Athelney
TRUST PLC

Half Yearly Financial Statements

for the six months ended 30 June 2013

Athelney Trust plc

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Athelney Trust plc

HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

I enclose the unaudited results for the six months to 30 June 2013. The salient points are as follows:

- Unaudited Net Asset Value (NAV) is 166.2p per share (31 December 2012: 149.1p, 30 June 2012: 128.6p), an increase of 11.4 per cent for the half year and an increase of 29.2 per cent over the past year.
- Gross Revenue increased by 8.5 per cent to £82,384 compared with the half year ended 30 June 2012 of £75,920 (full year to 31 December 2012 £141,049).
- Revenue return per ordinary share was 3.3p, an increase of 10 per cent from the previous half year to 30 June 2012 (31 December 2012: 5.4p, 30 June 2012: 3p).
- A final dividend of 5p was paid in April 2013 (2012: final dividend 4.95p).

Review of 1 January 2013 to 30 June 2013

To be ignorant of the past is to be forever a child – Cicero

My favourite time-frame for holding a stock is forever – Warren Buffet

I like buying companies that can be run by monkeys – because one day they will be – Peter Lynch

The pattern is wearily familiar – in every year since 2010 markets have started the year in optimistic mood only to run into trouble in the late spring or early summer. This May there was little doubt about the cause. The Federal Reserve (Fed) has suggested that, unless the American economy weakens, it may start to slow the pace of its asset purchases – which are currently running at £85 billion a month – later this year and stop them altogether in 2014.

Ever since the Fed began its latest round of quantitative easing (QE) last year, investors have felt that they had a one-way bet. The result was a sequence of twelve monthly rises in equities, something that last happened before the Great War. But investors then panicked so the significant gains up to late May have been pared right back or even replaced by losses at 30 June. New York and Tokyo still did very well on balance with increases of 13.8 per cent and 23.5 per cent but London was pared back to 4.5 per cent and Shanghai actually fell by 14.1 per cent.

In the smaller markets, Pakistan led with a 22.1 per cent rise, followed by Saudi Arabia at 10.3 per cent and Switzerland at 7.5 per cent. Amongst the fallers, Brazil, Denmark and Chile retreated by 27.9 per cent, 17 per cent and 12.6 per cent respectively.

Reverting to London, not for the first time, smaller companies out-performed blue chips with the FTSE Small Cap and Fledgling indices showing relative strength with rises of 11.6 per cent and 13.8 per cent respectively. To be fair, though, the AIM index again disappointed with a 2.3 percent fall. The blended rise for Athelney Trust was 6.3 per cent compared with the increase in the Trust's unaudited NAV of 11.4 per cent. On the whole a fair result, the directors think.

If austerity is going out of fashion, could someone please tell the Bank of England? In April, the Old Lady of Threadneedle Street said that the new £5 note would feature not only the face of Sir Winston Churchill but also his famous rallying cry, I have nothing to offer but blood, toil, tears and sweat. *So it's ration books, powdered eggs and Spam for a while longer, then.*

Perhaps property is about to have another moment or two in the sun, thanks to its income appeal. The search for income has driven ten-year government bond yields down to a touch over 2.4 per cent, whereas commercial property offers a decent income stream plus the potential for some protection against inflation.

One reason why property may do well in a low-rate environment is the relationship between rental yields and the property investor's cost of finance. If rental yields are high then investors will find it easier to cover their financing costs and the potential for capital gains is icing on the top.

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Going back over the past twenty-five years, when the gap between rental yield and the base rate was high (as it is at the moment) then the total return for the following twelve months was 12.4 per cent but only 2.7 per cent when the gap was negative (source: *The Economist*). There are some important caveats: first, property is illiquid unlike a share which can be sold in a nano-second these days; second, higher transaction costs; third, it is sometimes difficult to find the right tenants.

The solution for private investors is to opt for the shares of a plc, a real estate investment trust (REIT) or a Channel Islands-based investment company: in fact, Athelney Trust has bought all three for its portfolio in the current six-month period. Property investors obviously have to be selective but the economy faces four potential outcomes: healthy growth, in which case rents should rise; low growth, low inflation, so the income would help; rapid inflation, so as a real asset property should offer good protection; or a deflationary slump. Only in the last case would property suffer – three out of four looks pretty good to me.

May saw the publication of my favourite politician, Ed Balls's, comprehensive plan to solve the debt problem. As satirical magazine Private Eye *explained it at the time:-*

The Ed Balls 3-Point Plan in Full

1. Abolish winter fuel allowance for top-rate tax-paying pensioners, thus saving £100 million a year. This will leave only £1,199,900,000,000 left to find.

2. Er….

3. That's it.

Once-upon-a-time trade winds would affect the number of ships arriving in our ports, which would in turn influence the money markets in Lombard Street. Trade was so vital to Britain that the Bank of England had a weather-vane on its roof to aid decision-making. Trade is just as important today although we do not seem to study the trade figures so anxiously as we did, say, fifty years ago.

In 2012, the sum of British goods and services traded was £1 trillion, which is about 70 per cent of GDP and well above the OECD average. The biggest chunk of trade is in goods, which make up 62 per cent of our exports. Today's best sellers include machinery, pharmaceuticals and cars which, when added to oil, account for half total exports.

But Britain still buys more than it sells – in 2012, car exports were worth £21 billion with Land Rover and Mini strong sellers, but car imports were £23 billion. Compare and contrast with the late 1800s when around 35 per cent of global exports were British. Sheffield steel and Welsh coal fuelled a global railway boom and exports were more than double imports (New Zealand lamb and frozen beef from America were popular).

Today, non-EU trade is becoming more important with the four leading foreign destinations for the Mini being America, Germany, China and France. Worries about the persistent trade gap are eased a little by surpluses in services such as banking (gulp!), law, IT and all sorts and sizes of consultancies which are selling particularly well in non-EU countries. And because these areas are growing fastest, the services surplus can only get bigger. The fact that links with the Americas and Asia are becoming closer is just a return to the commercial ties of the past. The weather-vane is swinging back again.

Breaking fresh ground in terrible English, the HSBC announced in April that it will be demising the roles of 942 relationship managers. *I suppose that we all commit the sin of turning a noun into a verb these days so the real shocker is to use a euphemism for death to replace one for redundancy. It is as if* execution by firing squad *is more palatable than* getting fired. *American employers do this so much better (?) with expressions such as* delayered, rightsized *or, my favourite,* released to pursue wider opportunities.

Is something wrong in the Middle Kingdom? Well, I think so but do not really have the statistics to prove it just yet. Mind you, I have always believed that most economic stats. are invented by a little man working out of an office two hundred yards from Tiananmen Square.

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CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

China's GDP grew at an annual rate of 6.6% in the first quarter, which in itself is the slowest for 13 years and yet electricity production, recognized as one of the few reliable statistics, seems to be increasing at only about 3% at the moment.

What is going on? What I think is missing in communist, state-planned China is a *price-mechanism*, that thing which is quite difficult to define but which sends out millions of small signals in a free-market economy to businessmen, workers, bankers and entrepreneurs showing what is scarce, in over-supply, too cheap or too dear.

Problems in China stem from its industrial policies and a vast array of subsidies from central or regional government that encouraged huge companies and whole sectors to spring up overnight. Ambitious local officials were keen to lavish money on what they hoped would be success stories that could further their careers. Chemicals, cement, earthmovers, flat-screen TVs, solar panels, aluminium, steel, cars, shipbuilding, the list just goes on and on. Result: massive over-supply so, for global manufacturers, the past decade has been fearsome with jobs and capacity destroyed all over the world.

Central government is making the right noises about shutting down excess capacity but, as a local commentator says, *Which company will you shut down? Do you choose the ones that are losing money, or are heavily polluting, or are violating industry standards and make them close?* Will China overtake America in 2020? No, don't think so!

Ed Millibean has worked himself up into a state of high dudgeon about Google and other American giants and their tax arrangements. Is this the same Labour politician whose party advised its biggest benefactor to pay his £1.65 million in such a way that it avoided at least £700,000 and possibly as much as £1.5 million in tax. Yes, it is!

Is there anything in the widely held theory that all this QE will lead to hyper-inflation? Start with what drives inflation. The late Milton Friedman said, *Inflation is always and everywhere a monetary phenomenon in the sense that it is and can be produced only by a more rapid increase in the quantity of money than in output.*

But those terrified of hyper-inflation answer that printing money will produce an explosive rise in money in circulation and that high levels of public debt will encourage governments to default by deliberately inflating. It is really only realistic to look forward two years or so but, to my mind, both core and headline inflation rates are reasonably low. Wage inflation is close to zero, the exchange rate has stabilized and commodity prices are falling, so short-term inflationary pressures are very weak.

What can we say about the longer-term? Sadly, UK gross domestic product (GDP) is 16 per cent below its pre-crisis trend line and QE has not offset the unwillingness of the banks to lend so the amount of credit and so-called broad money in circulation is actually shrinking. So even over, say, five years I find it very difficult to believe in hyper-inflation.

Going back to the point about high levels of government debt, after the war net debt was more than 200 per cent of GDP but, by the early seventies, that was down to 50 per cent. Both real GDP growth (up 91 per cent) and the price level (up 128 per cent) contributed to this happy outcome. Sensible and sustainable economic growth is the answer just as it was last time.

The Great British public seems to have a deep and unbounded cynicism about its politicians but what about its civil servants? Are they any more competent? What about the bureaucrat who was the returning officer in Birmingham during the postal-rigging scandal that an election court said would disgrace a banana republic?
Tesco carrier bags were discovered in council offices and, although the court cleared her of the most serious charges, found considerable failings in her management. She then moved on to become the chief executive of the U.K. Border Agency where the Commons Home Affairs Committee criticised her tenure for catastrophic leadership failure. *She then popped up as permanent secretary at the Department of Transport and was among those officials accused by Sir Richard Branson of ignoring concerns about the franchise competition for the InterCity West Coast Line. On then to chief executive of Her Majesty's Revenue & Customs, criticised recently for terrible customer service. I wonder what will appear next on her CV?*

Has Warren Buffett, the Sage of Omaha and now 82, lost his touch? In his annual letter to his shareholders in March, he admitted a *subpar* performance in 2012. He acknowledged that his next annual letter may show that, for the first time, he had underperformed the S&P index over a five-year period.

This year's *subpar* performance represented an increase in the net asset value of his fund of only 14.4 per cent, compared with the 16 per cent rise in the more excitable S&P. Going back to 1999, his worst year was also his best in that he refused to be seduced by the technologies of the so-called new economy whereas his rivals ultimately more than relinquished all the gains that they had made.

But the most remarkable thing about Warren Buffett's achievement is that not only has no-one has rivalled his record but that almost no-one has tried to emulate his investment style. If he is a genius (and I believe that he is), then it is the genius of simplicity. Apparently, no special insight is needed to reach his appreciation of business success. Nor is it difficult to recognise the companies such as American Express, Coca-Cola, IBM, Wells Fargo and Heinz that meet his criteria.

So why do other investment managers chop and change portfolios far too often, engage in complex transactions and derive less consistent and profitable results? Partly it is the trap of short-term relative performance measurements that allows the distortion of English so that 14.4 per cent is described as *subpar.* Warren Buffett understands the limitations of his knowledge and that distinguishes him from those who only *think* that they are clever.

I read somewhere that, in the Middle Ages, a serf had to work four months of the year for his feudal landlord: now we so-called freemen have to toil five months a year for the Chancellor's tax gatherers. So after 150 days of sending all our money to the Treasury, we can earn for ourselves for the rest of the year. This number relates not to a high-flying investment banker but is the figure for the average tax-payer. It includes everything, income tax, national insurance, council tax, VAT, excise duties, air passenger taxes, fuel and vehicle taxes and all the rest. Tax Freedom Day, then, is 30 May whereas in France the equivalent date is in July but in America and Australia it comes as early as mid-April. Emigrate? Steady on!

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HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013
CHAIRMAN’S STATEMENT AND BUSINESS REVIEW

Results

Gross revenue increased to £82,384 compared to the same period last year of £75,920.

	Number
Companies paying dividends	65
Companies purchased (therefore no true comparison)	5
Increased total dividends in the half year	28
Reduced total dividends in the half year	19
No change in dividend	9
Dividends accrued	21

Portfolio Review

Holdings of *Hydrogen, Picton Property Income, Redefine, Schroder REIT, Standard Life Investment Property* were all purchased for the first time. Additional holdings of *H & T Group, Newriver Retail, Sweett Group* were also acquired. *Albemarle & Bond, Mckay Securities, Mucklow Group,* 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.

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

Trying to summarize where we are in markets at the moment is not easy. Let's see what we know. First, the long retreat from easy, cheap money has begun. The Federal Reserve is still buying US Treasury bonds at the rate of $85 billion per month and has not published a precise time-table for ending these purchases but we know, after Chairman Billyboy Ben Bernanke's two public statements, that they should *taper* later this year and finish in the middle of 2014. He seems to want interest rates to rise and that is exactly what we have got but a *tightening* is so much more than a *tapering.*

Second, the power of central banks has again been demonstrated: the Fed engineered the tightening and that caused the pull-back in markets, just by talk. Meanwhile, the ECB created the present lull in the eurozone crisis (excluding Portugal) by, er, doing precisely nothing. Third, the thirty-year rise in bond markets is over.

Fourth, every tiny scrap of economic news will be examined in detail to see whether it would cause the process of tapering to speed up or slow down. In short, volatility is back. Fifth, China's financial system is under great stress which pretty well explains the shockingly bad performance by the Shanghai market recently. The People's Bank of China initially said that it would not help the banking system by pumping in more liquidity but now seems to have softened its stance and blamed the stress on *temporary season factors* (ho, hum).

So far, so good but what can we doubt? Most important, will the Fed be able to stick to its rough timetable? Economic growth of only 1.8 per cent, inflation plunging to 0.8 per cent and unemployment still uncomfortably high at 7.7 per cent in America all suggest to me that the time-table will have to be extended, which is good news for equity markets.

History tells us that equities can prosper even when interest rates are rising, because higher borrowing costs often reflect an improving economy. Thus I remain positive about equities and commercial property.

H.B. Deschampsneufs

Athelney Trust plc

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 Financial Reporting Council 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 1 August 2013.

H.B. Deschampsneufs
Director and Non-executive Chairman

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INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2013

	Stock	Holding	Value (£)	SECTOR £	SECTOR %
Chemicals	Treatt	7,000	42,700	**42,700**	**1.31%**
Construction and materials	Renew Holdings	55,000	53,900	**53,900**	**1.66%**
Electronic and electrical equipment	XP Power Ltd	4,000	49,120	**49,120**	**1.51%**
Food and beverages	Greencore Group	32,500	43,469		
	Wynnstay Group	14,500	73,841	**117,310**	**3.60%**
General financial	Arbuthnot Banking Group	4,500	40,815		
	Camellia	500	40,870		
	Charles Taylor	25,000	46,938		
	Jarvis Securities	32,500	92,300		
	Park Group	140,000	73,150		
	Randall & Quilter Investment Holdings	40,000	49,900		
	S & U	8,000	90,560	**434,533**	**13.34%**
Healthcare equipment and services	Consort Medical	4,500	37,440	**37,440**	**1.15%**
Industrial engineering	Goodwin	2,000	43,980		
	Hill & Smith	12,500	56,219		
	Slingsby (H.C)	4,000	17,000		
	Vitec	6,500	37,375	**154,574**	**4.75%**
Industrial transportation	ACM Shipping	22,500	38,531		
	Braemar Shipping Services	12,000	48,330		
	Fisher (James)	3,000	29,835		
	UK Mail	18,000	94,050	**210,746**	**6.47%**
Insurance	Abbey Protection	35,000	39,200		
	Chesnara	16,000	39,960		
	Hansard Global	30,000	34,500		
	Personal Group Holdings	8,000	31,200	**144,860**	**4.45%**
Media	4Imprint	8,000	40,360		
	Chime Communications	20,000	51,350		
	Haynes Publishing Group	18,000	31,815		
	Huntsworth	70,000	39,025		
	M&C Saatchi Plc	30,000	73,875		
	Quarto Group Inc Com	40,500	57,510		
	UTV Media	25,000	33,688		
	Wilmington Group	42,500	69,912	**397,535**	**12.21%**
Property Investment Companies	Picton Property Income	81,500	37,490		
	Standard Life Property Income	50,000	30,125	**67,615**	**2.08%**

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INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2013 (CONTINUED)

	Stock	Holding	Value (£)	SECTOR £	%
Real Estate - Real Estate Investments & Services	Lok’n Store Group	30,000	38,700		
	Mountview Estates	1,500	86,250		
	Redefine	85,000	33,788		
	Schroder Real Estate Investment Trust	76,000	32,110	**190,848**	**5.86%**
REIT’s	Local Shopping REIT	70,000	20,825		
	Newriver Retail	25,000	53,563		
	Town Centre Securities	27,500	49,431	**123,819**	**3.80%**
Retailers	H & T Group	22,000	43,395		
	Stanley Gibbons	35,000	98,000	**141,395**	**4.34%**
Support services	Begbies Traynor	60,000	18,000		
	Communisis	100,000	53,000		
	Fiberweb	50,000	35,000		
	Hydrogen	30,000	27,900		
	ISG	30,000	50,475		
	Latham (James)	14,000	42,875		
	Macfarlane Group	160,000	44,800		
	Matchtech	22,500	74,475		
	Nationwide Accident Repair	45,000	30,150		
	Office 2 Office	20,000	16,550		
	Paypoint	3,000	31,620		
	RWS Holdings	5,500	39,655		
	Smiths News	50,000	75,500		
	St Ives	50,000	73,875		
	Sweett Group	134,725	22,903		
	Vianet Group	32,500	23,725		
	VP	21,500	78,851	**739,354**	**22.69%**
Technology software and services	Phoenix IT	20,000	31,850	**31,850**	**0.98%**
Telecommunications	KCOM Group	50,000	40,700	**40,700**	**1.25%**
Travel and leisure	Air Partner	18,000	60,435		
	Cineworld	25,000	84,750		
	GVC Holdings	30,000	85,125		
	Photo-Me	55,000	48,125	**278,435**	**8.55%**

Portfolio Value		**£ 3,256,734**	**100.00%**
Net Current Assets		**£ 39,650**	
TOTAL VALUE		**£ 3,296,384**	
Shares in issue		**1,983,081**	
Unaudited NAV	**166.2p**		

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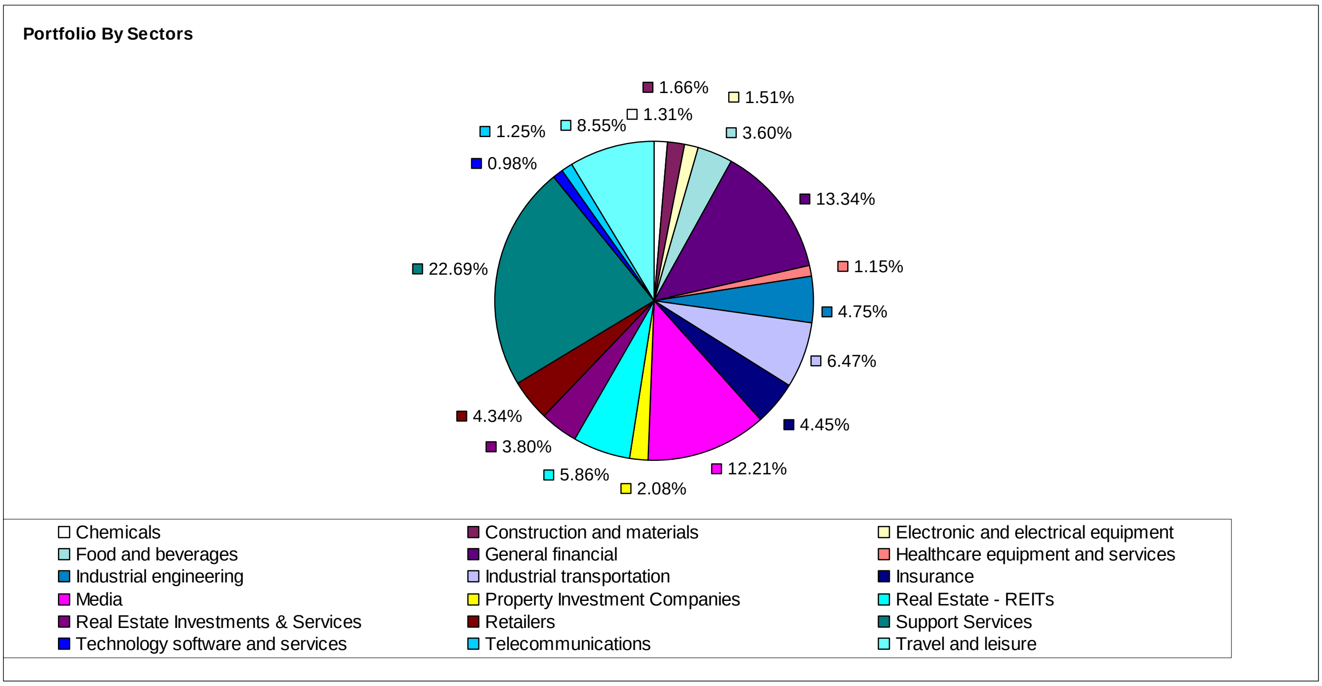
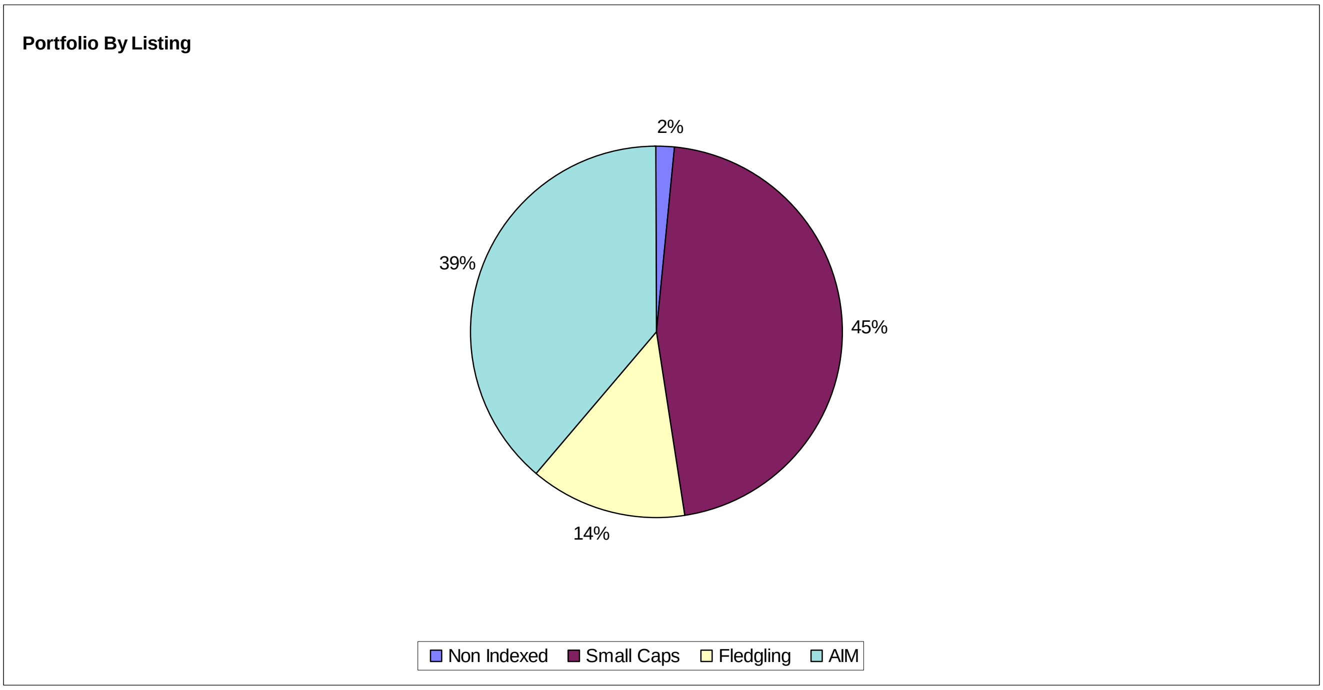
INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2013 (CONTINUED)





Athelney Trust plc

HALF YEARLY INCOME STATEMENT
(INCORPORATING THE REVENUE ACCOUNT)

	Unaudited 6 months ended 30 June 2013			Unaudited 6 months ended 30 June 2012			*Audited Year ended 31 December 2012*
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	***Total***
	£	**£**	**£**	**£**	**£**	**£**	**£**
Gains on investments held at fair value	-	104,470	104,470	-	58,769	58,769	*601,046*
Income from investments	82,384	-	82,384	75,920	-	75,920	*141,049*
Investment Management expenses	(2,829)	(25,913)	(28,742)	(2,838)	(26,053)	(28,891)	*(58,621)*
Other expenses	(14,309)	(22,356)	(36,665)	(14,036)	(19,953)	(33,989)	*(66,977)*
Net return on ordinary activities before taxation	65,246	56,201	121,447	59,046	12,763	71,809	*616,497*
Taxation	-	-	-	-	-	-	-
Net return on ordinary activities after taxation	65,246	56,201	121,447	59,046	12,763	71,809	*616,497*
Dividends Paid:							
Dividend	(99,154)	-	(99,154)	(98,162)	-	(98,162)	*(98,162)*
Transferred to reserves	(33,908)	56,201	22,293	(39,116)	12,763	(26,353)	*518,335*
Return per ordinary share	3.3p	2.8p	6.1p	3p	0.6p	3.6p	*31.1p*

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.

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HALF-YEARLY RECONCILIATION OF SHAREHOLDERS' FUNDS

For the Six Months Ended 30 June 2013 (Unaudited)

	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £	Total Shareholders' Funds £
Balance at 1 January 2013	495,770	545,281	752,028	939,882	223,067	2,956,028
Net gains on realisation of investments	-	-	104,470	-	-	104,470
Increase in unrealised appreciation	-	-	-	318,063	-	318,063
Expenses allocated to capital	-	-	(48,269)	-	-	(48,269)
Profit for the period	-	-	-	-	65,246	65,246
Dividend paid in year	-	-	-	-	(99,154)	(99,154)
Shareholders' Funds at 30 June 2013	495,770	545,281	808,229	1,257,945	189,159	3,296,384

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
Decrease in unrealised appreciation	-	-	-	138,330	-	138,330
Expenses allocated to capital	-	-	(46,006)	-	-	(46,006)
Profit for the year	-	-	-	-	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 Year Ended 31 December 2012 (Audited)

	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	-	-	183,707	-	-	183,707
Increase in unrealised appreciation	-	-	-	417,339	-	417,339
Expenses allocated to capital	-	-	(92,505)	-	-	(92,505)
Profit for the year	-	-	-	-	107,956	107,956
Dividend paid in year	-	-	-	-	(98,162)	(98,162)
Shareholders' Funds at 31 December 2012	495,770	545,281	752,028	939,882	223,067	2,956,028

Athelney Trust plc

HALF YEARLY BALANCE SHEET AS AT 30 JUNE 2013

	Unaudited 30 June 2013	Unaudited 30 June 2012	*Audited 31 December 2012*
	£	£	£
Fixed assets			
Investments held at fair value through profit and loss	3,256,734	2,508,889	*2,859,671*
Current assets			
Debtors	34,526	36,516	*90,209*
Cash at bank and in hand	17,971	16,143	*21,369*
	52,497	52,659	*111,578*
Creditors: amounts falling due within one year	(12,847)	(11,878)	*(15,221)*
Net current assets	39,650	40,781	*96,357*
Total assets less current liabilities	3,296,384	2,549,670	*2,956,028*
Provisions for liabilities and charges	-	-	-
Net assets	3,296,384	2,549,670	*2,956,028*
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	808,229	673,589	*752,028*
Capital reserve - unrealised	1,257,945	660,873	*939,882*
Revenue reserve	189,159	174,157	*223,067*
Shareholders' funds - all equity	3,296,384	2,549,670	*2,956,028*
Net Asset Value per share	166.2p	128.6p	*149.1p*
Number of shares in issue	1,983,081	1,983,081	*1,983,081*

Athelney Trust plc

HALF YEARLY CASHFLOW STATEMENT FOR THE SIX MONTHS ENDING 30 JUNE 2013

	Unaudited		Unaudited		*Audited*
	6 months ended 30 June 2013		**6 months ended 30 June 2012**		***Year ended 31 December 2012***
	£	£	£	£	£
Net cash inflow from operating activities		70,286		30,620	*(17,319)*
Taxation					
Corporation tax paid		-		-	-
Financial Investment					
Purchases of investments	(189,204)		(117,228)		*(308,880)*
Sales of investments	214,674		180,959		*425,776*
Net cash inflow from Financial Investment		25,470		63,731	*116,896*
Dividends paid		(99,154)		(98,162)	*(98,162)*
Financing					
Issue of ordinary share capital					
Share issue costs					
Decrease in cash in the year		(3,398)		(3,811)	*(1,415)*

Reconciliation of operating net revenue to net cash inflow/ (outflow) from operating activities	£	£	£
Revenue return on ordinary activities before taxation	65,246	59,046	*107,956*
Decrease in debtors	55,683	20,833	*(32,860)*
Decrease in creditors	(2,374)	(3,253)	*90*
Investment management expenses charged to capital	(25,913)	(26,053)	*(52,847)*
Other expenses charged to capital	(22,356)	(19,953)	*(39,658)*
	70,286	30,620	*(17,319)*

Reconciliation of net cashflow to movement in net fund

	Net funds at 31/12/12	Cashflow	Net fund at 30/6/13
	£	£	£
Cash at bank and in hand	21,369	(3,398)	17,971

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NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

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 2012 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 2013 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 2012 and in accordance with the Financial Reporting Council'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 2013 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 2013 (Unaudited)			**6 months ended 30 June 2012 (Unaudited)**		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Attributable return on ordinary activities after taxation	65,246	56,201	121,447	59,046	12,763	71,809
Weighted average number of shares		1,983,081			1,983,081	
Return per ordinary share	3.3p	2.8p	6.1p	3p	0.6p	3.6p

	12 months ended 31 December 2011 (Audited)		
	Revenue	**Capital**	**Total**
	£	**£**	**£**
Attributable return on ordinary activities after taxation	107,956	508,541	616,497
Weighted average number of shares		1,983,081	
Return per ordinary share	5.4p	25.6p	31.1p

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 2013 of 1,983,081 (30 June 2012: 1,983,081 and 31 December 2012: 1,983,081).

6. Copies of the Half Yearly Financial Statements for the six months ended 30 June 2013 will be available on the Company's website www.athelneytrust.co.uk as soon as practicable.

Athelney Trust plc

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