Athelney
TRUST PLC

Annual Report 2020

DISCOVERING POTENTIAL

Contents

Annual Report for the year ended

31 December 2020

Company number 02933559

Athelney Trust
Waterside Court, Falmouth Road
Penryn, Cornwall TR10 8AW

Investment Objective

The investment objective of the Trust is to provide long-term growth in dividends and capital, with the risks inherent in small cap investment minimised through a spread of holdings in quality small cap companies that operate in various industries and sectors. The Fund Manager also considers that it is important to maintain a progressive dividend record.

Investment Policy

The assets of the Trust are allocated predominantly to companies with either a full listing on the London Stock Exchange or a trading facility on AIM or AQSE. The assets of the Trust have been allocated in two main ways: first, to the shares of those companies which have grown steadily over the years in terms of profits and dividends but, despite this progress are undervalued by the market when compared to future earnings and dividends; second, those companies whose shares are undervalued by the market when compared with the value of land, buildings, other assets or cash on their balance sheet.

Directors of the Company

Frank Ashton

Non-Executive Chairman

Frank Ashton, aged 59, is a highly experienced senior manager and independent management consultant. After leaving Cambridge University with a Natural Sciences degree (Metallurgy & Materials Science), he spent much of his career providing independent management advice to companies in a wide variety of sectors. With 15 years spent at PricewaterhouseCoopers and KPMG (Operational Due Diligence) and 5 years working in Strategy and M&A for Cummins Inc, he has a proven track record in shareholder value creation and governance, in providing strategic and operational advice to both public and private companies in Europe and USA, as well as working at a policy level for Government entities.

Dr Emmanuel Clive Pohl AM

Managing Director

Manny Pohl, aged 67, is the Chairman and CEO of investment house EC Pohl & Co which he founded in June 2012 and has led through its evolution into today's independent, highly acclaimed Australian fund manager. Manny holds engineering and MBA degrees from the University of Witwatersand and a doctorate in Business Administration (Economics) from Potchefstroom University.

Manny has over 30 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. Manny founded Hyperion Asset Management in 1996 and left in 2012. He has served on the Boards of several major corporations in his native South Africa, the UK and his adopted home Australia. In 2019 Manny was recognised in the Queen's Birthday honours list for significant service to the finance sector, and to the community.

Directors of the Company

Continued

Simon Moore
Non-executive Director

Simon Moore, aged 59, is a consultant Senior Investment Analyst. He has been an investment trust analyst since 1994 and has worked with several stockbrokers in the City of London including Williams de Broe, Teather & Greenwood and Collins Stewart. He was also Senior Investment Manager at Seven Investment Management and Head of Research at Tilney Bestinvest and Senior Investment Analyst at EQ Investors. Simon is a long-standing member of two important committees at the Association of Investment Companies: the Statistics committee and the Property and Infrastructure Forum. In 2013 and 2014 Simon was chosen as one of the Citywire Wealth Manager Top 100 most influential people in UK private client fund selection. Simon is a scientist by training and has worked at two start up UK biotechnology companies, before passing on his knowledge and passion as a science tutor for the Open University. He has a Biochemistry BSc from Imperial College, and an MSc in Computer Modelling of molecules from Birkbeck College. He is a member of the UK Society of Investment Professionals and the CFA institute. During 2020 he was appointed as a Non-Executive Director of Home REIT Plc.

Strategic Report

Chairman's Statement and Business Review

Dear Shareholder

I am pleased to present the Annual Financial Report for the year to 31 December 2020.

The Strategic Report section of this Annual Report has been prepared to help Shareholders understand how the Company operates and assess its performance.

Overview

Athelney Trust plc (the 'Company' or 'Trust') faced unprecedented market conditions resulting from the global COVID-19 pandemic declared in March, subsequent disruption to life, business and the economy from three national lockdowns, and vaccine announcements in November and December. The company performed well in this context, with unusually large market swings and uncertainty leading to increased share price volatility. The key performance points are as follows:

- At 31 December 2020, audited Net Asset Value (NAV) was 255.3p per share (2019: 266.9p), a decrease of 4.3% over the year as compared to a 6.4% decline in the FTSE 250 and a 14.3% decline in the FTSE 100.
- The Trust's investment performance over 12 months as measured by NAV total return, which is the change in NAV plus the dividend paid, was -0.22% (2019: 22.2%). Long term performance represented by the Trust's average 10-year total shareholder return of +112% lagged the FTSE 100 (+119%) and lagged the FTSE 250 (+194%).
- The 12-month revenue return per ordinary share was 5.9p (2019: 9.1p), a decrease of 35%.
- The first interim dividend of 1.7p per share was paid on 25 September 2020.
- Your Board recommend a final dividend of 7.7p per share making a total dividend payable for the year of 9.4p (2019: 9.3p) an increase of 1%. UK Inflation for the year of 2020 was 0.8% (Office for National Statistics).
- This is the 18th successive year of progressive dividend and importantly returns the Trust to a top position in the dividend yield league table for Investment Companies as well as keeps us in the Next Generation of Dividend Heroes list maintained by the AIC (the trust was top of the list in February 2021).

Board and Governance

The Board places significant importance on corporate governance and compliance with the AIC and UK Corporate Governance Codes. Full details are set out in the Corporate Governance section on pages 14 to 17.

An Independent Board

The Directors in place at the time of signing these accounts are:

- Myself, Frank Ashton – Non-Executive Chairman
- Simon Moore – Non-Executive Director, Chair of Audit Committee, Chair of Remuneration Committee
- Dr Manny Pohl - Managing Director, Fund Manager

We currently have three directors who together make up an independent Board under the AIC Code of Governance 2020. I have no current or prior connection with any major shareholder of the Company and maintain I am an independent Chairman. The Board is also agreed that Simon Moore was independent at 31 December 2020.

Capital Gains

During the year the Company realised capital profits before expenses arising on the sale of investments in the sum of £223,957 (2019: £262,480).

Portfolio Review

Holdings Purchased

Holdings of *Clinigen* and *Yougov* were purchased for the first time.

Additional holdings of *4imprint, Abcam, AEW UK, Begbies Traynor, Churchill China, Clarke (T), Fevertree, Homeserve, Jarvis Securities, JD Sport, Lok'n Store, Rightmove, Smart Metering* were also acquired.

Holdings Sold or Trimmed

Andrews Sykes, Biffa, Boohoo, Camellia, Costain, Custodian REIT, Greencore, Hill & Smith, Marstons, Mountview Estates, Picton Property, Randall & Quillter, Regional REIT, Vianet, Vitec, VP, Wilmington.

Corporate Activity

The holding of Hansteen was subject to a Tender Offer during the year at a capital profit of 15%.

Dividend

In line with the majority of investment trusts and after consulting shareholders, the board decided the Trust should pay a dividend more frequently than once a year. During the year the Company paid its first interim dividend of 1.7p on 25 September 2020.

The Board is very pleased to recommend a final dividend of 7.7p per ordinary share making the total dividend this year 9.4p (2019: 9.3p). This represents an increase of 1% over the previous year. Subject to shareholder approval at the Annual General Meeting on 30 March 2021, the dividend will be paid on 6 April 2021 to shareholders on the register on 12 March 2021.

Chairman's Statement and Business Review

Continued

Review

It is hard to conceive what else, short of banking collapse or world war, might in a single year have the same impact and longer-term implications for the world today as COVID-19; hardly any UK business has been untouched by related challenges including huge, panic-driven market swings. In addition, economic uncertainty was exacerbated by a drawn-out US Presidential election plus perhaps an inevitable last-minute UK-EU agreement to a Brexit deal.

The darkest cloud however arrived in the last quarter, with a resurgence of the virus in more transmissible form in several countries. It may not be more deadly; however, it means the UK and other major economies must consider lockdown for longer and hope that mutations do not dim the hope that mass vaccination provides.

I am very pleased therefore to report that NAV outperformed both the FTSE 100 and 250 markets over the year by 10 and 2.1 percentage points respectively. In the past 18-24 months Manny Pohl has shown focus and efficiency in shaping a portfolio that continues to deliver today and promises much for tomorrow. The Board is very grateful for his efforts in a difficult year, leading market research and a team approach that is founded on strong basic financial and value filters. Some companies and sectors have benefited from the conditions in 2020 (mostly the big tech names, plus precious metals) while others seem stuck with a valuation that defies logic. Finding a balance in the portfolio, now even more focused to 30+ companies, to provide growth over time, at the same time as delivering the usual Trust income during such a pandemic-affected market has been a challenge in 2020.

Our status as a closed-ended fund provides a key advantage over open-ended funds; we can use reserves created in good years to smooth out dividend payments through better and leaner years. 2020 was most definitely lean as UK dividends fell by 44% to £61.9bn, the lowest annual total since 2011. The Bank of England's PRA lifted the prohibition on banking dividends in December, which since March had resulted in the financial sector accounting for 40% of the cuts, and the beleaguered oil sector for another fifth. Protection is now in place since December to prevent excessive bank dividends being paid. Some dividend suspensions were reversed in the last quarter, however the year's meagre results have triggered renewed interest in value-creation and cash-generative businesses, as income investors follow the inevitable correction. Our revenue return of 5.9p per share was 35% down compared to last year, and comparatively speaking, a good outcome.

Against this backdrop I am delighted to tell you that your Board recommends a final dividend payment of 7.7p (total 9.4p). This shares the benefits of prudence in previous good years and increases our dividend once more, subject to approval at the AGM. At a share price of 215p on 31 December, this represents a dividend yield of 4.37% (better than the average 2020 yield from FTSE 100 companies of 3.77% and much better than the FTSE 250).

In terms of costs the Trust has continued to be prudent and has not added a fourth Board member to replace David Lawman who retired by rotation at the April AGM; total remuneration reduced by 14% compared to 2019. Non-executive Director's fees remain at £10,500. Other Trusts reduced management and Directors' fees through this year. I believe that along with a reduced management fee of 0.75% since January 2019, we have managed ongoing costs very effectively in 'normal operating conditions' and compared to the very unusual year of 2019, our ongoing charges figure has fallen from 4.30% to 2.45%. As detailed on page 33 in note 3, nearly every line item represented a cost reduction on the prior year.

Outlook

All hope for a swift return to normal dividend payments, however some expect this will not take place during 2021, especially with the further COVID-19 restrictions while UK vaccinations take place for the most vulnerable groups in the first quarter. Link Group expects a best-case UK dividend increase of 8.1% (excluding special payments) and a slow start to the dividend year while a great deal of uncertainty still lingers. Much depends on vaccination success leading to our gaining a meaningful release from lockdown that lasts long enough to deliver sustained growth in GDP after what seems likely to be shortly announced as a UK double-dip recession in 2020.

There may well be pent-up enthusiasm from retail shoppers and investors alike. Some, maybe many might go on a spending spree, and the Bank of England believes there is upside risk from this. Current talk of negative interest rates may come to nothing, but the UK economy needs stimulating as we plan to exit lockdown in four stages between 8 March and 21 June this year. Investors have long waited for the time where neither Brexit nor COVID-19 uncertainties keep foreign investors away, and some dislocated shares can return to par from their 'cheap comparative valuations'. If true, this now seems most likely to happen in 2021 and will present further opportunities for the Trust focusing on the UK Small Companies sector.

Good companies at fair prices are still overlooked by house analysts. Those with commitment to a proven system, prepared to analyse fully and act on conviction, will come out on top in the long run. Our Managing Director and Fund Manager has many years' experience relevant to operating successfully in the conditions of 2021 – this bodes well for your Trust.

Our AGM in 2020 was held virtually, with no shareholders present, as movement restrictions and the safety of our investors and staff made a physical meeting impossible. We will be holding a similar event for the AGM this year on 30 March 2021 at 9.00am. Shareholder engagement and opinion is very important to us, so there are plans in place to give you the opportunity to engage with the Board by sending your questions to us in advance and making sure there is a proxy for your vote. Details of the proposed AGM can be found in the Notice to the AGM publication.

I leave you with the simple words of one of the inspirations of 2020 – Captain Sir Tom Moore, who after a remarkable 100th year, sadly recently died from COVID-19. "Things will get better. The sun will shine again".

Frank Ashton
Non-Executive Chairman

Strategic Report

Fund Manager's Review

Reflecting on 2020, an extraordinary year

The Global Scene

Reflecting on the year that was, it can be confidently said, it was one like no other! This year we saw our world turn upside down with the unimaginable coming to the fore. We've seen the full gamut of external factors impact Global markets, including raging bushfires, a deadly pandemic, never-before-seen stimulus packages, trade wars and an election that tested the Democratic system of the United States.

Before I begin with this year's review, I'd like to acknowledge those who have worked tirelessly throughout this year for the benefit of our society – nurses, doctors, police and members of the defence forces. While we have all managed the significant challenges and pressures COVID-19 has placed upon us, this crisis has certainty provided each of us with some timely lessons: to cherish the physical times we have with loved ones, enjoy our social connections and to embrace our lives outdoors. Cafes and conference rooms were replaced by the disquiet of working from home, separated from our colleagues and families as we all complied with social distancing.

Businesses needed to adapt to survive – gin distilleries became hand sanitiser producers, event staging manufacturers built flat-pack office desks, and nearly every service organisation implemented a work from home program. Five years' worth of technology adoption occurred within weeks as businesses worked out new ways of connecting staff and customers, we created discussion channels on Slack and attended Board meetings with our pets. This recent explosion in the use of technology is highlighted by the fact that in the five-year period from 2010 to 2015 the global market capitalisation of vertical software companies increased by £90bn from £50bn to £140bn, whereas in the period from 2015 to 2020 their market capitalisation increased by a further £340bn to £480bn.

However, something in this technology focused world was missing: the face-to-face interaction and mentoring that occurs within the office environment. For business leaders, these items have become the next challenge for those who need to engage with their teams and provide purpose and a sense of community when normal social interactions are not possible. To ensure business success through these times, leaders need to ensure their companies adopt change-orientated capabilities that help firms redeploy and reconfigure their resource base while ensuring they remain responsible to *all* stakeholders and as investors, we need to ensure that we are able to identify these companies.

The Markets and Our Portfolio

Global markets rose across the board over the last quarter with most markets trending up since the April 2020 lows. After initially under-performing the US tech stocks, UK stocks advanced strongly on the news of a vaccine and a Brexit trade agreement. The pound rose to its highest level against the USD since March 2020. Without doubt, some areas of the global market look expensive when viewed historically but it was the year of technology as mentioned previously and the stock markets are merely reflecting the rapid changes taking place in the economy.

The FTSE-250 hit a record high of 22,114.30 on 2nd of January 2020 before collapsing by 44.1% over the next 2 months. It then increased by 66% over the next nine months to close the year at 20,488.3, down 6.4% over the year. By comparison, our portfolio increased by 3.5% (adjusting for outflows on a time weighted basis) over the same period.

Table 1: Performance Metrics

Compound Growth Rate	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
ATY PORTFOLIO *	3.5%	15.5%	n.a	n.a	n.a.
ATY NAV	-4.3%	6.3%	-3.6%	0.8%	6.0%
FTSE 250	-6.4%	8.2%	-0.4%	3.3%	5.9%
FTSE 100	-14.3%	-2.0%	-5.6%	0.7%	0.9%
FTSE Small Cap	4.5%	9.6%	1.7%	6.0%	6.8%

* Portfolio performance is time weighted, before management fees, expenses and dividends and is only available from when Dr Manny Pohl AM commenced managing the portfolio.

While the FTSE-250 only declined by 6.4% this is a capitalisation weighted index and one should not lose sight of the fact that there are many more smaller businesses in trouble, evidenced in the latest Red Flag Alert research report by Begbies Traynor for 2020, which reported that 630,000 businesses in the UK are recorded to be in significant distress at the end of the fourth quarter, the largest quarterly increase (73,000) in financially distressed companies since the second quarter of 2017. This 13% increase (from 557,000 in Q3 2020) comes as the UK is plunged into another nationwide lockdown and clearly these figures would have been much worse had it not been for Government support. The sad truth is that for many companies this will provide little more than a stay of execution as debt levels become unmanageable and structural changes across many sectors take their toll.

While the majority of the stocks in the portfolio contributed to the outperformance of the portfolio versus the market, a handful of names performed exceptionally well, which included Games Workshop (LSE: GAW), Jarvis Securities (LSE: JIM) and Treatt (LSE: TET); a brief description of these 3 companies follows. The biggest detractors from returns over the year included 4IMPRINT (LSE: FOUR), Forterra (LSE: FORT) and Paypoint (LSE: PAY). At an aggregate level, all of our alpha was generated through stock selection, as opposed to sector selection and this is consistent with our style as a bottom-up, benchmark unaware, high conviction manager.

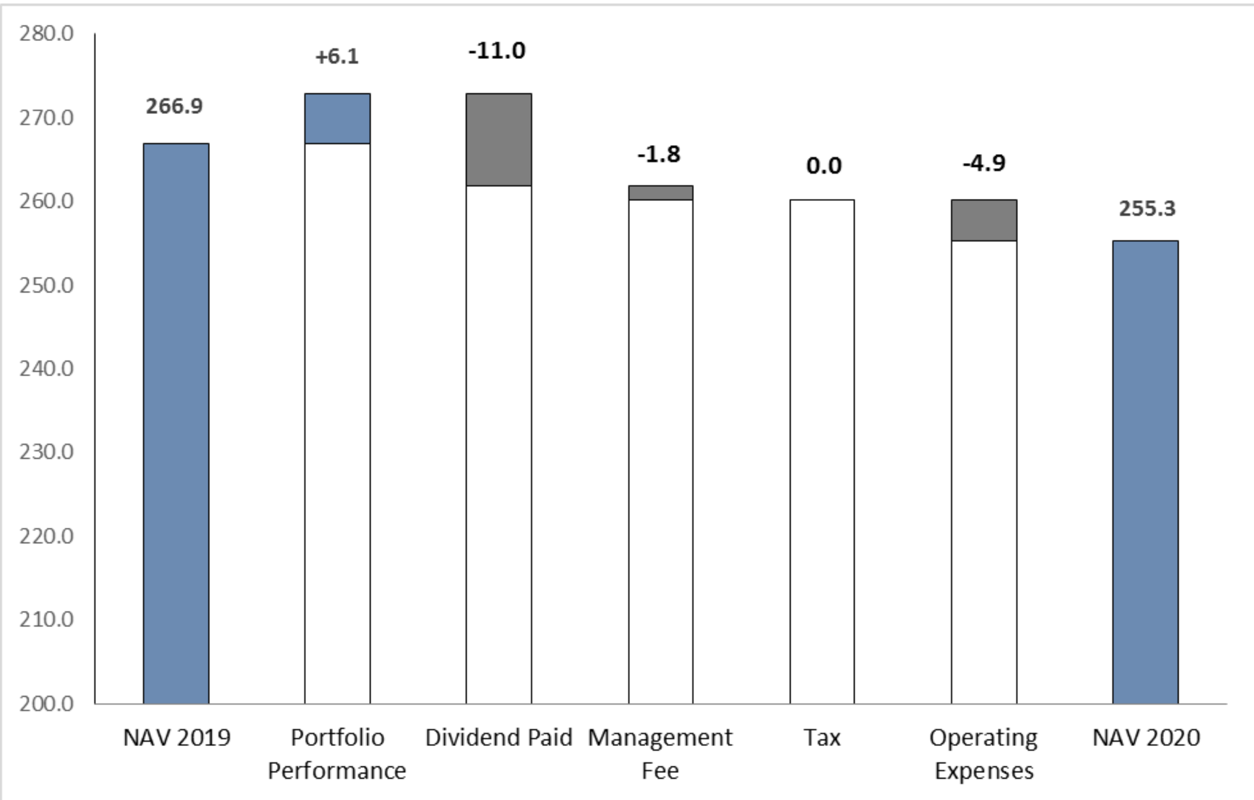
Games Workshop Group plc (LSE: GAW)
Games Workshop designs, manufactures, distributes and markets a hobby based upon collecting, modelling, painting and tabletop gaming with model soldiers. Its key brands are the high fantasy Warhammer and dark future Warhammer 40,000 game systems which it has been able to expand out to encompass video games, books and new campaigns. Games Workshops' competitive advantage is driven by the fact that it has limited competition with the games voraciously supported by a legion of fans worldwide, who will go to great lengths (and expense) to produce their own accompaniments to add to the series lore and backstory. The company generates most of its income in North America and during the COVID-19 lockdown, the majority of the 529 retail stores were restricted or closed but normal trading did resume in the period that the stores were allowed to trade.

Jarvis Securities plc (LSE: JIM)
Jarvis offers retail execution-only stockbroking, ISA and SIPP investment wrappers, savings schemes, and financial administration, settlement and custody services to other stockbrokers and investment firms as well as individuals. It offers Dial-n-Deal for clients wanting to open an account over the telephone and sell shares in certificated form while sellmysharecertificates.com is a share sale postal service. It also offers outsourced services to investment professionals and other financial intermediaries and its subsidiary, Jarvis Investment Management Ltd, is an outsourced investment administration and Model B settlement services provider. We believe that this business model should be able to offset the effects of the depressed market conditions and through organic growth be able to translate increased trade volumes into improved profits.

Treatt plc (LSE: TET)
Treatt manufactures and supplies various natural extracts and ingredients to the flavour, fragrance, beverage, and consumer product industries from their bases in the UK, the US and China. It has a diverse product portfolio with particular expertise in citrus, tea and sugar reduction. The company also provides ingredient applications for beverage and household products; and fragrance ingredients that are the result of over a century of knowledge and innovation. The business has continued partnering with customers to develop exciting products in the fast-evolving beverages market and some material new business wins have been achieved including in the global alcoholic seltzer category which is continuing to grow strongly. Treatt is well positioned as a supplier of natural extracts and with its technical expertise enables it to add significant value to customers across a growing range of applications resulting in margin expansion as well as revenue growth.

Shareholders sometimes are not able to translate portfolio performance into the disclosed NAV movement and to this end the following waterfall chart has been included to provide shareholders with an insight into how the portfolio performance translates into a change in NAV.

Chart 1: Contributions to NAV in the period 1 January 2020 to 31 December 2020 (pence per share)



Strategic Report
Fund Manager's Review
Continued

Investment Philosophy
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:
1. Value long-term potential, not just performance
2. Choose high-quality, growing businesses; and
3. Ignore temporary market turbulence.

The key attributes that will define our investments are:

- 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.

- 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.

- 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 sustainably execute its strategy and grow their earnings, even in a tough environment like the current COVID-19 and Brexit conundrum.

- 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.

Sleep Well rather than Eat Well
As our process aims to find high-quality businesses that we own for the very long-term, our portfolio turnover remains low. Through time we continue to have investments that we have held for over ten years, however, this doesn't mean we aren't always looking for new investments. As mentioned in our monthly reports, the focus this year has been to continue to restructure the portfolio to align it with our investment philosophy while cognisant of the need to maintain the dividend paid to shareholders.

Investment management is more than merely generating alpha in excess of a benchmark. While that is a core part of our mandate, other very important qualitative issues are central to what we do. For example, we recognise that capital allocation is a vehicle through which to drive change. We have the opportunity to demand specific standards of corporate governance, decide whether specific social and ethical issues are acceptable and, if they are not, we vote with our feet.

For us, the integrity and credibility of any management team is a founding principle to our investment process. We need to trust that management has the best interests for all stakeholders at heart, and we have faith that they will make sound strategic decisions and have substantial experience and capabilities in their chosen field. As custodians of our capital, we must ensure that we are doing whatever we can to preserve capital and grow it over time. We allocate capital to investments which we believe are sustainable in the long-term, and finding trustworthy, values-based management that aligns with our core values and beliefs will ensure above-average economic portfolio returns. Sustainability of investment performance or the improvement of the wellbeing of broader society hinges upon ethical, transparent, and honest leadership and in cases where we feel we can add something to the conversation, we engage with the company.

Looking Forward
While the COVID epidemic has affected most businesses negatively, our investment philosophy is based on the belief the long-term economics of a business drives long-term investment returns. The long-term financial metrics of our portfolio companies, including organic sales growth, earnings and dividend growth, should provide the impetus for improvement in valuations or at least be supportive of the current valuations in the future. Our companies have strong business models with capable and experienced management teams which we expect will continue to deliver above-average returns to shareholders. Dividends are expected to be re-instated where they have been cut or withheld, with the Athelney dividend supported in the short-term by the reserves we have built up in the good times and by the distributions from the high yielding property trusts. Over time we expect that the dividends from the high growth quality companies in the portfolio will increase sufficiently so that the property trusts can be replaced by other high growth quality companies without jeopardising our AIC dividend hero status.

While we do feel that the markets are relatively fully valued and do not see a significant improvement in the P/E ratings of the market, for many of the companies in the portfolio our estimates and forecasts for total portfolio return remain promising.

Update
The unaudited NAV on 31 January 2021 was 256.2p per share – up 0.35% from 31 December 2020, the third monthly increase in a row and beating the FTSE 100(-0.82%), FTSE 250 (-1.27%), Small Cap Index (+0.24%) as well as AIM All-share Index (+0.31%). The share price on the same day was 210p (trading at a discount of 18%). Further updates can be found at www.athelneytrust.co.uk

Dr Manny Pohl AM
Fund Manager
24 February 2021

Strategic Report
Investment and Portfolio Analysis at 31 December 2020

	Stock	Holding	Value (£)	SECTOR £	%
Biotechnology	Abcam	7,000	108,430	**108,430**	**2.0**
Chemicals	Treatt	21,000	171,780	**171,780**	**3.2**
Construction & materials	Clarke T	145,000	141,230		
	Forterra	40,000	97,400	**238,630**	**4.5**
Electronic & electrical equipment	XP Power	4,000	187,200	**187,200**	**3.5**
Food & beverages	Fevertree	4,000	101,040	**101,040**	**1.9**
General financial	Close Brothers	13,500	186,435		
	Jarvis Securities	116,000	255,200		
	Liontrust Asset Management	33,000	427,350		
	S & U	6,000	135,000	**1,003,985**	**18.9**
Healthcare	Clinigen	20,000	134,900	**134,900**	**2.5**
Household goods & construction	Churchill China	7,000	93,275	**93,275**	**1.8**
Leisure goods	Games Workshop	4,500	503,550	**503,550**	**9.5**
Media	4Imprint	5,000	128,000		
	Rightmove	20,000	130,120		
	Yougov	10,100	105,040	**363,160**	**6.8**
Mobile communications	Gamma Communications	10,000	164,000	**164,000**	**3.1**
Multiutilities	National Grid	28,000	242,146	**242,146**	**4.6**
Property, commercial & residential	AEW UK REIT	430,000	333,250		
	Belvoir Lettings	85,000	127,925		
	Lok'n Store	33,000	217,800		
	Londonmetric	100,000	228,800		
	LXI REIT	60,000	71,280		
	Mountview Estates	800	100,400		
	Target Healthcare REIT	100,000	113,800		
	Tritax BigBox REIT	170,000	285,260	**1,478,515**	**27.9**
Retailers	JD Sports	10,000	85,980	**85,980**	**1.6**
Support services	Begbies Traynor	95,000	88,160		
	Homeserve	16,000	163,840		
	NWF Group	35,000	66,500		
	Paypoint	9,000	58,770		
	Smart Metering Systems	8,000	56,800	**434,070**	**8.2**

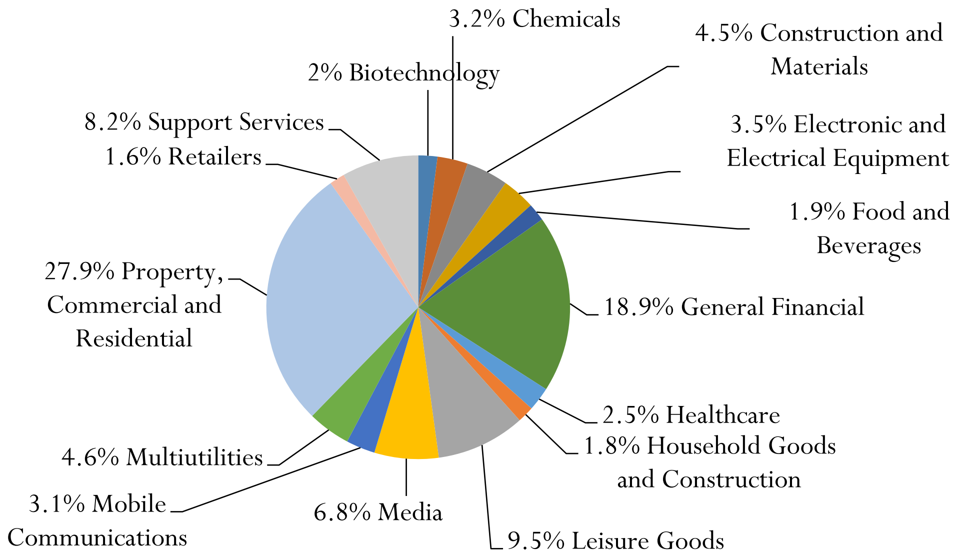
Portfolio Value		£5,310,661	
Net Current Assets		£197,360	
TOTAL VALUE		£5,508,021	
Shares in issue		2,157,881	
Audited NAV	**255.3p**		

Strategic Report

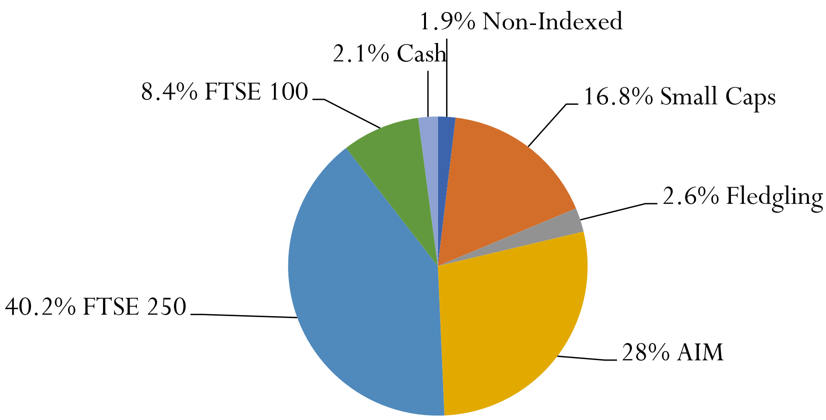
Investment and Portfolio Analysis at 31 December 2020

Continued

Portfolio by Sectors



Portfolio by Listing



Strategic Report
Section 172(1) Statement

The Directors of the Company are required to promote the success of the Company for the benefit of the Members and Shareholders as a whole. Section 172(1) of the Companies Act (2006) expands this duty and requires the Directors to consider a broader range of interested parties when considering the promotion of the Company. This wider group of stakeholders will include employees, if any, suppliers, customers and others, and the Board will look to understand and take into account the needs of each stakeholder, although recognising that different stakeholders may have conflicting priorities and not all decisions made will be to the benefit of all stakeholder groups.

When making decisions the Board should consider the following:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees (if applicable);
- the impact of the Company's operations on the environment and the community;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the need to act fairly for all members of the Company, and
- the desirability of the Company maintaining a reputation for high standards of business conduct.

In line with similar small Investment Trusts and Investment Companies, Athelney Trust plc does not have any customers and relies on a number of third-party providers of services such as Company Administrator, the Custodian and the Registrar to maintain its operations. The Company takes into account the regulations of the market in which it operates and has regard to the environment and the wider community in which it operates.

At every Board meeting the Directors review the performance of the Company towards meeting the Company's Investment Objective through its strategy. Manny Pohl is the fund manager and reports to other Board members and answers any questions raised. The compliance with existing regulatory and legal requirements are reviewed, together with any new regulations that are due to be introduced or are being proposed that may affect the Company.

The Board recognises the importance of, and is committed to, understanding the views of Shareholders and maintaining communication with its Shareholders in the most appropriate manner.

This is undertaken through:

Annual General Meeting

The Company, in normal circumstances encourages all Shareholders to attend and participate at its Annual General Meeting ("AGM"). Whilst the formal business of the meeting is the primary purpose of the meeting, members of the Board are available to answer questions directly from Shareholders, to provide an update to the meeting and to offer Shareholders an insight into the business.

The AGM held in April 2020 was subject to government COVID-19 restrictions and the Board reluctantly held the meeting behind closed doors and Shareholders were requested not to attend. Voting was poll based and Shareholders were requested to email any questions to the Directors. In light of the current Government COVID-19 guidance the Directors have again decided to hold the 2021 AGM behind closed doors. Further details regarding the 2021 AGM are contained in the Notice of the Annual General Meeting published in a separate notification.

Published Reports

The Company produces Annual and Half Yearly Reports and monthly fact sheets are all available from the Company's website and paper copies are available on request from the registered office. The publication of these reports is considered to be the primary method of communication to Shareholders and other readers of the reports and provides detailed information on the portfolio, performance over the period and an assessment of the outlook for the Company.

The Annual Report also contains details regarding the Company's corporate governance and the Board seek to ensure that the Report is readable and is mindful that it should be fair, balanced and understandable.

Shareholder enquiries

Shareholders can contact the Company or any of its Directors through the Company Secretary or through their company email address. Alternatively, letters can be sent to the registered office address. Although the Directors are not available full time, with the assistance of the Company Secretary they seek to maintain open communication to all Shareholders.

Suppliers

The Company Secretary Deborah Warburton and Administrator GW & Co. Limited are often the main contact point for advisors and stakeholders in the Company. Regular communication is maintained between the Company Secretary and the Directors advising them of all matters concerning the Company. The Company also relies on the provision of services from outside parties to operate and gives consideration to the needs and objectives of those providers and recognises that their success will often assist the Company in achieving its objectives.

Regulators

The Company operates in an environment that is governed by legal and regulatory requirements. The Board recognises that these requirements are there to protect stakeholders, including the government.

Environment and Community

As the Company does not have any direct employees nor any physical office environment of its own it has little direct impact on the community or the environment. The Company seeks to reduce its impact on the environment in encouraging Shareholders to receive Reports electronically rather than through printed hard copies. When paper copies are requested FSC paper is used. The Board also engage through electronic means where possible rather than hold excessive face to face meetings.

Strategic Report
Other Statutory Information

As explained within the Report of the Directors on pages 18 to 19, the Company carries on business as an investment trust. Investment trusts are collective closed-ended public limited companies.

Board

The Board of Directors is responsible for the overall stewardship of the Company, including investment and dividend policies, corporate and gearing strategy, corporate governance procedures and risk management. Biographical details of the three male Directors, can be found on pages 2 and 3.

One of the Directors is the Company's only employee (2019: one employee).

Investment Objective

The investment objective of the Trust is to provide shareholders with prospects of long-term capital growth with the risks inherent in small cap investment minimised through a spread of holdings in quality small cap companies that operate in various industries and sectors. The Fund Manager also considers that it is important to maintain a progressive dividend record.

Investment Policy

The assets of the Trust are allocated predominantly to companies with either a full listing on the London Stock Exchange or a trading facility on AIM or AQSE. The assets of the Trust have been allocated in two main ways: first, to the shares of those companies which have grown steadily over the years in terms of revenue and profits but, despite this progress are undervalued by the market when compared to future earnings and dividends; second, those companies whose shares are undervalued by the market when compared with the value of land, buildings, other assets or cash on their balance sheet.

Investment Strategy

The investment strategy employed by the Fund Manager in meeting the investment objective focuses on active stock selection. The selection of individual holdings is based on analysis of, amongst other things, market positioning, competitive advantage, future growth, financial strength and cash flows. The weighting of individual investments reflects the Fund Manager's conviction in those holdings and his views on asset allocation, including between UK and overseas equities, corporate bonds, cash and gearing.

Investment of Assets

At each Board meeting, the Board considers compliance with the Company's investment policy and other investment restrictions during the reporting period. An analysis of the portfolio on 31 December 2020 can be found on pages 9 and 10 of the annual report.

Responsible Ownership

The Fund Manager takes a particular interest in corporate governance and social responsibility investment policy. As stated within the Corporate Governance Statement on pages 14 to 17, the Fund Manager's current policy is available on the Trust's website www.athelneytrust.co.uk. The Board supports the Fund Manager on his voting policy and his stance towards environmental, social and governance issues.

Review of Performance and Outlook

Reviews of the Company's returns during the financial year, the position of the Company at the year end, and the outlook for the coming year are contained in the Chairman's Statement on pages 4 to 5 and the Fund Manager's review on pages 6 to 8 which form part of the Strategic Report.

Principal Risks and Uncertainties and Risk Management

As stated within the Corporate Governance Statement on pages 14 to 17, the Board applies the principles detailed in the internal control guidance issued by the Financial Reporting Council, and has established a continuing process designed to meet the particular needs of the Company in managing the risks and uncertainties to which it is exposed.

The principal risks and uncertainties faced by the Company are described below and in note 12 which provides detailed explanations of the risks associated with the Company's financial instruments.

- Market – the Company's fixed assets consist almost entirely of listed securities and it is therefore exposed to movements in the prices of individual securities and the market generally.

- Investment and strategic – incorrect investment strategy, asset allocation, stock selection and the use of gearing could all lead to poor returns for shareholders.

- Regulatory – 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 14 to 17. 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 – 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 – the Company may have difficulty in meeting obligations associated with financial liabilities.

- Trading – ATY is a small trust and its shares can be illiquid, which means that investors may have difficulty in dealing in larger amounts of shares.

The Company has complied with the MiFID ll and KID legislation and the deadlines to ensure that shares in the Company were still able to be traded. A copy of the Company's KID can be found on the website http://www.athelneytrust.co.uk

The Board is not aware of any breaches of laws or regulations during the period under review and up to the date of this report.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Company's investment portfolio. Investment risk is spread through holding a wide range of securities in different industrial sectors.

Statement Regarding Annual Report and Financial Statements

Following a detailed review of the Annual Report and Financial Statements by the Audit Committee, the Directors consider that taken as a whole it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Environment Emissions

The Company does not have any physical assets, property, or operations of its own and as such does not generate any greenhouse gas or other emissions.

Social, Community and Human Rights Issues

The Company has one employee and, as far as the Board is aware, no issues exist in respect of social, community or human rights issues.

Alternative Investment Fund Manager's Directive ("AIFMD")

The Company is registered as its own AIFM with the FCA under the AIFMD and confirms that all required returns have been completed and filed.

On behalf of the Board

Dr Manny Pohl AM
Managing Director
24 February 2021

Corporate Governance Statement

Shareholders hold the Directors of a company responsible for the stewardship of that company's affairs. Corporate governance is the process by which a Board of Directors discharges this responsibility. The Company's arrangements in respect of corporate governance are explained in this report.

The Company is required to comply with, or to explain its non-compliance with, the relevant provisions of the UK Corporate Governance Code issued by the Financial Reporting Council (the 'FRC') in July 2018 which can be found at www.frc.org.uk. The Association of Investment Companies issued its own Code of Corporate Governance in February 2019 (the 'AIC Code'), which can be found at www.theaic.co.uk. and which has been approved by the FRC as it addresses all the principles of the UK Corporate Governance Code as well as setting out additional principles and provisions on issues which are of specific relevance to investment trusts. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

The Company has not complied with the provisions of the AIC Code and the UK Corporate Governance Code in respect of the following:

- Due to the size of the Board, formal performance evaluations of the Chairman, the Board, its Committees and individual Directors are not undertaken. Instead, it is felt more appropriate to address matters as and when they arise.

- Due to the size of the Board, it is felt inappropriate to appoint a senior independent non-executive Director.

- All the Directors have agreements for provision of their services but no limit has been imposed on the overall length of service. The recommendation of the Code is for fixed term renewable contracts. In recent years each of the Directors has retired and, where appropriate, sought re-election. One third of the Directors retires by rotation annually in accordance with the Company's articles of association.

- The Company has one employee. The Company Secretary's line of communication in relation to whistle-blowing is to the Chairman of the Company.

The Company does not have a Nominations Committee. During the year the Board comprised a maximum of four Directors who liaised continuously throughout and were aware of their obligations to consider recruitment of further Directors as and when the occasion occurred. Shareholders hold the Directors of a company responsible for the stewardship of that company's affairs. Corporate governance is the process by which a Board of Directors discharges this responsibility. The Company's arrangements in respect of corporate governance are explained in this report.

Board Membership

At 31 December 2020 the Board consisted of three Directors, of which two were and remain independent. The biographies of all the current Directors are contained on pages 2 and 3.

David Lawman retired by rotation at the AGM on 8 April 2020. The Directors believe that the Board has the balance of skills, experience, ages and length of service to enable it to provide effective leadership and proper governance of the Company. The Directors possess a range of business and financial expertise relevant to the direction of the Company and consider that they commit sufficient time to the Company's affairs.

All Directors receive relevant training, collectively or individually, as necessary.

The Directors of the Company meet at regular Board Meetings. During the year ended 31 December 2020, the Board met a total of 5 times.

	Board Meetings	Audit Committee	Remuneration Committee
E C Pohl	5	-	-
N F Ashton	5	-	-
S Moore	5	1	1
D Lawman	1	1	1

The Board subscribes to the view expressed in the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that the length of a Director's tenure reduces their ability to act independently. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of services of any of the Company's Directors, including the Chairman, has been imposed, although the Board believes in the merits of periodic and progressive refreshment of its composition.

The Board of Directors of the Company comprises three male Directors. Whilst the Board recognises the benefits of diversity in appointments to the Board, the key criteria for the appointment of new Directors will be the appropriate skills and experience in the interest of shareholder value. The Directors are satisfied that it has an appropriate breadth of skills and experience. The Board is not currently planning to add a fourth Director to the Board.

The basis on which the Company aims to generate value over the longer term is set out in the Strategic Report on pages 4 to 19. All matters, including corporate and gearing strategy, investment and dividend policies, corporate governance procedures and risk management are reserved for the approval of the Board of Directors. The Board receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings.

Board Responsibilities and Relationship with the Fund Manager

The Board is responsible for the investment policy (the Mandate) and strategic and operational decisions of the Company and for ensuring that the Company is run in accordance with all regulatory and statutory requirements.

These matters include:

- The maintenance of clear investment objective and risk management policies, changes to which require Board approval;
- The monitoring of the business activities of the Company, including investment performance and annual budgeting; and
- Review of matters delegated to the Fund Manager and Company Secretary.

The Fund Manager ensures that Directors have timely access to all relevant management and financial information to enable informed decisions to be made and contacts the Board as required for specific guidance. The Company Secretary and Fund Manager prepare monthly reports for Board consideration on matters of relevance, for example current valuation and portfolio changes, dividend comparisons with previous years, cash availability and requirements and a breakdown of shareholdings by listing and sector. The Board takes account of Corporate Governance best practice.

Corporate Governance and Social Responsible Investment Policy

The Board is aware of its duty to act in the interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. The Fund Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments. The Directors, through the Fund Manager, encourage companies in which investments are held to adhere to best practice in the area of Corporate Governance. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective is to deliver superior long term returns for Shareholders which the Board believe will be produced on a sustainable basis by investing in companies which adhere to best practice in the area of Corporate Governance. Accordingly, the Fund Manager will seek to favour companies which pursue best practice in this area.

Chairman

Mr. N F Ashton is independent and considers himself to have sufficient time to commit to the Company's affairs.

Directors' Independence

In accordance with the Listing Rules for investment entities, the Board has reviewed the status of its individual Directors and the Board as a whole. Two of the three current Directors including the Chairman

Are considered by the Board to be independent in character and judgement and there are no relationships or circumstances which are likely to affect or could appear to affect the Directors' judgement.

Remuneration Committee

During the year the Remuneration Committee comprised Simon Moore and David Lawman. After the AGM on the 8 April 2020 when David Lawman did not seek re-election the Remuneration Committee comprised Simon Moore and Frank Ashton. The Committee will meet as necessary to determine and approve Director's fees, following proper consideration of the role that individual Directors fulfil in respect of Board and Committee responsibilities, the time committed to the Company's affairs and remuneration levels generally within the Investment Trust Sector.

Under Listing Rule 15.6.6, the Code principles relating to Directors' remuneration do not apply to an investment trust company other than to the extent that they relate specifically to non-executive Directors. Detailed information on the remuneration arrangements can be found in the Directors' remuneration report on pages 21 to 23 and in note 4 to the financial statements.

Company Secretary

The Company Secretary, Deborah Warburton FCCA, is responsible for ensuring that Board and Committee procedures are followed and that the Company complies with regulations. The Company Secretary also ensures timely delivery of information and reports and that the statutory obligations of the Company are met.

All the Directors have access to the advice and services of the Company Secretary.

Independent Professional Advice and Directors' Training

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties.

The Chairman liaises on a regular basis with the other Directors and the Company Secretary to ensure that they are maintaining adequate training and continuing professional development.

Institutional Investors – Use of Voting Rights and Voting Policy

The Fund Manager, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company's voting rights. The Fund Manager votes against resolutions he believes may damage shareholders' rights or economic interests.

Audit Committee

During the year the Audit Committee comprised Simon Moore and David Lawman. After the AGM on the 8 April 2020 the Audit Committee comprised Simon Moore and Frank Ashton. The Committee met once during the year. The duties of the committee include reviewing the Annual and Interim Accounts, the system of internal controls, and the terms of appointment and remuneration of the auditor, Hazlewoods LLP, including its independence and objectivity. It is also the forum through which Hazlewoods LLP reports to the Board of Directors.

Much of the Board's corporate governance responsibility is discharged through the Audit Committee. This Committee operates within clearly defined written terms of reference which are available upon request at the Company's registered office.

Significant Issues Considered by the Audit Committee in Relation to the Financial Statements

Matter	Action
COVID-19 pandemic The COVID-19 pandemic has adversely affected the global economy and this, in turn, may impact on the valuation of investee companies and their ability to pay dividends. Key service providers could experience high levels of staff illness which may interrupt services	The Fund manager and the Administrator monitor the dividend situation monthly and make the Board aware of cancelled, postponed dividends as soon as they become aware. The Board have checked with key service providers the steps they have taken to protect their employees and procedures they have in place for a continuity of service
Investment Portfolio Valuation The Company's portfolio is invested predominantly in listed securities. Although all the securities are fully listed or traded on AIM or AQSE, errors in the portfolio valuation could have a material impact on the Company's net asset value per share.	The portfolio is valued at bid price at the end of each month by the custodians James Sharp & Co.
Misappropriation of Assets Misappropriation of the Company's investments or cash balances could have a material impact on its net asset value per share.	The portfolio is valued at bid price at the end of each month by the custodians James Sharp & Co. The portfolio is agreed on a monthly basis by the Company Secretary during the completion of the monthly accounts.
Income Recognition Incomplete or inaccurate income recognition could have an adverse effect on the Company's net asset value and earnings per share and its level of dividend cover**.**	The level of income received for the year and the dividend forecast for the year are agreed on a monthly basis with the Fund Manager and the Company Secretary.

The Audit Committee reviews the scope and results of the audit and, during the year, considered and approved Hazlewoods LLP's plan for the audit of the financial statements for the year ended 31 December 2020. At the conclusion of the audit Hazlewoods LLP did not highlight any issues to the Audit Committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. Hazlewoods LLP issued an unqualified audit report which is included on pages 24 to 27.

As part of the review of auditor independence and effectiveness, Hazlewoods LLP has confirmed that it is independent of the Company and has complied with relevant auditing standards. In evaluating Hazlewoods LLP, the Audit Committee has taken into consideration the standing, skills and experience of the firm and the audit team. Following professional guidelines, the audit partner rotates after five years.

Company Information

The following information is disclosed in accordance with The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and DTR 7.2.6.

- The Company's capital structure and voting rights are summarised on pages 18 and 19
- Details of the substantial shareholders in the Company are listed on page 18.
- The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are discussed on page 18.

The Board is seeking to renew its current powers to issue and re-purchase shares at the forthcoming Annual General Meeting.

- There are: no restrictions concerning the transfer of securities in the Company; no special rights with regard to the control attached to securities; no restrictions on voting rights; no agreements which the Company is party to that might affect its control following a successful takeover.
- There are no agreements between the Company and its Directors concerning compensation for loss of office.

Corporate Governance Statement

Continued

Relations with Shareholders

The Company places great importance on communication with shareholders and welcomes their views. The Chairman and the other Directors have spoken to major shareholders during the year to discuss their aspirations for the Company going forward. The Annual General Meeting of the Company provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors of the Company.

To comply with the AIC Code the Board are required to consult with shareholders when 20 percent or more of votes have been cast against Board recommendations for a resolution. Due to COVID-19 the AGM on the 8 April 2020 was held behind closed doors with no shareholders in physical attendance. All resolutions proposed at the AGM were unanimously passed.
The notice of the Annual General Meeting, to be held behind closed doors on 30 March 2021, is published in a separate notification. The Annual Report and Notice of Annual General Meeting are sent to shareholders at least 20 working days before the Meeting. Further details regarding the 2021 AGM are contained in the Notice of the Annual General Meeting published in a separate notification.

Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. It has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed, consistent with the internal control guidance issued by the Financial Reporting Council.

Adequate internal controls are in place for identifying, evaluating and managing risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, has been in place for the full financial year and up to the date the financial statements were approved and is consistent with the internal control guidance issued by the Financial Reporting Council.

The Board has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Directors, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

Internal Control Assessment Process

Risk assessment and the review of internal controls are undertaken by the Board in the context of the Company's overall investment objective. The review covers the key business, operational, compliance and financial risks facing the Company. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- The nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- The threat of such risks becoming a reality;
- The Company's ability to reduce the incidence and impact of risk on its performance; and
- The cost and benefits to the Company of third parties operating the relevant controls.

Against this background, the Board has split the review of risk and associated controls into four sections reflecting the nature of the risks being addressed. These sections are as follows:

- Corporate strategy;
- Published information, compliance with laws and regulations;
- Relationship with service providers; and
- Investment and business activities.

The key procedures which have been established to provide internal controls are as follows:

- Custody and valuation of assets is undertaken by James Sharp & Co;
- The duties of investment management, accounting and the custody of assets are segregated. The procedures of the individual parties are designed to complement one another;
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their ongoing performance and contractual arrangements;
- Mandates for authorization of investment transactions and expense payments are set by the Board; and
- The Board reviews financial information produced by the Fund Manager and the Company Secretary in detail on a regular basis.

In accordance with guidance issued to Directors of listed companies, the Directors have carried out a review of the effectiveness of the system of internal control as it has operated over the year.

On behalf of the Board

Dr Manny Pohl AM
Managing Director
24 February 2021

Report of the Directors

The Directors present their report and audited financial statements of the Company for the year ended 31 December 2020. This report also contains certain information required in accordance with S992 of the Companies Act 2006.

Results and Dividends

The return on ordinary revenue activities before dividends for the year is £127,275 (2019: £195,643) as detailed on page 28.

The company paid its first interim dividend of 1.7p per ordinary share paid on the 25 September 2020.

It is recommended that a final dividend of 7.7p per ordinary share be paid. This will take the total dividend paid this year to 9.4p (2019: 9.3p) per ordinary share.

Principal Activity and Status

The Company (company number: 02933559) is a public limited company, limited by shares and incorporated in England and Wales. It is an investment company as defined in Section 833 of the Companies Act 2006. The registered office is Waterside Court, Falmouth Road, Penryn, TR10 8AW.

The Company carries on business as an investment trust. The Company has been granted approval from HM Revenue & Customs ('HMRC') as an authorised investment trust under Section 1158 of the Corporation Tax Act 2010 for the year ended 31 December 2019. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 December 2020 so as to be able to continue to obtain approval as an authorised investment trust, under Section 1158 of the Corporation Tax Act 2010.

Directors

Biographical details of the Directors can be found on pages 2 and 3.

In accordance with the arrangements for retirement contained in the Company's Articles of Association, the Directors will retire by rotation on a yearly cycle. Frank Ashton will retire at the 2021 AGM and will offer himself for re-election.

In addition to any power of removal conferred by the Companies Acts, the Company may by special resolution remove any Director without notice.

Conflicts of Interest

Each Director has a statutory duty to avoid a situation where they have, or could have, a direct or indirect interest which conflicts, or may conflict, with the interests of the Company. A Director will not be in breach of that duty if the relevant matter has been authorised by the Board in accordance with the Company's Articles of Association. The Board has approved a protocol for identifying and dealing with conflicts and conducts a review of actual or possible conflicts at least annually. No conflicts or potential conflicts were identified during the year. It is not considered that an interest in the Company's shares held by a Director will of itself give rise to a situation where that Director's interests or duties conflict with the interests of the Company.

Capital Structure

At 31 December 2020 the Company's capital structure consisted of 2,157,881 Ordinary Shares of 25p each (2019: 2,157,881 Ordinary Shares of 25p each).

Directors and Their Interests

The Directors who held office during the year and at the date of this report are shown below; their interest in the ordinary shares of the Company is stated on page 23 in the Directors' Remuneration Report.

Dr E. C. Pohl AM	(Managing Director)
N. Ashton	(Chairman)
S. Moore	(Non-Executive Director)
D. Lawman	(Retired 8 April 2020)

The Company does not have any contract of significance subsisting during the year, with any other company in which a Director is or was materially interested.

J C Pohl as alternate Director for Dr E C Pohl. As Dr E C Pohl was able to attend all meetings of the Board during the year, J C Pohl was not required to act as his alternate.

Substantial Shareholders

The Directors have been notified of the following major shareholdings in the Company that represent greater than 3% of the voting rights:

	Ordinary Shares	**% of Issue**
E C Pohl & Co Pty Ltd	394,000	18.3
IP Worldwide Flexible Fund	339,054	15.7
Astuce Group	140,000	6.5
Mr GW & Mrs DJ Whicheloe	104,000	4.8
Mehr Mutual	102,918	4.7
Global Masters Fund	102,000	4.7
Mrs E Davison	75,000	3.5
Mr C Frostick	70,500	3.3
Mr S Moore	67,500	3.1
P Grodzinski	65,000	3.0

Out of the ten major shareholders listed above three were under the direct control of two of the Directors during the year. The remaining seven are in regular contact with the Directors (or their respective agent) to ensure that they are frequently apprised and are content with the manner in which the Company is being run.

There have been no other changes in the above major shareholdings in the Company up to 20 February 2021.

Report of the Directors

Continued

Dividends

The Ordinary Shares carry a right to receive dividends which are declared from time to time by an Ordinary Resolution of the Company (up to the amount recommended by the Directors) and to receive any interim dividends which the Directors may resolve to pay.

Capital Entitlement

On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings.

Voting

On a show of hands, every ordinary shareholder present in person or by proxy has one vote and, on a poll, every ordinary shareholder present in person has one vote for every share he/she holds and a proxy has one vote for every share in respect of which he/she is appointed.

Engagement with Suppliers and Other Business Relationships

The Directors have regard for the need to maintain good business relationships with suppliers and other businesses that the Company may have contact with throughout the year. Suppliers are paid in a timely manner and well within the credit terms afforded to the Company. Other business relationships are maintained on a professional and courteous level with regular contact being maintained by the Fund Manager, Company Secretary and Audit Committee Chairman.

Going Concern

In assessing the going concern basis of accounting, the Directors have had regard to the guidance issued by the Financial Reporting Council. They have considered the current cash position of the Company, and forecast revenues for the current financial year. The Directors have also taken into account the Company's investment policy, which is described on page 12 and which is subject to regular Board monitoring processes, and is designed to ensure that the Company is invested in listed securities and those traded on AIM or AQSE.

The Company retains title to all assets held by its Custodian. Note 12 to the financial statements sets out the financial risk profile of the Company and indicates the effect on its assets and liabilities of falls and rises in the value of securities, market rates of interest and changes in exchange rates.

The Directors believe, in the light of the controls and review processes noted above and bearing in mind the nature of the Company's business and assets 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 financial statements.

Viability Statement

The Directors have assessed the prospects of the Company for a period of three years. The Board believes this time period is appropriate having consideration for the Company's principal risks and uncertainties (outlined on pages 12 and 13), its portfolio of listed equity investments and cash balances, and its ability to achieve the stated dividend policy. The Directors have assessed the ability of the Company to continue as a going concern as outlined above.

In making this assessment, the Directors have considered detailed information provided at Board meetings which includes the Company's balance sheet, investment portfolio and income and operating expenses.

Based on the above, the Board confirms that the Company fully expects it will be able to continue in operation and meet its liabilities as they fall due over the three-year period of this assessment.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 12 to the financial statements.

Annual General Meeting

The Notice of Annual General Meeting is published in a separate notification.

Disclosure of Information to Auditors

The Directors confirm that, so far as each of them is aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Re-appointment of Auditor

A resolution will be put to the shareholders at the Annual General Meeting proposing the re-appointment of Hazlewoods LLP as Auditor to the Company. Hazlewoods LLP has indicated its willingness to continue in office.

On behalf of the Board

Dr Manny Pohl AM
Managing Director
24 February 2021

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements and have elected to prepare them in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Report of the Directors, a Strategic Report, Directors' Remuneration Report and Statement on Corporate Governance.

The Directors state that to the best of their knowledge:

- the Financial Statements, prepared in accordance with UK Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- consider the Annual Report and accounts, taken as a whole, are fair, balanced and understandable and provide the necessary information for shareholders to assess the Company's position and performance, business model and strategy; and
- the Chairman's Statement and Report of the Directors include a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

The Directors are responsible for the maintenance and integrity of the corporate and financial information related to the Company including on the Company's website http://www.athelneytrust.co.uk

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Dr Manny Pohl AM
Managing Director
24 February 2021

Directors' Remuneration Report

The Board has prepared this Report in accordance with the requirements of Section 421 of the Companies Act 2006. An Ordinary Resolution will be put to the members to approve the Report at the forthcoming Annual General Meeting.

The law requires the Company's Auditors to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 24 to 27.

Remuneration Committee

The Company had a Remuneration Committee during the year comprising Simon Moore and David Lawman. After the AGM on the 8 April 2020 the Remuneration Committee comprised Simon Moore and Frank Ashton.

The Committee met during the year to review and implement measures to avoid or manage conflicts of interest where applicable and to consider and approve the Directors' remuneration for the year ending 31 December 2020.

Policy on Directors' Remuneration

The Board's policy is that the remuneration of non-executive Directors should be sufficient to attract and retain Directors with suitable skills and experience, and is determined in such a way as to reflect the experience of the Board as a whole, in order to be comparable with other organisations and appointments. It is intended that this policy will continue for the year ending 31 December 2021 and thereafter.

The fees for non-executive Directors are determined within the limits set out in the Company's Articles of Association. The approval of shareholders would be required to increase the limits set out in the Articles of Association. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits, as the Board does not consider such arrangements or benefits necessary of appropriate.

Fees for any new Director appointed will be made on the same basis. Non-executive Director's fees have been set at £10,500 per annum for a number of years and no changes are expected for the foreseeable future.

The salary for the Managing Director and Fund Manager was fixed on 1 January 2019 at 0.75% of the portfolio value.

The policy was last approved by Shareholders at the Annual General Meeting on 8 April 2020 and will remain valid until the Annual General Meeting in 2023.

Directors' Service Contracts

Each of the Directors has a service contract or letter of engagement with the Company for an initial three-year term commencing in 2019. There are no provisions in the service agreements for payments to be made for loss of office, the service contracts are kept at the Registered Office and are available for inspection by appointment.

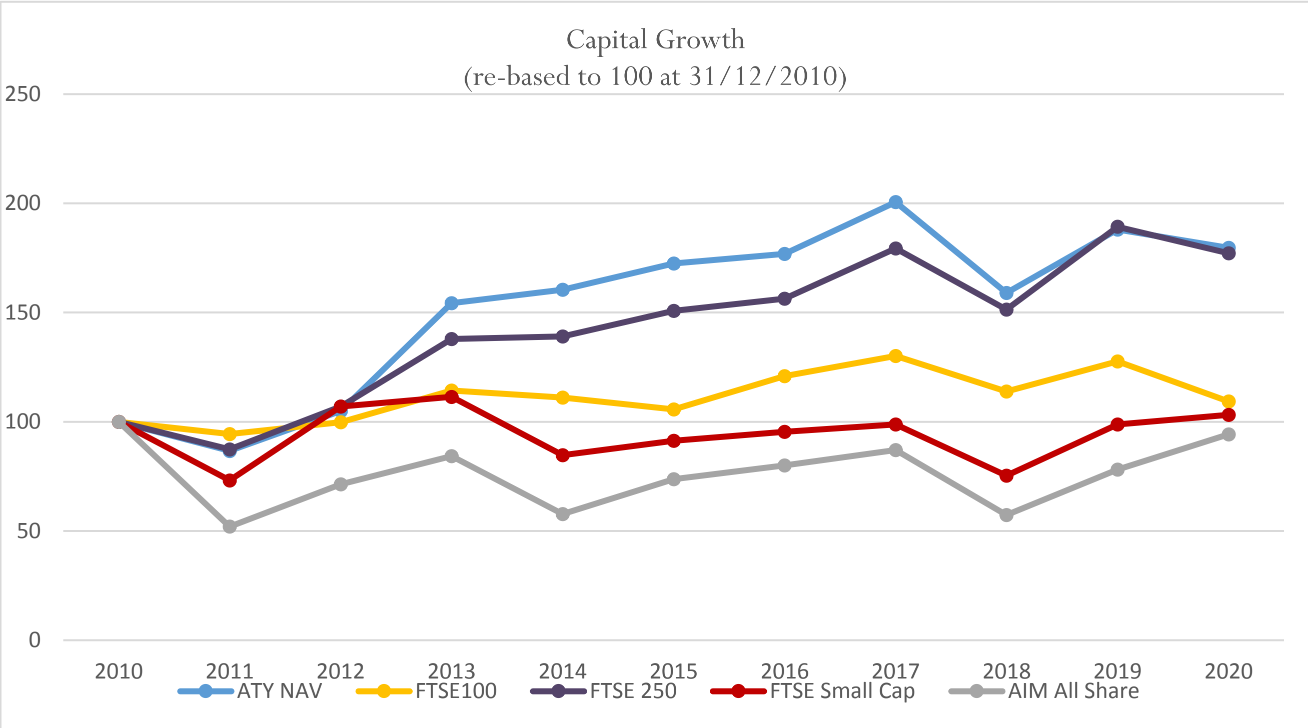
The letters of engagement for all the Directors provide for renewal by the Board on terms to be agreed from time to time.

Company Performance

The graph below compares capital growth, for the ten financial years ended 31 December 2020, as a cumulative performance graph over the whole 10 years and a table of discrete calendar year performance figures. The comparison is between AIM All-Share and FTSE Small Caps indices as the majority of investment holdings by the Company are a constituent of one or the other of these two indices. The comparison is required by Statutory Instrument to enable the readers of the accounts to compare the performance of the Company.

Directors' Remuneration Report

Continued



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
ATY NAV	-13.3%	21.1%	47.0%	4.0%	7.5%	2.5%	13.4%	-20.7%	18.2%	-4.4%
FTSE 100	-5.6%	5.8%	14.4%	-2.7%	-4.9%	14.4%	7.6%	-12.5%	12.1%	-14.3%
FTSE 250	-12.6%	22.5%	28.8%	0.9%	8.4%	3.7%	14.7%	-15.6%	25.0%	-6.4%
FTSE Small Cap	-26.8%	46.1%	4.2%	-24.0%	7.8%	4.5%	3.6%	-23.8%	31.2%	4.4%
AIM All Share	-48.0%	37.4%	17.9%	-31.4%	27.5%	8.6%	8.8%	-34.2%	36.4%	20.7%

Past performance is no guarantee of future performance.

Directors' Remuneration for the Year (audited)

The Directors who served in the year received the following remuneration in the form of salaries or non-executive Directors' fees, no other salary related payments were made to any Director during the year.

	2020 £	2019 £
Dr E C Pohl (Managing Director)	37,807	19,170
Dr E C Pohl (Non-executive)	-	18,952
S Moore (Non-executive)	10,500	8,750
F Ashton (Chairman)	10,500	12,250
D Lawman (Non-executive)	2,625	9,625
H Sachdev (Non-executive)	-	1,750
J Jackson (Non-executive)	-	875
	61,432	71,372

The Directors who were removed from the Board in 2019 did not receive any payments for loss of office.

The Directors' remuneration for the year of £61,432 which is down by 14% on 2019 and is before the proposed final dividend of 7.7p (2019:9.3p) per ordinary share, and as compared to total dividends at 9.4p per share amounting to £202,840 (£200,683).

	Expected Fees for the Year to 31 December 2021	Fees for Year to 31 December 2020
Chairman basic	10,500	10,500
Fund Manager	42,000	37,807
Non-Executive	10,500	10,500

No expenses were claimed by any Directors during this year.

Directors' Remuneration Report

Continued

Relative importance of spend on pay

	2020	2019	% Change
Total remuneration paid to the Fund Manager	37,807	38,122	-1%
Total remuneration paid to non-executive Directors	23,625	33,250	-29%
Total remuneration paid	**61,432**	**71,372**	**-14%**

Directors' beneficial and family interests (audited)

The interests of the Directors and their families in the Ordinary shares of the Company are set out below:

	31 December 2020 (or date of Resignation If earlier)	**31 December 2019 (or date of appointment if later)**
Dr E. C. Pohl	-[1]	1,000[1]
S. Moore	67,500	67,500
F. Ashton	2,234	-

Notes:

1. Dr. E. C. Pohl is the sole beneficial owner of E C Pohl & Co Pty Limited, which owns 54.1% of the issued share capital of Global Masters Fund Limited on behalf of itself and clients whose portfolios it manages. E C Pohl & Co Pty Limited holds 394,000 (2019: 339,054), Global Masters Fund Limited holds 102,000 (2019: 204,951) shares in the Company.

None of the Directors nor any persons connected with them had a material interest in the Company's transactions, arrangements or agreements during the year other than through their holdings in the Company's shares. There are no requirements for the Director's to own shares in the Company.

The Directors are fully aware that the Company is not a close company and of the rules associated with this status. The Company Secretary maintains a record of shareholders which is regularly updated. The Company breached the 5/50 rule during 2019 and this has remained during 2020 due to the top 5 shareholders owning more than 50% of the total shares in the company. The Company holds its Investment Trust status under the S446 Companies Act 2010 exemption because more than 35% of the company's shares are held by the public and have been actively traded in the past 12 months on the London Stock Exchange.

The Directors' Remuneration Report for the year ended 31 December 2019 was approved by shareholders at the Annual General Meeting held on 8 April 2020. The votes cast by proxy were as follows:

	Number of Votes	% of votes
For	1,150,101	53.3
Against	Nil	-
Total votes cast	1,150,101	53.3
Number of votes withheld	Nil	-

The Directors' Remuneration Policy was approved by shareholders at the Annual General Meeting held on 8 April 2020. The votes cast by proxy were as follows:

	Number of Votes	% of votes
For	1,150,101	53.3
Against	Nil	-
Total votes cast	1,150,101	53.3
Number of votes withheld	Nil	-

Approval

The Directors' Remuneration Report was approved by the Board on 24 February 2021.

Dr Manny Pohl AM
Managing Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATHELNEY TRUST PLC

Opinion

We have audited the financial statements of Athelney Trust plc ("the Company") for the year ended 31 December 2020, which comprise the Income Statement, Statement of Changes in Equity, Statement of the Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with international Standards on Auditing (UK) ((ISAs UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focused on obtaining an understanding of, and evaluating, internal controls at the Company and the third-party service providers and inspecting records and documents held by the third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

In making this assessment we have considered the directors' procedures for overseeing the activities of the company and reviewing its results and forecasts. The application of those procedures has been supported by us reviewing Board minutes and other accessible documentation which confirm that the directors regularly benchmark key performance indicators which include but is not restricted to, comparing performance against the FTSE Small Cap, FTSE 250 and FTSE 100 markets, frequent monitoring of available funds, anticipated cash outflows and financial headroom.

In conjunction with the evaluation of management's assessment of going concern, we have observed that resources are carefully planned and managed with the intention of ensuring that the company has sufficient resources available and accessible to ensure that the company' commitments and obligations are capable of being met as they fall due.

In relation to the entity's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the director's considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified were valuation, ownership and existence of investments and the allocation of capital and revenue items. Revenue recognition and the risk of management override of controls are always deemed risks in any audit. This is not a complete list of all risks identified by our audit.

Valuation, ownership and existence of investments

The Company's investment portfolio is one of the key drivers of its results, of which 100% is represented by quoted investments. The investments are not considered to be at a high risk of material misstatement, or to be subject to a significant level of judgement, because they comprise liquid, quoted investments for which evidence of the market price is readily available.

However, due to their materiality in the context of the financial statements as a whole, they are considered to be a significant risk area. Our audit work included, but was not restricted to, consideration of the design and implementation of controls over the pricing of quoted investments and agreeing 100% of investment prices to independent sources. We considered the appropriateness of the use of the quoted bid price by reviewing the liquidity of the market of the quoted investments held. We also confirmed investment holdings to either third party confirmations, direct investee confirmations or share certificates.

Allocation of costs between capital and revenue

The Company allocates expenditure between revenue and capital on the basis of the Board's expected long-term capital and revenue returns. The allocation is important as it affects distributable reserves. Our audit work included, but was not restricted to, a detailed review of the actual dividend and capital income received in the past nine years compared to the Board's expected long-term capital and revenue returns. The Company's accounting policy on this allocation is included in note 1 to the financial statements.

Management override of financial controls

The risk of management override is always considered a significant audit risk but is particularly relevant for the Company due to the size of the organisation structure. Our audit work included, but was not restricted to a review of all significant management estimates and judgements applied during the preparation of the financial statements. We also reviewed material journal entries processed by management during the period. The company's principal accounting policies are included in note 1 to the financial statements.

Revenue recognition

There is always a presumed risk that revenue may be misstated due to the improper recognition of revenue. In particular we identified completeness and occurrence of investment income as a risk that requires particular audit attention. Our audit work included, but was not restricted to: Obtaining an understanding of management's process to recognise revenue in accordance with the stated accounting policy; checking on a sample basis income transactions by comparing dividends during the year obtained from an independent source with those recognised by the Company; checking on a sample basis gains and losses on investments to third party contracts; and checking transactions close to the financial year end date on a sample basis, to ensure that they have been allocated to the correct accounting period.

Investment trust status

In order to maintain its status as a tax exempt investment trust certain criteria must be fulfilled. These requirements include a 15% limit on retention of income after dividends and revenue expenses and a minimum of 35% of the Company's shares must be owned by the general public and traded on a recognised stock exchange. Our audit work included, but was not restricted to: reviewing calculations to ensure that no more than 15% of income was retained after dividends and revenue expenditure; reviewing the shareholder' register to ensure that at least 35% of the share were not held by a related party; and obtaining an Audit Representation Letter from the Company's Directors confirming that they complied with the applicable rules.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of a misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality, which we use to determine the extent of testing needed, to reduce to an appropriately low-level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We established materiality for the financial statements as a whole to be £111,000, which is 2% of the value of the Company's net assets. For income and expenditure items we determined that misstatements of lesser amounts than materiality for the financial statements as a whole would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. Accordingly, we established materiality for revenue items within the income statement to be £32,000, which is 25% of the Company's net revenue return on ordinary activities before taxation.

Other information

The Directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable, set out on page 11** – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- **Audit committee reporting, set out on pages 15 to 16** – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or

- **Directors' statement of compliance with the UK Corporate Governance Code, set out on page 14** the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditors in accordance with Listing Rule 9.8.10R (2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and

- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements:

- the strategic report or the Directors' Report; or

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Company.

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- the disclosures in the annual report set out on pages 12 to 13 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 12 in the annual report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on page 19 in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATHELNEY TRUST PLC

Continued

- the Directors' explanation set out on page 19 in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities (set out on page 20), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The audit evidence available in relation to the investment portfolio and associated returns are publicly available and considered to be strong sources of audit evidence. Ownership of investments has been verified by reference to this information.

The nature of the company's activities means that overheads are generally consistent and predictable and where unexpected variances occur, adequate evidence is available.

Our audit work, which utilises the above audit evidence along with the audit procedures outlined in our description of our approach to the audit above, provides us with a reasonable assurance that our audit procedures will detect irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresposibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law. We do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ryan Hancock FCCA (Senior Statutory Auditor)
for and on behalf of **Hazlewoods LLP**
Statutory Auditor, Cheltenham.

24 February 2021

Income Statement

For the Year Ended 31 December 2020

	Note	Revenue	Capital	2020 Total	Revenue	Capital	2019 Total
		£	£	£	£	£	£
(Losses)/gains on investments held at fair value	8	-	(30,695)	(30,695)	-	1,086,854	1,086,854
Income from investments	2	160,876	-	160,876	232,262	-	232,262
Investment management expenses	3	(3,781)	(34,221)	(38,002)	(3,812)	(34,682)	(38,494)
Other expenses	3	(29,820)	(75,688)	(105,508)	(32,807)	(166,384)	(199,191)
Net return on ordinary activities before taxation		127,275	(140,604)	(13,329)	195,643	885,788	1,081,431
Taxation	5	-	-	-	-	-	-
Net return on ordinary activities after taxation	6	127,275	(140,604)	(13,329)	195,643	885,788	1,081,431
Net return per ordinary share	6	5.9p	(6.5p)	(0.6p)	9.1p	41.0p	50.1p
Dividend per ordinary share paid during the year	7	11p			9.1p		

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

No operations were acquired or discontinued during the year.

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with applicable Financial Reporting Standards ("FRS"). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice ("AIC SORP") issued in October 2019 by the Association of Investment Companies.

The notes on pages 32 to 38 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2020

	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £	Total Shareholders' Funds £
Balance brought forward at 1 January 2019	539,470	881,087	1,855,088	1,157,686	440,322	4,873,653
Net profits on realisation of investments	-	-	262,480	-	-	262,480
Increase in unrealised appreciation	-	-	-	824,374	-	824,374
Expenses allocated to Capital	-	-	(201,066)	-	-	(201,066)
Profit for the year	-	-	-	-	195,643	195,643
Dividend paid in year	-	-	-	-	(196,367)	(196,367)
Shareholders' Funds at 31 December 2019	539,470	881,087	1,916,502	1,982,060	439,598	5,758,717
Balance brought forward at 1 January 2020	539,470	881,087	1,916,502	1,982,060	439,598	5,758,717
Net profits on realisation of investments	-	-	223,957	-	-	223,957
Decrease in unrealised Appreciation	-	-	-	(254,652)	-	(254,652)
Expenses allocated to Capital	-	-	(109,909)	-	-	(109,909)
Profit for the year	-	-	-	-	127,275	127,275
Dividend paid in year	-	-	-	-	(237,367)	(237,367)
Shareholders' Funds at 31 December 2020	**539,470**	**881,087**	**2,030,550**	**1,727,408**	**329,506**	**5,508,021**

The notes on pages 32 to 38 form part of these financial statements.

Statement of Financial Position
As at 31 December 2020

Company Number: 02933559

	Note	2020	2019
		£	£
Fixed assets			
Investments held at fair value through profit and loss	8	5,310,661	5,466,191
Current assets			
Debtors	9	142,136	223,733
Cash at bank and in hand		72,601	90,902
		214,737	314,635
Creditors: amounts falling due within one year	10	(17,377)	(22,109)
Net current assets		197,360	292,526
Total assets less current liabilities		5,508,021	5,758,717
Net assets		5,508,021	5,758,717
Capital and reserves			
Called up share capital	11	539,470	539,470
Share premium account		881,087	881,087
Other reserves (non distributable)			
Capital reserve - realised		2,030,550	1,916,502
Capital reserve - unrealised		1,727,408	1,982,060
Revenue reserve (distributable)		329,506	439,598
Shareholders' funds - all equity		5,508,021	5,758,717
Net Asset Value per share	13	255.3p	266.9p

These financial statements were approved and authorised for issue by the Board of Directors on 24 February 2021 and signed on their behalf by

Dr Manny Pohl AM
Managing Director

The notes on pages 32 to 38 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2020

	2020	2019
	£	£
Cash flows used in operating activities		
Net revenue return	127,275	195,643
Adjustment for:		
Expenses charged to capital	(109,909)	(201,066)
(Decrease)/increase in creditors	(4,732)	(1,431)
Decrease/(increase) in debtors	81,597	(10,298)
Cash (used)/from operations	94,231	(17,152)
Cash flows from investing activities		
Purchase of investments	(1,137,856)	(2,074,201)
Proceeds from sales of investments	1,262,691	2,343,102
Net cash used in investing activities	124,835	268,901
Equity dividends paid	(237,367)	(196,367)
Net (decrease)/increase in cash	(18,301)	55,382
Cash at the beginning of the year	90,902	35,520
Cash at the end of the year	72,601	90,902

As the company does not have any loans, overdrafts or hire purchase arrangements, net debt is equal to cash and therefore no reconciliation of net debt has been disclosed.

The notes on pages 32 to 38 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2020

1. Accounting Policies

1.1 Statement of Compliance and Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ("FRS 102"), the Companies Act 2006 and with the AIC Statement of Recommended Practice ("SORP") issued in October 2019, regarding the Financial Statements of Investment Trust Companies and Venture Capital Trusts. All the Company's activities are continuing.

The presentation currency of the financial statements is pounds sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest pound.

1.2 Income

Income from investments including taxes deducted at source is recognised when the right to the return is established (normally the ex-dividend date). UK dividend income is reported net of tax credits in accordance with FRS 102 "Income Tax". Interest is dealt with on an accruals basis.

1.3 Investment Management Expenses

All three Directors are involved in investment management, 10% of their salaries or fees have been charged to revenue and the other 90% to capital. All other investment management expenses have been charged to capital. The Board propose continuing this basis for future years.

1.4 Other Expenses

Expenses (including VAT) and interest payable are dealt with on an accruals basis and charged through the Revenue and Capital Accounts in an allocation that the Board consider to be a fair distribution of the costs incurred.

1.5 Investments

Listed investments comprise those listed on the Official List of the London Stock Exchange. Unlisted investments are traded on AIM. Profits or losses on sales of investments are taken to realised capital reserve. Any unrealised appreciation or depreciation is taken to unrealised capital reserve.

Investments have been classified as "fair value through profit and loss" upon initial recognition.

Subsequent to initial recognition, investments are measured at fair value with changes in fair value recognised in the Income Statement.

Securities of companies quoted on a recognised stock exchange are valued by reference to their quoted bid prices at the close of the year, similarly, AIM-traded investments are valued using the closing bid price on 31 December.

1.6 Taxation

The tax effect of different items of income and expenses is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the year.

1.7 Judgements and estimates

The Directors confirm that no judgements or significant estimates have been made in the process of applying the Company's accounting policies.

1.8 Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

1.9 Capital Reserves

Capital Reserve – Realised

Gains and losses on realisation of fixed asset investments are dealt with in this reserve.

Capital Reserve – Unrealised

Increases and decreases in the valuations of fixed asset investments are dealt with in this reserve. Unrealised capital reserves cannot be distributed by way of dividends or similar.

1.10 Dividends

In accordance with FRS 102 "Events after the end of the Reporting Period", dividends are included in the financial statements in the year in which they go ex-div.

1.11 Share Issue Expenses

The costs associated with issuing shares are written off against any premium arising on the issue of Share Capital.

1.12 Financial Instruments

Short term debtors and creditors are held at cost.

Notes to the Financial Statements
For the Year Ended 31 December 2020 (continued)

2. Income
Income from investments

	2020	2019
	£	£
UK dividend income	95,482	173,047
Foreign dividend income	17,834	25,542
UK Property REITs	47,480	33,173
Bank interest	80	-
Bank compensation	-	500
Total income	**160,876**	**232,262**

UK dividend income

	2020	2019
	£	£
UK Main Market listed investments	65,476	124,674
UK AIM-traded shares	30,006	48,373
	95,482	**173,047**

3. Return on Ordinary Activities before Taxation
The following amounts (inclusive of VAT) are included within investment management and other expenses:

	2020	2019
	£	£
Directors' remuneration:		
Services as a director	23,625	26,250
Otherwise in connection with management	37,807	45,122
Auditor's remuneration:		
Audit Services - Statutory audit	9,250	13,250
Miscellaneous expenses:		
Other wages and salaries	-	153
Management services	32,472	32,472
PR and communications	2,310	12,351
Stock exchange subscription	11,540	6,748
Sundry investment management and other expenses	24,044	27,633
Legal fees	2,460	73,706
	143,508	**237,685**

4. Employees and Directors' Remuneration

	2020	2019
	£	£
Costs in respect of Directors:		
Non-executive Directors' fees	23,625	26,250
Wages and salaries	37,807	45,122
Social security costs	-	153
	61,432	**71,525**

Average number of employees:		
Chairman	-	-
Investment	1	1
Administration	-	-
	1	**1**

Notes to the Financial Statements

For the Year Ended 31 December 2020 (continued)

5. Taxation

(i) On the basis of these financial statements no provision has been made for corporation tax (2019: Nil).

(ii) Factors affecting the tax charge for the year.

The tax charge for the period is higher than (2019: lower than) the average small company rate of corporation tax in the UK of 19 per cent. The differences are explained below:

	2020	2019
	£	£
Total return on ordinary activities before tax	(13,329)	1,081,431
Total return on ordinary activities multiplied by the average small company rate of corporation tax 19% (2019: 19%)	(2,532)	205,472
Effects of:		
UK dividend income not taxable	(18,142)	(32,879)
Revaluation of shares not taxable	48,384	(156,631)
Capital gains not taxable	(42,552)	(49,871)
Unrelieved management expenses	14,842	33,909
Current tax charge for the year	-	-

The Company has unrelieved excess revenue management expenses of £401,358 at 31 December 2020 (2019: £356,765) and £102,597 (2019: £102,597) of capital losses for Corporation Tax purposes and which are available to be carried forward to future years. It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

For the year ended 31 December 2019, the Company received approval from HM Revenue and Customs under Section 1158 of the Corporation Tax Act 2010, therefore the Company was not liable to Corporation Tax on any realised investment gains for 2019. The Directors intend to continue to meet the conditions required to obtain approval and therefore no deferred tax has been provided on any capital gains or losses arising on the revaluation or disposal of investments.

6. Return per Ordinary Share

The calculation of earnings per share has been performed in accordance with FRS 102.

		2020	
	£	£	£
	Revenue	**Capital**	**Total**
Attributable return on ordinary activities after taxation	127,275	(140,604)	(13,329)
Weighted average number of shares		2,157,881	
Return per ordinary share	5.9p	(6.5p)	(0.6p)

		2019	
	£	£	£
	Revenue	**Capital**	**Total**
Attributable return on ordinary activities after taxation	195,643	885,788	1,081,431
Weighted average number of shares		2,157,881	
Return per ordinary share	9.1p	41.0p	50.1p

Notes to the Financial Statements

For the Year Ended 31 December 2020 (continued)

7. Dividend

	2020	2019
	£	£
Final dividend in respect of 2019 of 9.3p (2019: a final dividend of 9.1p was paid in respect of 2018) per share	200,683	196,367
Interim dividend in respect of 2020 of 1.7p per share	36,684	-
	237,367	196,367

Set out below is the total dividend payable in respect of the financial year, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered.

It is recommended that a final dividend of 7.7p (2019: 9.3p) per ordinary share be paid out of revenue profits amounting to a total of £166,157. For the year 2019, a final dividend of 9.3p was paid on 16 April 2020 amounting to a total of £200,683.

Summary of dividends paid for the last 10 financial years

Ex-div date	Dividend Type	Amount	Financial Year
Proposed 11/3/2021	**Final**	7.7p	2020
10/9/2020	Interim	1.7p	2020
19/3/2020	Final	9.3p	2019
20/3/2019	Final	9.1p	2018
01/3/2018	Final	8.9p	2017
09/3/2017	Final	8.6p	2016
17/3/2016	Final	7.9p	2015
19/3/2015	Final	6.7p	2014
19/3/2014	Final	5.5p	2013
20/3/2013	Final	5.0p	2012
21/3/2012	Final	4.95p	2011
06/4/2011	Final	4.9p	2010

	2020	2019
	£	£
Revenue available for distribution	127,275	195,643
Interim dividend paid	(36,684)	-
Final dividend in respect of financial year Ended 31 December 2020	(166,157)	(200,683)
Undistributed Revenue Reserve	(75,566)	(5,040)

8. Investments

Movements in year	2020	2019
	£	£
Valuation at beginning of year	5,466,191	4,648,238
Purchases at cost	1,137,856	2,074,201
Sales - proceeds	(1,262,691)	(2,343,102)
- realised gains on sales	223,957	262,480
(Decrease)/Increase in unrealised appreciation	(254,652)	824,374
Valuation at end of year	5,310,661	5,466,191
Book cost at end of year	3,583,255	3,484,131
Unrealised appreciation at the end of the year	1,727,406	1,982,060
	5,310,661	5,466,191
UK Main Market listed investments	3,791,591	4,258,921
UK AIM-traded shares	1,519,070	1,207,270
	5,310,661	5,466,191

Notes to the Financial Statements

For the Year Ended 31 December 2020 (continued)

(Losses)/gains on investments

	2020	2019
	£	£
Realised gains on sales	223,957	262,480
(Decrease)/Increase in unrealised Appreciation	(254,652)	824,374
	(30,695)	1,086,854

The purchase costs and sales proceeds above include transaction costs of £7,910 (2019: £15,533) and £5,056 (2019: £8,810) respectively.

9. Debtors

	2020	2019
	£	£
Investment transaction debtors	133,210	213,862
Other debtors	8,926	9,871
	142,136	223,733

10. Creditors: amounts falling due within one year

	2020	2019
	£	£
Social security and other taxes	-	1,148
Other creditors	2,850	2,956
Accruals and deferred income	14,527	18,005
	17,377	22,109

11. Called Up Share Capital

	2020	2019
	£	£
Authorised		
10,000,000 Ordinary Shares of 25p	2,500,000	2,500,000
Allotted, called up and fully paid		
2,157,881 Ordinary Shares of 25p	539,470	539,470

12. Financial Instruments

The Company's financial instruments comprise equity investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement.

The major risks associated with the Company are market, credit 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 price risk arises mainly from uncertainty about future prices of financial investments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions by way of price movements other than movements in exchange rates and interest rates.

The Company's investment portfolio is exposed to market price fluctuations which are monitored by the Fund Manager who gives timely reports of relevant information to the Directors.

Adherence to the investment objectives and the internal controls on investments set by the Company mitigates the risk of excessive exposure to any one particular type of security or issuer.

The Company's exposure to other changes in market prices at 31 December on its investments is as follows:

A 20% decrease in the market value of investments at 31 December 2020 would have decreased net assets attributable shareholders by 49 pence per share (2019: 51 pence per share). An increase of the same percentage would have an equal but opposite effect on net assets available to shareholders.

Notes to the Financial Statements

For the Year Ended 31 December 2020 (continued)

Market risk also arises from changes in interest rates and exchange risk. All of the Company's assets are in sterling and accordingly the Company has limited currency exposure. The majority of the Company's financial assets are non-interest bearing, as a result, the Company's financial assets are not subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held with the custodian to be delayed.

Liquidity Risk

Liquidity Risk is the risk that the Company may have difficulty in meeting obligations associated with financial liabilities. The Company is able to reposition its investment portfolio when required so as to accommodate liquidity needs. However, it may be difficult to realise its investment portfolio in adverse market conditions.

Maturity Analysis of Financial Liabilities

The Company's financial liabilities consist of creditors as disclosed in note 10. All items are due within one year.

Capital management policies and procedures

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to provide an adequate return to shareholders;
- to support the Company's stability and growth;
- to provide capital for the purpose of further investments.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure, taking into consideration the future capital requirements of the Company and capital efficiency, projected operating cash flows and projected strategic investment opportunities. The management regards capital as total equity and reserves, for capital management purposes.

Fair values of financial assets and financial liabilities

Fixed asset investments (see note 8) are valued at market bid price where available which equates to their fair values. The fair values of all other assets and liabilities are represented by their carrying values in the balance sheet.

	2020	2019
	£	£
Fair value through profit or loss investments	5,310,661	5,466,191

Financial instruments by category

The financial instruments of the Company fall into the following categories

31 December 2020

	At Amortised Cost	Assets at fair value through profit or loss	Total
Assets as per balance sheet	£	£	£
Investments	-	5,310,661	5,310,661
Debtors	142,136	-	142,136
Cash at bank	72,601	-	72,601
Total	**214,737**	**5,310,661**	**5,525,398**
Liabilities as per the balance sheet			
Creditors	17,377	-	17,377
Total	**17,377**	**-**	**17,377**

31 December 2019

	At Amortised Cost	Assets at fair value through profit or loss	Total
Assets as per balance sheet	**£**	**£**	**£**
Investments	-	5,466,191	5,466,191
Debtors	223,733	-	223,733
Cash at bank	90,902	-	90,902
Total	**314,635**	**5,466,191**	**5,780,826**
Liabilities as per the balance sheet			
Creditors	22,109	-	22,109
Total	**22,109**	**-**	**22,109**

Fair value hierarchy
In accordance with FRS 102, the Company must disclose the fair value hierarchy of financial instruments.

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 (2019: classification A investments only).

13. Net Asset Value per Share

The net asset value per share is based on net assets of £5,310,661 (2019: £5,758,717) divided by 2,157,881 (2019: 2,157,881) ordinary shares in issue at the year end.

	2020	2019
	£	£
Net asset value per share	255.3p	266.9p

14. Dividends paid to Directors

During the year the following dividends were paid to the Directors of the Company as a result of their total shareholding:

Dr Manny Pohl AM	£59,134[1]
Simon Moore	£ 7,425
Frank Ashton	£ 246

Notes:

1. Manny Pohl's relationship with Global Masters Fund Limited is described in Note 1 to the table of Directors' interests on page 35. During the year dividends amounting to £59,041 were paid to Global Masters Fund Limited and EC Pohl & Co Pty Ltd and £93 to Manny Pohl for shares held in his own name.

Officers and Financial Advisors

Directors:	Mr N F Ashton (Chairman) Dr E C Pohl Mr S Moore	Email: frankashton@athelneytrust.co.uk Email: mannypohl@athelneytrust.co.uk Email: simonmoore@athelneytrust.co.uk
Secretary:	Mrs D Warburton Waterside Court Falmouth Road Penryn Cornwall, TR10 8AW	Email: secretary@athelneytrust.co.uk Tel: 01326 378 288
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Company Number:	02933559 (Incorporated and registered in England)	
Solicitor:	Druces LLP Salisbury House London Wall London EC2M 5PS	Email: d.smith@druces.com Tel: 020 7638 9271
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