



Athelney
TRUST PLC

Athelney Trust plc

Half Yearly Financial Statements

for the six months ended 30 June 2019

Athelney Trust plc

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Athelney Trust plc

HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019 CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

I am pleased to present the unaudited interim results for Athelney Trust plc (the 'Company' or the 'Trust') to shareholders, reflecting very good comparative fund performance offset to some extent by one-off costs that were incurred during the period, arising from a General Meeting in January and work in response to shareholder activity leading up to the AGM in April. In this regard, since April we have returned to normal cost run-rates for the Company that shareholders will recognise.

The key financial points of this period are:

- The total return to shareholders, which is the increase in net asset value (NAV) during the half year plus the dividend paid, is 9.8 per cent.
- Unaudited Net Asset Value (NAV) is 239p per share (31 December 2018: 225.9p, 30 June 2018: 264.2p), an increase of 5.8 per cent for the half year and a decrease of 9.5 per cent over the past year.
- Gross Revenue decreased by 15.9 per cent to £119,303 compared with the half year ended 30 June 2018 of £141,907 (full year to 31 December 2018 £251,990).
- Revenue return per ordinary share was 4.7p (31 December 2018: 9.9p, 30 June 2018: 5.8p).
- A final dividend of 9.1p was paid in April 2019 (2018: final dividend 8.9p).

Board and Governance

I am delighted to report we have successfully negotiated an agreement between Global Masters Fund Limited (GMF) and Robin Boyle that reflects terms originally agreed by them in March 2010. This was signed in July and 110,001 Boyle shares were sold at NAV, 239p and we now expect the remaining shares controlled by Robin Boyle to be sold over the next 12 months, as required by the agreement between the two parties. GMF now holds 545,005 shares representing 25.26% of the issued share capital in the Company and Robin Boyle now controls 339,054 shares representing 15.71% of the issued share capital in Athelney Trust plc.

Robin Boyle is the founder of Athelney Trust plc and this sale cements the long-standing agreement between the two major shareholders; it also reflects Robin's stated intention at the AGM to retire from an active role in the company. We wish him well in his next chapter and applaud his record of 15 years progressive dividend growth.

As this marks the successful end to our facilitated negotiation between the parties, the Board have agreed that Frank Ashton is Non-Executive Chairman at a base Non-Executive Director salary and Dr Pohl, who is already Fund Manager has moved, in addition, to Managing Director from Non-Executive Director and continues to waive his director's salary.

I am very pleased to report the honour and recognition Dr Pohl has received in being appointed a Member (AM) of the Order of Australia (General Division), announced on 10 June 2019 in the Queen's Birthday Honours List. Dr Pohl received the honour for his service to the Australian finance sector and to the community.

I would also like to pay tribute to John Girdlestone who retired as Company Secretary at the end of May after many years' association with Robin Boyle and the Company. His efforts and wisdom have been much appreciated by me and all current and past directors. Debbie Warburton continues as Company Secretary.

As a result of the GM in January and the AGM in April there have been a number of Director changes; Dr Manny Pohl AM and Simon Moore were voted off the Board at the GM and voted back on the Board at the AGM. David Lawman and Paul Coffin were appointed by shareholders at the GM, Paul Coffin resigned shortly afterwards and was replaced by Frank Ashton. Jemma Jackson was voted off the Board at the GM, with Helen Sachdev being appointed on the 11th February and voted off the Board at the AGM. Both Jemma and Helen made enormous contributions to the company in the short time they were on the Board to which the Directors would like to express their gratitude.

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HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019 CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

There has been no change to the board since the AGM and the Directors in place at the time of signing these accounts are:

Frank Ashton – Chairman (Non-Executive)

Dr Manny Pohl AM – Managing Director and Fund Manager

Simon Moore – Non-Executive Director

David Lawman – Non-Executive Director

Performance

Dr Pohl has managed the portfolio since Robin Boyle's resignation in September 2018 and the recent agreement with Robin Boyle, provides certainty and security over the Trust's future and its approach to portfolio management. Our fund has performed better for movement in NAV than all three comparator indices – FTSE SmallCap, FTSE AIM All-Share and FTSE Fledgling – for the months of May (+0.04%) and June (+1.12%) which we believe reflects better performance arising from the consolidation applied in earlier months (see Fund Manager's Report for more detail).

Over the interim period the NAV improved by 5.80% (FTSE SmallCap Index 8.34%, FTSE AIM All-Share Index 7.16% and FTSE Fledgling Index minus 4.52%), which is commendable performance given the adjustments that were made to reflect the new strategy and actions taken after portfolio review by Dr Pohl. Those holdings exited in full (or taken over) since September 2018 represent an average uplift over purchase cost of 8.8%.

The share price is currently trading at a 3.9% discount and although there has been a good deal of volatility in the first quarter of the year associated with market volatility, we believe we are now sailing in much calmer waters.

Gross revenue is reduced 15.9% compared to the same period 2018 and minus 7% compared to 2017. Some companies have moved the date of their dividend payments; however, we are watching the expected outcome for the full year carefully. Much can still happen both positive and negative, in the remaining months of the year.

The Company has Retained Earnings of £352,000, equivalent to more than twice cover of the last annual dividend. It is an advantage for the investment trust shareholder to benefit from such earnings or reserves.

We incurred an unusual amount of one-off costs in the period up to the AGM relating to extra advisors' fees and company secretary activity and we are very confident that the cost run-rate has returned to more normal levels for a Trust of this size, with much reduced chance of unexpected one-off costs being incurred.

Market Commentary

Global markets rebounded strongly during the past six months after what was an aggressive fall in the fourth quarter of 2018. The strength in US markets was initially driven by the Federal Reserve's more dovish stance on interest rates, but this was quickly followed by more neutral rhetoric related to trade tensions with China.

The outlook for US interest rate hikes softened further in March, and while there was some uncertainty related to both bond markets and future economic conditions, equity markets responded positively.

However, there was a rapid decline in May with markets selling off as much as 6-7% on the back President Trump's renewed trade talks with China. True to form, President Trump helped to resolve the issues he had created, and markets then performed strongly, reaching new record highs. The S&P 500 index was up by 17% while the technology-heavy Nasdaq Composite index was up by 21% over the past six months.

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HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019 CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

European markets also posted incrementally stronger returns over the half; however short-to-medium term growth concerns are starting to dominate market sentiment. Sterling has held up reasonably well over the period, dropping just 2.6% to 23 July.

It is pleasing to note that UK equity markets fared particularly well with the FTSE increasing by 10% over the six months, and UK funds topped the sales charts in May, being the first time in two years they had seen net influx.

Results

Gross revenue decreased to £119,303 compared to the same period last year of £141,907.

Portfolio Review

Holdings of *Close Bros*, *Gamma Communications*, *JD Sport*, *Liontrust*, *LXI REIT* and the *National Grid* were purchased for the first time. Additional holdings of *AEW UK REIT*, *Custodian REIT*, *Hill & Smith*, *Lok n Store*, *Londonmetric*, *Murgitroyd*, *Randall & Quilter*, *Regional REIT*, *Rightmove* and *Tritax Bigbox* were also acquired. *Air Partner*, *Braemar Shipping*, *Capital & Regional*, *Charles Taylor*, *Crest Nicholson*, *Epwin*, *F&C UK*, *Fisher (James)*, *Gattaca*, *Goodwin*, *Hansard Global*, *Harworth Group*, *Hostelworld*, *Ibstock*, *KCOM*, *Kin & Carta*, *McColls*, *Ocean Wilsons*, *Palace Finance*, *Park Group*, *PRS REIT*, *Quarto*, *Reach*, *Real Estate Investors*, *River & Mercantile*, *Schroder European*, *Schroder REIT*, *Town Centre Securities*, *TP ICAP*, *Wynnstay* and *XL Media* were sold. In addition, 1 shareholding was top-sliced to provide capital for new purchases.

Corporate Activity

The holding of *Dairy Crest* was taken over at a capital profit of 31.8%.

Dividend

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

Interim management report

The important events that have occurred during the period under review and the key factors influencing the financial statements are set out in the Chairman's Report. The Board considers that the principal risks and uncertainties facing the Company remain the same as those disclosed in the Annual Report for the year ended 31 December 2018 and are listed below.

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 listed below. The Company has established a framework for managing these risks. The directors have guidelines for the management of investments and financial instruments.

- Market risk arises from changes in interest rates, valuations awarded to equities, movements in prices and the liquidity of financial instruments.
- Investment and strategic risk – incorrect investment strategy, asset allocation, stock selection and the use of gearing could all lead to poor returns for shareholders.

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HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019 CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

- Regulatory risk – relevant legislation and regulations which apply to the Company include the Companies Act 2006, the Corporation Tax Act 2010 (“CTA”) and the Listing Rules of the Financial Conduct Authority (“FCA”). The Company has noted the recommendations of the UK Corporate Governance Code and its statement of compliance appears on pages 20 to 29. A breach of the CTA could result in the Company losing its status as an investment company and becoming subject to capital gains tax, whilst a breach of the Listing Rules might result in censure by the FCA. At each Board meeting the status of the Company is considered and discussed, so as to ensure that all regulations are being adhered to by the Company and its service providers.
- Operational risk– failure of the accounting systems or disruption to its business, or that of other third-party service providers, could lead to an inability to provide accurate reporting and monitoring, leading to a loss of shareholders’ confidence.
- Financial – inadequate controls by the Fund Manager or other third-party service providers could lead to misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations.
- Liquidity 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

Boris Johnson was elected leader of the Conservative party on 23 July and is now the new Prime Minister. As a result, the likelihood of a no-deal Brexit has increased, or so commentators believe. Whether his stance softens as he moves in to Number 10, or whether there is time to get any possible deal through Parliament in time for his exit deadline of 31 October, only time will tell. Currency and market volatility will no doubt follow each twist and turn.

Globally there are indications there is a loosening of monetary policy; the Federal Reserve is perhaps setting up for quarter point cut in interest rates next week (the first cut in nearly 10 years) and US GDP figures will play into this. They are announced on Friday and give us a good sense on how much the trade spat with China has hit US output. In addition, the European Central Bank are expected to announce a further rate reduction to -0.5% from -0.4% on Thursday, and Russia is expected to drop rates by 25 basis points on Friday.

This is against a backdrop of China’s published growth rate being the slowest for nearly 30 years and increasing tensions in the Straits of Hormuz that already translate into higher oil prices.

We are in this for the long haul and know that the large number of undervalued stocks in the UK Smaller Companies sector represent an opportunity for the long-term investor if supported by good investment strategy and process. We look forward to continuing to provide long term shareholder value for our current and future investors.



Frank Ashton

Athelney Trust plc

HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019 FUND MANAGERS REPORT

We are pursuing a sector-by-sector review of the portfolio inherited in September 2018. The consolidation of the exposure to the Property sector has been completed; we have reduced exposure in this sector to twelve companies while maintaining the same overall weight, thereby providing the Company with a first-class exposure to the sector and also ensuring we continue to have a few high-yielding investments.

We have now turned our attention to the other sectors in the portfolio where the focus will be to retain and consolidate our holdings into those quality companies in the portfolio which are unlikely to be disintermediated by technological change and able to maintain or increase their dividend over the next five years.

As detailed elsewhere in this report, the number of stocks in the portfolio has been reduced from approximately 80 to 54 resulting in a more concentrated and focused portfolio. As a result, the Company realised capital profits before expenses arising from the sale of investments in the sum of £72,881 (30 June 2018: loss of £60,940).

We will continue along this path, mindful that our investment turnover should remain low while aiming to have no more than fifty companies in the portfolio. Holdings in companies where there has been a change to the industry structure, the business model, the senior management team or the product/service offering will be sold while companies which have an acceptable level of predictable growth in the business's medium-term economic performance will be added to the portfolio.

Investment discipline is a prerequisite for long-term success, and we will ensure a consistent approach to investments during this uncertain time. Notwithstanding the fact that the 2018 Annual Report contained extensive information on our investment philosophy and my approach to investing, I have decided to summarise this for the benefit of the new shareholders and to ensure that we have a succinct synopsis to which all shareholders can refer.

As far as portfolio investments are concerned, our investment philosophy is clear:

- I. The economics of a business drives long-term investment returns; and
- II. Investing in high quality, growth businesses' that have the ability to generate predictable, above-average economic returns will produce superior investment performance over the long-term.

In essence, this means that in assessing potential investments we:

- a) Value long-term potential, not just performance
- b) Choose high-quality, growing businesses; and
- c) Ignore temporary market turbulence.

The key attributes that will define our investments are:

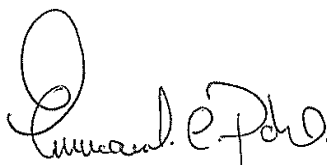
- (1) Organic Sales Growth: Quality franchises organically growing sales above GDP growth that can do so (sustainably) because they have a large, growing market opportunity and compelling competitive advantage which will drive ongoing market share gains are attractive.
- (2) A Proven Track Record: This encompasses both the management's capability and the strength of the business' model. Generally, a firm that consistently delivers a Return on Equity of greater than 15% indicates a Quality Franchise for us. Our investment philosophy is built on the belief that a stock's long-term return to shareholders is driven by the return on capital of the underlying business.
- (3) Company's future profits: In essence we are backing a proven management team and a successful business model. Management are the key decision makers regarding the company's strategy and its competitive position in the marketplace and it is critical that we have confidence in the company's ability to execute its strategy and grow their earnings, even in a tough environment like the current Brexit conundrum.

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HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019 FUND MANAGERS REPORT

- (4) Low Leverage: We require investments to operate with low levels of debt, which ensure that they have sufficient resources to execute on their strategy. An Interest Coverage above 4x provides sufficient bandwidth in times of economic trouble. As a long-term investor, capital preservation is the highest priority. There is nothing that changes a management team's focus toward the short term quicker than impending debt refinancing when market conditions suddenly change for the worse. We need to be comfortable that this will not happen and that the company has a strong enough balance sheet so that it will retain optionality and can quickly and efficiently execute its strategy over the long-term.

We are excited by the quality of the companies that meet the above criteria and will continue to follow our stated investment strategy and focus on delivering value for all shareholders through time.

A handwritten signature in black ink, appearing to read 'Manny Pohl', written in a cursive style.

Dr Manny Pohl AM

Athelney Trust plc

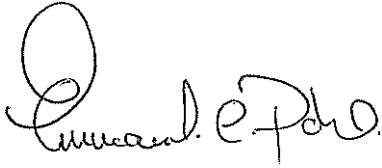
RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2019

The Directors, whose names appear on page 19 of this document, are responsible for preparing the unaudited Half Yearly Report in accordance with applicable laws and regulations. The Directors confirm that to the best of their knowledge:

1. The condensed set of Financial Statements for the six months to 30 June 2019 have been prepared in accordance with FRS 104 “Interim Financial Reporting”, 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 being an indication of important events during the first six months and their impact on the condensed set of financial statements and a description of principal risks and uncertainties for the remaining six months of the year.
3. The Chairman’s Statement also includes a fair review of the information required by Rule 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

Approved by order of the Board:

Dated 26 July 2019

A handwritten signature in black ink, appearing to read 'Dr. E.C. Pohl', written in a cursive style.

Dr. E.C. Pohl AM

Director

Athelney Trust plc

INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2019

	Stock	Holding	Value (£)	SECTOR	
				£	%
Chemicals	Treatt	11,000	50,490	50,490	1.0%
Construction and materials	Costain Group	14,666	25,519	244,459	4.9%
	Clarke T	55,000	64,900		
	Forterra	40,000	118,200		
	Heath (Samuel) & Sons	12,800	35,840		
Electronic and electrical equipment	XP Power Ltd	3,000	66,000	66,000	1.3%
Food and beverages	Greencore Group	12,044	26,364	26,364	0.5%
General financial	Camellia	500	51,000	841,867	16.7%
	Close Bros	8,000	113,040		
	Jarvis Securities	27,000	116,912		
	Jupiter Fund Management	15,000	63,360		
	Liontrust Asset Management	33,000	236,280		
	Randall & Quilter Investment Holdings	70,000	122,500		
	Record	150,000	48,375		
	S & U	4,000	90,400		
Industrial engineering	Hill & Smith	14,000	163,800	209,200	4.2%
	Vitec	4,000	45,400		
Insurance	Chesnara	16,000	52,800	52,800	1.0%
Leisure Goods	Games Workshop	4,500	223,380	223,380	4.4%
Media	4Imprint	2,000	53,800	265,680	5.3%
	Huntsworth	40,000	38,880		
	M&C Saatchi Plc	16,000	55,840		
	Rightmove	10,000	53,460		
	Wilmington Group	32,500	63,700		
Mobile Communications	Gamma Communications	10,000	114,500	114,500	2.3%
Multiutilities	National Grid	28,000	233,997	233,997	4.6%
Property, Commercial and Residential	AEW UK REIT	130,000	127,140	1,523,066	30.3%
	Belvoir Lettings	85,000	95,200		
	Custodian REIT	75,000	88,950		
	Hansteen Holdings	50,000	48,650		
	Lok'n Store Group	22,000	109,120		
	LondonMetric Property	100,000	210,800		
	LXI REIT	24,000	30,480		
	Mountview Estates	1,500	145,500		
	Picton Property Income	175,000	171,326		
	Regional REIT Ltd	110,000	118,360		
	Target Healthcare REIT	100,000	115,400		
	Tritax Big Box	170,000	262,140		
Retailers	JD Sports	5,000	29,310	29,310	0.6%

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INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2019 (CONTINUED)

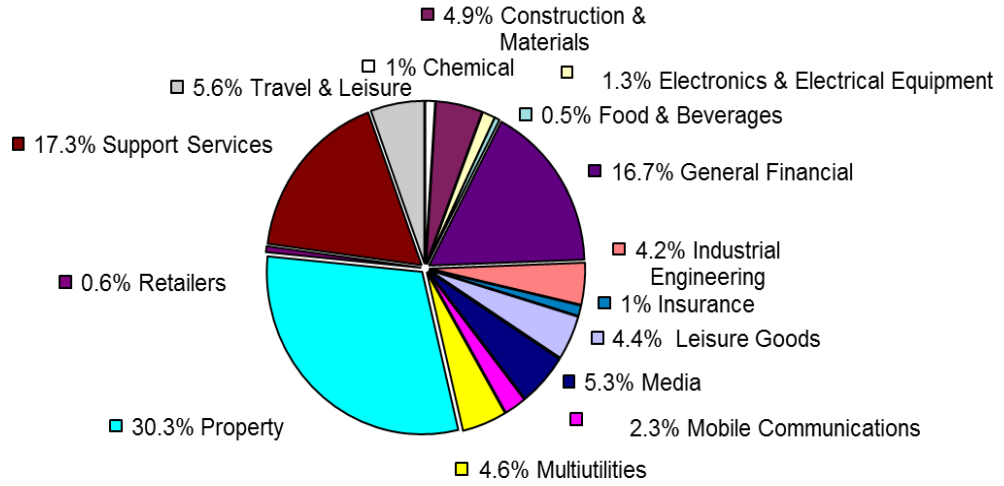
	Stock	Holding	Value (£)	SECTOR £	%
Support services	Andrews Sykes Group	19,500	129,675		
	Begbies Traynor	80,000	58,400		
	Biffa	25,000	51,375		
	Latham (James)	5,500	47,025		
	Menzies (John)	9,500	43,083		
	Murgitroyd	19,000	117,325		
	NWF Group	35,000	61,075		
	Paypoint	5,000	48,450		
	Safecharge International	20,000	86,000		
	Vianet Group	50,000	65,750		
	VP	19,000	163,020	871,178	17.3%
Travel and leisure	Cineworld	37,500	94,988		
	Greene King	10,000	61,780		
	Marstons	80,000	93,280		
	Photo-Me	32,500	31,298	281,346	5.6%

Portfolio Value	£5,033,637
Net Current Assets	£ 122,742
TOTAL VALUE	£5,156,379
Shares in issue	2,157,881
Unaudited NAV	239p

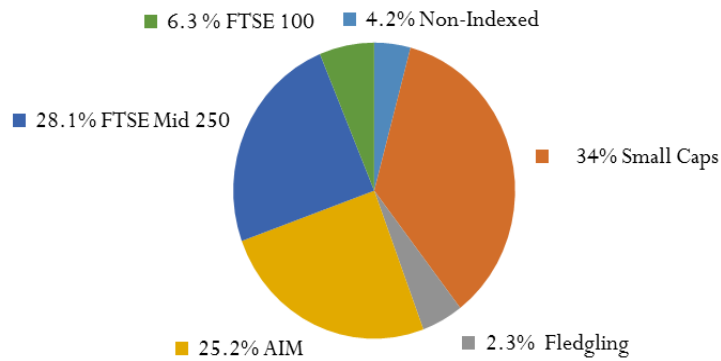
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INVESTMENT AND PORTFOLIO ANALYSIS AT 30 JUNE 2019 (CONTINUED)

Portfolio By Sectors



Portfolio By Listing



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HALF YEARLY INCOME STATEMENT (INCORPORATING THE REVENUE ACCOUNT)

	Unaudited			Unaudited			Audited
	6 months ended 30 June 2019			6 months ended 30 June 2018			Year ended
	Revenue	Capital	Total	Revenue	Capital	Total	31 December
	£	£	£	£	£	£	2018
Profit/(Loss) on investments held at fair value	-	71,882	71,882	-	(60,942)	(60,942)	(1,135,313)
Income from investments	119,303	-	119,303	141,907	-	141,907	251,990
Investment Management expenses	(1,780)	(16,085)	(17,865)	(3,135)	(30,076)	(33,211)	(56,480)
Other expenses	(16,769)	(127,218)	(143,987)	(13,863)	(36,753)	(50,616)	(140,017)
Net return on ordinary activities before taxation	100,754	(71,421)	29,333	124,909	(127,771)	(2,862)	(1,079,820)
Taxation	-	-	-	-	-	-	-
Net return on ordinary activities after taxation	100,754	(71,421)	29,333	124,909	(127,771)	(2,862)	(1,079,820)
Dividends Paid:							
Dividend	(196,367)	-	(196,367)	(192,051)	-	(192,051)	(192,051)
Transferred to reserves	(95,613)	(71,421)	(167,034)	(67,142)	(127,771)	(194,913)	(887,769)
Return per ordinary share	4.7p	(3.3)p	1.4p	5.8p	(5.9)p	(0.1)p	

The total column of this statement is the profit and loss account of the Company prepared in accordance with Financial Reporting Standards ("FRS"). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice issued in November 2014 and updated in February 2018 with consequential amendments by the Association of Investment Companies ("AIC SORP").

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

A separate Statement of Other Comprehensive Income has not been prepared as all such gains and losses are included in the Income Statement. The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the realised profit or loss on investments and the management fees and other costs charged to capital.

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HALF-YEARLY STATEMENT OF CHANGES IN EQUITY

	For the Six Months Ended 30 June 2019 (Unaudited)					Total Shareholders' Funds £
	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Retained Earnings £	
Balance at 1 January 2019	539,470	881,087	1,855,088	1,157,686	440,322	4,873,653
Net gain on realisation of investments	-	-	71,882	-	-	71,882
Increase in unrealised Appreciation	-	-	-	449,760	-	449,760
Expenses allocated to Capital	-	-	(143,303)	-	-	(143,303)
Profit for the period	-	-	-	-	100,754	100,754
Dividend paid in year	-	-	-	-	(196,367)	(196,367)
Shareholders' Funds at 30 June 2019	539,470	881,087	1,783,667	1,607,446	344,709	5,156,379

	For the Six Months Ended 30 June 2018 (Unaudited)					Total Shareholders' Funds £
	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital Reserve Unrealised £	Retained earnings £	
Balance at 1 January 2018	539,470	881,087	1,913,853	2,391,839	419,275	6,145,524
Net loss on realisation of investments	-	-	(60,942)	-	-	(60,942)
Decrease in unrealised Appreciation	-	-	-	(251,415)	-	(251,415)
Expenses allocated to Capital	-	-	(66,829)	-	-	(66,829)
Profit for the year	-	-	-	-	124,909	124,909
Dividend paid in year	-	-	-	-	(192,051)	(192,051)
Shareholders' Funds at 30 June 2018	539,470	881,087	1,786,082	2,140,424	352,133	5,699,196

	For the Year Ended 31 December 2018 (Audited)					Total Shareholders' Funds £
	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital Reserve Unrealised £	Retained earnings £	
Balance at 1 January 2018	539,470	881,087	1,913,853	2,391,839	419,275	6,145,524
Net gains on realisation of investments	-	-	98,840	-	-	98,840
Decrease in unrealised appreciation	-	-	-	(1,234,153)	-	(1,234,153)
Expenses allocated to Capital	-	-	(157,605)	-	-	(157,605)
Profit for the year	-	-	-	-	213,098	213,098
Dividend paid in year	-	-	-	-	(192,051)	(192,051)
Shareholders' Funds at 31 December 2018	539,470	881,087	1,855,088	1,157,686	440,322	4,873,653

Athelney Trust plc

HALF YEARLY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Unaudited 30 June 2019	Unaudited 30 June 2018	<i>Audited</i> 31 December 2018
	£	£	£
Fixed assets			
Investments held at fair value through profit and loss	5,033,637	5,612,641	4,648,238
Current assets			
Trade receivables	103,460	79,213	213,435
Cash at bank and in hand	35,227	20,589	35,520
	138,687	99,802	248,955
Creditors: amounts falling due within one year	(15,945)	(13,247)	(23,540)
Net current assets	122,742	86,555	225,415
Total assets less current liabilities	5,156,379	5,699,196	4,873,653
Provisions for liabilities and charges	-	-	-
Net assets	5,156,379	5,699,196	4,873,653
Capital and reserves			
Called up share capital	539,470	539,470	539,470
Share premium account	881,087	881,087	881,087
Other reserves (non distributable)			
Capital reserve - realised	1,783,667	1,786,082	1,855,088
Capital reserve - unrealised	1,607,446	2,140,424	1,157,686
Retained earnings	344,709	352,133	440,322
Shareholders' funds - all equity	5,156,379	5,699,196	4,873,653
Net Asset Value per share	239p	264.2p	225.9p
Number of shares in issue	2,157,881	2,157,881	2,157,881

Athelney Trust plc

HALF YEARLY STATEMENT OF CASHFLOWS FOR THE SIX MONTHS ENDING 30 JUNE 2019

Notes	Unaudited 6 months ended 30 June 2019 £	Unaudited 6 months ended 30 June 2018 £	<i>Audited</i> <i>Year ended</i> <i>31 December 2018</i> £
Cash flows from operating activities			
Net revenue return	100,754	124,909	213,098
Adjustments for:			
Expenses charged to capital	(143,303)	(66,829)	(157,605)
(Decrease)/Increase in creditors	(7,595)	(12,391)	299
Decrease/(Increase) in debtors	109,975	77,585	(56,638)
Cash from operations	59,831	123,274	(846)
Cash flows from investing activities			
Purchase of investments	(1,475,968)	(170,633)	(581,051)
Proceeds from sales of investments	1,612,211	212,341	764,179
Net cash used in investing activities	136,243	41,681	183,128
Equity dividends paid	(196,367)	(189,655)	(192,051)
Net Decrease	(293)	(24,700)	(9,769)
Cash at the beginning of the period	35,520	45,289	45,289
Cash at the end of the period	35,227	20,589	35,520

Athelney Trust plc

NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

1. Accounting Policies

a) Statement of Compliance

The Company's Financial Statements for the period ended 30 June 2019 have been prepared under UK Generally Accepted Accounting Practice (UK GAAP) and the 2014 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in November 2014 and updated in February 2018 with consequential amendments ('the SORP') issued by the Association of Investment Companies.

The financial statements have been prepared in accordance with the accounting policies set out in the statutory accounts for the year ended 31 December 2018.

b) Financial information

The financial information contained in this report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the period ended 30 June 2019 and 30 June 2018 have not been audited or reviewed by the Company's Auditor pursuant to the Auditing Practices Board guidance on such reviews. The information for the year to 31 December 2018 has been extracted from the latest published Annual Report and Financial Statements, which have been lodged with the Registrar of Companies, contained an unqualified auditor's report and did not contain a statement required under Section 498(2) or (3) of the Companies Act 2006.

c) Going concern

The Company's assets consist mainly of equity shares in companies which, in most circumstances, are realisable within a short timescale. The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

2. 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).

3. Taxation

The tax charge for the six months to 30 June 2019 is nil (year to 31 December 2018: nil; six months to 30 June 2018: nil).

The Company has an effective tax rate of 0% for the year ending 31 December 2019. The estimated effective tax rate is 0% as investment gains are exempt from tax owing to the Company's status as an Investment Trust and there is expected to be an excess of management expenses over taxable income.

4. The calculation of earnings per share for the six months ended 30 June 2019 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 2019 (Unaudited)			6 months ended 30 June 2018 (Unaudited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Attributable return on ordinary activities after taxation	100,754	(71,421)	29,333	124,909	(127,771)	(2,862)
Weighted average number of shares		2,157,881			2,157,881	
Return per ordinary share	4.7p	(3.3)p	1.4p	5.8p	(5.9)p	(0.1)p

Athelney Trust plc

NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 201

12 months ended 31 December 2018
(Audited)

	Revenue	Capital	Total
	£	£	£
Attributable return on ordinary activities after taxation	213,098	(1,292,918)	(1,079,820)
Weighted average number of shares		2,157,881	
Return per ordinary share	9.9p	(59.9)p	(50.0)p

5. Return per ordinary share is calculated by dividing the attributable return on ordinary activities after taxation, by the weighted average number of shares in issue at 30 June 2019 of 2,157,881 (30 June 2018: 2,157,881 and 31 December 2018: 2,157,881).
6. Net Assets Value per Share is calculated by dividing the net assets by the weighted average number of shares in issue at 30 June 2019 of 2,157,881 (30 June 2018: 2,157,881 and 31 December 2018: 2,157,881).

7. Financial Instruments

Fair value hierarchy

The fair value hierarchy consists of the following three classifications:

Classification A – Quoted prices in active markets for identical assets or liabilities.

Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Classification B – The price of a recent transaction for an identical asset, where quoted prices are unavailable.

The price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If it can be demonstrated that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

Classification C – Inputs for the asset or liability that are based on observable market data and unobservable market data, to estimate what the transaction price would have been on the measurement data in an arm's length exchange motivated by normal business considerations.

The Company only holds classification A investments (2018: classification A investments only).

8. Copies of the Half Yearly Financial Statements for the six months ended 30 June 2019 will be available on the Company's website www.athelneytrust.co.uk as soon as practicable.

Athelney Trust plc

OFFICERS AND FINANCIAL ADVISERS

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