Athelney Trust plc

Half Yearly Financial Statements

for the six months ended 30 June 2014

Athelney Trust plc

CONTENTS

Athelney Trust plc

HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

I enclose the unaudited results for the six months to 30 June 2014. The salient points are as follows:

- Unaudited Net Asset Value (NAV) is 224.8p per share (31 December 2013: 219.3p, 30 June 2013: 166.2p), an increase of 2.5 per cent for the half year and an increase of 35.2 per cent over the past year.
- Gross Revenue increased by 23.24 per cent to £101,530 compared with the half year ended 30 June 2013 of £82,384 (full year to 31 December 2013 £155,571).
- Revenue return per ordinary share was 4.2p, an increase of 27.3 per cent from the previous half year to 30 June 2013 (31 December 2013: 6.1p, 30 June 2013: 3.3p).
- A final dividend of 5.5p was paid in April 2014 (2013: final dividend 5p).

Review of 1 January 2014 to 30 June 2014

When management with a reputation for brilliance tackles a business with a reputation for poor fundamentals, it is the reputation of the business which remains intact – Warren Buffett

If Hitler invaded Hell, I would make at least a favourable reference to the Devil in the House of Commons – Winston Churchill.

The opera started at 8. At midnight I looked at my watch. It said 8.15. The observation by Hollywood producer Billy Wilder on watching Wagner's *Ring Cycle.*

He is a complete professional and the best of his type by a million miles – Andy Coulson, then editor of *News of the World*, gave a glowing endorsement for the cover of now disgraced public relations consultant Max Clifford's autobiography *Read All About It* in 2006.

The market is exhibiting an eerie, calm, Zen-like stillness that I find quite unnerving. Look around the world at Syria/Iraq, Israel/Palestine, Somalia/Kenya, Russia/Ukraine and Nigeria: now China has laid claim to the whole of the South China Sea and is already in dispute with Japan, the Philippines, Vietnam and just about everyone else. Then there is the slowing Chinese economy with 107 million tons of iron-ore on various dock-sides. QE has finished in the UK and will do so in America later this year. We have the Scottish referendum to look forward to (not) and the General Election is now just months away.

And to make sure that your cup runneth over, Chinese property is the most important factor in the global economy. In the past few years, predictions that the sector was about to explode have not been borne out, but it really could happen this time (more below). Against that can be set that every investor is seemingly searching the world for dividend yield and the world is awash with liquidity – so that's all right then.

For the six months ended 30 June 2014, New York and London edged up by 2.4 per cent and 1 per cent respectively but other major markets did less well with Tokyo down by 5.7 per cent and Shanghai by 2.6 per cent. In smaller markets, Argentina, India and Denmark improved by 51.3 per cent, 22.1 per cent and 20.2 per cent respectively. Venezuela, on the other hand, fell by 22.3 per cent. Returning to London, the Athelney Trust unaudited net asset value rose by 2.5 per cent (or 5 per cent with income reinvested) and the FTSE Small Cap, Fledgling and AIM All-share indices improved by 0.3 per cent, 1.8 per cent and 0.8 per cent respectively.

I am indebted to Private Eye *and its Brazil correspondent Rio de Ferdinand for the following.*

When the England team flew into Brazil and began to acclimatize to the very different conditions in the developing world, there was a real sense of shock at this first impression. I couldn't believe how poor they were *said one Brazilian eye witness.* In this day and age it is difficult to believe that they are allowed to get in this state. The poverty of their defence is genuinely shocking and as for their forwards, well, it beggars belief. *Another Brazilian observer admitted to feeling guilty when confronted by the England squad.* You have to feel sorry for them. It's a pitiful sight but we've been told not to give them any goals because that sort of charity doesn't work.

Athelney Trust plc

HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

The year 2014 is a momentous one: it is the 100^{th} anniversary of the start of the Great War, the 70^{th} anniversary of D-Day and the 25^{th} anniversaries of the collapse of the Soviet empire and the savage crackdown in Tiananmen Square. One hundred years ago, Europe's fragile order fell apart. Seventy years ago, the democracies launched an assault on Fascist Europe. Twenty-five years ago, Europe became whole and free, while China chose a strange combination of market economics and the party state.

In 1913, Western Europe was the economic and political centre of the world with European empires controlling vast colonies. This world was torn apart by the Great War to be replaced by America, which became the world's largest creditor.

The post-second World war division of Europe was a tragedy, though an inevitable one – America was never going to fight the Soviet Union immediately after its alliance with it. But the U.S. did protect Western Europe through NATO, the Marshall Plan, the OECD and the General Agreement on Tariffs and Trade (GATT).

We have now lived for a quarter of a century in an era of global capitalism driven by the acceptance of the market economy and the digital revolution. This happened under the EU and global institutions such as the International Monetary Fund and the World Trade Organization. However, the pressures of our times are becoming clearer. The Great Recession, like the Great Depression before it, has damaged globalization. Russia is now revanchist (seeking to recover lost territory) and China (see above) is increasingly assertive. If there is one lesson to be drawn from this brief history, it is that we must learn to co-operate, yet we remain tribal. If John Maynard Keynes were alive today, he would sigh at the risks of this economic and political nationalism.

Black cab drivers protested in June against Uber, *a web-based minicab company. They did so by driving slowly around London, causing traffic jams. But I thought that's what they did anyway……………*

Chinese property is the most important sector in the global economy. It has been essential to the country's economic development and has sucked in commodity imports from all over the world. But property activity has been falling from mid-2013 and a simple downturn now threatens to turn into a bust. There are risks in the so-called shadow banking sector (i.e. any lending organization which is not a bank) and the rapid rise in local government debt. Property investment has grown to about 13 per cent of GDP (roughly double the situation in the U.S. at the height of the property bubble) and 16 per cent if one includes steel, cement, construction materials and machinery and accounts for about 25 per cent of all capital investment. It also accounts for about 20 per cent of all commercial bank loans but is used as security in 40 per cent of all lending. Now the position is that the overhang of unsold properties in the Tier 2 cities has risen to about 15 months' supply and 24 months in Tier 3 and Tier 4 cities. Beijing's resolve not to respond to weakening prices and activity is unlikely to hold: we should expect extra spending on infrastructure and environmental programmes, faster urbanization, relaxation on home-buying restraints and mortgage deposits and, perhaps later, more monetary easing.

Temporary relief, perhaps, but these measures may undermine the essential strategy of rebalancing the economy towards consumer spending and the negative effects would be larger and last longer. China is different from a western economy in so many different ways but the real results of a burst bubble are the same the world over. Beijing will have to cope with them in the coming years but the rest of us will worry about the deflationary consequences in a still fragile global economic recovery.

*I was sad to see the report of the early death of comic actor Rik Mayall. I well remember his wonderful portrayal of Alan Beresford B'Stard, Thatcherite MP, and his quote, "*The really great thing about a fudged coalition is that neither of us need to carry out a single promise of our election manifestoes."

For most of the 20^{th} century ICI was Britain's leading industrial company. It was formed in 1926 through the merger of four chemical companies – Brunner Mond, Nobel Explosives, United Alkali and British Dyestuffs. After the war, the ICI board decided that the new frontier of chemistry was pharmaceuticals (pharma). James Black, a young physiologist, was recruited for the new team: despite the high quality of its research chemists, the pharma division lost money for nearly *twenty* years. In the 1960s, Black discovered beta-blockers, the first effective drug for treating high blood pressure. Other products followed and the division became the fastest growing part of ICI. Black moved on to SmithKline, where he discovered Tagamet, which relieved many from the misery of stomach ulcers.

HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

Glaxo later discovered Zantac and Astra of Sweden the proton pump inhibitor, both treatments for ulcers. In 1991, ICI was under threat of a take-over so spun off pharma (now called Zeneca) which subsequently merged with Astra. The rump chemicals business of ICI started its long decline into oblivion. But the world of pharma was changing: Pfizer was the company that many admired – cutting costs and filling gaps in its range via acquisitions were to be preferred to, for instance, Merck's great research history.

But business built to last is about people and products, not corporate adventures and tax advantages. Sir James Black, I am sure, created more shareholder value than any financier or deal-maker in the history of British business. For that reason, Astra Zeneca's board and most of its shareholders were quite right to turn down the Pfizer take-over offer.

Is London's new issue market turning into a racket? Prospectuses are frequently published only after conditional dealings have started, hard-bitten investment analysts are brought on board, thus stifling criticism while any potential investor asking awkward questions is likely to be left out altogether. Tempted by the latest one? Perhaps you should go and lie on a hot beach until the feeling goes away.

In 1931, Hugh Macmillan, a Scottish judge, wrote in his report that British engineering and shipbuilding businesses were doing badly compared with their German and American competitors because of the lack of finance, the so-called Macmillan gap. It can come as no surprise that the gap is still there 83 years later. If anything, things are getting worse – bank lending to SMEs (small and medium enterprises) has been falling for four years and by a quarter to all businesses. SMEs have been the ugly duckling of the banking world, representing only 2 per cent of bank assets. SME lending officers seem to have disappeared off the map: where once we had banks that liked to say *yes* now we have computers programmed to say *no.*

One idea to improve matters is to create a high quality data-base on companies' credit history and revenues making it freely available to prospective lenders, both old and new. Why would one do this? Because about 80 per cent of SMEs' banking relationships are with the big four banks: data is not shared at present which makes life hard for new entrants to get a foot in the SME door. Measures proposed by the Government last year might help but it would be good to go further and create a one-stop-shop for information on companies available to all lenders. This would be called a credit register.

Lowering barriers to entry would boost competition in the SME lending market, reducing costs and improving access to credit. For the U.K., it would be a big step but, as usual, we are behind everyone else. Almost 100 countries already have a credit register, including over half of the countries in the EU. The Macmillan gap has probably existed for about a century – let us close it once and for all.

The modern Greek state has spent more than half its existence in default on its debt. Even before its historic restructuring in 2012, Greece had defaulted five times since the 1820s – in 1826, 1843, 1860, 1893 and 1932. Yet in April, investors were desperate for the chance to buy new Greek debt despite growth rates too sluggish to make a serious dent in the country's steep debt pile. Alexander Pope's Hope springs eternal *comes to mind………..*

Anyone who enjoys the sight of economists eating their hat is in for a treat soon. When the U.K. adopts new international standards for national income accounting, three great truths are likely to be shown up as being wrong. Some of the changes have been flagged for years. The level of gross domestic product (GDP) will rise because things like research and development, the manufacture of weapons systems and intangibles like prostitution and drug dealing will be included for the first time. If that was it, the overall effect would be small (somewhere between 2.5 and 5 per cent) but there is another much more important change.

Now you must read carefully because I shall be asking questions later! We are moving from *cash* to *accruals* accounting principles for funded pension schemes. There, I knew it – you've fallen asleep! The three great truths are: households do not save; companies are sitting on huge piles of cash and household incomes have stopped rising with GDP.

Athelney Trust plc

HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

None is true. Including funded pension schemes will increase household saving from 5.5 per cent of disposable income to about 11 per cent. British households will ditch their reputation for profligacy overnight. Correspondingly, the savings of the corporate sector will decline. Since incomes will appear higher, much of the puzzle of why households did not appear to benefit from recent rises to GDP will disappear. We should go further and include central government's unfunded final salary schemes in the same way, which would make the U.K.'s public finances look even uglier than they are.

The last time Britain attempted to control bank lending by administrative fiat, Spandau Ballet were in the charts, the Conservative government had just given council house tenants the right to buy their properties and Margaret Thatcher was still to make her not for turning *speech. Did it work last time? No, don't think that it did……..*

A new smartphone app will be popular with manufacturers keen to make money from energy ministers' inability to plan. The app will tell industrialists when the power distributor will pay them for not making things so that the domestic householder can continue to brew tea while ignoring the TV ads. It reminds me of Joseph Heller's great novel *Catch 22.* Discovering that the U.S government paid subsidies to reduce alfalfa production, *he worked without rest at not growing alfalfa…..and soon was not growing more alfalfa than any man in the country.*

National Grid implies that there is a danger of the lights going out in 2015/16. That winter, it expects to have recruited sufficient manufacturers to reduce demand by 1,800 megawatts at any point if needed. They will receive £10,000 for each MW they forswear regardless of whether National Grid actually calls on them plus another up to £15,000 per MW hour for power actually forfeited. At a time when we are desperate to encourage manufacturing industry, you couldn't make it up, could you?

Results

Gross revenue increased to £101,530 compared to the same period last year of £82,384.

	Number
Companies paying dividends	71
Companies purchased (therefore no true comparison)	5
Companies sold (therefore no true comparison)	1
Increased total dividends in the half year	41
Reduced total dividends in the half year	4
No change in dividend	20

Portfolio Review

Holdings of *Games Workshop, UK Commercial Property Trust, Novae Group, McColls Retail Group, Hiscox, Brit, Beazley and Andrews Sykes Group* were all purchased for the first time. Additional holdings of *Vianet, Amlin, Catlin, Schroder Real Estate Investment Trust, Lancashire Holdings, LondonMetric, M & C Saatchi and Picton Property Income* were also acquired. *Arbuthnot Banking Group, H & T Group and Macfarlane Group* were sold. In addition a total of 15 holdings were top-sliced to provide capital for new purchases.

Corporate Activity

We accepted a take-over bid for the holding of *Abbey Protection*, which gave us a profit on book value of 27.2 per cent.

Athelney Trust plc

HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014
CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

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

Britain (and America, come to think of it) must seem like a Treasure Island in a sea of troubles. Nevertheless, there is a problem: either central banks are right to be worried about the economy so wish to keep interest rates low or they are wrong and will be forced to raise rates faster than markets expect. Either way seems likely to lead to more uncertainty and volatility. Until the outlook becomes clear, investors will not want to give up on what has been a winning strategy of holding equities for capital growth and an increasing income. Equity investors are reluctant 'bulls' but there seems no alternative. Hold.

H.B. Deschampsneufs

Athelney Trust plc

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2014

We confirm to the best of our knowledge:

1. The condensed set of Financial Statements has been prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, gives a true and fair view of the assets, liabilities, financial position and return of the company.
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 30 July 2014.

H.B. Deschampsneufs
Director and Non-executive Chairman

Athelney Trust plc

INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2014

	Stock	Holding	Value (£)	SECTOR £	SECTOR %
Chemicals	Treatt	22,500	38,925	**38,925**	**0.89%**
Construction and materials	Costain Group	14,666	38,095		
	Renew Holdings	45,000	104,850	**142,945**	**3.27%**
Electronic and electrical equipment	XP Power Ltd	3,000	43,740		
	Sprue Aegis	25,000	62,500	**106,240**	**2.43%**
Food and beverages	Greencore Group	32,500	86,288		
	Wynnstay Group	12,500	77,250	**163,538**	**3.74%**
General financial	Camellia	500	55,305		
	Charles Taylor	25,000	57,438		
	Gli Finance	100,000	57,000		
	Jarvis Securities	27,500	137,500		
	Juridica Investments	22,000	30,360		
	Park Group	140,000	76,650		
	PLUS500	8,500	38,930		
	Randall & Quilter Investment Holdings	40,000	59,200		
	S & U	6,000	111,570	**623,953**	**14.27%**
Industrial engineering	Goodwin	1,300	50,167		
	Hill & Smith	12,500	62,750		
	Slingsby (H.C)	4,000	15,000		
	Vitec	6,500	36,823	**164,740**	**3.77%**
Industrial transportation	ACM Shipping	22,500	54,394		
	Braemar Shipping Services	12,000	62,940		
	Fisher (James)	3,000	42,420		
	UK Mail	12,500	73,625	**233,379**	**5.34%**
Insurance	Amlin	11,000	51,480		
	Beazley	20,000	50,560		
	Brit plc	20,000	48,980		
	Catlin	9,500	50,778		
	Chesnara	16,000	51,240		
	Hansard Global	30,000	28,050		
	Hiscox	5,340	37,727		
	Lancashire Holdings	8,000	52,280		
	Novae Group	6,500	34,483	**405,578**	**9.27%**
Leisure Goods	Games Workshop	5,500	34,183	**34,183**	**0.78%**
Media	4Imprint	8,000	51,640		
	Chime Communications	20,000	71,800		
	Huntsworth	70,000	37,625		
	M&C Saatchi Plc	12,000	30,960		
	Quarto Group Inc Com	40,500	65,610		
	UTV Media	20,000	41,600		
	Wilmington Group	32,500	63,375	**362,610**	**8.29%**

Athelney Trust plc

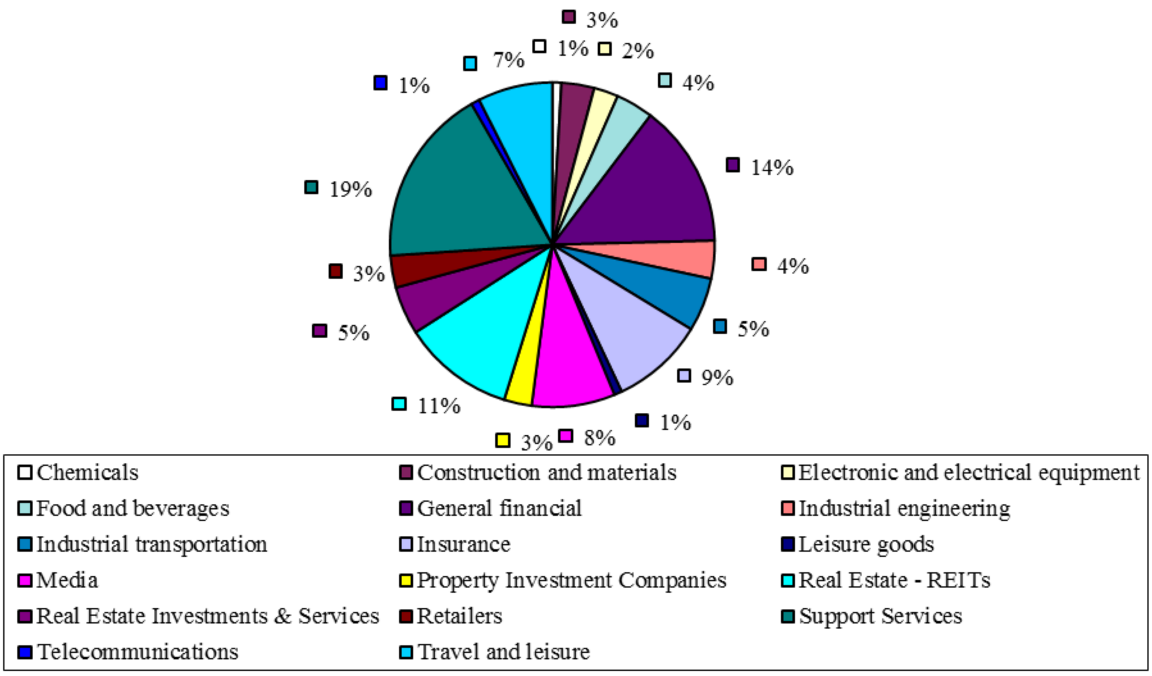
INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2014 (CONTINUED)

	Stock	Holding	Value (£)	SECTOR £	%
Property Investment Companies	Picton Property Income	117,201	71,200		
	Standard Life Property Income	65,000	49,563	**120,763**	**2.76%**
Real Estate - Real Estate Investments & Services	F & C UK Real Estate Investments	64,500	54,019		
	Lok'n Store Group	30,000	60,900		
	London Metric Property	45,000	60,750		
	Mountview Estates	1,500	131,243		
	Palace Capital	20,000	60,950		
	Redefine	55,000	29,480		
	Schroder Real Estate Investment Trust	109,000	56,680		
	UK Commercial Property Trust	40,000	32,620	**486,642**	**11.13%**
REIT's	Newriver Retail	25,000	76,938		
	Town Centre Securities	27,500	70,708		
	Tritax Big Box	60,000	62,400	**210,046**	**4.8%**
Retailers	Mccolls Retail Group	20,000	33,450		
	Stanley Gibbons	35,000	106,488	**139,938**	**3.20%**
Support services	Andrews Sykes Group	10,000	35,000		
	Begbies Traynor	60,000	27,600		
	Communisis	100,000	61,750		
	Connect Group	50,000	91,000		
	Hydrogen	40,000	36,000		
	ISG	18,000	54,495		
	Latham (James)	10,000	49,725		
	Matchtech	18,500	103,600		
	Nationwide Accident Repair	45,000	30,600		
	RWS Holdings	4,000	29,380		
	St Ives	50,000	107,875		
	Vianet Group	40,000	32,000		
	VP	17,500	117,425	**776,450**	**17.76%**
Telecommunications	KCOM Group	40,000	37,000	**37,000**	**0.85%**
Travel and leisure	Air Partner	18,000	84,487		
	Cineworld	19,800	64,706		
	GVC Holdings	30,000	131,400		
	Photo-Me	32,500	45,338	**325,931**	**7.45%**

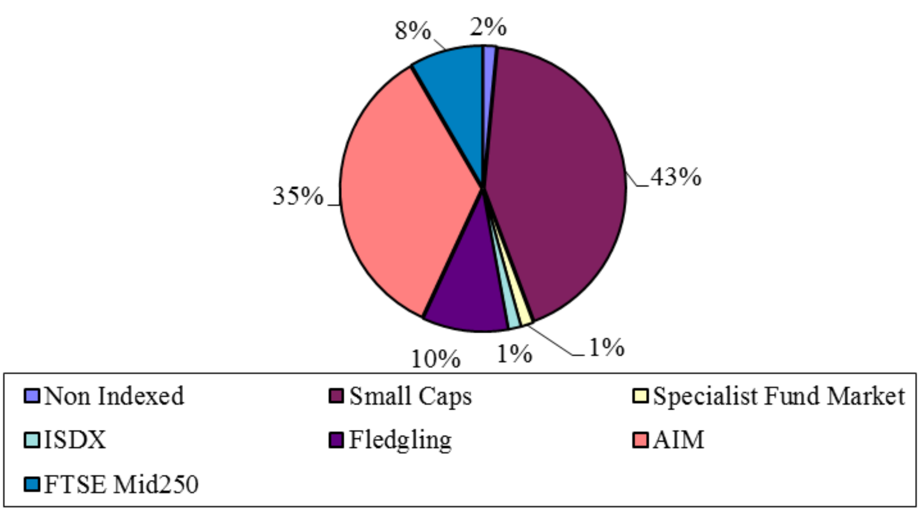
Portfolio Value		**£ 4,372,861**	**100.00%**
Net Current Assets		**£ 85,557**	
TOTAL VALUE		**£ 4,458,418**	
Shares in issue		**1,983,081**	
Unaudited NAV	**224.8p**		

INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2014 (CONTINUED)

Portfolio By Sectors



Portfolio By Listing



Athelney Trust plc

HALF YEARLY INCOME STATEMENT
(INCORPORATING THE REVENUE ACCOUNT)

	Unaudited 6 months ended 30 June 2014			Unaudited 6 months ended 30 June 2013			*Audited Year ended 31 December 2013*
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	***Total***
	£	**£**	**£**	**£**	**£**	**£**	**£**
Gains on investments held at fair value	-	309,890	309,890	-	104,470	104,470	*1,466,773*
Income from investments	101,530	-	101,530	82,384	-	82,384	*155,571*
Investment Management expenses	(2,780)	(25,432)	(28,212)	(2,829)	(25,913)	(28,742)	*(58,799)*
Other expenses	(14,441)	(21,056)	(35,497)	(14,309)	(22,356)	(36,665)	*(70,726)*
Net return on ordinary activities before taxation	84,309	263,402	347,711	65,246	56,201	121,447	*1,492,819*
Taxation	-	-	-	-	-	-	-
Net return on ordinary activities after taxation	84,309	263,402	347,711	65,246	56,201	121,447	*1,492,819*
Dividends Paid:							
Dividend	(109,069)	-	(109,069)	(99,154)	-	(99,154)	*(99,154)*
Transferred to reserves	(24,760)	263,402	238,642	(33,908)	56,201	22,293	*1,393,665*
Return per ordinary share	4.2p	13.3p	17.5p	3.3p	2.8p	6.1p	*75.3p*

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 2014 (Unaudited)

	Called-up Share Capital	**Share Premium**	**Capital reserve realised**	**Capital reserve unrealised**	**Revenue Reserve**	**Total Shareholders' Funds**
	£	**£**	**£**	**£**	**£**	**£**
Balance at 1 January 2014	495,770	545,281	953,991	2,108,854	245,797	4,349,693
Net gains on realisation of investments	-	-	309,890	-	-	309,890
Decrease in unrealised Appreciation	-	-	-	(129,917)	-	(129,917)
Expenses allocated to Capital	-	-	(46,488)	-	-	(46,488)
Profit for the period	-	-	-	-	84,309	84,309
Dividend paid in year	-	-	-	-	(109,069)	(109,069)
Shareholders' Funds at 30 June 2014	495,770	545,281	1,217,393	1,978,937	221,037	4,458,418

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 year	-	-	-	-	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 Year Ended 31 December 2013 (Audited)

	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	-	-	297,801	-	-	297,801
Increase in unrealised appreciation	-	-	-	1,168,972	-	1,168,972
Expenses allocated to Capital	-	-	(95,838)	-	-	(95,838)
Profit for the year	-	-	-	-	121,884	121,884
Dividend paid in year	-	-	-	-	(99,154)	(99,154)
Shareholders' Funds at 31 December 2013	495,770	545,281	953,991	2,108,854	245,797	4,349,693

Athelney Trust plc

HALF YEARLY BALANCE SHEET AS AT 30 JUNE 2014

	Unaudited 30 June 2014	Unaudited 30 June 2013	*Audited 31 December 2013*
	£	£	*£*
Fixed assets			
Investments held at fair value through profit and loss	4,372,861	3,256,734	*4,298,919*
Current assets			
Debtors	50,399	34,526	*41,782*
Cash at bank and in hand	47,410	17,971	*24,709*
	97,809	52,497	*66,491*
Creditors: amounts falling due within one year	(12,252)	(12,847)	*(15,717)*
Net current assets	85,557	39,650	*50,774*
Total assets less current liabilities	4,458,418	3,296,384	*4,349,693*
Provisions for liabilities and charges	-	-	-
Net assets	4,458,418	3,296,384	*4,349,693*
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	1,217,393	808,229	*953,991*
Capital reserve - unrealised	1,978,937	1,257,945	*2,108,854*
Revenue reserve	221,037	189,159	*245,797*
Shareholders' funds - all equity	4,458,418	3,296,384	*4,349,693*
Net Asset Value per share	224.8p	166.2p	*219.3p*
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 2014

	Unaudited 6 months ended 30 June 2014		Unaudited 6 months ended 30 June 2013		*Audited* *Year ended* *31 December* *2013*
	£	£	£	£	£
Net cash inflow from operating activities		25,738		70,286	*74,969*
Taxation					
Corporation tax paid		-		-	-
Financial Investment					
Purchases of investments	(426,702)		(189,204)		*(722,310)*
Sales of investments	532,734		214,674		*749,835*
Net cash inflow from Financial Investment		106,032		25,470	*27,525*
Dividends paid		(109,069)		(99,154)	*(99,154)*
Financing					
Issue of ordinary share capital		-		-	-
Share issue costs					
Decrease in cash in the year		22,701		(3,398)	*3,340*

Reconciliation of operating net revenue to net cash inflow/ (outflow) from operating activities	£	£	£
Revenue return on ordinary activities before taxation	84,309	65,246	*121,884*
Increase/(decrease) in debtors	(8,618)	55,683	*48,427*
Decrease in creditors	(3,465)	(2,374)	*496*
Investment management expenses charged to capital	(25,432)	(25,913)	*(53,034)*
Other expenses charged to capital	(21,056)	(22,356)	*(42,804)*
	25,738	70,286	*74,969*

Reconciliation of net cashflow to movement in net fund

	Net funds at 31/12/13	Cashflow	Net fund at 30/6/14
	£	£	£
Cash at bank and in hand	24,709	22,701	47,410

Athelney Trust plc

NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

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 2013 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 2014 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 2013 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 2014 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 2014 (Unaudited)			6 months ended 30 June 2013 (Unaudited)		
	Revenue £	**Capital £**	**Total £**	**Revenue £**	**Capital £**	**Total £**
Attributable return on ordinary activities after taxation	84,309	263,402	347,711	65,246	56,201	121,447
Weighted average number of shares		1,983,081			1,983,081	
Return per ordinary share	4.2p	13.3p	17.5p	3.3p	2.8p	6.1p

	12 months ended 31 December 2013 (Audited)		
	Revenue £	**Capital £**	**Total £**
Attributable return on ordinary activities after taxation	121,884	1,370,935	1,492,819
Weighted average number of shares		1,983,081	
Return per ordinary share	6.1p	69.1p	75.3p

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 2014 of 1,983,081 (30 June 2013: 1,983,081 and 31 December 2013: 1,983,081).

6. Copies of the Half Yearly Financial Statements for the six months ended 30 June 2014 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 Dr. E.C. Pohl (Alternate Director)	Email: hugo@athelneytrust.co.uk Email: robin@athelneytrust.co.uk Email: dah@chelvertonam.com Email: jladdison@bigpond.com Email: manny.pohl@ecpohl.com
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)	
Solicitor:	McClure Naismith 49 Queen Street Edinburgh EH12 3NH	Email: awilliamson@McClureNaismith.com Tel: 0131 272 8378
Stockbroker:	Speirs & Jeffrey Limited 50 George Square Glasgow, G2 1EH	Email: graeme.dickie@speirsjeffrey.co.uk Tel: 0141 248 4311
Auditors:	Clement Keys LLP 8 Calthorpe Road Edgbaston Birmingham, B15 1QT	Email: simon.atkins@clementkeys.co.uk Tel: 0121 456 4456
Banker:	HSBC Market Street Falmouth Cornwall TR11 3AA	
Registrar:	Share Registrars Limited Suite E First Floor 9 Lion & Lamb Yard Farnham Surrey, GU9 7LL	Email: peter@shareregistrars.uk.com Tel: 01252 821 390
Public Relations Consultants:	City Road Communications Limited 42-44 Carter Lane London, EC4V 5EA	Email: paulquade@cityroad.uk.com Tel: 0207 248 8010