
Share price	185.0p	210.0p	(11.9)%
Net asset value per ordinary share	209.1p	219.4p	(4.7)%
Discount to NAV per ordinary share	11.5%	4.3%	n/a
Cumulative value of shareholder investment (net asset value plus cumulative dividends per ordinary share)	218.8p	229.0p	(4.4)%
Shareholders' funds	£4,512m	£4,734m	(4.7)%

- The Trust's Investment performance over 12 months as measured by NAV total return, which is the change in NAV plus the dividend paid, was minus 4.4% (2022: minus 26.2%).
- The interim dividend of 2.2p per share was paid on 22 September 2023.
- Your Board recommends a final dividend of 7.6p per share increasing a total dividend payable for the year to 9.8p (2022: 9.6p) an increase of 2.0%.
- This is the 21st successive year of progressive dividends and importantly returns the Trust to the "Dividend Heroes" list maintained by the AIC, a list of investment companies that have consistently increased their dividends for 20 or more years in a row.

Performance

The year under review was disappointing. Equity markets were under pressure throughout with several headwinds, and investment trusts were unable to attract investors away from the lure of gilts and passive funds. The Company suffered negative absolute returns and has underperformed compared to the FTSE 250 largely because of ongoing negative sentiment for UK smaller companies and comparatively high UK interest rates through the year.

In the financial year to 31 December 2023 and on a total return basis, the Company's net asset value (NAV) fell by 4.7%, the share price fell by 11.9% compared to a fall of 8.2% in the AIM All-Share index.

The last 12 months created further surprises and uncertainty for UK investors, as inflation dropped more slowly than in other G7 countries and the resulting medicine of frequent interest rate rises added to geo-political stressors. For a higher rate UK taxpayer, the resulting yield on gilts translated to some unusually high potential returns, and without the equity risk premium, in general bonds became a more attractive investment. High quality small company stocks generally lost ground to larger, liquid stocks and after wider market 'poor returns' of the past few years, investors were generally less interested in investment trusts. Discounts to share price widened for many investment trusts and remain, on average, in double-digit territory at 10.0% for UK Smaller Company investment trusts on 31 December 2023.

Over a 5 year period we have outperformed the FTSE 250 by 3.6% points, (per annum and before management fees, expenses and dividends) and maintain that compounded investment into our portfolio still provides attractive returns compared to alternatives. Further details on the portfolio are under the Fund Manager comments later in this report and historical figures in Table 1 on page 7.

On the positive side, the UK and world economy in general for 2023 have proved to be more resilient than expected as we recover from the impact of Covid; the widely feared deep recession has not materialised (although we may be in a UK technical recession after the late December downward revision of Q3 to a contraction of 0.1% by the ONS) and there are signs that peak interest rates may have been reached in European, UK and US economies.

We believe there is now a strong case for investment in UK equities such as those held by the Trust, which offer great value for money. Our quality portfolio, plus the discount, translate into a strong upside, if undervalued UK stocks get the investment attention they deserve based on fundamentals, and the general discount shrinks. This would be a double benefit for those considering further or a new investment in our investment trust.

Dividend and Earnings

I am pleased to report the total revenue earned from the Company's portfolio rose 19.6% to £219,366 from £183,273 last year which is the highest total since 2019. Our earnings per share rose to 7.7p from 6.9p, an increase of 11.6%. This improved performance is a welcome return to more normal, pre-COVID figures and further evidences the quality of the portfolio companies and their commitment to shareholder value.

The board is pleased to recommend an increased final dividend of 7.6p, which, subject to shareholder approval at the next AGM, will be paid on 11 April 2024 to those shareholders on the register at 8 March 2024. Once added to the interim dividend, this brings the full dividend for 2023 to 9.8p a 2.0% increase on the full dividend for 2022.

Strategic Report

Chair's Statement and Business Review Continued

I am delighted this would maintain our progressive dividend performance for the 21st year and maintain our highlighted 'Dividend Hero' status as conferred by the AIC.

Board and Company Developments

The Board places significant importance on corporate governance and compliance with the AIC and UK Corporate Governance Codes. Full details are set out in the Corporate Governance section on pages 16 to 19.

We note the Financial Conduct Authority's Policy Statement PS22/3 of April 2022 to comply or explain in relation to board diversity and inclusion, with changes to the Listing Rules commencing in 2023 for the Trust. As a small, low-cost fund, your Board continues to assess how best to structure and plan for a board that meets shareholder and regulatory needs, has continuity, stability and reflects prudent management of costs.

In terms of controllable costs, I confirm a continued freeze on the non-executive director's fee (£10,500) with no premium for Chair positions, which is comparable to the NED fee of other, similarly sized funds.

Our Ongoing Charges Figure (OCF, calculated using the AIC recommended Ongoing Charges methodology, taking annualised costs that would reasonably be incurred if there was no trading of the investee shares, divided by the average of published monthly NAV) is 3.84% (2022: 2.89%).

The increase is due to the decrease in NAV through 2023, and also £24,507 net increase in Ongoing Charges in 2023 compared to 2022. While we remain a small fund, reducing the OCF will continue to be a challenge, however every effort is made to do this, while applying appropriate time and resources to growth and good governance.

As we continue to explore ways to grow the fund, the Company is now using the specialist marketing services of Colchester-based Equity Development Ltd. We look forward to the impact this will make in the coming year and continue to take opportunities for the Fund Manager to explain his investment approach, including use of Goodacre Events such as the UK Smaller Companies Conferences which can be joined online.

I regret the sudden resignation of Hazlewood's LLP as our auditor on the 9th October 2023 because of FRC-driven increased regulatory costs and staff impact for their public interest entity (PIE) audits. Along with some other smaller auditors, Hazlewood's withdrew its PIE registration at very short notice.

We are delighted to report that after an appropriate, shortened process to review a number of alternative auditors, the Board has accepted the recommendation of the Audit Committee and appointed Moore Kingston Smith LLP as auditor for this financial year on 20 October 2023.

We welcome general audit reform, after recent, surprising company failures however believe there has been insufficient assessment of the net effect of these new regulations: Other companies like us had to replace auditors after abrupt resignations in recent months and also found there is less choice and capacity than might be expected.

Our audit fee will quadruple in this transition mainly due to the extra PIE costs and implications for our auditor; the audit approach itself is largely the same as before. We hope that shareholders and investors in general see benefits as the regulatory changes continue to take effect.

Environmental, Human Rights, Employee, Social and Community Issues

The Board consists entirely of two Non-Executive Directors and one Managing Director who was the sole employee. The Company has no direct impact on the community or the environment, and as such has no environmental, human rights, social or community policies. In carrying out its investment activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Environmental, Social and Governance factors are considered as part of the commercial evaluation of investee companies.

Annual General Meeting (AGM)

We are pleased to invite shareholders to our AGM at the offices of Druces LLP, Salisbury House, London Wall, London EC2M 5PS on 21 March 2024 at 12.00 noon. We encourage attendance in order to meet the board and hear from the Fund Manager Dr Manny Pohl.

There will be an opportunity to ask questions during the AGM and also afterwards in a less formal environment.

We encourage all shareholders to vote on the resolutions, all of which the board endorses ahead of the deadline at 12 noon on 19 March 2024. Details on how to vote and also on the AGM, and its resolutions are in the Notice of AGM, which is delivered with this Annual Report. Further copies are available on our website, or from the Company Secretary.

An Independent Board

The Directors in place at the time of signing these accounts are:

- Myself, Frank Ashton – Non-Executive Chair
- Simon Moore – Non-Executive Director, Chair of Audit Committee, Chair of Remuneration Committee
- Dr Manny Pohl – Managing Director, Fund Manager
- Jason Pohl – Alternate for Dr Manny Pohl

We currently have three directors who together make up an independent Board under the AIC Code of Governance 2022.

Capital Gains

During the year the Company realised capital profits before expenses arising on the sale of investments in the sum of £50,853 (2022: £382,704).

Strategic Report

Chair's Statement and Business Review Continued

Portfolio Review

Additional Holdings Purchased

Additional and new holdings of *AEW UK REIT*, *Alpha Group International*, *Cake Box Holdings*, *FeverTree Drinks*, *Impax Asset Management*, *NWF Group*, *Paypoint*, *Spirax-Sarco Engineering* and *Treant* were acquired.

Holdings Sold or Trimmed


Clarke (T), *Games Workshop*, *Liontrust Asset Management*, *Londonmetric Property*, *Rightmove*, *Smart Metering* and *Target Healthcare REIT*.

Outlook

This has been a difficult year, however there is evidence of a change in the investment landscape in particular the likely reduction of interest rates, that I believe will bring multiple benefits. We remain cautious and yet also have confidence in our Managing Director and Fund Manager, Manny Pohl and his team in providing for the needs of the Company and its shareholders.

Last year I referred to Charlie Munger and just one of his many quotations as a champion investor and Vice Chair of Berkshire Hathaway. It is sad to hear of his death at 99 years but also a chance to remember that he was no stranger to personal tragedy. Talking about hardship recently he said "you can cry alright. But you can't quit". Similar things might be said about investing; there can be disappointments and frustrations, often due to circumstances outside our control, however we will not quit on fundamentals and commitment to value. Over the long term you will win; this next year should see improved performance.

Thank you for your continued support of the Company.



Frank Ashton
Non-Executive Chair
12 February 2024

Strategic Report

Fund Manager's Review

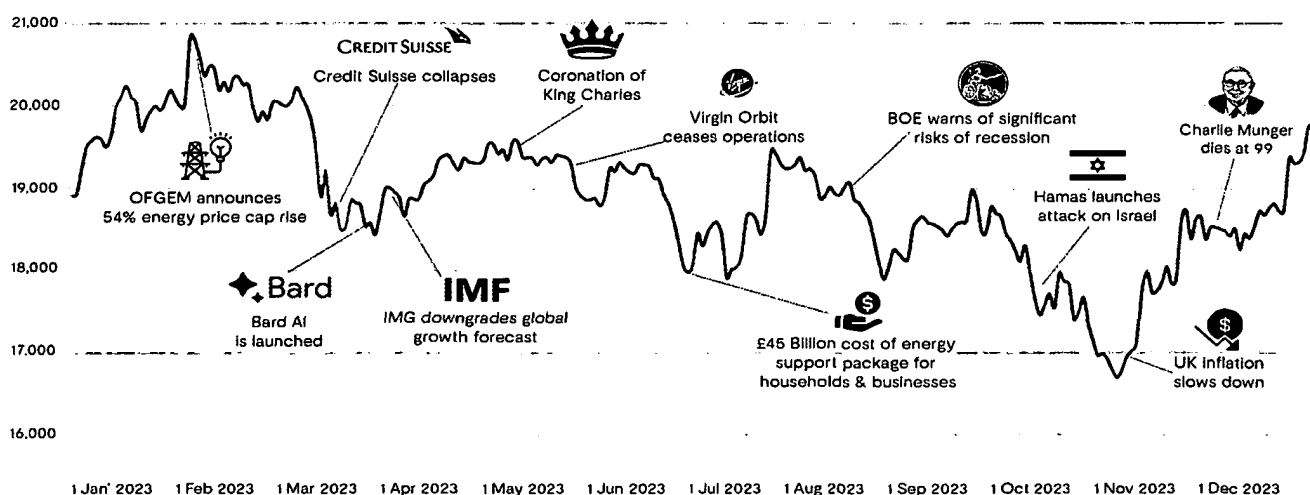
Reflecting on 2023

As we reflect on the past year, the investment climate has been marked by significant events and trends shaping investments and the general economic outlook. The ongoing geopolitical tensions, notably the Russian invasion of Ukraine and the escalated conflict between Israel and Hamas have contributed to a climate of political uncertainty.

These events have had far-reaching economic impacts, further complicating the investment environment.

The following chart of the FTSE 250 Index provides some idea of events that have impacted the market over the past twelve months.

Chart 1: FTSE 250 Index



The required equity risk premium remained high throughout the year, reflecting the market's sensitivity to these global events and amidst these challenges, we've seen global inflationary pressures prompt aggressive interest rate responses from central banks through time. Recently, the rhetoric from central banks has softened, suggesting that while further rate hikes are possible, rates might stabilise near current levels for the foreseeable future.

The macro factors affecting the markets and our performance are covered in the Chair's statement and our portfolio has performed well when compared to the small company indices as shown in Table 1.

However, the NAV has been negatively affected by rising costs, predominantly audit fees and our large dividend payout (DY:5.2%) as compared to the FTSE 250 (DY:3.6%) in particular.

Table 1: Performance Metrics

Compound Growth Rate	1 Year	2 Years	3 Years	5 Years	10 Years
ATY Portfolio*	3.3%	-11.8%	0.1%	6.0%	n.a.
ATY NAV	-4.7%	-17.9%	-6.4%	-1.5%	-0.2%
FTSE 250	4.4%	-8.4%	-1.3%	2.4%	2.1%
FTSE 100	3.8%	2.3%	6.2%	2.8%	1.4%
FTSE Small Cap	3.0%	-7.2%	1.1%	4.4%	3.8%
AIM All Share	-8.2%	-20.8%	-12.9%	-2.3%	-1.1%

* Portfolio performance is time weighted, before management fees, expenses and dividends and is only available from when Dr Manny Pohl AM commenced managing the portfolio.

While macro/political events have dominated the media, technological advancements have been transformative with Generative Artificial Intelligence (AI) models emerging as a dominant theme in business discussions worldwide. While analysts and researchers have used algorithms to analyse and use data sets to make predictions for decades, it was the release of NVIDIA's CUDA (compute unified device architecture) software for developers in 2006 which enabled scientists to apply parallel processing in complex simulations and data analysis. Parallel processing utilises

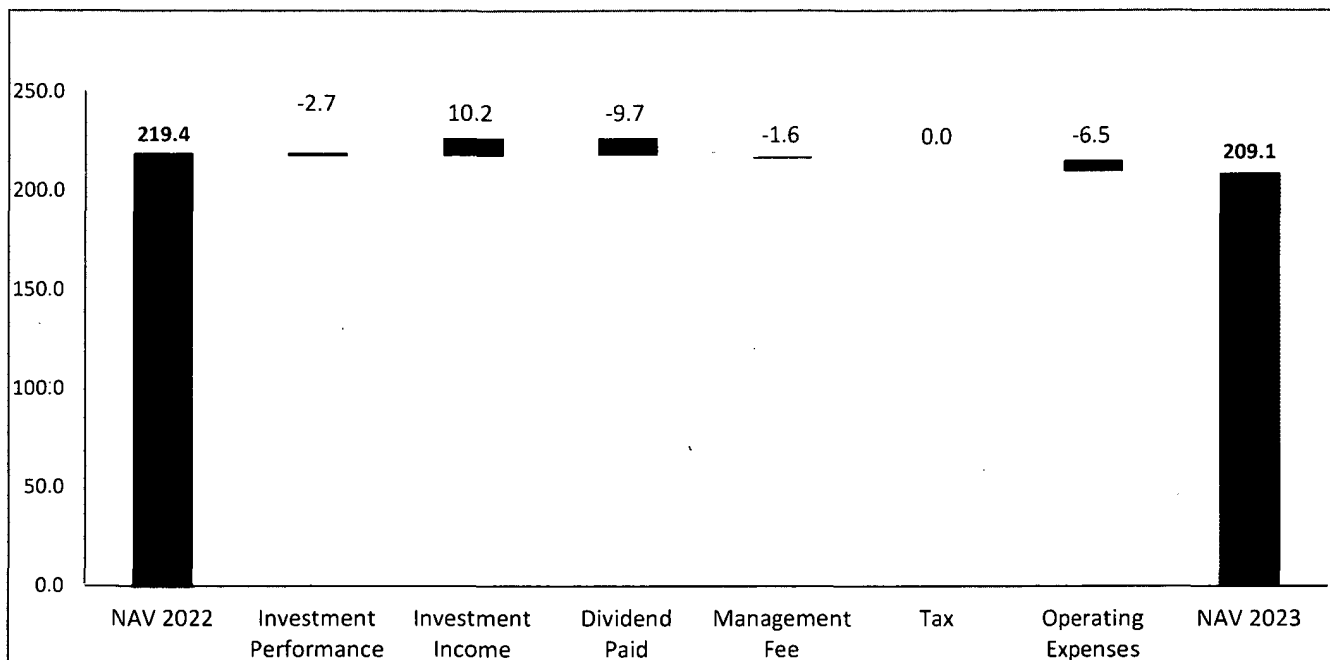
two or more processors (CPUs or GPUs) to handle separate parts of an overall task, laying the foundation for machine learning. Within this context, even OpenAI would take 300 years to train ChatGPT 3.5 on the fastest single GPU, but with parallel processing and using 1024 GPUs, it can be done in 34 days. The resultant development of large language models like ChatGPT, is revolutionising industries. These developments highlight the importance of investing in businesses that can harness these technologies to enhance their competitive advantage and growth potential.

Strategic Report

Fund Manager's Review

Continued

Chart 2: Contributions to NAV in the period 1 January 2023 to 31 December 2023 (pence per share)



In this regard, the U.S. and China are leading the AI development race, with significant investments pouring into this technology, while Europe appears to be a laggard. This rapid growth has prompted governments, particularly the U.S., to develop regulations to ensure the safe and trustworthy evolution of these technologies, with many trying to get to grips with the inherent risks associated with the use of the technology, particularly in the areas of cyber security and privacy.

The recent executive order by US President Joe Biden has been designed to impose national rules on the fast-moving technology to ensure “safe, secure and trustworthy” development. More importantly, this will enable businesses to understand the ground rules and legitimately organise and obtain data without breaching data privacy regulations.

In 2023, ChatGPT consumerised these AI developments that had previously been happening behind closed doors, enabling text, language, speech, and image recognition to cross over human capability. The net result is significant reinvestment in technology, showing up in GPU demand from the Big 5 Tech companies, the owners of proprietary hardware (e.g., NVIDIA) and large-language models (e.g., Microsoft, Google, Amazon, Meta).

Of particular interest for business are “Large Language Models” (LLM), which can train on billions of parameters to develop refined algorithms for new use cases. Clearly, it is also of the utmost importance to ensure that the businesses in which we invest need to utilise these emerging technologies and harness them effectively to expand their economic footprint and enhance investment value.

To this end, our investment process is centred on assessing businesses' Dynamic Capability (DC). DCs are pivotal, change-oriented capabilities that empower firms to adapt and reconfigure their resources in response to evolving customer demands and

competitive landscapes. This includes a firm's agility in R&D, its ability to enter new markets with nimble operational structures, the consolidation of central support functions following acquisitions, and the replication of successful processes or systems in new geographical or business sectors.

The impact of early adoption of AI cannot be overstated; the potential economic unlock will be meaningful. AI's potential to transform economic landscapes is immense, as it enables the efficient reading and structuring of vast amounts of corporate data coupled with powerful workflow automation tools (think a far more powerful Excel macro). This combination is set to revolutionise business processes, much like the advent of computer mainframes in the 1980s, significantly reducing manual accounting work.

By investing in quality companies that are early (effective) adopters of AI, investors can position themselves at the forefront of this transformative wave, ready to reap the economic benefits. As we navigate this new AI era, we focus on meticulously evaluating companies' business models, financials, and growth plans. This approach helps us identify quality growth stocks poised for long-term success, leveraging AI to capitalise on market trends and demand. In addition, we continue to explore the advancements in AI that present potential for substantial long-term returns. Identifying and investing in companies leading these innovations position portfolios to benefit from future market transformations.

In this regard, while we are certainly pleased to book a handsome profit on our investment in Smart Metering as a result of the takeover bid, this was a company which most certainly could have benefitted from future developments in AI. The continued takeover of small companies in the UK market is a worrying feature as our process aims to find high-quality businesses that we would like to own for the very long-term. However, it does confirm that valuations are very favourable at present.

Strategic Report

Fund Manager's Review

Continued

During the past year, we increased our exposure to the AEW UK REIT at the expense of the Target Healthcare REIT, maintaining our overall exposure to the Property Trusts in recognition of the need to maintain the dividend paid to shareholders within a growth style portfolio. In the past twelve months we added two new names to the portfolio:

Alpha Group: (LSE: ALPH)

Alpha is a leading non-bank provider of financial solutions to corporates and institutions operating internationally across three continents. Alpha has two operating divisions, the FX Risk Management division which focuses on supporting corporate and institutional clients who need to buy or sell currency to match commercial transactions involving either the buying and/or selling of goods and services overseas; and the Alternative Banking Solutions division which provides multi location banking services at more than 50 countries to alternative investment managers for purposes such as asset sales, purchases, or distributions. Using cutting-edge technologies to provide an enhanced alternative to traditional banks, Alpha should be able to deliver superior shareholder returns over the medium to long-term.

Cake Box Holdings (LSE: CBOX)

Cake Box Holdings listed on the London Stock Exchange's AIM Market in 2018 and has expanded to more than 230 stores throughout the UK. It is the market leader in premium celebration products that exclude egg, meat products and alcohol to consumers including those who have dietary or religious restrictions. The company has adopted an e-commerce, data-driven approach to drive future growth and aims to optimise their store rollout based on customer data to both improve new store performance as well as refine their franchisee and property strategy. With a target of doubling to 400 stores, CBOX should be able to deliver superior shareholder returns over the medium to long-term.

Looking ahead

In the evolving technological landscape, it's become increasingly clear how pivotal AI will be in shaping future strategies. While short-term applications of AI, such as customer service chatbots and co-pilot productivity tools, are becoming more commonplace, the broader vision of leveraging AI to revolutionise corporate strategy is still unfolding. This transition, particularly in the context of leveraging vast corporate data, may be gradual due to inherent corporate risk aversion.

During my recent flight to attend the Global Federation of Competitiveness Councils meeting, the following Socrates (470 BC) quote came to my attention: *"The secret of change is to focus all of your energy not on fighting the old, but on building the new."* This sentiment encapsulates the transformative journey corporations must undertake in the AI era.

For investors, the tangible benefits for companies that effectively integrate AI can be broadly categorised into three areas:

Productivity Enhancement: AI can significantly augment people-centric processes within organisations, unlocking new levels of efficiency and workflow optimisation.

Creation of New Revenue Streams: Leveraging AI for personalised marketing and data-driven insights allows for novel revenue generation strategies, transforming how businesses interact with customers.

Sustaining Competitive Advantages: AI enables the development of unique customer solutions that are challenging to replicate without access to extensive historical data. This creates a formidable competitive edge.

As we step into this burgeoning AI-driven era, our focus remains on evaluating the business models, financial health, and growth strategies of potential investments in a careful, considered and committed way.

A thorough approach lets us pinpoint those quality growth stocks poised for long-term success. Their agility, ability to swiftly capitalise on emerging opportunities and adeptness at applying AI to harness market trends and demands are critical factors in their continued success and the creation of substantial long-term value for our investors.

Companies with a sustainable competitive advantage are especially well-positioned to reap the economic benefits of AI. Their resilience to market disruptions (i.e., business model disruption or price-led competition) and the high barriers to entry for competitors needing similar data assets make these quality companies well-positioned to capture and retain the economic benefits of AI while maintaining their competitive excellence.

Over the past few years, our industry and society have evolved more broadly with heightened expectations of corporate responsibility. Being a compassionate corporate citizen, committed to people, the planet, and the community, is no longer optional but essential.

At ECP, we proudly embrace these values, as evidenced by our third annual Sustainability Report which will be available in February 2024. We are committed to ensuring that our business employs best practices to position our organisation so that we can continue to sustainably grow through time.

We appreciate our role in the investment community, and we will continue to focus on growing our clients' financial wealth, but our commitment extends beyond financial growth to include contributing to the societal well-being of future generations.

Turning to our portfolio, we're encouraged by the notable uptick in our companies' price-to-earnings (P/E) ratios, rebounding from previous lows. This, combined with robust short-term financial indicators – including organic sales growth, solid earnings, and increasing dividends – fortifies our confidence in the future. This positive trend suggests a promising trajectory for valuation enhancements across our investments.

Given the current market landscape, we see a prime opportunity to invest in high-quality franchises. These market conditions are ideal for investors seeking resilient, growth-oriented investments, positioning them well for long-term outperformance.

Strategic Report

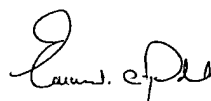
Fund Manager's Review

Continued

Our primary focus is investing in quality businesses within the growth phase of their lifecycle. For investors, the material derate of equity valuations, particularly for growth-oriented stocks, and the expected ongoing volatility present an opportunity for those investing in resilient, Quality Franchises - it's time to step in and invest.

Update

The unaudited NAV on 31 January 2024 was 204.7p per share – down by 2.1% from 31 December 2023. The share price on the same day was 175p (trading at a discount of 14.5%). Further updates can be found at www.athelneytrust.co.uk



Dr Manny Pohl AM

Fund Manager

12 February 2024

Strategic Report

Investment and Portfolio Analysis at 31 December 2023

	Stock	Holding	Value (£)	SECTOR £	%
Chemicals	Treatt	35,000	176,050	176,050	4.0%
Construction & materials	Clarke T	99,000	134,640	134,640	3.1%
Electronic & electrical equipment	XP Power	4,000	54,240	54,240	1.2%
Food & beverages	Fevertree Drinks	17,000	177,820	177,820	4.1%
General financial	Alpha Group International	4,000	68,000	846,600	19.4%
	Close Brothers	20,000	158,800		
	Impax Asset Management	66,000	363,000		
	Liontrust Asset Management	20,000	126,000		
	S & U	6,000	130,800		
Industrial engineering	Spirax-Sarco Engineering	500	52,525	52,525	1.2%
Leisure goods	Games Workshop	3,000	295,200	295,200	6.7%
Media	4Imprint	5,000	228,500	479,057	11.0%
	Rightmove	23,000	132,387		
	Yougov	10,100	118,170		
Mobile communications	Gamma Communications	15,000	168,600	168,600	3.9%
Multiutilities	National Grid	14,000	148,120	148,120	3.4%
Property, commercial & residential	AEW UK REIT	580,000	583,480	1,124,540	25.6%
	Londonmetric REIT	84,000	160,860		
	Target Healthcare REIT	50,000	43,000		
	Tritax BigBox REIT	200,000	337,200		
Support services	Begbies Traynor	95,000	111,150	358,910	8.2%
	NWF Group	56,000	123,200		
	Paypoint	24,000	124,560		
Technology	Cerillion	10,000	160,000	160,000	3.7%
Travel and leisure	Cake Box Holdings	120,000	198,000	198,000	4.5%

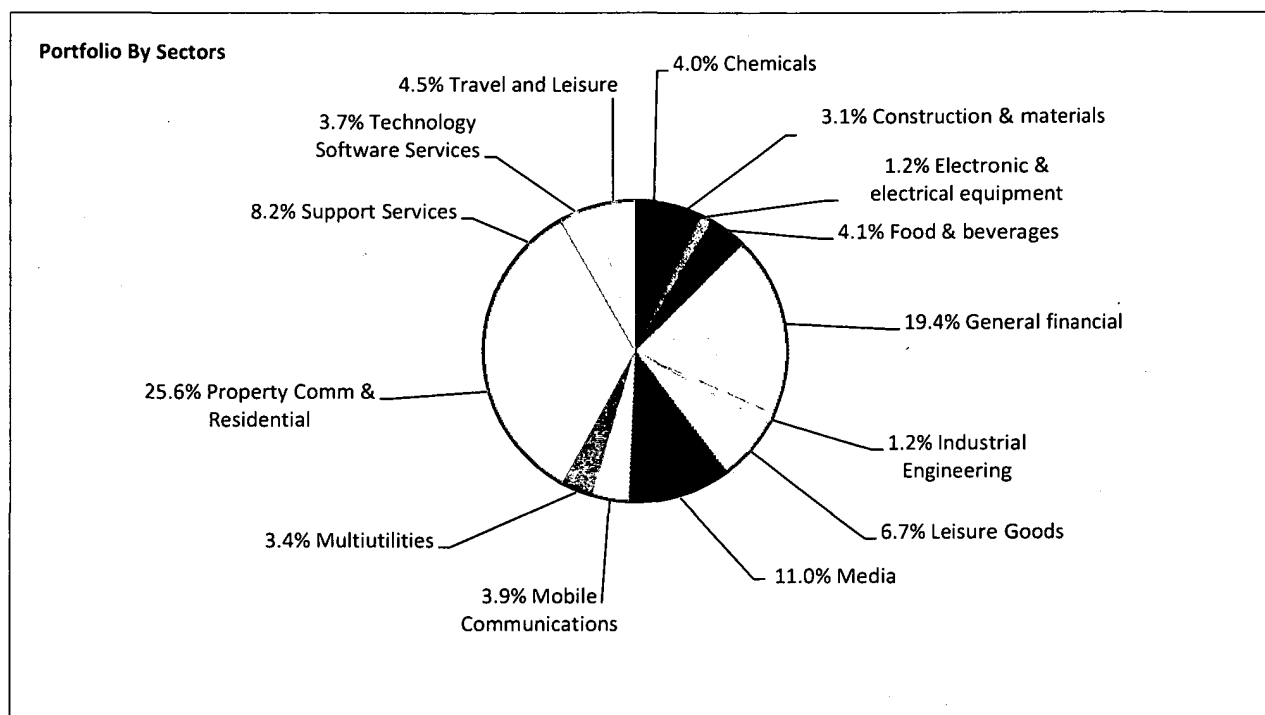
Portfolio Value		4,374,302	
Net Current Assets		137,668	
TOTAL VALUE		4,511,970	
Shares in issue		2,157,881	
Audited NAV	209.1p		

Strategic Report

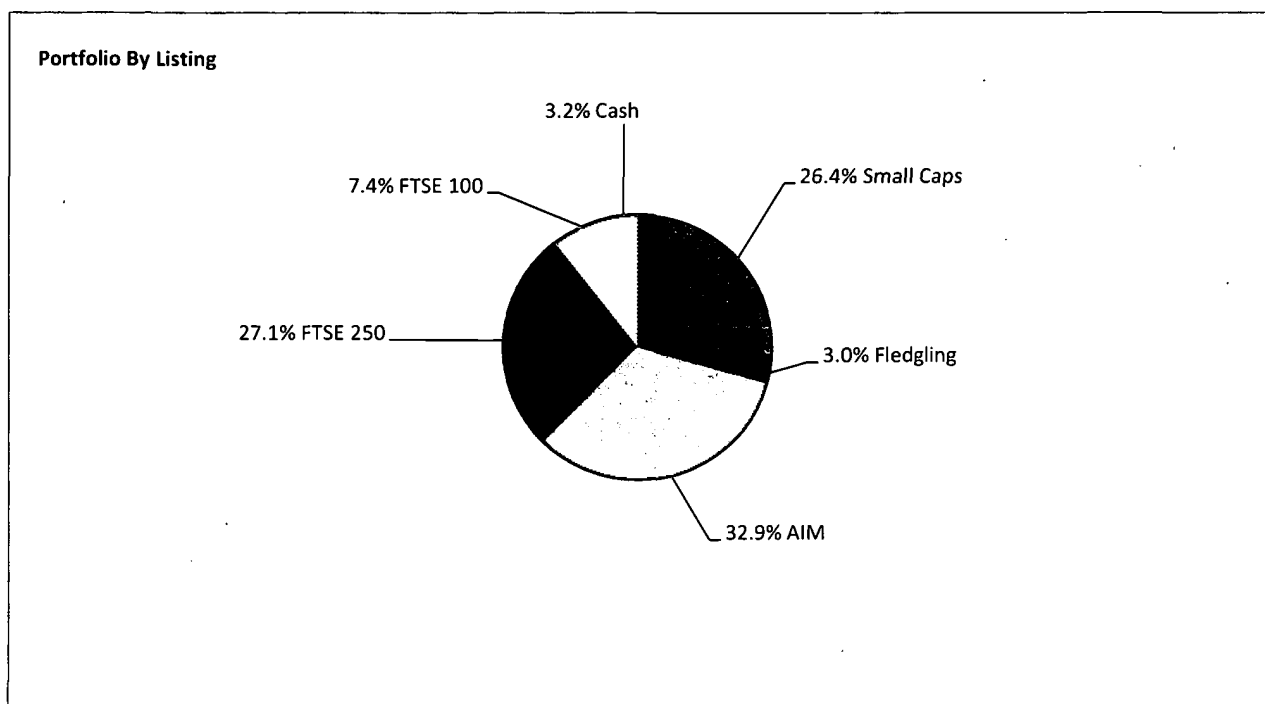
Investment and Portfolio Analysis at 31 December 2023

Continued

Portfolio by Sectors



Portfolio by Listing



Strategic Report

Section 172(1) Statement

The Directors of the Company are required to promote the success of the Company for the benefit of the Members and Shareholders as a whole. Section 172(1) of the Companies Act (2006) expands this duty and requires the Directors to consider a broader range of interested parties when considering the promotion of the Company. This wider group of stakeholders will include employees, if any, suppliers, customers and others, and the Board will look to understand and take into account the needs of each stakeholder, although recognising that different stakeholders may have conflicting priorities and not all decisions made will be to the benefit of all stakeholder groups.

When making decisions the Board should consider the following:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees (if applicable);
- the impact of the Company's operations on the environment and the community;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the need to act fairly for all members of the Company, and
- the desirability of the Company maintaining a reputation for high standards of business conduct.

In line with similar small Investment Trusts and Investment Companies, Athelney Trust plc does not have any customers and relies on a number of third-party providers of services such as Company Administrator, the Custodian and the Registrar to maintain its operations. The Company takes into account the regulations of the market in which it operates and has regard to the environment and the wider community in which it operates.

At every Board meeting the Directors review the performance of the Company towards meeting the Company's Investment Objective through its strategy. Manny Pohl is the fund manager, reports to other Board members and answers any questions raised. Compliance with existing regulatory and legal requirements is reviewed, together with any new regulations that are due to be introduced or are being proposed that may affect the Company.

The Board recognises the importance of, and is committed to, understanding the views of Shareholders and maintaining communication with its Shareholders in the most appropriate manner.

This is undertaken through:

Annual General Meeting

The Company, in normal circumstances encourages all Shareholders to attend and participate at its Annual General Meeting ("AGM"). Whilst the formal business of the meeting is the primary purpose of the meeting, members of the Board are available to answer questions directly from Shareholders, to provide an update to the meeting and to offer Shareholders an insight into the business.

The Board plan to hold the 2024 AGM on 21 March 2024 at 12.00 noon. Further details regarding the 2024 AGM are contained in the Notice of the Annual General Meeting published in a separate notification.

Published Reports

The Company produces Annual and Half Yearly Reports and monthly fact sheets are all available from the Company's website and paper copies are available on request from the registered office. The publication of these reports is considered to be the primary method of communication to Shareholders and other readers of the reports and provides detailed information on the portfolio, performance over the period and an assessment of the outlook for the Company.

The Annual Report also contains details regarding the Company's corporate governance and the Board seek to ensure that the Report is readable and is mindful that it should be fair, balanced and understandable.

Shareholder enquiries

Shareholders can contact the Company or any of its Directors through the Company Secretary or through their company email address. Alternatively, letters can be sent to the registered office address. Although the Directors are not available full time, with the assistance of the Company Secretary they seek to maintain open communication to all Shareholders.

Suppliers

The Company Secretary, Deborah Warburton and Administrator GW & Co. Limited, are often the main contact point for advisors and stakeholders in the Company. Regular communication is maintained between the Company Secretary and the Directors advising them of all matters concerning the Company. The Company also relies on the provision of services from outside parties to operate and gives consideration to the needs and objectives of those providers and recognises that their success will often assist the Company in achieving its objectives.

Regulators

The Company operates in an environment that is governed by legal and regulatory requirements. The Board recognises that these requirements are there to protect stakeholders, including the government.

Environment and Community

As the Company does not have any direct employees nor any physical office environment of its own it has little direct impact on the community or the environment. The Company seeks to reduce its impact on the environment in encouraging Shareholders to receive Reports electronically rather than through printed hard copies. When paper copies are requested FSC paper is used. The Board also engage through electronic means where possible rather than hold excessive face to face meetings.

Strategic Report

Other Statutory Information

As explained within the Report of the Directors on pages 20 to 22, the Company carries on business as an investment trust. Investment trusts are collective closed-ended public limited companies.

Board

The Board of Directors is responsible for the overall stewardship of the Company, including investment and dividend policies, corporate and gearing strategy, corporate governance procedures and risk management. Biographical details of the three male Directors, can be found on pages 2 and 3.

One of the Directors is the Company's only employee (2022: one employee).

Investment Objective

The investment objective of the Trust is to provide shareholders with prospects of long-term capital growth 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 AOSE. 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 revenue and profits 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.

Investment Strategy

The investment strategy employed by the Fund Manager in meeting the investment objective focuses on active stock selection. The selection of individual holdings is based on analysis of, amongst other things, market positioning, competitive advantage, future growth, financial strength and cash flows. The weighting of individual investments reflects the Fund Manager's conviction in the expected future returns from those holdings.

Investment of Assets

At each Board meeting, the Board considers compliance with the Company's investment policy and other investment restrictions during the reporting period. An analysis of the portfolio on 31 December 2023 can be found on pages 11 and 12 of this report.

Responsible Ownership

The Fund Manager takes a particular interest in corporate governance and social responsibility investment policy. As stated within the Corporate Governance Statement on pages 16 to 19, the Fund Manager's current policy is available on the Trust's website www.athelneytrust.co.uk. The Board supports the Fund Manager on his voting policy and his stance towards environmental, social and governance issues.

Review of Performance and Outlook

Reviews of the Company's returns during the financial year, the position of the Company at the year end, and the outlook for the coming year are contained in the Chair's Statement on pages 4 to 6 and the Fund Manager's review on pages 7 to 10 which form part of the Strategic Report.

Principal Risks and Uncertainties and Risk Management

As stated within the Corporate Governance Statement on pages 16 to 19, the Board applies the principles detailed in the internal control guidance issued by the Financial Reporting Council, and has established a continuing process designed to meet the particular needs of the Company in managing the risks and uncertainties to which it is exposed.

The principal risks and uncertainties faced by the Company are described below and in note 12 which provides detailed explanations of the risks associated with the Company's financial instruments.

- **Global conflict** – The continuing war between Russia and Ukraine has had a significant impact, inter alia, on inflation and, in conjunction with affairs in China, an impact on supply chains and globalisation. Investee companies will vary as to the impact on them and their ability to adapt.
- **Inflationary pressure** – Inflation has escalated sharply in the last 12 months and the Bank of England has raised interest rates on several occasions in an attempt to reduce the level of inflation. Not all investee companies are well-placed to pass on cost pressures to their customers.
- **Market** – the Company's fixed assets consist almost entirely of listed securities and it is therefore exposed to movements in the prices of individual securities and the market generally.
- **Investment and strategic** – incorrect investment strategy, asset allocation, stock selection and the use of gearing could all lead to poor returns for shareholders.
- **Regulatory** – Relevant legislation and regulations which apply to the Company include the Companies Act 2006, the Corporation Tax Act 2010 ("CTA") and the Listing Rules of the Financial Conduct Authority ("FCA"). The Company has noted the recommendations of the UK Corporate Governance Code and its statement of compliance appears on pages 16 to 19. A breach of the CTA could result in the Company losing its status as an investment company and becoming subject to capital gains tax, whilst a breach of the Listing Rules might result in censure by the FCA. At each Board meeting the status of the Company is considered and discussed, so as to ensure that all regulations are being adhered to by the Company and its service providers.

Strategic Report

Other Statutory Information

Continued

- Operational – failure of the accounting systems or disruption to its business, or that of other third-party service providers, could lead to an inability to provide accurate reporting and monitoring, leading to a loss of shareholders' confidence.
- Financial – inadequate controls by the Fund Manager or other third-party service providers could lead to misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations.
- Liquidity – the Company may have difficulty in meeting obligations associated with financial liabilities.
- Interest rate risk – this is not considered to be a direct risk to the Company other than through its effect on investee companies.
- Trading – the Company is a small trust and its shares can be illiquid, which means that investors may have difficulty in dealing in larger amounts of shares.

The Company has complied with the MIFID II and KID legislation and the deadlines to ensure that shares in the Company were still able to be traded. A copy of the Company's KID can be found on the website <http://www.athelneytrust.co.uk>

The Board is not aware of any breaches of laws or regulations during the period under review and up to the date of this report.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Company's investment portfolio. Investment risk is spread through holding a wide range of securities in different industrial sectors.

Statement Regarding Annual Report and Financial Statements

Following a detailed review of the Annual Report and Financial Statements by the Audit Committee, the Directors consider that taken as a whole it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Directors have adopted best practices as described by the AIC's Statement of Recommended Practice on financial statements dated July 2022.

Greenhouse Gas Emissions

As an investment company with its activities outsourced to third parties or self managed by the Non-Executive Directors, the Company's own direct environmental impact is minimal. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. Furthermore, the Company considers itself to be a low energy user under the Streamlined Energy & Carbon Reporting regulations and therefore is not required to disclose energy and carbon information.

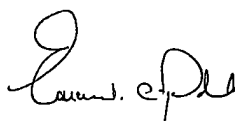
Social, Community and Human Rights issues

The Company has one employee and, as far as the Board is aware, no issues exist in respect of social, community or human rights issues.

Alternative Investment Fund Manager's Directive ("AIFMD")

The Company is registered as its own AIFM with the FCA under the AIFMD and confirms that all required returns have been completed and filed.

On behalf of the Board



Dr Manny Pohl AM
Managing Director

12 February 2024

Corporate Governance Statement

Shareholders hold the Directors of a company responsible for the stewardship of that company's affairs. Corporate governance is the process by which a Board of Directors discharges this responsibility. The Company's arrangements in respect of corporate governance are explained in this report. The corporate governance statement forms part of the Report of the Directors which can be found on pages 20 to 22.

The Company is required to comply with, or to explain its non-compliance with, the relevant provisions of the UK Corporate Governance Code issued by the Financial Reporting Council (the 'FRC') in July 2022 which can be found at www.frc.org.uk. The Association of Investment Companies issued its own Code of Corporate Governance in April 2021 (the 'AIC Code'), which can be found at www.theaic.co.uk, and which has been approved by the FRC as it addresses all the principles of the UK Corporate Governance Code as well as setting out additional principles and provisions on issues which are of specific relevance to investment trusts. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

The Company has not complied with the provisions of the AIC Code and the UK Corporate Governance Code in respect of the following:

- Due to the size of the Board, formal performance evaluations of the Chair, the Board, its Committees and individual Directors are not undertaken. Instead, it is felt more appropriate to address matters as and when they arise.
- Due to the size of the Board, it is felt inappropriate to appoint a senior independent non-executive Director.
- All the Directors have agreements for provision of their services but no limit has been imposed on the overall length of service. The recommendation of the Code is for fixed term renewable contracts. In recent years each of the Directors has retired and, where appropriate, sought re-election. One third of the Directors retires by rotation annually in accordance with the Company's articles of association.
- The Company has one employee. The Company Secretary's line of communication in relation to whistleblowing is to the Chair of the Company.

The Company does not have a Nominations Committee. During the year the Board comprised a maximum of three Directors who liaised continuously throughout and were aware of their obligations to consider recruitment of further Directors as and when the occasion occurred.

Board Membership

At 31 December 2023 the Board consisted of three Directors, of which two were and remain independent. The biographies of all the current Directors are contained on pages 2 and 3.

Frank Ashton retired by rotation and was re-elected at the AGM on 16 March 2023. The Directors believe that the Board has the balance of skills, experience and length of service to enable it to provide effective leadership and proper governance of the Company. The Directors possess a range of business and financial expertise relevant to the direction of the Company and consider that they commit sufficient time to the Company's affairs.

All Directors receive relevant training, collectively or individually, as necessary.

The Directors of the Company meet at regular Board Meetings. During the year ended 31 December 2023, the Board met a total of 10 times. An additional audit planning meeting was attended by Simon Moore and the Company Secretary.

	Board Meetings	Audit Committee	Remuneration Committee
E C Pohl	5	-	-
N F Ashton	6	3	1
S Moore	6	3	1

Jason Pohl is the alternate Director for Dr Manny Pohl, he was not required to attend any Board meetings during the year.

The Board subscribes to the view expressed in the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that the length of a Director's tenure reduces their ability to act independently. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of services of any of the Company's Directors, including the Chair, has been imposed, although the Board believes in the merits of periodic and progressive refreshment of its composition.

The Board of Directors of the Company comprises three male Directors. Whilst the Board recognises the benefits of diversity in appointments to the Board, the key criteria for the appointment of new Directors will be the appropriate skills and experience in the interest of shareholder value. The Directors are satisfied that it has an appropriate breadth of skills and experience. The Board is not currently planning to add a fourth Director to the Board.

The basis on which the Company aims to generate value over the longer term is set out in the Strategic Report on pages 4 to 15. All matters, including corporate and gearing strategy, investment and dividend policies, corporate governance procedures and risk management are reserved for the approval of the Board of Directors. The Board receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings.

Corporate Governance Statement

Continued

Board Responsibilities and Relationship with the Fund Manager

The Board is responsible for the investment policy (the Mandate) and strategic and operational decisions of the Company and for ensuring that the Company is run in accordance with all regulatory and statutory requirements.

These matters include:

- The maintenance of clear investment objective and risk management policies, changes to which require Board approval;
- The monitoring of the business activities of the Company, including investment performance and annual budgeting; and
- Review of matters delegated to the Fund Manager and Company Secretary.

The Fund Manager ensures that Directors have timely access to all relevant management and financial information to enable informed decisions to be made and contacts the Board as required for specific guidance. The Company Secretary and Fund Manager prepare monthly reports for Board consideration on matters of relevance, for example current valuation and portfolio changes, dividend comparisons with previous years, cash availability and requirements and a breakdown of shareholdings by listing and sector. The Board takes account of Corporate Governance best practice.

Corporate Governance and Social Responsible Investment Policy

The Board is aware of its duty to act in the interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. The Fund Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments. The Directors, through the Fund Manager, encourage companies in which investments are held to adhere to best practice in the area of Corporate Governance. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective is to deliver superior long term returns for Shareholders which the Board believe will be produced on a sustainable basis by investing in companies which adhere to best practice in the area of Corporate Governance. Accordingly, the Fund Manager will seek to favour companies which pursue best practice in this area.

Chair

Frank Ashton is independent and considers himself to have sufficient time to commit to the Company's affairs.

Directors' Independence

In accordance with the Listing Rules for investment entities, the Board has reviewed the status of its individual Directors and the Board as a whole. Two of the three current Directors including the Chair are considered by the Board to be independent in character and judgement and there are no relationships or circumstances which are likely to affect or could appear to affect the Directors' judgement.

Remuneration Committee

During the year the Remuneration Committee comprised Simon Moore and Frank Ashton. The Committee will meet as necessary to determine and approve Director's fees, following proper consideration of the role that individual Directors fulfil in respect of Board and Committee responsibilities, the time committed to the Company's affairs and remuneration levels generally within the Investment Trust Sector.

Under Listing Rule 15.6.6, the Code principles relating to Directors' remuneration do not apply to an investment trust company other than to the extent that they relate specifically to non-executive Directors. Detailed information on the remuneration arrangements can be found in the Directors' remuneration report on pages 24 to 26 and in note 4 to the financial statements.

Company Secretary

The Company Secretary, Deborah Warburton FCCA, is responsible for ensuring that Board and Committee procedures are followed and that the Company complies with regulations. The Company Secretary also ensures timely delivery of information and reports and that the statutory obligations of the Company are met.

All the Directors have access to the advice and services of the Company Secretary.

Independent Professional Advice and Directors' Training

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties.

The Chair liaises on a regular basis with the other Directors and the Company Secretary to ensure that they are maintaining adequate training and continuing professional development.

Institutional Investors – Use of Voting Rights and Voting Policy

The Fund Manager, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company's voting rights. The Fund Manager votes against resolutions he believes may damage shareholders' rights or economic interests.

Audit Committee

During the year the Audit Committee comprised Simon Moore and Frank Ashton. The Committee met three times during the year. The duties of the committee include reviewing the Annual and Interim Accounts, the system of internal controls, and the terms of appointment and remuneration of the auditor. During this year due to the resignation of Hazlewood's LLP as the Company auditor the committee oversaw the tender process and appointment of the new auditor Moore Kingston Smith LLP. The committee agreed their remuneration and their independence and objectivity. It is also the forum through which the auditor reports to the Board of Directors.

Corporate Governance Statement

Continued

Much of the Board's corporate governance responsibility is discharged through the Audit Committee. This Committee operates within clearly defined written terms of reference which are available upon request at the Company's registered office.

Significant Issues Considered by the Audit Committee in Relation to the Financial Statements

Matter	Action
Investment Portfolio Valuation The Company's portfolio is invested predominantly in listed securities. Although all the securities are fully listed or traded on AIM or AQSE, errors in the portfolio valuation could have a material impact on the Company's net asset value per share.	The portfolio is valued at bid price at the end of each month by the company secretary, using the London Stock Exchange bid prices at close of business on the last day of the month.
Misappropriation of Assets Misappropriation of the Company's investments or cash balances could have a material impact on its net asset value per share.	The portfolio is agreed on a monthly basis by the Company Secretary during the completion of the monthly accounts.
Income Recognition Incomplete or inaccurate income recognition could have an adverse effect on the Company's net asset value and earnings per share and its level of dividend cover.	The level of income received for the year and the dividend forecast for the year are agreed on a monthly basis with the Fund Manager and the Company Secretary.
Ukraine War The war in Ukraine has adversely affected the global economy and this, may impact on the valuation of investee companies and their ability to pay dividends.	The Fund manager and the Administrator monitor the dividend situation monthly and make the Board aware of cancelled, postponed dividends as soon as they become aware.

The Audit Committee reviews the scope and results of the audit and, during the year, considered and approved Moore Kingston Smith LLP's plan for the audit of the financial statements for the year ended 31 December 2023. At the conclusion of the audit Moore Kingston Smith LLP did not highlight any issues to the Audit Committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. Moore Kingston Smith LLP issued an unqualified audit report which is included on pages 27 to 31.

As part of the review of auditor independence and effectiveness, Moore Kingston Smith LLP has confirmed that it is independent of the Company and has complied with relevant auditing standards. In evaluating Moore Kingston Smith LLP, the Audit Committee has taken into consideration the standing, skills and experience of the firm and the audit team. Following the FRC regulatory requirements, the audit partner rotates after five years.

Company Information

The following information is disclosed in accordance with The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and DTR 7.2.6.

- The Company's capital structure and voting rights are summarised on pages 20 and 21.
- Details of the substantial shareholders in the Company are listed on page 20.
- The rules concerning the appointment and replacement of

Directors are contained in the Company's Articles of Association and are discussed on page 20.

The Board is seeking to renew its current powers to issue and repurchase shares at the forthcoming Annual General Meeting.

- There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to the control attached to securities; no restrictions on voting rights; no agreements which the Company is party to that might affect its control following a successful takeover.
- There are no agreements between the Company and its Directors concerning compensation for loss of office.

Corporate Governance Statement

Continued

Relations with Shareholders

The Company places great importance on communication with shareholders and welcomes their views. The Chair and the other Directors have spoken to major shareholders during the year to discuss their aspirations for the Company going forward. The Annual General Meeting of the Company provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors of the Company.

To comply with the AIC Code the Board are required to consult with shareholders when 20 percent or more of votes have been cast against Board recommendations for a resolution. All resolutions proposed at the AGM were unanimously passed.

The notice and further details of the Annual General Meeting, to be held on 21 March 2024 at 12.00 noon, is published in a separate notification. The Annual Report and Notice of Annual General Meeting are sent to shareholders at least 20 working days before the Meeting.

Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. It has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed, consistent with the internal control guidance issued by the Financial Reporting Council.

Adequate internal controls are in place for identifying, evaluating and managing risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, has been in place for the full financial year and up to the date the financial statements were approved and is consistent with the internal control guidance issued by the Financial Reporting Council.

The Board has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Directors, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

Internal Control Assessment Process

Risk assessment and the review of internal controls are undertaken by the Board in the context of the Company's overall investment objective. The review covers the key business, operational, compliance and financial risks facing the Company. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- The nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- The threat of such risks becoming a reality;

- The Company's ability to reduce the incidence and impact of risk on its performance; and
- The cost and benefits to the Company of third parties operating the relevant controls.

Against this background, the Board has split the review of risk and associated controls into four sections reflecting the nature of the risks being addressed. These sections are as follows:

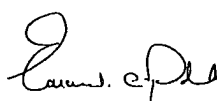
- Corporate strategy;
- Published information, compliance with laws and regulations;
- Relationship with service providers; and
- Investment and business activities.

The key procedures which have been established to provide internal controls are as follows:

- Custody and valuation of assets is undertaken by James Sharp & Co;
- The duties of investment management, accounting and the custody of assets are segregated. The procedures of the individual parties are designed to complement one another;
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their ongoing performance and contractual arrangements;
- Mandates for authorisation of investment transactions and expense payments are set by the Board; and
- The Board reviews financial information produced by the Fund Manager and the Company Secretary in detail on a regular basis.

In accordance with guidance issued to Directors of listed companies, the Directors have carried out a review of the effectiveness of the system of internal control as it has operated over the year.

On behalf of the Board



Dr Manny Pohl AM
Managing Director
12 February 2024

Report of the Directors

The Directors present their report and audited financial statements of the Company for the year ended 31 December 2023. This report also contains certain information required in accordance with S992 of the Companies Act 2006.

Results and Dividends

The return on ordinary revenue activities before dividends for the year is £167,070 (2022: £148,531) as detailed on page 32.

The company paid an interim dividend of 2.2p per ordinary share on the 24 September 2023.

It is recommended that a final dividend of 7.6p per ordinary share be paid. This will increase the total dividend paid this year to 9.8p (2022: 9.6p) per ordinary share.

Principal Activity and Status

The Company (company number: 02933559) is a public limited company, limited by shares and incorporated in England and Wales. The registered office is Waterside Court, Falmouth Road, Penryn, TR10 8AW.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been granted approval from HM Revenue & Customs ("HMRC") as an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 and will continue to be treated as an investment trust company, subject to continuing to meet the conditions for approval. The Company has a premium listing on the London Stock Exchange and its principal activity is portfolio investment.

The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 December 2023 so as to be able to continue to qualify as an investment trust.

The Company's status as an investment trust allows it to obtain an exemption from paying taxes on the profits made from the sale of its investments and all other net capital gains.

Directors

Biographical details of the Directors can be found on pages 2 and 3.

In accordance with the arrangements for retirement contained in the Company's Articles of Association, the Directors will retire by rotation on a three yearly cycle. Simon Moore will retire at the 2024 AGM and will offer himself for re-election.

In addition to any power of removal conferred by the Companies Acts, the Company may by special resolution remove any Director without notice.

Directors' and Officers' Liability Insurance

Directors' and Officers' liability insurance cover was in place throughout the financial year and as at the date of this report. The Company's Articles of Association provide, subject to the provisions of UK legislation, that the Directors may be indemnified out of the assets of the Company in respect of liabilities they may sustain or incur in connection with their appointment.

Conflicts of Interest

Each Director has a statutory duty to avoid a situation where they have, or could have, a direct or indirect interest which conflicts, or may conflict, with the interests of the Company. A Director will not be in breach of that duty if the relevant matter has been authorised by the Board in accordance with the Company's Articles of Association. The Board has approved a protocol for identifying and dealing with conflicts and conducts a review of actual or possible conflicts at least annually. No conflicts or potential conflicts were identified during the year. It is not considered that an interest in the Company's shares held by a Director will of itself give rise to a situation where that Director's interests or duties conflict with the interests of the Company.

Capital Structure

At 31 December 2023 the Company's capital structure consisted of 2,157,881 Ordinary Shares of 25p each (2021: 2,157,881 Ordinary Shares of 25p each).

Directors and Their Interests

The Directors who held office during the year and at the date of this report are shown below; their interest in the ordinary shares of the Company is stated on page 25 in the Directors' Remuneration Report.

Dr E. C. Pohl AM	(Managing Director)
N. Ashton	(Chair)
S. Moore	(Non-Executive Director)

The Company does not have any contract of significance subsisting during the year, with any other company in which a Director is or was materially interested.

J C Pohl as alternate Director for Dr E C Pohl. As Dr E C Pohl was able to attend all meetings of the Board during the year, J C Pohl was not required to attend any Board meetings.

Substantial Shareholders

The Directors have been notified of the following major shareholdings in the Company that represent greater than 3% of the voting rights:

	Ordinary Shares	% of Issue
Astuce Group	550,000	25.49
IP Worldwide Flexible Fund	339,054	15.71
Mehr Mutual	121,978	5.65
E C Pohl & Co Pty Ltd	86,000	3.99
Mr GW & Mrs DJ Whicheloe	81,500	3.78
Mrs E Davison	75,000	3.48
Mr C Frostick	70,500	3.27
Mr S Moore	67,500	3.13
P Grodzinski	65,000	3.01

Out of the nine major shareholders listed above Dr. Manny Pohl has control over two substantial shareholdings amounting to 29.48% of the total shareholding, he is also in contact with IP Worldwide Flexible Fund and Mr C Frostick on a regular basis. Simon Moore has control of 3.13% of the total shareholdings and is in regular contact with two of the remaining four substantial shareholders.

Report of the Directors

Continued

The remaining two are in regular contact with the Directors (or their respective agent) to ensure that they are frequently apprised and are content with the manner in which the Company is being run.

There have been no changes to the substantial shareholders up until 31 January 2024.

Dividends

The Ordinary Shares carry a right to receive dividends which are declared from time to time by an Ordinary Resolution of the Company (up to the amount recommended by the Directors) and to receive any interim dividends which the Directors may resolve to pay.

Capital Entitlement

On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings.

Voting

On a show of hands, every ordinary shareholder present in person or by proxy has one vote and, on a poll, every ordinary shareholder present in person has one vote for every share he/she holds and a proxy has one vote for every share in respect of which he/she is appointed.

Engagement with Suppliers and Other Business Relationships

The Directors have regard for the need to maintain good business relationships with suppliers and other businesses that the Company may have contact with throughout the year. Suppliers are paid in a timely manner and well within the credit terms afforded to the Company. Other business relationships are maintained on a professional and courteous level with regular contact being maintained by the Fund Manager, Company Secretary and Audit Committee Chair.

Going Concern

In assessing the going concern basis of accounting, the Directors have had regard to the guidance issued by the Financial Reporting Council. They have considered the current cash position of the Company, and forecast revenues for the current financial year. The Directors have also taken into account the Company's investment policy, which is described on page 14 is subject to regular Board monitoring processes, and is designed to ensure that the Company is invested in listed securities and those traded on AIM or AQSE.

The Company retains title to all assets held by its Custodian. Note 12 to the financial statements sets out the financial risk profile of the Company and indicates the effect on its assets and liabilities of falls and rises in the value of securities, market rates of interest and changes in exchange rates.

The assets of the Company consist mainly of marketable securities, the directors are of the opinion that at the time of approving the accounts, the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

In addition, the Directors have regard to ongoing investor interest in the sustainability of the Company's business model and in the continuation of the Company, specifically being interested in feedback from meetings and conversations with Shareholders. In addition to considering the principal risks on pages 14 and 15 and the financial position of the Company as described above, the Board has also considered the following further factors:

- the Board continues to adopt a long-term view when making investments;
- regulation will not increase to a level that makes the running of the Company uneconomical; and
- the performance of the Company will be satisfactory and should performance be less than the Board deem acceptable it has the powers to take appropriate action.

Viability Statement

The Directors have assessed the prospects of the Company for a period of three years. The Board believes this time period is appropriate having consideration for the Company's principal risks and uncertainties (outlined on pages 14 and 15), its portfolio of listed equity investments and cash balances, and its ability to achieve the stated dividend policy. The Directors have assessed the ability of the Company to continue as a going concern as outlined above.

In making this assessment, the Directors have considered detailed information provided at Board meetings which includes the Company's balance sheet, investment portfolio and income and operating expenses.

Based on the above, the Board has a reasonable expectation that the Company fully expects it will be able to continue in operation and meet its liabilities as they fall due over the three-year period of this assessment.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit matched against the skill requirements identified by the Board.

The Board believes diversity is important in bringing an appropriate range of skills, knowledge and experience to the Board and gives this consideration when recruiting new Directors and has also noted the requirements of Listing Rule 9.8.6R (9) following the Parker Report on increasing the diversity on the boards of public companies.

As at 31 December 2023, there were three male Directors on the Board. All Directors identified themselves as Caucasian by ethnic background.

When making appointments in the future the Board will continue to operate an open-minded approach to recruitment without restrictions against any perceived group or individual. The Board will take into consideration the diversity targets set by Listing Rule 9.8.6R (9) when making future appointments, however due to the size of the Board meeting a target of 40% of Directors being women with one being a senior Board position, and one individual being from a minority ethnic background may not be reached in the immediate future.

The Company does not have any employees other than the Managing Director and, as a result, the Board does not consider it necessary to establish means for employee engagement with the Board as required by the latest version of the UK Corporate Governance Code.

Report of the Directors

Continued

Modern Slavery Act

As an investment vehicle that does not provide goods or services in the normal course of business, nor does it have, apart from the Directors, any employees, the Directors consider that the Company is not required to make a slavery or human trafficking statement under the Modern Slavery Act 2015.

The Criminal Finances Act 2017 and Bribery Act 2010

The Company has zero tolerance towards the criminal facilitation of tax evasion and a policy of zero tolerance in relation to bribery and corruption both in its own actions and those of its third-party advisors and service providers.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 12 to the financial statements.

Annual General Meeting

The Notice of Annual General Meeting is published in a separate notification.

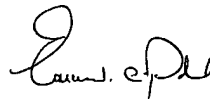
Statement of Disclosure to Auditor

The Directors confirm that, so far as each of them is aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Re-appointment of Auditor

A resolution will be put to the shareholders at the Annual General Meeting proposing the re-appointment of Moore Kingston Smith LLP as Auditor to the Company. Moore Kingston Smith LLP have indicated their willingness to continue in office.

On behalf of the Board



Dr Manny Pohl AM
Managing Director
12 February 2024

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements and have elected to prepare them in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Report of the Directors, a Strategic Report, Directors' Remuneration Report and Corporate Governance Statement.

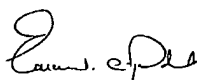
The Directors state that to the best of their knowledge:

- the Financial Statements, prepared in accordance with UK Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- consider the Annual Report and accounts, taken as a whole, are fair, balanced and understandable and provide the necessary information for shareholders to assess the Company's position and performance, business model and strategy; and
- the Chair's Statement and Report of the Directors include a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

The Directors are responsible for the maintenance and integrity of the corporate and financial information related to the Company including on the Company's website <http://www.athelneytrust.co.uk>

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



Dr Manny Pohl AM
Managing Director
12 February 2024

Directors' Remuneration Report

The Board has prepared this Report in accordance with the requirements of Section 421 of the Companies Act 2006. An Ordinary Resolution will be put to the members to approve the Report at the forthcoming Annual General Meeting.

The law requires the Company's Auditor to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 27 to 31.

Remuneration Committee

The Company had a Remuneration Committee during the year comprising Simon Moore and Frank Ashton.

The Committee met during the year to review and implement measures to avoid or manage conflicts of interest where applicable and to consider and approve the Directors' remuneration for the year ending 31 December 2023.

Policy on Directors' Remuneration

The Board's policy is that the remuneration of non-executive Directors should be sufficient to attract and retain Directors with suitable skills and experience, and is determined in such a way as to reflect the experience of the Board as a whole, in order to be comparable with other organisations and appointments. It is intended that this policy will continue for the year ending 31 December 2024 and thereafter.

The fees for non-executive Directors are determined within the

limits set out in the Company's Articles of Association. The approval of shareholders would be required to increase the limits set out in the Articles of Association. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits, as the Board does not consider such arrangements or benefits necessary or appropriate.

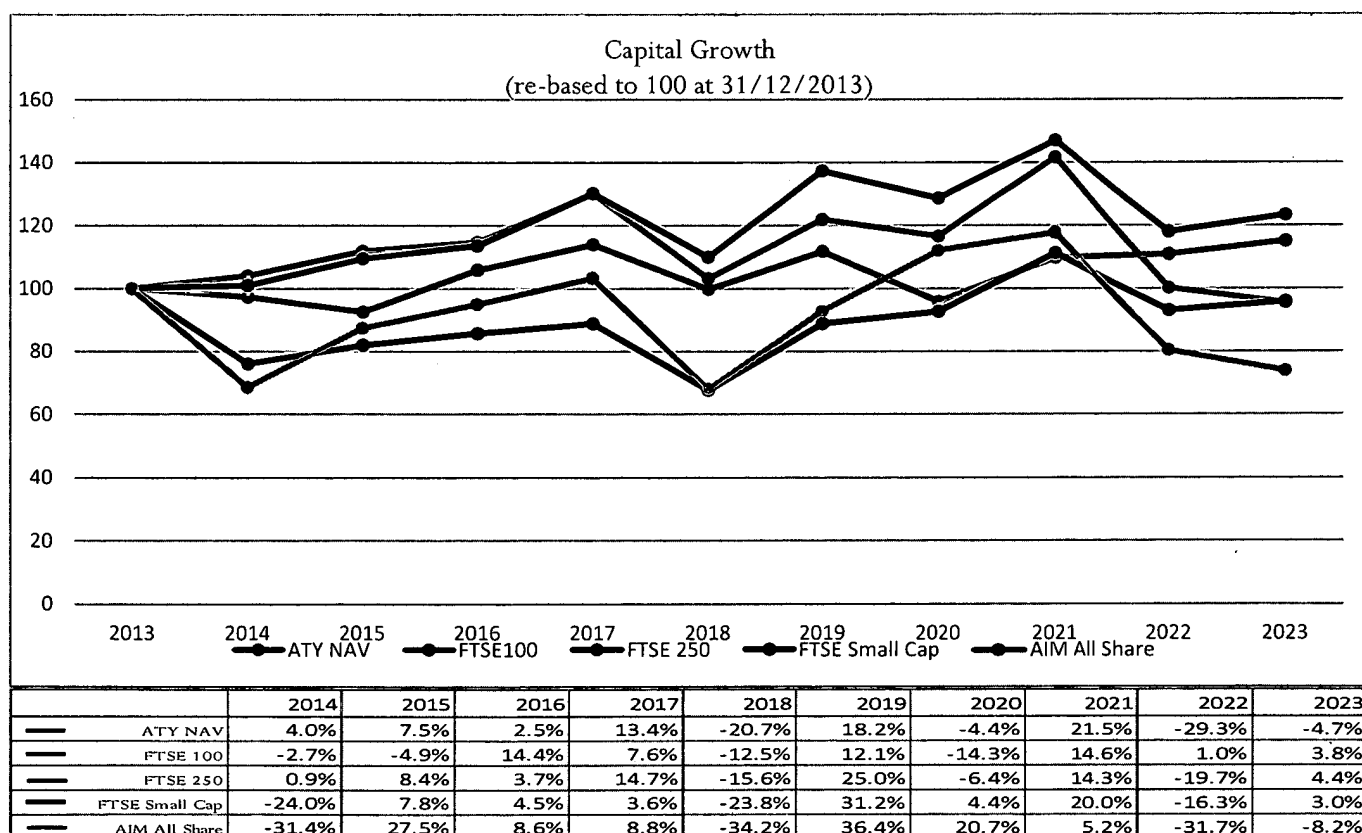
Fees for any new Director appointed will be made on the same basis. Non-executive Director's fees have been set at £10,500 per annum for a number of years and no changes are expected for the foreseeable future.

The salary for the Managing Director and Fund Manager has been fixed at 0.75% of the portfolio value.

The policy was last approved by Shareholders at the Annual General Meeting on 16 March 2023 and will remain valid until the Annual General Meeting in 2025.

Company Performance

The graph below compares capital growth, for the ten financial years ended 31 December 2023, as a cumulative performance graph over the whole 10 years and a table of discrete calendar year performance figures. The comparison is between AIM All-Share and FTSE Small Caps indices as the majority of investment holdings by the Company are a constituent of one or the other of these two indices. The comparison is required by Statutory Instrument to enable the readers of the accounts to compare the performance of the Company.



Past performance is no guarantee of future performance.

Directors' Remuneration Report

Continued

Directors' Remuneration for the Year (audited)

The Directors who served in the year received the following remuneration in the form of salaries or non-executive Directors' fees, no other salary related payments were made to any Director during the year.

	2023 £	2022 £
Dr E C Pohl - Fund Manager	34,193	40,077
S Moore (Non-executive)	10,500	10,500
F Ashton (Chair)	10,500	10,500
Director's expenses	-	-
	<u>55,193</u>	<u>61,077</u>

The Directors' remuneration for the year of £55,193 which is down by 14.7% on 2022 and is before the proposed final dividend of 7.6p increasing the total dividend for the year to 9.8p (2022: 9.6p) per ordinary share, and as compared to total dividends paid in the year at 9.7p per share amounting to £209,314 (2022: £207,156). The remuneration decrease is due to the decrease in the portfolio value during the year on which the Fund Manager's fee is based.

	Expected Fees for the Year to 31 December 2024	Fees for Year to 31 December 2023
Chair basic fee	10,500	10,500
Fund Manager	37,000	34,193
Non-Executive Director	10,500	10,500

No expenses were claimed by any Directors during this year.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or any assets of the Company.
- No incentive or introductory fees will be paid to encourage a directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Relative importance of spend on pay

	2023	2022	% Change
Total remuneration paid to the Fund Manager	34,193	40,077	(14.7)%
Total remuneration paid to non-executive Directors	21,000	21,000	0%
Total remuneration paid	55,193	61,077	(14.7)%

Directors' beneficial and family interests (audited)

The interests of the Directors and their families in the Ordinary shares of the Company are set out below:

	31 December 2023 (or date of Resignation if earlier)	31 December 2022 (or date of appointment if later)
Dr E. C. Pohl	-	-
S. Moore	67,500	67,500
F. Ashton	2,234	2,234

Notes:

1. Dr. E. C. Pohl is the sole beneficial owner of E C Pohl & Co Pty Limited. E C Pohl & Co Pty Limited holds 86,000 shares (2022: 86,000).

None of the Directors nor any persons connected with them had a material interest in the Company's transactions, arrangements or agreements during the year other than through their holdings in the Company's shares. There are no requirements for the Director's to own shares in the Company.

The Directors are fully aware that the Company is not a close company and of the rules associated with this status. The Company Secretary maintains a record of shareholders which is regularly updated. The Company breached the 5/50 rule during 2019 and this has remained during the following three years due to the top 5 shareholders owning more than 50% of the total shares in the company. The Company holds its Investment Trust status under the S446 Companies Act 2010 exemption because more than 35% of the company's shares are held by the public and have been actively traded in the past 12 months on the London Stock Exchange.

The Directors' Remuneration Report for the year ended 31 December 2022 was approved by shareholders at the Annual General Meeting held on 16 March 2023. The votes cast by proxy were as follows:

	Number of Votes	% of votes
For	831,818	38
Against	998	-
Total votes cast	832,816	38
Number of votes withheld	Nil	-

Directors' Remuneration Report

Continued

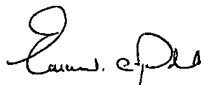
Directors' Service Contracts

Each of the Directors has a service contract or letter of engagement with the Company for an initial three-year term commencing in 2019. These were renewed for a further three years before the 2022 AGM. There are no provisions in the service agreements for payments to be made for loss of office, the service contracts are kept at the Registered Office and are available for inspection by appointment.

The letters of engagement for all the Directors provide for renewal by the Board on terms to be agreed from time to time.

Approval

The Directors' Remuneration Report was approved by the Board on 12 February 2024.



Dr Manny Pohl AM
Managing Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATHELNEY TRUST PLC

Opinion

We have audited the financial statements of Athelney Trust plc for the year ended 31 December 2023 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of the Company's net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our approach to the audit

Our audit was scoped by obtaining an understanding of the Company's environment, including its system of internal control, and assessing the risks of material misstatement in the financial statements. We also

addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. All work was carried out by the audit team. We conducted our audit using information maintained and provided by James Sharp & Co LLP (the "Custodian") and GW & Co Limited (the "Company Secretary"), to whom the Company has delegated the provisions of services.

We tailored the scope of our audit to reflect our risk assessment, taking into account such factors as the types of investments within the Company, the involvement of the Company Secretary, the accounting processes and controls, and the industry in which the Company operates. The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in the evaluation of the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during our audit.

We have determined the matters described below to be the key audit matters to be communicated in our audit report.

Key Audit Matters	How our scope addressed this matter
<p>Carrying value of investments and recognition of unrealised gains and losses, ownership of investments. (note 8)</p> <p>There is a risk that unrealised gains and losses in the year have been incorrectly recorded. There is also a risk that the carrying value of the investments is incorrect and an additional risk that the number of shares held in those investments is misstated.</p> <p>The investment portfolio at the year-end had a carrying value of £4,374,302 (2022: £4,180,985), made up of quoted investments.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • Obtaining a list of investments held at fair value through profit and loss from the Company and reconciling it to the general ledger and the financial statements. • Reviewing the Company's accounting policy and disclosures in the financial statements for investments held at fair value through profit and loss and ensuring compliance with the applicable accounting standards and regulatory requirements. • Inspecting all the contracts and agreements related to the acquisition and disposal of investments and agreeing the dates, prices, and parties involved, and the relevant cash movements. • Obtaining confirmations from external parties, such as the custodian, regarding the existence and ownership of the investments as at the reporting date. • Testing the fair value of the year-end investments by reference to third-party market price information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATHELNEY TRUST PLC

Continued

	<ul style="list-style-type: none"> Testing the accuracy and completeness of the recognition and measurement of the gains and losses on fair value movements of the investments in profit or loss. Confirming the appropriateness of the classification and presentation of the fair value gains and losses in the financial statements. <p>Key observations: Based on the procedures performed, we did not identify any material misstatements in the valuation of the Company's investment portfolio as at the reporting date and we concluded that adequate disclosures have been included in the financial statements.</p>
<p>Non-compliance with laws and regulations As the Company is both listed on the London Stock Exchange and holds Investment Trust status under the S446 Companies Act 2010 exemption for such companies, there are rules and regulations that the Company must adhere to. A potential breach of the listing rules and Investment Trust status rules may lead to the Company losing its Trust status and its associated tax benefits.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> Reviewing the design and implementation of controls around the ongoing internal assessment and monitoring of Investment Trust Status compliance. Obtaining an understanding of the processes adopted and obtaining evidence of the work completed on the compliance of key Investment Trust rules and management's review of this on a regular basis. Testing the conditions for maintaining approval as an investment Trust as set out by HMRC. We critically assessed each of the conditions for maintaining approval to assess whether it has been met as at the year-end. <p>Key observations: Based on our review of the documentation maintained, we have not identified any non-compliance with the listing and Investment Trust rules during the period and at the year-end which would lead to approval being removed and we concluded that adequate disclosures have been included in the financial statements.</p>

Our application of materiality

The scope and focus of our audit were influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the

financial statements as a whole. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements.

Based on our professional judgement we determined materiality for the 2023 financial statements as a whole and performance materiality as follows:

	Financial statements
Materiality	£45,524
Basis for determining materiality	1% of Gross Assets
Rationale for the benchmark applied.	<p>Athelney Trust plc is a UK-based investment company that focuses on providing long term growth in dividends and capital, and consequently gross assets has been used as the benchmark on which to calculate materiality. We have chosen gross assets as the Company's investment portfolio, which we considered to be the key driver of the Company's total return performance, forms a significant part of the gross asset value calculation. Consequently, we believe that gross assets is the benchmark on which the users of the financial statements are likely to focus.</p> <p>We have chosen this benchmark, based on the wider audit industry using 1%- 2% as a common threshold for gross assets of this nature. Using the lower end of the threshold reflects the fact that we are auditing Athelney Trust PLC for the first time in FY2023.</p>
Performance materiality	£22,762
Basis for determining performance materiality	50% of overall materiality

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATHELNEY TRUST PLC

Continued

<p>Rationale for the benchmark applied</p>	<p>We considered a number of factors:</p> <ul style="list-style-type: none"> • We are auditing Athelney Trust PLC for the first time in FY2023. • Athelney Trust PLC is a public interest entity with a premium listing on the main market of the London Stock Exchange. • Performance materiality is set at 50% of materiality in line with the firm's guidance on materiality for listed company audits.
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The audit team has set specific levels of overall materiality for Directors' remuneration at £5,000 and performance materiality to be 50% of this figure, at £2,500. This amount was determined after considering the level of each individual director's remuneration.

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £2,276. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We have critically assessed the Company's cash flow forecasts, which are prepared based on current financial performance expectations (including sensitivity analysis) and assessed the Company's ability to meet its liabilities as they fall due, including but not limited to, other external factors that in our opinion might affect the going concern status of the Company.
- We have evaluated the key assumptions in the forecast, which are consistent with our knowledge of the business and considered whether these are supported by the evidence provided.
- We assessed management's ability to prepare accurate forecasts by comparing the 2023 cash flow forecasts available, against the actual results of the year ended 31 December 2023.
- We examined the disclosures in the financial statements relating to the going concern basis of preparation and the explanation of the directors' assessment in light of the evidence obtained.
- We examined and critically assessed the directors' assessment of liquidity of the invested shares at the current prevailing market price.
- We also critically assessed the directors' viability statement by reviewing the 3-year forecasts and analysing the logic and assumptions used in the forecasts.

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

when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATHELNEY TRUST PLC

Continued

Matters on which we are required to report by exception.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 21;
- Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 21;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 21;
- Directors' statement on fair, balanced and understandable as set out on page 23;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 14-15;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 19 and;
- Section describing the work of the audit committee set out on pages 17-18.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 23, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the FRC's website at: frc.org.uk.

This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

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

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Company and considered that the most significant are the Companies Act 2006, FRS 102, the AIC Statement of Recommended Practice, the Listing Rules, the Disclosure and Transparency Rules, compliance with HMRC conditions for Investment Trust Status and UK taxation legislation.
- We obtained an understanding of how the Company complies with these requirements by discussions with management and those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATHELNEY TRUST PLC

Continued

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Other matters which we are required to address.

We were appointed by the Directors on 16 October 2023 to audit the financial statements for the period ending 31 December 2023. This is the first year of our appointment.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Moore Kingston Smith LLP

12 February 2024

Mital Shah (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

Chartered Accountants
Statutory Auditor
6th Floor
9 Appold Street
London
EC2A 2AP

Income Statement

For the Year Ended 31 December 2023

	Note	Revenue	Capital	2023 Total	Revenue	Capital	2022 Total
		£	£	£	£	£	£
Losses on investments held at fair value	8	-	(57,725)	(57,725)	-	(1,787,296)	(1,787,296)
Income from investments	2	219,366	-	219,366	183,273	-	183,273
Investment management expenses	3	(3,419)	(31,019)	(34,438)	(4,008)	(36,327)	(40,335)
Other expenses	3	(48,254)	(91,604)	(139,858)	(30,734)	(78,720)	(109,454)
Net return on ordinary activities before taxation		167,693	(180,348)	(12,655)	148,531	(1,902,343)	(1,753,812)
Taxation	5	(623)	-	(623)	-	-	-
Net return (negative return) on ordinary activities after taxation	6	167,070	(180,348)	(13,278)	148,531	(1,902,343)	(1,753,812)
Net return per ordinary share	6	7.7p	(8.3p)	(0.6p)	6.9p	(88.2p)	(81.3p)
Dividend per ordinary share paid during the year	7	9.7p			9.6p		

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

No operations were acquired or discontinued during the year.

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with applicable Financial Reporting Standards ("FRS"). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice ("AIC SORP") issued in July 2022 by the Association of Investment Companies.

The notes on pages 36 to 40 form part of these financial statements.

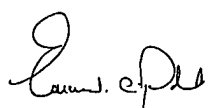
Statement of Financial Position

As at 31 December 2023

Company Number: 02933559

	Note	2023	2022
		£	£
Fixed assets			
Investments held at fair value through profit and loss	8	<u>4,374,302</u>	<u>4,180,985</u>
Current assets			
Debtors	9	137,709	543,301
Cash at bank and in hand		<u>40,347</u>	<u>27,361</u>
		178,056	570,662
Creditors: amounts falling due within one year	10	<u>(40,388)</u>	<u>(17,085)</u>
Net current assets		<u>137,668</u>	<u>553,577</u>
Total assets less current liabilities		4,511,970	4,734,562
Net assets		<u>4,511,970</u>	<u>4,734,562</u>
Capital and reserves			
Called up share capital	11	539,470	539,470
Share premium account		881,087	881,087
Other reserves (non distributable)			
Capital reserve - realised		2,467,624	2,539,394
Capital reserve - unrealised		453,206	561,784
Revenue reserve (distributable)		<u>170,583</u>	<u>212,827</u>
Shareholders' funds - all equity		<u>4,511,970</u>	<u>4,734,562</u>
Net Asset Value per share	13	209.1p	219.4p

These financial statements were approved and authorised for issue by the Board of Directors on 12 February 2024 and signed on their behalf by



Dr Manny Pohl AM
Managing Director

The notes on pages 36 to 40 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2023

	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £	Total Shareholders' Funds £
Balance brought forward 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
Balance brought forward at 1 January 2023	539,470	881,087	2,539,394	561,784	212,827	4,734,562
Net profits on realisation of investments	-	-	50,853	-	-	50,853
Decrease in unrealised Appreciation	-	-	-	(108,578)	-	(108,578)
Expenses allocated to Capital	-	-	(122,623)	-	-	(122,623)
Profit for the year	-	-	-	-	167,070	167,070
Dividend paid in year	-	-	-	-	(209,314)	(209,314)
Shareholders' Funds at 31 December 2023	539,470	881,087	2,467,624	453,206	170,583	4,511,970

The notes on pages 36 to 40 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2023

	2023 £	2022 £
Cash flows used in operating activities		
Net revenue return	167,070	148,531
Adjustment for:		
Expenses charged to capital	(122,623)	(115,047)
Increase/(decrease) in creditors	23,303	(44)
Decrease/(increase) in debtors	405,592	(298,138)
Cash received/(used) in operations	<u>473,342</u>	<u>(264,698)</u>
Cash flows from investing activities		
Purchase of investments	(906,775)	(1,003,583)
Proceeds from sales of investments	655,733	1,472,122
Net cash (used)/received from investing activities	<u>(251,042)</u>	<u>468,539</u>
Equity dividends paid	(209,314)	(207,156)
Net increase/(decrease) in cash	<u>12,986</u>	<u>(3,315)</u>
Cash at the beginning of the year	<u>27,361</u>	<u>30,676</u>
Cash at the end of the year	<u>40,347</u>	<u>27,361</u>

As the company does not have any loans, overdrafts or hire purchase arrangements, net debt is equal to cash and therefore no reconciliation of net debt has been disclosed.

The notes on pages 36 to 40 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2023

1. Accounting Policies

1.1 Statement of Compliance and Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ("FRS 102"), the Companies Act 2006 and with the AIC Statement of Recommended Practice ("SORP") issued in July 2022, regarding the Financial Statements of Investment Trust Companies and Venture Capital Trusts. All the Company's activities are continuing.

The presentation currency of the financial statements is pounds sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest pound.

1.2 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern. This has included consideration of portfolio liquidity, the financial position in respect of its cashflows, the working arrangements of key service providers, the continued eligibility to be approved as an investment trust company, the impact of the current economic environment and the current conflicts in the Ukraine and the Middle East. In addition the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The Directors are satisfied that the Company has sufficient resources to continue in business for the foreseeable future being a period of at least 12 months from the date these financial statements were approved. Therefore, the financial statements have been prepared on the going concern basis.

1.3 Income

Income from investments including taxes deducted at source is recognised when the right to the return is established (normally the ex-dividend date). UK dividend income is reported net of tax credits in accordance with FRS 102 section 23 "Revenue". Interest is dealt with on an accruals basis.

1.4 Investment Management Expenses

All three Directors are involved in investment management, 10% of their salaries or fees have been charged to revenue and the other 90% to capital. All other investment management expenses have been charged to capital. The Board propose continuing this basis for future years.

1.5 Other Expenses

Expenses (including VAT) and interest payable are dealt with on an accruals basis and charged through the Revenue and Capital Accounts in an allocation that the Board consider to be a fair distribution of the costs incurred.

1.6 Investments

Listed investments comprise those listed on the Official List of the London Stock Exchange. Unlisted investments are traded on AIM or AQSE. Profits or losses on sales of investments are taken to realised capital reserve. Any unrealised appreciation or depreciation is taken to unrealised capital reserve.

Investments have been classified as "fair value through profit and loss" upon initial recognition.

Subsequent to initial recognition, investments are measured at fair value with changes in fair value recognised in the Income Statement.

Securities of companies quoted on a recognised stock exchange are valued by reference to their quoted bid prices on 31 December.

1.7 Taxation

The tax effect of different items of income and expenses is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the year.

1.8 Judgements and estimates

The Directors confirm that no judgements or significant estimates have been made in the process of applying the Company's accounting policies.

1.9 Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

1.10 Capital Reserves

Capital Reserve – Realised

Gains and losses on realisation of fixed asset investments are dealt with in this reserve. As per the company articles the reserve is not readily distributable.

Capital Reserve – Unrealised

Increases and decreases in the valuations of fixed asset investments are dealt with in this reserve. Unrealised capital reserves cannot be distributed by way of dividends or similar.

1.11 Dividends

In accordance with FRS 102 Section 32 "Events after the end of the Reporting Period", dividends are included in the financial statements in the year in which they go ex-div.

1.12 Share Issue Expenses

The costs associated with issuing shares are written off against any premium arising on the issue of Share Capital.

1.13 Financial Instruments

Short term debtors and creditors are held at cost.

Notes to the Financial Statements

For the Year Ended 31 December 2023 (continued)

2. Income

Income from investments

	2023	2022
UK dividend income	£ 140,588	£ 108,179
Foreign dividend income	2,160	3,760
UK Property REITs	73,339	71,308
Bank interest	3,279	26
Total income	219,366	183,273

UK dividend income

	2023	2022
UK Main Market listed investments	£ 105,608	£ 79,926
UK AIM-traded shares	34,980	28,253
Total	140,588	108,179

3. Return on Ordinary Activities before Taxation

The following amounts (inclusive of VAT) are included within investment management and other expenses:

	2023	2022
Directors' remuneration:	£	£
Services as a director	21,000	21,000
Otherwise in connection with management	34,193	40,077
Auditor's remuneration:		
Audit Services - Statutory audit	46,140	11,984
Miscellaneous expenses:		
Management services	32,472	32,472
PR and communications	2,225	6,687
Stock exchange subscription	12,000	10,500
Sundry investment management and other expenses	24,826	23,276
Legal fees	1,440	3,793
Total	174,296	149,789

4. Employees and Directors' Remuneration

	2023	2022
Costs in respect of Directors:	£	£
Non-executive Directors' Fees	21,000	21,000
Wages and salaries	34,193	40,077
Total	55,193	61,077
Average number of employees:		
Chair	1	1
Investment	1	1
Administration	1	1

5. Taxation

(i) On the basis of these financial statements no provision has been made for corporation tax (2022: Nil).

(ii) Factors affecting the tax charge for the year.

The tax charge for the period is lower than (2022: higher than) the average small company rate of corporation tax in the UK of 19 per cent. The differences are explained below:

	2023	2022
Total return on ordinary activities before tax	£ (12,555)	£ (1,753,812)
Total return on ordinary activities multiplied by the average small company rate of corporation tax 19% (2020: 19%)	(2,404)	(333,223)
Effects of:		
UK dividend income not taxable	(26,686)	(20,739)
Revaluation of shares not taxable	20,630	412,299
Capital gains not taxable	(9,662)	(72,714)
Unrelieved management expenses	18,745	14,377
Current tax charge for the year	623	-

The Company has unrelieved excess revenue management expenses of £780,914 at 31 December 2023 (2022: £671,156) and £102,597 (2022: £102,597) of capital losses for Corporation Tax purposes and which are available to be carried forward to future years. It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

Historically the Company has received approval from HM Revenue and Customs under Section 1158 of the Corporation Tax Act 2010, as a result of this approval the Company was not liable to Corporation Tax on any realised investment gains for 2023 or the preceding years. The Directors intend to continue to meet the conditions required to obtain approval and therefore no deferred tax has been provided on any capital gains or losses arising on the revaluation or disposal of investments.

The Directors are fully aware that the Company is not a close company and of the rules associated with this status. The Company holds its Investment Trust status under the 5446 Companies Act 2010 exemption because more than 35% of the company's shares are held by the public and have been actively traded in the past 12 months on the London Stock Exchange and this is regularly reviewed by the Directors.

Notes to the Financial Statements

For the Year Ended 31 December 2023 (continued)

6. Return per Ordinary Share

Returns per share are based on the weighted average number of shares in issue during the year.

	2023		
	£	£	£
	Revenue	Capital	Total
Attributable return on ordinary activities after taxation	167,070	(180,348)	(13,278)
Weighted average number of shares		2,157,881	
Return per ordinary share	7.7p	(8.3p)	(0.6p)

	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)

7. Dividend

	2023	2022
	£	£
Final dividend in respect of 2022 of 7.5p (2022: a final dividend of 7.5p was paid in respect of 2021) per share	161,841	161,841
Interim dividend in respect of 2023 of 2.2p (2022: an interim dividend of 2.1p was paid in respect of 2022) per share	47,473	45,315
	<u>209,314</u>	<u>207,156</u>

Set out below is the total dividend payable in respect of the financial year, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered.

It is recommended that a final dividend of 7.6p (2022: 7.5p) per ordinary share be paid out of revenue profits amounting to a total of £167,070. An interim dividend of 2.2p per ordinary share was paid on 22 September 2023 amounting to £47,473 making the total dividend payable in the year £211,472.

For the year 2022, a final dividend of 7.6p was paid on 6 April 2023 amounting to a total of £163,999. An interim dividend of 2.1p per ordinary share was paid on 23 September 2022 amounting to £45,315 making the total dividend paid in the year £207,156.

Summary of dividends paid for the last 10 financial years

Ex-div date	Dividend Type	Amount	Financial Year
08/03/2024	Proposed	7.6p	2023
07/09/2023	Interim	2.2p	2023
6/04/2023	Final	7.5p	2022
08/09/2022	Interim	2.1p	2022
10/3/2022	Final	7.5p	2021
09/9/2021	Interim	2.0p	2021
11/3/2021	Final	7.7p	2020
10/9/2020	Interim	1.7p	2020
19/3/2020	Final	9.3p	2019
20/3/2019	Final	9.1p	2018
01/3/2018	Final	8.9p	2017
09/3/2017	Final	8.6p	2016
17/3/2016	Final	7.9p	2015
19/3/2015	Final	6.7p	2014
19/3/2014	Final	5.5p	2013

	2023	2022
	£	£
Revenue available for distribution	167,070	148,531
Interim dividend paid	(47,473)	(45,315)
Final dividend in respect of financial year end	(163,999)	(161,841)
Distribution of prior year reserves	(44,402)	(58,625)

8. Investments

Movements in year	2023	2022
	£	£
Valuation at beginning of year	4,180,985	6,436,820
Purchases at cost	906,775	1,003,583
Sales - proceeds	(655,733)	(1,472,122)
- realised gains on sales	50,853	382,704
Decrease in unrealised appreciation	(108,578)	(2,170,000)
Valuation at end of year	<u>4,374,302</u>	<u>4,180,985</u>
Book cost at end of year	3,921,097	3,619,201
Unrealised appreciation at the end of the year	453,205	561,784
	<u>4,374,302</u>	<u>4,180,985</u>
UK Main Market listed investments	2,886,362	3,070,365
UK AIM-traded shares	1,487,940	1,110,620
	<u>4,374,302</u>	<u>4,180,985</u>

Notes to the Financial Statements

For the Year Ended 31 December 2023 (continued)

Gains on investments

	2023	2022
	£	£
Realised gains on sales	50,853	382,704
Decrease in unrealised appreciation	(108,578)	(2,170,000)
	<u>(57,725)</u>	<u>(1,787,296)</u>

The purchase costs and sales proceeds above include transaction costs of £5,429 (2022: £3,515) and £2,795 (2022: £3,302) respectively.

9. Debtors

	2023	2022
	£	£
Investment transaction debtors	104,128	513,597
Other debtors	33,581	29,704
	<u>137,709</u>	<u>543,301</u>

10. Creditors: amounts falling due within one year

	2023	2022
	£	£
Social security and other taxes	700	700
Other creditors	2,880	2,850
Accruals and deferred income	36,808	13,535
	<u>40,388</u>	<u>17,085</u>

11. Called Up Share Capital

	2023	2022
	£	£
Authorised		
10,000,000 Ordinary Shares of 25p	<u>2,500,000</u>	<u>2,500,000</u>
Allotted, called up and fully paid		
2,157,881 Ordinary Shares of 25p	<u>539,470</u>	<u>539,470</u>

12. Financial Instruments

The Company's financial instruments comprise equity investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement.

The major risks associated with the Company are market, credit and liquidity risk. The Company has established a framework for managing these risks. The Directors have guidelines for the management of investments and financial instruments.

Market Risk

Market price risk arises mainly from uncertainty about future prices of financial investments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions by way of price movements other than movements in exchange rates and interest rates.

The Company's investment portfolio is exposed to market price fluctuations which are monitored by the Fund Manager who gives timely reports of relevant information to the Directors.

Adherence to the investment objectives and the internal controls on investments set by the Company mitigates the risk of excessive exposure to any one particular type of security or issuer.

The Company's exposure to other changes in market prices at 31 December on its investments is as follows:

A 20% decrease in the market value of investments at 31 December 2023 would have decreased net assets attributable shareholders by 47 pence per share (2022: 39 pence per share). An increase of the same percentage would have an equal but opposite effect on net assets attributable to shareholders.

Market risk also arises from changes in interest rates and exchange risk. All of the Company's assets are in sterling and accordingly the Company has limited currency exposure. The majority of the Company's financial assets are non-interest bearing, as a result, the Company's financial assets are not subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held with the custodian to be delayed.

Liquidity Risk

Liquidity Risk is the risk that the Company may have difficulty in meeting obligations associated with financial liabilities. The Company is able to reposition its investment portfolio when required so as to accommodate liquidity needs. However, it may be difficult to realise its investment portfolio in adverse market conditions.

Maturity Analysis of Financial Liabilities

The Company's financial liabilities consist of creditors as disclosed in note 10. All items are due within one year.

Capital management policies and procedures

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to provide an adequate return to shareholders;
- to support the Company's stability and growth;
- to provide capital for the purpose of further investments.

Notes to the Financial Statements

For the Year Ended 31 December 2023 (continued)

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure, taking into consideration the future capital requirements of the Company and capital efficiency, projected operating cash flows and projected strategic investment opportunities. The management regards capital as total equity and reserves, for capital management purposes.

Fair values of financial assets and financial liabilities

Fixed asset investments (see note 8) are valued at market bid price where available which equates to their fair values. The fair values of all other assets and liabilities are represented by their carrying values in the balance sheet.

	2023	2022
	£	£
Fair value through profit or loss investments	<u>4,374,302</u>	<u>4,180,985</u>

Financial instruments by category

The financial instruments of the Company fall into the following categories

31 December 2023

	At Amortised Cost	Assets at fair value through profit or loss	Total
	£	£	£
Assets as per balance sheet			
Investments	-	4,374,302	4,374,302
Debtors	137,709	-	137,709
Cash at bank	40,347	-	40,347
Total	<u>178,056</u>	<u>4,374,302</u>	<u>4,552,358</u>

Liabilities as per the balance sheet

Creditors	39,688	-	39,688
Total	<u>39,688</u>	=	<u>39,688</u>

31 December 2022

	At Amortised Cost	Assets at fair value through profit or loss	Total
	£	£	£
Assets as per balance sheet			
Investments	-	4,180,985	4,180,985
Debtors	543,301	-	543,301
Cash at bank	27,361	-	27,361
Total	<u>570,662</u>	<u>4,180,985</u>	<u>4,751,647</u>

Liabilities as per the balance sheet

Creditors	16,385	-	16,385
Total	<u>16,385</u>	=	<u>16,385</u>

Fair value hierarchy

In accordance with FRS 102, the Company must disclose the fair value hierarchy of financial instruments.

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).

13. Net Asset Value per Share

The net asset value per share is based on net assets of £4,511,970 (2022: £4,734,562) divided by 2,157,881 (2022: 2,157,881) ordinary shares in issue at the year end.

	2023	2022
	£	£
Net asset value per share	209.1p	219.4p

14. Dividends paid to Directors

During the year the following dividends were paid to the Directors of the Company as a result of their total shareholding:

Dr Manny Pohl AM	£8,342 ¹
Simon Moore	£6,499
Frank Ashton	£ 226

Notes:

1. Manny Pohl's relationship with EC Pohl & Co Pty Ltd is described in Note 1 to the table of Directors' interests on page 25. During the year dividends amounting to £8,342 were paid to EC Pohl & Co Pty Ltd.

Officers and Financial Advisors

Directors:	Mr N F Ashton (Chair) Dr E C Pohl Mr S Moore	Email: frankashton@athelneytrust.co.uk Email: mannyphl@athelneytrust.co.uk Email: simonmoore@athelneytrust.co.uk
Secretary:	Mrs 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	Email: info@athelneytrust.co.uk Tel: 01326 378 288 Website: http://www.athelneytrust.co.uk
Company Number:	02933559 (Incorporated and registered in England)	
Solicitor:	Druces LLP Salisbury House London Wall London EC2M 5PS	Email: d.smith@druces.com Tel: 020 7638 9271
Stockbroker:	James Sharp & Co 5 Bank Street Bury Lancashire, BL9 0DN	Email: mail@jamessharp.co.uk Tel: 0161 764 4043
Auditor:	Moore Kingston Smith LLP Broadgate Quarter 9 Appold Street London EC2A 2AP	Email: mshah@mks.co.uk Tel: 020 4582 1000
Banker:	HSBC Bank Plc Market Street Falmouth Cornwall, TR11 3AA	
Registrar:	Share Registrars Limited 3 Millennium Centre Crosby Way Farnham Surrey, GU9 7XX	Email: peter@shareregistrars.uk.com Tel: 01252 821 390



Company number

02933559

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