Athelney
TRUST PLC

Half Yearly Financial Statements

for the six months ended 30 June 2010

Athelney Trust plc

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HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

I enclose the unaudited results for the six months to 30 June 2010. The salient points are as follows:

- Unaudited Net Asset Value ("NAV") is 119.9p per share (31 December 2009: 127.0p, 30 June 2009: 104.9p), a decrease of 5.6 per cent for the half year and an increase of 14.3 per cent over the past year.
- Gross Revenue rose by 16 per cent to £73,199 compared with the half year ended 30 June 2009 of £63,061 and the full year to 31 December 2009 of £122,963.
- On a like-for-like basis gross revenue fell by 3.9 per cent to £60,611 compared with the half year ended 30 June 2009 of £63,061.
- Revenue return per ordinary share was 3.0p, up 7.1 per cent from the previous half year (31 December 2009: 5.3p, 30 June 2009: 2.8p).
- An interim dividend of 4.75p was paid in April 2010 (2009: 4.7p).

Review of 1 January 2010 to 30 June 2010

Economy was always 'elegant', and money-spending 'vulgar' and ostentatious – a sort of sour-grapeism, which made us very peaceful and satisfied.

Elizabeth Gaskell 1810-65. Cranford 1853.

No-one can deny that George Osborne has courage: the Emergency Budget presented on 22 June aims to deliver a huge fiscal retrenchment equal to 6.3 per cent (pc) of GDP by 2014/15. Three-quarters of that adjustment will come from spending cuts, including reductions in welfare. The rest will come from tax rises, both those planned by Labour and new ones, notably the hike in VAT from 17.5pc to 20pc to take effect from next January. Government spending will fall from 47pc of GDP in 2009/10 to under 41pc and borrowing from 11pc of GDP to 2pc. This is tough stuff: can the Chancellor deliver on his promises and, if he does, will the economy stumble? The single error in this Budget was to ring-fence spending on health, which now absorbs 20pc of the total. Protecting that massive chunk of spending means that enormous cuts averaging 25pc will have to be imposed elsewhere whereas, without the ring-fence, the cuts would be just 14pc. The second question is whether the economy can take such strong medicine. He is proposing to knock £113 billion a year out of the deficit by 2014/15, £40 billion more than Mr Darling had planned. Britain will grow, says Mr Osborne, if the state steps back: businesses will invest, exports expand, employment steady up. The important thing is to avoid a growing debt burden, he believes, which would result in much deeper cuts further down the road. It is a gamble but, in my opinion, he is right to take it. All I would counsel is that he remains flexible rather than be too dogmatic – for instance, he could well bring in the rise in VAT gradually over, say, five six-month periods, or three annual stages, rather than all at once. Nevertheless, these cuts will be the deepest since Sir Eric Geddes and his committee hacked away at a huge budget deficit in 1921 so that, er, Britain could rejoin the Gold Standard. Mind you, there is plenty of scope to cut: the inefficiency of the public sector does not consist of waste in the usual sense but rather of misdirected effort and resources, bloated levels of employment, excessive pay, gold-plated pensions, people doing non-jobs, taking money from some people and giving it back to them again. A vast bureaucracy of apparatchiks, under-motivated and under-managed presides over an orgy of form-filling and time-wasting which is holding back the rest of the economy.

Contrary to the above, the G20 Summit in June was a complete waste of time – the only way to get the world economy moving again is to persuade the umpteen countries which are running huge current account surpluses to spend more: last year, China's surplus was 6pc of GDP, Taiwan's 11pc, Malaysia's 7pc, Singapore's 19pc. The oil producers also ran huge surpluses – 5pc in Saudi Arabia, 16pc in Libya and Qatar, 26pc in Kuwait. Within Europe, our two big oil producers, Russia and Norway, ran surpluses of 4pc and 14pc respectively. Elsewhere, Germany and Holland were at 5pc and Switzerland 9pc. Moreover, these countries are sitting on huge international reserves – this is where the money is and where demand should be expanded. If these countries do not create fresh demand for goods and services, then it is difficult to see this brave Budget having its intended effect. As for markets themselves, no-one is going to pretend that the first half of 2010 was other than disappointing, especially after a reasonable start to the year. Investors are obsessed with developments in Europe, that is the sovereign debt crisis in Greece and how it might, domino-like, move to Spain, Ireland, Portugal and even Italy and what effect that would have on German, French and Spanish banks. Furthermore, the economic data coming out of America is just plain bad and cannot be described in any other way. Here are a few examples: the US workforce shrank by 652,000 in June, one of the sharpest falls on record; the rate of hourly earnings fell by 0.1%; home sales are down; factory orders in May suffered their biggest fall since March 2009, etc, etc.

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HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

In short, investors are worried about the so-called double dip: now I am no economic historian but, as far as I know, a double-dip has only occurred on two previous occasions in America in 1937 and Japan in the early 'Nineties when schoolboy howlers were made with fiscal and monetary policy in both cases. I see no prospect of similar mistakes this time round.

Here are the grisly numbers for January to June: global shares –10.6pc, oil –4.7pc, China –27pc, the Euro against the Dollar –14.5pc, European interest rates +8.7 percentage points, the Euro against the Yen –19.4pc, London –9.2pc and European shares –4.8pc. On the other side of the coin, I found gold +13.3pc, US Treasury bonds +5.8pc and UK Gilts +8.1pc. I also found eight equity markets in positive territory, led by Venezuela (quite defeats me, that one), Indonesia, Thailand and Columbia. Congratulations to anyone who bought those two unlikely bedfellows, gold and Gilts, together.

But, surely, the great event of the period was the end of the disastrous (as far as Britain was concerned, anyway) political career of Mr Brown, that arch schoolyard bully who was so lacking in personal courage that he sent out 'The Forces of Hell' in the form of Messrs. Whelan and McBride to inflict damage on anyone who got in his way. And it was the dysfunctional partnership of Brown and Blair that dismantled border controls, encouraged unprecedented immigration, debased educational standards, attacked the independence of our best schools and universities, eroded British sovereignty, botched devolution, pump-primed our credit bubble, ran our private pension system ragged, messed up financial regulation and wrecked the country's finances. Good-bye Mr Brown and, no, I won't be buying your autobiography when it comes out.

What exactly happened on 6 May between 14.41 and 14.50 hours? During the so-called flash-crash, some 55 shares quoted on the New York Stock Exchange fell by over 10pc in those nine minutes of chaos. Shares in Procter & Gamble, the household products business, briefly fell by 35 pc whereas those of Accenture, the consulting group, slid alarmingly from $40 to an incredible one cent at one point. High frequency trading has been blamed – why? To take one step back, equity is the best form of long-term financing: its lack of a term marks it out from debt, which is finite and therefore better equipped to shorter term financing needs. Equity markets exist so that owners can realize their investments and new owners can be found. In theory, equity owners are medium to long-term investors. However, to increase the liquidity of markets, firms with no genuine interest in the long-term progress of the companies in which they are invested have been allowed in. It is entirely reasonable that they should be allowed to generate a profit on their capital: however, high frequency trading now accounts for 70 pc of share trading volume on U.S. markets and is likely to continue to produce gut-churning movements. Exchanges are driven by revenue, quotation fees, news and co-location fees: traders' strategies depend on extreme high-speed information so they locate their servers in the same buildings as those of the exchanges. In today's world, a distance of 100 miles is a big technological disadvantage. Do we really want a hugely volatile traders' paradise or should we want to return to the old-fashioned values of long-term investment?

Even without high-frequency trading, though, we would still be subject to bubbles such as that of the South Sea and the Victorian railway mania. Railway shares soared in the 1830s in line with the great expansion and planned new investment in the network rose to 8 pc of U.K. GDP, a huge amount compared with, say, the internet boom. Shares collapsed in 1837 but, fortunately, demand had been underestimated and by 1844 shareholders were sitting on gains of 10 pc per annum. Then, in 1845, Parliament authorized no less than 4,500 of new lines. Railway spivs (or stags, as they were called then) speculated in partly-paid stock and even fully-paid shares doubled. But the mania had run its course: shares shed two-thirds of their value and ended up pretty well where they started with the Bronte sisters and Charles Darwin suffering painful losses. I don't know what the next bubble will be but there is a lesson in the Victorian railway boom for us all, whether we be amateur or professional investors: never ever, ever leave your common sense at home.

More, Gentle Shareholder, on Victorian times. In June, the French government announced that the retirement age would be increased from 60 to 62 – the French are to be envied, though, since in other countries the retirement age is both higher and rising inexorably. The first old-age pension was introduced by Otto von Bismarck in the 1880s and 65 subsequently became the benchmark age. His pension was intended as social protection for the few who lived longest. At that time, average life expectancy in Germany was 35 for men and 38 for women. If the retirement age had evolved over the years to reflect the doubling in life expectancy, it would today be around 95 years. But the past decade has seen a reversal of falling retirement ages as ageing populations and pension black holes force people to work for longer. Since 1950, the number of working people supporting every pensioner has fallen from seven to four. The Beatles memorably asked, 'Will you still need me, will you still feed me, when I'm 64?' The answer, I regret, is, 'Depends on how many of us are around at the time.'

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HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

Economists frequently blame the Great Depression on the rigid operation of the Gold Standard: deflation, the banking crisis and massive unemployment followed until the Standard was jettisoned. Never again, they said, and yet the problems of the Euro-Zone to my mind seem rather similar. Countries returned to the Gold Standard after the Great War because, it was believed, having a currency convertible into gold would promote sound growth and financial stability. In theory, balance of payments deficits were supposed to lead to contractions in over-heated economies and vice versa. In reality, countries with trade deficits did not reduce credit and wages: likewise, countries with surpluses did not increase credit in proportion to gold in-flows. The pain of staying on the Standard was greater than anyone had anticipated. British cuts nearly provoked a naval mutiny at Scapa Flow and the country left the Standard in 1931. France, on the other hand, welcomed austerity and deflation as a cure for the excesses of the 1920s. When Austria's Credit Anstalt smashed in 1931, a contagion of fear spread across Europe: before long, Germany had jettisoned gold but the countries that remained such as Czechoslovakia and Belgium were left with massively over-valued currencies. The euro has also failed to meet the expectations of its exponents and, like gold, it lacks a method of recycling surpluses and deficits. Greece and Portugal, for instance, have relied on the recycling of trade surpluses from Germany but, when lending dried up, their economies buckled under the strain. Under a floating exchange rate, they would simply devalue but, within the Euro-Zone, they are forced into heavy deflation. The burden of the euro is getting heavier. Spain's unemployment rate has now reached levels last seen in the Great Depression: Ireland is experiencing its worst deflation since the 1930s. Greece and possibly Portugal are near a default. In one respect, the euro is worse than gold – the costs of leaving the Gold Standard were negligible whereas leaving the Euro-Zone would spark a run on the banks and the entire system would suffer collateral damage.

Results

Gross Revenue increased by 16 pc to £73,199 but this amount included a special dividend of £12,588 from GVC Holdings, formerly Gaming VC Holdings. If that is excluded altogether then, on a like-for-like basis, Gross Revenue actually fell by 3.9 pc. However, if GVC had declared an unchanged interim dividend (in fact, it declared no interim at all) and a correspondingly smaller special dividend, then Gross Revenue would have increased by 4.1 pc.

	Number
Companies paying dividends	52
Companies purchased (therefore no true comparison)	3
Increased total dividends in the half year	17
Reduced total dividends in the half year	9
No change in dividend	12
Dividends accrued	3

Additional Directors

On 28 June 2010 the Board appointed Jonathan Addison a director (non executive) of the company and Dr. Manny Pohl as an alternate director, both appointments will be submitted for shareholder approval at the next Annual General Meeting. Their respective C.V's are:

Jonathan Lancelot Addison Non Executive Director

Jon Addison, aged 57, has over 30 years experience in the investment management industry, including wide experience in superannuation. Currently he is the Investment Manager, (part time), formally Fund Manager of the Meat Industry Employee Superannuation Fund (MIESF) whom he joined in 1999 and where he is responsible for the investment management of the fund. Prior to his appointment to MIESF, Jon was a Director and Asset Consultant within the corporate finance section of PricewaterhouseCoopers and in this role was responsible for establishing an investment consulting practice with clients ranging from superannuation funds to insurance funds and funds managers. Prior to that, he was a manager Investment Consultant at Sedgwick Noble Lowndes. Jon holds Non Executive Directorships with, African Enterprise Limited, African Enterprise New Zealand Limited, African Enterprise International, Hawksbridge Limited, Global Masters Fund, TPCG Limited and Phosphagenics Limited. Jon holds a Bachelor of Economics Degree and a postgraduate diploma from the Institute of Company Secretaries and is a member of the Australian Institute of Company Directors and has addressed a number of Australian and International conferences on investment related matters.

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Dr Emmanuel Clive Pohl Alternate Director

Manny Pohl, aged 56, founded Hyperion Asset Management Limited in 1996 and has headed the business through its evolution into today's independent funds management company with A$2bn in funds under management. He is responsible for managing the overall business as well as the investment of client portfolios. Manny has nearly 25 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. His engineering background gives him a methodical and disciplined approach to his role. Manny holds engineering and MBA degrees from the University of Witwatersrand and a doctorate in Business Administration (Economics) from Potchefstroom University. He has served on the Boards of several major corporations in his native South Africa and adopted home Australia.

Portfolio Review

Holdings of *Randall Quilter Investment Holdings, Wincanton, Haynes Publishing Group, Local Shopping REIT, HMV* and *Paypoint* were all purchased for the first time. Additional holdings of *Alumasc, Renew Holdings*, *Charles Taylor Consulting* and *Macfarlane Group* were also acquired. *Havelock Europa* and *Severfield Rowen* were sold and a holding of *Fenner* was top sliced.

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 2010 was 120.8p whereas the quoted share price on the same day stood at 119.5p. Further updates can be found on www.athelneytrust.co.uk

Risks

There has been no change in this respect since the Annual Accounts where this was covered in the Report of the Directors on page 14 and in Note 14 (pages 32 and 33).

Outlook

I do not believe that the pessimists will be right in the end. With economic activity well down on 2007 levels, unemployment high and core inflation rates close to zero in many countries, central banks are likely to react to evidence of any slowdown by printing money again. The more we concentrate on austerity in government spending, the more we will have to respond in terms of a loose monetary policy. This suggests that there could be another great buying opportunity later this year. Investors who missed out on the first leg of the bull market may get a second chance in the coming months. **Furthermore, I do not believe in the double-dip and am therefore a seller of gold and buyer of first-class equity assets for a rising income and capital growth. I therefore repeat my hope of a 5 -7 pc rise in indices for the calendar year 2010.**

H.B. Deschampsneufs

05 August 2010

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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

H.B. Deschampsneufs
Director and Non-executive Chairman

05 August 2010

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INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2010

	Stock	Holding	Value (£)	SECTOR £	SECTOR %
Aerospace and defence	Umeco	13,750	54,347	**54,344**	**2.34%**
Chemicals	Treatt	10,500	28,350	**28,350**	**1.23%**
Construction and materials	Alumasc	36,000	36,720		
	Clarke (T)	26,700	34,577		
	Renew Holdings	70,000	22,400	**93,697**	**4.04%**
Electronic and electrical equipment	XP Power Ltd	20,000	112,000	**112,000**	**4.82%**
Food and beverages	Wynnstay Group	25,000	65,500	**65,500**	**2.82%**
General financial	Albemarle & Bond	15,000	34,200		
	Arbuthnot Banking Group	10,000	40,000		
	Camellia	1,000	76,100		
	Charles Taylor Consulting	25,000	54,500		
	Jarvis Securities	25,000	29,000		
	Park Group	200,000	40,000		
	Randall & Quilter	30,000	29,700		
	RSM Tenon	62,000	26,505		
	S & U	8,000	38,400	**368,405**	**15.87%**
Healthcare equipment and services	Consort Medical	8,000	30,440		
	Tristel	75,000	38,250	**68,690**	**2.96%**
Industrial engineering	Fenner	16,000	31,792		
	Goodwin	5,000	55,000		
	Hill & Smith	20,000	59,500		
	Slingsby (H.C)	4,000	25,200		
	Vitec	13,000	55,608	**227,100**	**9.78%**
Industrial transportation	Braemar Shipping Services	13,000	65,130		
	Clarkson	5,000	44,000		
	Fisher (James)	5,500	23,238		
	Wincanton	14,000	33,320	**165,688**	**7.14%**
Insurance	Chesnara	16,000	36,120		
	Personal Group Holdings	17,500	42,875	**78,995**	**3.40%**
Media	Chime Communications	20,000	35,000		
	Haynes Publishing Group	15,000	35,250		
	Huntsworth	55,000	44,550		
	M&C Saatchi Plc	45,000	40,050		
	Quarto Group Inc Com	40,500	36,450	**191,300**	**8.24%**
Mining	ATH Resources	40,000	24,800	**24,800**	**1.07%**
Real estate	Local Shopping REIT	55,000	28,600		
	McKay Securities	22,500	30,375		
	Mountview Estates	1,500	61,500		
	Mucklow Group	10,000	26,125		
	Smart (J) & Co.	4,000	16,400		
	Town Centre Securities	22,500	31,275	**194,275**	**8.37%**

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INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2010 (CONTINUED)

	Stock	Holding	Value (£)	SECTOR £	%
Retailers	HMV	50,000	31,375		
	H & T Group	17,000	44,200		
	Stanley Gibbons	47,500	57,000	**132,575**	**5.71%**
Support services	Interior Services Group	30,000	48,600		
	Latham (James)	14,000	23,520		
	Macfarlane Group	200,000	36,000		
	Matchtech	12,500	28,000		
	N.W.F Group	40,000	34,400		
	Nationwide Accident Repair	30,000	24,000		
	Paypoint	11,000	29,150		
	RWS Holdings	9,000	24,480		
	VP	25,000	43,750		
	WSP Group	13,000	44,070	**335,970**	**14.47%**
Technology software and services	Group NBT	12,000	33,600		
	Phoenix IT	15,000	37,163	**70,763**	**3.05%**
Travel and leisure	Air Partner	7,000	20,388		
	Cineworld	30,000	59,400		
	GVC Holdings	30,000	29,100	**108,888**	**4.69%**

Portfolio Value		**£ 2,321,340**	**100.00%**
Net Current Assets		**£ 55,876**	
TOTAL VALUE		**£ 2,377,216**	
Shares in issue		**1,983,081**	
Unaudited NAV	**119.9p**		

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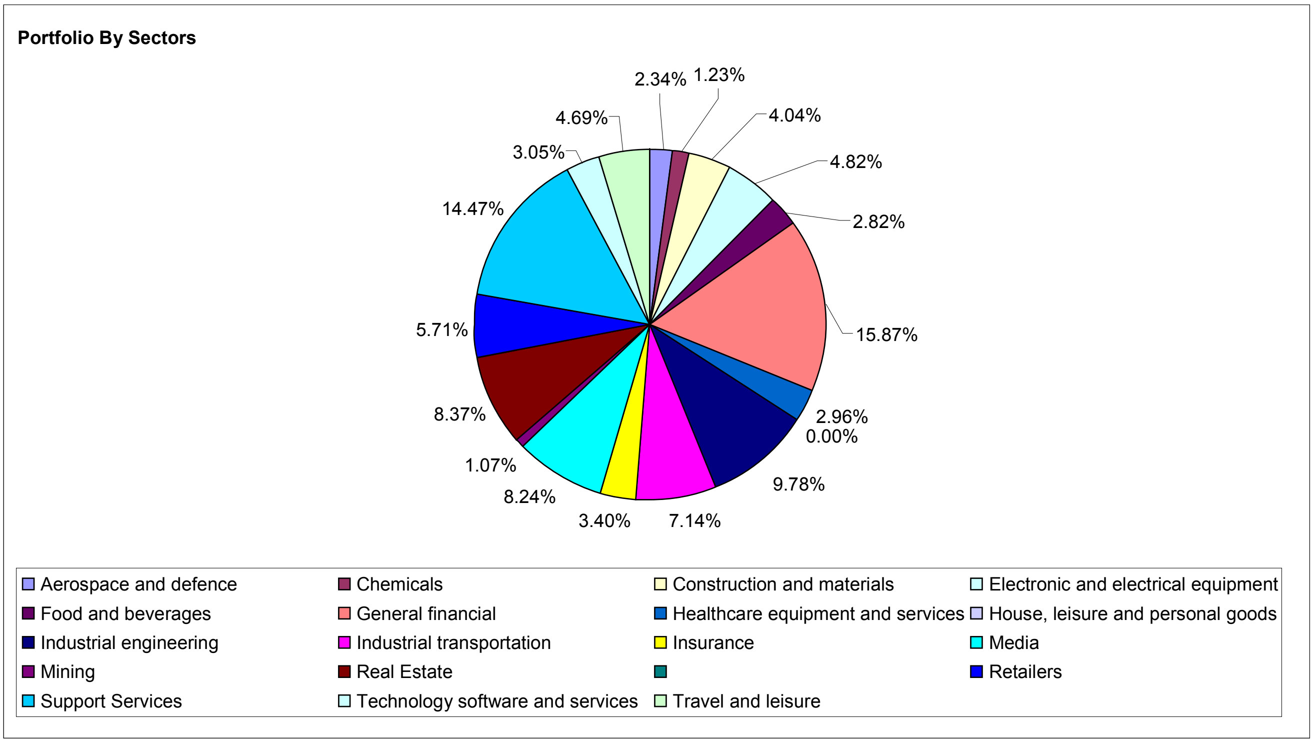
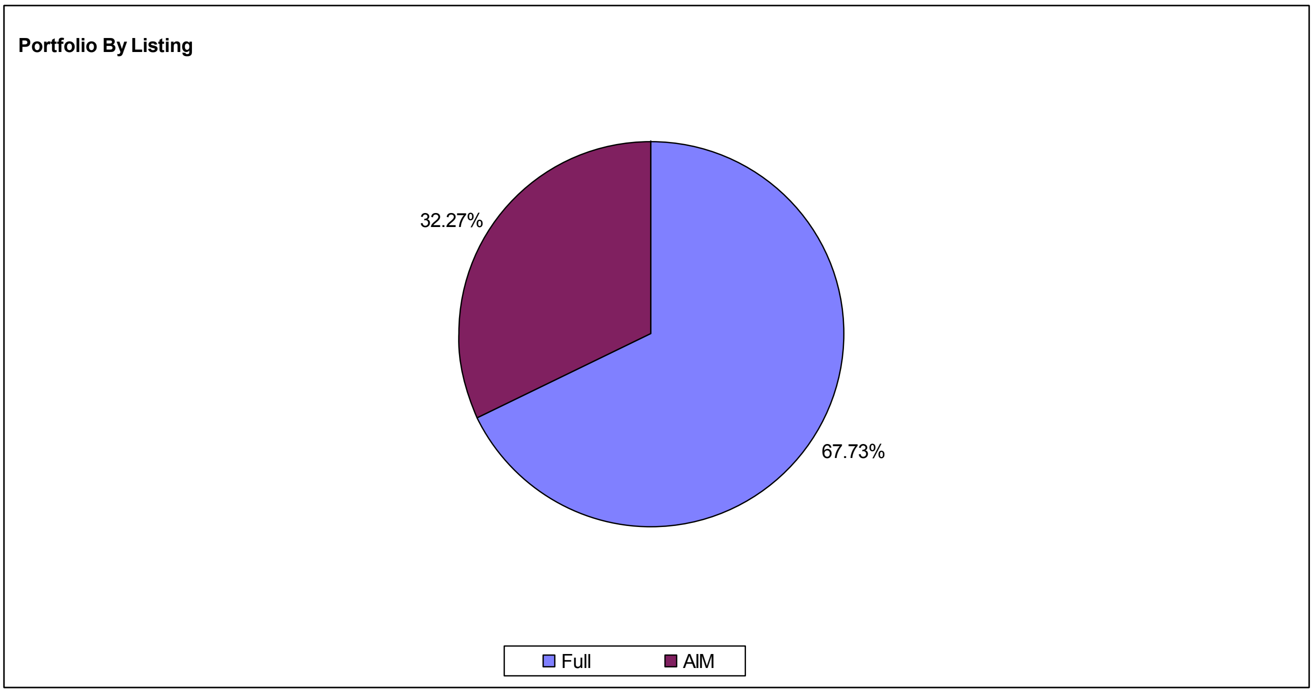
INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2010 (CONTINUED)





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HALF YEARLY INCOME STATEMENT
(INCORPORATING THE REVENUE ACCOUNT)

	Unaudited 6 months ended 30 June 2010			Unaudited 6 months ended 30 June 2009			*Audited Year ended 31 December 2009*
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	***Total***
	£	**£**	**£**	**£**	**£**	**£**	***£***
Profits/ (losses) on investments	-	(18,597)	(18,597)	-	250,508	250,508	*650,678*
Income	73,199	-	73,199	63,061	-	63,061	*122,963*
Investment Management expenses	(2,870)	(26,265)	(29,135)	(2,172)	(19,975)	(22,147)	*(51,960)*
Other expenses	(14,119)	(22,852)	(36,971)	(10,131)	(20,848)	(30,979)	*(63,318)*
Return on ordinary activities before taxation	56,210	(67,714)	(11,504)	50,758	209,685	260,443	*658,363*
Taxation	-	-	-	-	-	-	-
Return on ordinary activities after taxation	56,210	(67,714)	(11,504)	50,758	209,685	260,443	*658,363*
Dividends Paid:							
Dividend	(85,633)	-	(85,633)	(84,732)	-	(84,732)	*(84,732)*
Transferred to reserves	(29,423)	(67,714)	(97,137)	(33,974)	209,685	175,711	*573,631*
Return per ordinary share	3.0p	(3.6p)	(0.6p)	2.8p	11.6p	14.4p	*36.5p*

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 movements of reserves is given on page 11.

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 2010 (Unaudited)

	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £	Total Shareholders' Funds £
Balance at 1 January 2010	450,700	405,605	620,562	633,701	179,039	2,289,607
Issue of ordinary shares	45,070	139,676	-	-	-	184,746
Net gains on realisation of investments	-	-	20,816	-	-	20,816
Decrease in unrealised appreciation	-	-	-	(39,413)	-	(39,413)
Expenses allocated to capital	-	-	(49,117)	-	-	(49,117)
Taxation	-	-	-	-	-	-
Profit for the year	-	-	-	-	56,210	56,210
Dividend paid in year	-	-	-	-	(85,633)	(85,633)
Shareholders' Funds at 30 June 2010	495,770	545,281	592,261	594,288	149,616	2,377,216

For the Six Months Ended 30 June 2009 (Unaudited)

	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £	Total Shareholders' Funds £
Balance at 1 January 2009	450,700	405,605	589,079	101,647	168,946	1,715,977
Net losses on realisation of investments	-	-	(41,957)	-	-	(41,957)
Decrease in unrealised appreciation	-	-	-	292,465	-	292,465
Expenses allocated to capital	-	-	(40,823)	-	-	(40,823)
Taxation	-	-	-	-	-	-
Profit for the year	-	-	-	-	50,758	50,758
Dividend paid in year	-	-	-	-	(84,732)	(84,732)
Shareholders' Funds at 30 June 2009	450,700	405,605	506,299	394,112	134,972	1,891,688

For the Year Ended 31 December 2009 (Audited)

	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £	Total Shareholders' Funds £
Balance at 1 January 2009	450,700	405,605	589,079	101,646	168,946	1,715,976
Net gains on realisation of investments	-	-	118,623	-	-	118,623
Decrease in unrealised appreciation	-	-	-	532,055	-	532,055
Expenses allocated to capital	-	-	(87,140)	-	-	(87,140)
Taxation	-	-	-	-	-	-
Profit for the year	-	-	-	-	94,825	94,825
Dividend paid in year	-	-	-	-	(84,732)	(84,732)
Shareholders' Funds at 31 December 2009	450,700	405,605	620,562	633,701	179,039	2,289,607

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HALF YEARLY BALANCE SHEET AS AT 30 JUNE 2010

	Unaudited 30 June 2010	Unaudited 30 June 2009	*Audited 31 December 2009*
	£	£	*£*
Fixed assets			
Investments	2,321,340	1,809,198	*2,184,507*
Current assets			
Debtors	57,040	77,972	*96,088*
Cash at bank and in hand	15,539	24,701	*26,321*
	72,579	102,673	*122,409*
Creditors: amounts falling due within one year	(16,703)	(20,183)	*(17,309)*
Net current assets	55,876	82,490	*105,100*
Total assets less current liabilities	2,377,216	1,891,688	*2,289,607*
Provisions for liabilities and charges	-	-	-
Net assets	2,377,216	1,891,688	*2,289,607*
Capital and reserves			
Called up share capital	495,770	450,700	*450,700*
Share premium account	545,281	405,605	*405,605*
Other reserves (non distributable)			
Capital reserve - realised	592,261	506,299	*620,562*
Capital reserve - unrealised	594,288	394,112	*633,701*
Revenue reserve	149,616	134,972	*179,039*
Shareholders' funds - all equity	2,377,216	1,891,688	*2,289,607*
Net Asset Value per share	119.9p	104.9p	*127.0p*
Number of shares in issue	1,983,081	1,802,802	*1,802,802*

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HALF YEARLY CASHFLOW STATEMENT FOR THE SIX MONTHS ENDING 30 JUNE 2010

	Unaudited 6 months ended 30 June 2010		Unaudited 6 months ended 30 June 2009		*Audited Year ended 31 December 2009*
	£	£	£	£	*£*
Net cash inflow/ (outflow) from operating activities		45,535		(15,237)	*(38,477)*
Taxation					
Corporation tax paid		-		-	-
Financial Investment					
Purchases of investments	(227,963)		(139,446)		*(442,039)*
Sales of investments	72,533		238,078		*565,531*
Net cash (outflow)/ inflow from Financial Investment		(155,430)		98,632	*123,492*
Dividends paid		(85,633)		(84,732)	*(84,732)*
Financing					
Issue of ordinary share capital		184,746		-	-
(Decrease)/ increase in cash in the year		(10,782)		(1,337)	*283*

Reconciliation of operating net revenue to net cash inflow/ (outflow) from operating activities	£	£	*£*
Revenue return on ordinary activities before taxation	56,210	50,758	*94,825*
(Increase)/ decrease in debtors	39,048	(12,882)	*(30,998)*
(Decrease)/ increase in creditors	(606)	(12,290)	*(15,164)*
Investment management expenses charged to capital	(26,265)	(19,975)	*(46,839)*
Other expenses charged to capital	(22,852)	(20,848)	*(40,301)*
	45,535	(15,237)	*(38,477)*

Athelney Trust plc

NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

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 2009 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 2010 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 2009 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 2010 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 2010 (Unaudited)			**6 months ended 30 June 2009 (Unaudited)**		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Attributable return on ordinary activities after taxation	56,210	(67,714)	(11,504)	50,758	209,685	260,443
Average number of shares		1,862,895			1,802,802	
Return per ordinary share	3.0p	(3.6)p	(0.6)p	2.8p	11.6p	14.4p

	12 months ended 31 December 2009 (Audited)		
	Revenue	**Capital**	**Total**
	£	**£**	**£**
Attributable return on ordinary activities after taxation	94,825	563,538	658,363
Number of shares		1,802,802	
Return per ordinary share	5.3p	31.3p	36.5p

5. Net Asset Value (NAV) per share is calculated by dividing shareholders funds by the number of shares in issue at 30 June 2010 of 1,983,081 (30 June 2009: 1,802,802; and 31 December 2009: 1,802,802).

6. At the Annual General Meeting held on 05 May 2010 the shareholders approved the placing of 180,279 new ordinary shares of 25p to Global Masters Inc and these were allotted at 120.15p per new ordinary share.

7. Copies of the Half Yearly Financial Statements for the six months ended 30 June 2010 will be available on the Company's website www.athelneytrust.co.uk as soon as practicable.

Athelney Trust plc

OFFICERS AND FINANCIAL ADVISERS

Directors:	H.B. Deschampsneufs (Chairman) R.G. Boyle (Managing Director) D.A. Horner J.L. Addison (Appointed 28 June 2010) E.C. Pohl (Alternate Director) (Appointed 28 June 2010)	Email: hugo@athelneytrust.co.uk Email: robin@athelneytrust.co.uk Email: dah@chelvertonam.com Email: jladdison@bigpond.com Email: manny.pohl@hyperionam.com.au
Secretary:	J. Girdlestone Waterside Court Falmouth Road Penryn Cornwall, TR10 8AW	Email: john@athelneytrust.co.uk Tel: 01326 378 288
Registered Office:	Waterside Court Falmouth Road Penryn Cornwall, TR10 8AW	Website: www.athelneytrust.co.uk Email: info@athelneytrust.co.uk Tel: 01326 378 288
Company Number:	2933559 (Registered in England)	
Stockbroker:	Speirs & Jeffrey Limited 36 Renfield Street Glasgow, G2 1NA	Email: graeme.dickie@speirsjeffrey.co.uk Tel: 0141 248 4311
Auditors:	Clement Keys 39/40 Calthorpe Road Edgbaston Birmingham, B15 1TS	Email: simon.atkins@clementkeys.co.uk Tel: 0121 456 4456
Banker:	The Royal Bank of Scotland plc London City Office 62/63 Threadneedle Street London, EC2R 8LA	
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