Athelney
TRUST PLC

Half Yearly Financial Statements

for the six months ended 30 June 2012

Athelney Trust plc

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Athelney Trust plc

HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

I enclose the unaudited results for the six months to 30 June 2012. The salient points are as follows:

- Unaudited Net Asset Value (NAV) is 128.6p per share (31 December 2011: 123p, 30 June 2011: 144.7p), an increase of 4.6 per cent for the half year and a decrease of 11.1 per cent over the past year.
- Gross Revenue increased by 5.9 per cent to £75,920 compared with the half year ended 30 June 2011 of £71,695 (full year to 31 December 2011 £139,558).
- Revenue return per ordinary share was 3p, an increase of 7 per cent from the previous half year to 30 June 2011 (31 December 2011: 5.4p, 30 June 2011: 2.8p).
- A final dividend of 4.95p was paid in April 2012 (2011: final dividend 4.9p).

Review of 1 January 2012 to 30 June 2012

Spain is not Greece – Elena Salgado, Spain's Foreign Minister, February 2010
Portugal is not Greece – The Economist, April 2010.
Greece is not Ireland – George Papaconstantinou, Greece's Foreign Minister, November 2010.
Spain is neither Ireland nor Portugal – Elena Salgado, Spain's Foreign Minister, November 2010.
Ireland is not in Greek territory – Brian Lenihan, Ireland's Foreign Minister, November 2010.
Neither Spain nor Portugal is Ireland – Angel Gurria, Secretary-General OECD, November 2010
Italy is not Spain – Ed Parker, MD Fitch [Ratings Agency].
Spain is not Uganda – Mariano Rajoy, Spain's Prime Minister, June 2012.
Uganda does not want to be Spain – Uganda's foreign minister, June 2012.

A bright start to the year was undermined by the eurozone crisis so that markets fell heavily in April/May and only partially recovered in June to leave the FTSE 100 Index down 0.9 percent over the six month period. Elsewhere, New York rose by 5.9 per cent, Shanghai by 0.5 per cent and Tokyo by 4.3 per cent. Best market was Egypt, up by 27.8%, followed by Pakistan 21 per cent and Turkey 19.3 per cent.

Those to avoid (surprise, surprise) were Spain, 21.3 per cent down, Greece 14.8 per cent and Italy 11.8 per cent. As far as small companies are concerned, the FTSE Small Cap Index rose by a surprisingly vigorous 8.3 per cent but the Aim All-share fell by a disappointing 2.2 per cent. Athelney Trust has 43 per cent of its assets in the former index and 39 per cent in the latter.

I am indebted to *Private Eye* for the following tweet dated 3 June: *Privacy! Google just hacked millions of home computers, presumably bank accounts, fotos etc.while screening streets for Google maps* and later on the same day *Just raising the future of Privacy. Laws seem impossible, look at China…Why protect crooks and scumbags?* So who is this doughty warrior standing guard over the Gate of Privacy? Why, none other than our old friend, Rupert Murdoch!

As David Cameron turned wearily to the airport after his 19th summit (which finished on 29 June) since becoming Prime Minister, he must have thought that the politicians had made more progress than expected.

First, the European Stability Mechanism (snappy title, eh?), the main structure for helping sovereign governments in trouble, can now help banks directly. Until now, it had to help them by creating bonds which the ESM then lent to governments such as Spain who, in turn, passed them to the banks who would turn them into cash with a 'repo' (repurchase) deal with the European Central Bank. The loan of the bonds will thus no longer appear on governments' balance sheets which will leave them looking all the stronger for it. Either way, though, money has been, hey presto, conjured out of thin air. Stay awake at the back, there!

Second, when the ESM makes loans of bonds to governments, it will not enjoy seniority over other creditors: in the past a fear of being pushed to the back of the queue has driven private sector investors to sell, thus driving up bond yields.

Third, the ESM will be allowed to jump into bond markets with the aim of bringing down bond yields for governments under pressure. But conditions and timing are (at 30 June, anyway) opaque: austerity policies are still worsening governments' finances; Greece remains teetering on the brink and Eurobonds and supranational banking regulation may not be acceptable to politicians or electorates. So, double cavas all round but I still have plenty of doubts and worries as you will see later…..

There was scarcely a dry eye in the house when Ang San Suu Kyi stepped forward to collect her Honorary Doctorate in Civil Law from Oxford University minus, of course, her late husband but I hope that her two boys were there to share the ceremony with her. My mind flipped back to Zargana the comedian, the second most-famous dissident in Burma.
He tells the following joke:-Three blokes: an American, an Englishman and a Man from Burma.
The American says *I have no legs and will climb Mount Everest!* The Englishman says *I have no hands and will swim the Atlantic Ocean!* The Man of Burma says *I have no head and will govern my country!*

Eighty years ago, central bankers were responsible for sending the world economy into the Great Depression. They had failed to ease monetary policy fast enough: indeed, because of the gold standard, they often moved in the opposite direction by raising interest rates despite mass unemployment. Moreover, instead of acting as lenders of last resort, they stood by as bank after bank went under.

The contrast with the men in charge of central banks today is marked – Ben Bernanke, Mario Draghi and Sir Mervyn King are all economists, not patrician bankers. But, as they experiment with unconventional measures to try to revive their respective economies, they may not find their decades of training all that useful.

The first problem to face is the international dimension to the crisis. The situation in Europe today bears an uncanny similarity to that in the 1930s. Ironically, Germany was then in the position of Ireland, Greece, Spain, Portugal, Cyprus, Italy and maybe Slovenia today. The former was weighed down with government debt because of reparations imposed at Versailles, its banking system did not have enough capital due to the hyperinflation of 1923 and it had become dependent on foreign borrowing. It was also locked into a rigid fixed exchange-rate system, the gold standard, which it dared not leave for fear of provoking a crisis of confidence. So, when the Depression hit and international capital markets more-or-less closed down, Germany had no choice but to impose even more austerity so that unemployment rose to 35 per cent.

As today, in the 1930s there was a stand-out economy in Europe: France. Unemployment was in low single figures, there was a large trading surplus with the rest of the world and that country was in a great position to act as a locomotive for the rest of the continent. But the French authorities, refusing to accept responsibility for what was happening elsewhere, would not adopt more expansionary policies, nor would they lend to Germany. The eventual effect was to bring down the whole financial system of western Europe.

The second major factor that central bankers are having to contend with today is that there is a lack of an institution within the eurozone with a clear mandate to act of lender of last resort. Between 1930 and 1933, America was hit with four runs on its banking system and, each time, the Fed did not react with sufficient zeal or speed. If, over the next few months, some sort of financial accident were to take place in the eurozone, what body would react to save the day?

I hear that my favourite politician (not), Ed Balls, commissioned a private poll to find out what voters think of him. The *Mail Online* quoted Labour sources who said that he was seen as a turn-off. So *The Mail on Sunday* commissioned its own poll which showed that Mr Balls is seen as *uninspiring, untrustworthy and unlikeable*. Could I have put this better myself? Probably not.

Those of my generation mostly look back on *Dad's Army* with great affection. If you remember, Capt. Mainwaring was manager of Martins Bank, Walmington-on-Sea and was assisted by the Hon. Arthur Wilson, Frank Pike and Miss King. Yes, fictional but Martins did exist until 1969 until entirely subsumed into Barclays (except for the sign of the grasshopper, which hangs to this day in Lombard Street). Oh that we could bring back a lively, highly competitive high-street bank like Martins with over 700 branches to give Barclays, Lloyds, NatWest, Santander and HSBC a run for their money in the England of 2012!

Athelney Trust plc
HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

How many more things are going to go wrong in this benighted sector? Starting with the banking smash which cost taxpayers tens of billions, then to the mis-selling of Personal Protection Insurance and cap-and-collar derivatives to small businesses, excessive pay and bonuses at the expense of shareholders, bad service to customers, the recent RBS computer glitch and now up to twenty banks world-wide have allegedly colluded in tweaking (if that is the right word) the London Interbank Offered Rate (LIBOR), which automatically sets other rates on such things as derivatives, business loans, mortgages and overdrafts.

Since the end of Martins Bank, our banking culture has changed as our high-street banks have been increasingly run by investment bankers who appear to have risen to the top like cream despite the fact that their operations were taken over by retail banks. Bob Diamond, who resigned from Barclays on 3 July, is a former bond trader, Stephen Hester at RBS used to trade bonds for Credit Suisse and, until recently, Stuart Gulliver ran HSBC's markets business.

Perhaps (perhaps not) investment bankers understand today's complex financial products better than others but they have brought with them a very different approach to retail banking. The traditional retail banker may have been complacent and snobbish (step forward, Capt. Mainwaring) but his pay was fixed, as were his charges, and his incentives to cook the books were few and far between. Sir John Vickers' report on the future of UK banking proposes that there exist an internal fire-wall between the two halves of the business but, after the latest revelations (and we are promised more to come) a more radical separation may be required.

The England football squad visited an orphanage in the Ukraine just before the European Championship tournament: *It's heartbreaking to see their sad little faces with no hope* said Viktor, aged 6. Back to Football Association HQ, where that august body (not) has handed out a contract to Roy Hodgson which would make boardroom excess look like a paragon of restraint. A four-year contract for a 64-year-old is generosity unknown elsewhere – a twelve-month roller is the norm these days. Is there any performance-related element to his pay? Any claw-back for failure? Probably not. Don't be silly, I hear you cry, this is Planet Football not real business!
Question: which would you rather manage, the England football team or a zombie bank owned by the British tax-payer? On second thoughts, don't bother to answer………

The daily news about fluctuating oil prices (down 25 per cent, up 10 per cent) is, I believe, the beginning of a major shift in the world economy and should be the end of all this talk about the so-called commodity super-cycle, the idea that China, India and other emerging economies would continue to drive up prices from everything to iron and corn. It spells trouble for those economies such as Brazil, Venezuela and Russia that have prospered in the last ten years from the sale of raw materials to China. Conversely, it gives relief to commodity importing countries such as America, Britain and, er, Turkey.

Over the past two hundred years, real commodity prices have declined along an amazingly predictable path: one decade up, two down. It never made much sense to predict a super-cycle based on demand from Chinese factories, because rising prices will ultimately slow factories everywhere. Commodity bubbles are the worst kind since, when they pop, capital is simply destroyed and we are left with no more copper, diamonds, gold, whatever than when they started.

The commodity bubble put fortunes into unproductive hands whereas, for instance, the dotcom bubble helped wire the world, creating new internet businesses many of which have survived to grow in value. It would not be a surprise to see technology become the bubble of the next ten years, mirroring the two railway booms in America and Britain in the 19th century. Oh yes, and falling commodity prices will feel just like a nice little tax cut.

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HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012
CHAIRMAN’S STATEMENT AND BUSINESS REVIEW

Results

Gross revenue increased to £75,920 compared to the same period last year of £71,695.

	Number
Companies paying dividends	60
Companies purchased (therefore no true comparison)	3
Increased total dividends in the half year	30
Reduced total dividends in the half year	10
No change in dividend	8
Dividends accrued	9

Portfolio Review

Holdings of *4imprint, Newriver Retail* and *Photo-Me* were all purchased for the first time. Additional holdings of *Chesnara, Hansard Global* and *Huntsworth* were also acquired. *Alumasc* and *Timeweave* were sold. In addition a total of 9 holdings were top-sliced to provide capital for new purchases.

Dividend

As is the Board’s practice, consideration of a dividend will be left until the final results are known.

Update

The unaudited NAV at 31 July 2012 was 130.9p whereas the quoted share price on the same day stood at 115p. Further updates can be found on www.athelneytrust.co.uk

Risks

The Company’s assets consist mainly of listed securities and its principal risks are therefore market-related. The Company is also exposed to currency risk in respect of a small number of investments held in overseas markets.

The major risks associated with the Company are market 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 risk arises from changes in interest rates, valuations awarded to equities, movements in prices and the liquidity of financial instruments.

Liquidity Risk

Liquidity Risk is the risk that the Company may have difficulty in meeting obligations associated with financial liabilities. The Company has no borrowings; therefore there is no exposure to interest rate changes.
The company is able to reposition its investment portfolio when required so as to accommodate liquidity needs.

Outlook

The UK economy's weakness has been striking. The Bank of England did not start its programme of QE until early 2009. Since then, the assets it holds has built up to £325bn, that is around 20% of GDP – that should have given the economy a colossal boost and yet here we are sunk into renewed recession. Very little of what I have written above can be classed as 'optimistic' and yet, and yet……..Looking at UK companies as a whole, I am impressed by high dividend yields, strong balance sheets, lean management structures, surprisingly decent profit margins and statistics such as ROCE (return on invested equity capital).
I expect Athelney Trust to stay fully invested and so take advantage of rising asset prices later in the year.

H.B. Deschampsneufs

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RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm to the best of our knowledge:

1. The condensed set of Financial Statements has been prepared in accordance with the UK Accounting Standards Board's statement "Half-Yearly Financial Reports."
2. The Chairman's Statement includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7R (indication of important events during the first six months and their impact on the Financial Statements and a description of principal risks and uncertainties for the remaining six months of the year).
3. The Half-Yearly Financial Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board dated 2 August 2012

H.B. Deschampsneufs
Director and Non-executive Chairman

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INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2012

	Stock	Holding	Value (£)	SECTOR £	SECTOR %
Chemicals	Treatt	9,000	29,430	**29,430**	**1.17%**
Construction and materials	Renew Holdings	70,000	56,000	**56,000**	**2.23%**
Electronic and electrical equipment	XP Power Ltd	4,000	46,160	**46,160**	**1.84%**
Food and beverages	Wynnstay Group	17,000	66,300	**66,300**	**2.64%**
General financial	Albemarle & Bond	15,000	36,750		
	Arbuthnot Banking Group	10,000	50,500		
	Camellia	600	56,052		
	Charles Taylor	25,000	39,750		
	Jarvis Securities	32,500	59,475		
	Park Group	175,000	80,938		
	Randall & Quilter Investment Holdings	29,042	28,752		
	S & U	8,000	67,600	**419,816**	**16.74%**
Healthcare equipment and services	Consort Medical	4,500	31,680	**31,680**	**1.26%**
Industrial engineering	Goodwin	2,400	30,288		
	Hill & Smith	15,000	48,000		
	Slingsby (H.C)	4,000	21,000		
	Vitec	7,500	50,400	**149,688**	**5.97%**
Industrial transportation	ACM Shipping	22,500	28,125		
	Braemar Shipping Services	12,000	39,840		
	Fisher (James)	5,500	33,330		
	UK Mail	18,000	39,960	**141,255**	**5.63%**
Insurance	Chesnara	16,000	28,000		
	Hansard Global	30,000	38,700		
	Personal Group Holdings	17,500	57,050	**123,750**	**4.93%**
Media	4Imprint	12,500	36,125		
	Chime Communications	15,000	23,400		
	Haynes Publishing Group	18,000	30,600		
	Huntsworth	70,000	31,500		
	M&C Saatchi Plc	45,000	60,750		
	Quarto Group Inc Com	40,500	48,195		
	Wilmington Group	42,500	36,550	**267,120**	**10.65%**
Real Estate - REITs	Local Shopping REIT	70,000	29,400		
	McKay Securities	30,000	39,000		
	Mucklow Group	12,500	46,125		
	Town Centre Securities	27,500	44,000	**158,525**	**6.32%**

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INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2012 (CONTINUED)

	Stock	Holding	Value (£)	SECTOR £	%
Real Estate - Real Estate Investments & Services	Mountview Estates	1,500	64,110		
	Newriver Retail	15,000	27,150	**91,260**	**3.64%**
Retailers	H & T Group	17,000	49,980		
	Stanley Gibbons	40,000	84,800	**134,780**	**5.37%**
Support services	Begbies Traynor	60,000	16,200		
	Vianet Group	32,500	32,500		
	Communisis	120,000	32,400		
	Fiberweb	50,000	32,500		
	Interior Services Group	30,000	39,900		
	Latham (James)	14,000	38,080		
	Macfarlane Group	200,000	34,000		
	Matchtech	22,500	45,675		
	Nationwide Accident Repair	45,000	27,000		
	Office 2 Office	20,000	28,600		
	Paypoint	7,500	52,800		
	RWS Holdings	5,500	27,720		
	Smiths News	50,000	48,500		
	St Ives	50,000	36,000		
	VP	25,000	67,250	**559,125**	**22.29%**
Technology software and services	Phoenix IT	20,000	36,200	**36,200**	**1.44%**
Telecommunications	KCOM Group	50,000	35,500	**35,500**	**1.41%**
Travel and leisure	Air Partner	10,000	26,700		
	Cineworld	30,000	61,500		
	GVC Holdings	30,000	44,700		
	Photo-Me	70,000	29,400	**162,300**	**6.47%**

Portfolio Value		**£ 2,508,889**	**100.00%**
Net Current Assets		**£ 40,781**	
TOTAL VALUE		**£ 2,549,670**	
Shares in issue		**1,983,081**	
Unaudited NAV	**128.6p**		

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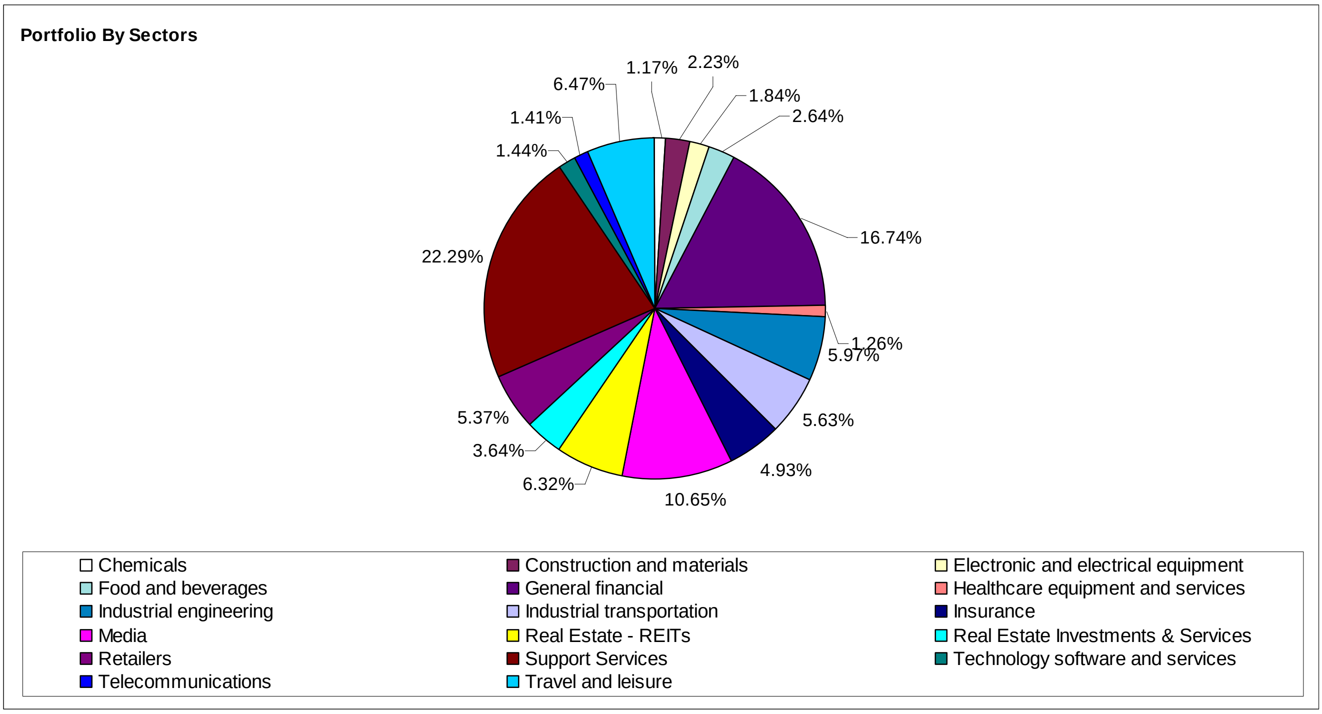
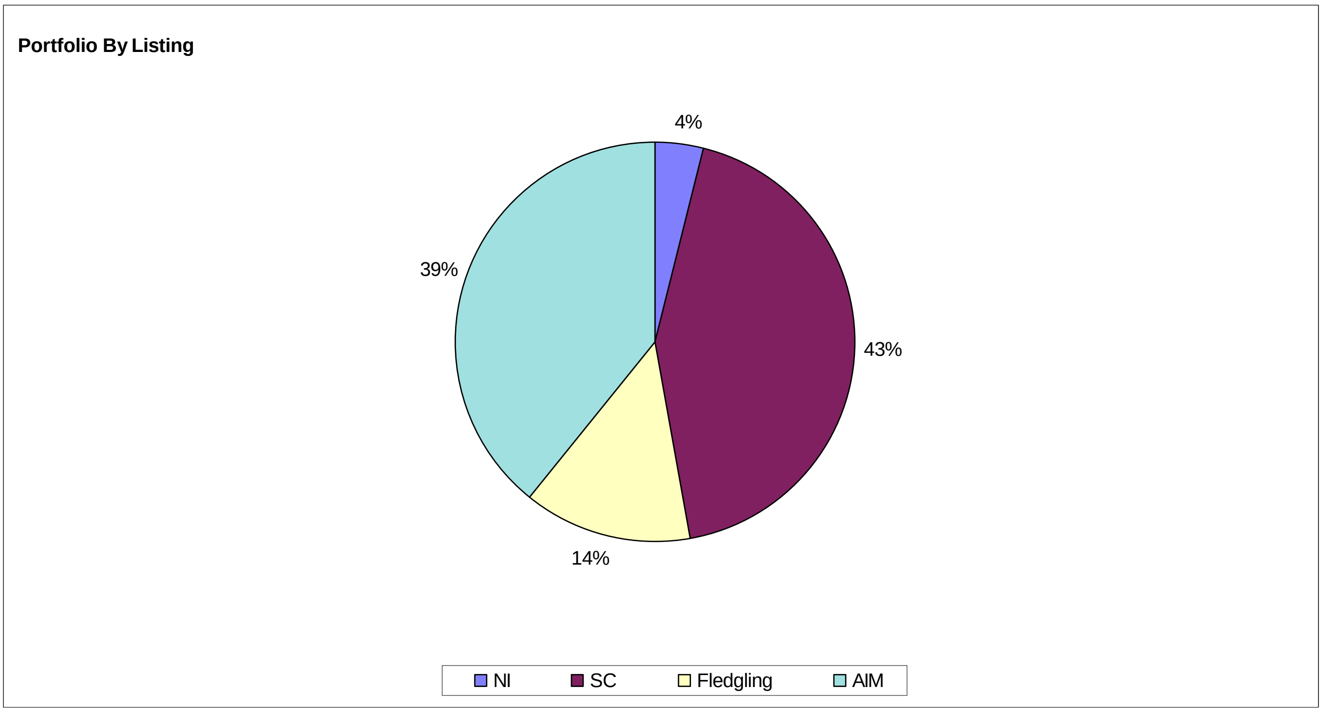
INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2012 (CONTINUED)





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HALF YEARLY INCOME STATEMENT (INCORPORATING THE REVENUE ACCOUNT)

	Unaudited 6 months ended 30 June 2012			**Unaudited 6 months ended 30 June 2011**			***Audited Year ended 31 December 2011***
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	***Total***
	£	**£**	**£**	**£**	**£**	**£**	**£**
Gains on investments held at fair value	-	58,769	58,769	-	162,196	162,196	*(293,815)*
Income from investments	75,920	-	75,920	71,695	-	71,695	*139,558*
Investment Management expenses	(2,838)	(26,053)	(28,891)	(2,850)	(26,286)	(29,136)	*(58,954)*
Other expenses	(14,036)	(19,953)	(33,989)	(13,628)	(21,919)	(35,547)	*(68,087)*
Net return on ordinary activities before taxation	59,046	12,763	71,809	55,217	113,991	169,208	*(281,298)*
Taxation	-	-	-	-	-	-	-
Net return on ordinary activities after taxation	59,046	12,763	71,809	55,217	113,991	169,208	*(281,298)*
Dividends Paid:							
Dividend	(98,162)	-	(98,162)	(97,171)	-	(97,171)	*(97,171)*
Transferred to reserves	(39,116)	12,763	(26,353)	(41,954)	113,991	72,037	*(378,469)*
Return per ordinary share	3p	0.6p	3.6p	2.8p	5.7p	8.5p	*(14.1p)*

The total column of this statement is the profit and loss account for the Company.
All revenue and capital items in the above statement derive from continuing operations.
No operations were acquired or discontinued during the above financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above Statement.

Athelney Trust plc

HALF-YEARLY RECONCILIATION OF SHAREHOLDERS' FUNDS

For the Six Months Ended 30 June 2012 (Unaudited)

	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £	Total Shareholders' Funds £
Balance at 1 January 2012	495,770	545,281	660,826	522,543	213,273	2,437,693
Net gains on realisation of investments	-	-	58,769	-	-	58,769
Increase in unrealised appreciation	-	-	-	138,330	-	138,330
Expenses allocated to capital	-	-	(46,006)	-	-	(46,006)
Profit for the period	-	-	-	-	59,046	59,046
Dividend paid in year	-	-	-	-	(98,162)	(98,162)
Shareholders' Funds at 30 June 2012	495,770	545,281	673,589	660,873	174,157	2,549,670

For the Six Months Ended 30 June 2011 (Unaudited)

	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £	Total Shareholders' Funds £
Balance at 1 January 2011	495,770	545,281	620,251	951,712	203,148	2,816,162
Net gains on realisation of investments	-	-	162,196	-	-	162,196
Decrease in unrealised appreciation	-	-	-	(19,641)	-	(19,641)
Expenses allocated to capital	-	-	(48,205)	-	-	(48,205)
Adjustment to opening balance	-	-	(23,568)	23,568	-	-
Profit for the year	-	-	-	-	55,217	55,217
Dividend paid in year	-	-	-	-	(97,171)	(97,171)
Shareholders' Funds at 30 June 2011	495,770	545,281	710,674	955,639	161,194	2,868,558

For the Year Ended 31 December 2011 (Audited)

	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £	Total Shareholders' Funds £
Balance at 1 January 2011	495,770	545,281	620,251	951,712	203,148	2,816,162
Net gains on realisation of investments	-	-	158,922	-	-	158,922
Decrease in unrealised appreciation	-	-	-	(452,737)	-	(452,737)
Expenses allocated to capital	-	-	(94,779)	-	-	(94,779)
Adjustment to opening balance	-	-	(23,568)	23,568	-	-
Profit for the year	-	-	-	-	107,296	107,296
Dividend paid in year	-	-	-	-	(97,171)	(97,171)
Shareholders' Funds at 31 December 2011	495,770	545,281	660,826	522,543	213,273	2,437,693

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HALF YEARLY BALANCE SHEET AS AT 30 JUNE 2012

	Unaudited 30 June 2012	Unaudited 30 June 2011	*Audited 31 December 2011*
	£	**£**	**£**
Fixed assets			
Investments held at fair value through profit and loss	2,508,889	2,834,353	*2,375,521*
Current assets			
Debtors	36,516	31,530	*57,349*
Cash at bank and in hand	16,143	19,905	*19,954*
	52,659	51,435	*77,303*
Creditors: amounts falling due within one year	(11,878)	(17,230)	*(15,131)*
Net current assets	40,781	34,205	*62,172*
Total assets less current liabilities	2,549,670	2,868,558	*2,437,693*
Provisions for liabilities and charges	-	-	-
Net assets	2,549,670	2,868,558	*2,437,693*
Capital and reserves			
Called up share capital	495,770	495,770	*495,770*
Share premium account	545,281	545,281	*545,281*
Other reserves (non distributable)			
Capital reserve - realised	673,589	710,674	*660,826*
Capital reserve - unrealised	660,873	955,639	*522,543*
Revenue reserve	174,157	161,194	*213,273*
Shareholders' funds - all equity	2,549,670	2,868,558	*2,437,693*
Net Asset Value per share	128.6p	144.7p	*123p*
Number of shares in issue	1,983,081	1,983,081	*1,983,081*

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HALF YEARLY CASHFLOW STATEMENT FOR THE SIX MONTHS ENDING 30 JUNE 2012

	Unaudited		**Unaudited**		***Audited***
	6 months ended 30 June 2012		**6 months ended 30 June 2011**		***Year ended 31 December 2011***
	£	**£**	**£**	**£**	**£**
Net cash inflow from operating activities		30,620		9,947	*(12,466)*
Taxation					
Corporation tax paid		-		-	-
Financial Investment					
Purchases of investments	(117,228)		(264,091)		*(550,494)*
Sales of investments	180,959		338,979		*647,844*
Net cash inflow from Financial Investment		63,731		74,888	*97,350*
Dividends paid		(98,162)		(97,171)	*(97,171)*
Financing					
Issue of ordinary share capital					
Share issue costs					
Decrease in cash in the year		(3,811)		(12,336)	*(12,287)*

Reconciliation of operating net revenue to net cash inflow/ (outflow) from operating activities	**£**	**£**	**£**
Revenue return on ordinary activities before taxation	59,046	55,217	*107,296*
(Increase)/ decrease in debtors	20,833	715	*(25,104)*
(Decrease)/ increase in creditors	(3,253)	2,220	*121*
Investment management expenses charged to capital	(26,053)	(26,286)	*(53,169)*
Other expenses charged to capital	(19,953)	(21,919)	*(41,610)*
	30,620	9,947	*(12,466)*

Reconciliation of net cashflow to movement in net fund

	Net funds at 31/12/11	**Cashflow**	**Net fund at 30/6/12**
	£	**£**	**£**
Cash at bank and in hand	19,954	(3,811)	16,143

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NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

1. The financial information contained in these Half Yearly Financial Statements comprises non-statutory accounts as defined in Sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 December 2011 has been extracted from the statutory accounts which have been filed with the Registrar of Companies and which contain an unqualified Auditors' Report and do not contain a statement under Sections 498(2) or 498(3) of the Companies Act 2006.

2. The condensed financial statements for the period ended 30 June 2012 have been prepared on the basis of the same accounting policies adopted as set out in the Annual Report for the year ended 31 December 2011 and in accordance with the ASB's Statement "Half Yearly Financial Reports". They have not been audited or reviewed by the auditors pursuant to the Auditing Practices Board Guidance on "Review of Interim Financial Information"

3. To the best of our knowledge and belief there are no related party transactions within the meaning required by the Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

4. The calculation of earnings per share for the six months ended 30 June 2012 is based on the attributable return on ordinary activities after taxation and on the weighted average number of shares in issue during the period.

	6 months ended 30 June 2012 (Unaudited)			**6 months ended 30 June 2011 (Unaudited)**		
	Revenue £	**Capital £**	**Total £**	**Revenue £**	**Capital £**	**Total £**
Attributable return on ordinary activities after taxation	59,046	12,763	71,809	55,217	113,991	169,208
Weighted average number of shares		1,983,081			1,983,081	
Return per ordinary share	3p	0.6p	3.6p	2.8p	5.7p	8.5p

	12 months ended 31 December 2011 (Audited)		
	Revenue £	**Capital £**	**Total £**
Attributable return on ordinary activities after taxation	107,296	(388,594)	(281,298)
Weighted average number of shares		1,983,081	
Return per ordinary share	5.4p	(19.5p)	(14.1p)

5. Net Asset Value (NAV) per share is calculated by dividing shareholders funds by the weighted average number of shares in issue at 30 June 2012 of 1,983,081 (30 June 2011: 1,983,081 and 31 December 2011: 1,983,081).

6. Copies of the Half Yearly Financial Statements for the six months ended 30 June 2012 will be available on the Company's website www.athelneytrust.co.uk as soon as practicable.

Athelney Trust plc

OFFICERS AND FINANCIAL ADVISERS

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