Annual Report 2024

DISCOVERING POTENTIAL

Contents

Annual Report for the year ended

31 December 2024

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 Chair

Frank Ashton, aged 63, 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 71, is the Chair and CIO 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 Witwatersrand 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 64, 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, Senior Investment Analyst at EQ Investors. Simon has been 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.

Jason Pohl

Alternate Director

Jason Pohl, aged 35, has ten years of professional experience in fundamental bottom-up investment research at ECP Asset Management Pty Ltd.

Originally pursuing a legal career, Jason spent his initial stages of his professional career working for Ashurst (previously Blake Dawson) before being admitted as a Legal Practitioner in the NSW Supreme Court. Jason has a B.Com, LLB, and an MBA from Bond University.

During 2023 he was appointed as a Director of Global Masters Fund Limited, a company listed on the Australian Securities Exchange.

Strategic Report
Chair's Statement and Business Review

Dear Shareholder

I am pleased to present the Annual Financial Report for the year to 31 December 2024.

The Strategic Report section of this Annual Report has been prepared to help all Shareholders understand the drivers of performance in the past year, how the Company operates and to assess its performance.

Financial Summary and Overview

The key performance indicators are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023	% Change
NAV total return	(10.4%)	(4.4)%	n/a
Revenue return per ordinary share	7.4p	7.7p	(3.8%)
Total return per share	(13.1)p	(0.6)p	n/a
Share price	175.0p	185.0p	(5.4%)
Net asset value per ordinary share	186.1p	209.1p	(11.0%)
Discount to NAV per ordinary share	5.9%	11.5%	n/a
Cumulative value of shareholder investment (net asset value plus cumulative dividends per ordinary share)	196p	218.8p	(10.4%)
Shareholders' funds	£4.015m	£4.512m	(11.0%)

- 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 minus 10.4% (2023: minus 4.4%).
- The interim dividend of 2.3p per share was paid on 27 September 2024.
- Your Board recommends a final dividend of 7.6p per share increasing a total dividend payable for the year to 9.9p (2023: 9.8p) an increase of 1%.
- This is the 22nd successive year of progressive dividends and importantly returns the Trust to the "Dividend Heroes" list maintained by the AIC, a list of investment companies that have consistently increased their dividends for 20 or more years in a row.

Performance

A review of 2024 for UK equity markets suggests a year of underperformance, for a number of reasons, explained below.

Your company's performance for the year was also negative as measured by NAV Total Return (10.4%), and it also underperformed compared to AIM (-5.7%) and FTSE 250 (4.7%) indices. Much of this can be attributed to the selling of Close Brothers at a loss, and the poor performance of Impax Asset Management, Fevertree and YouGov, covered in the Half Yearly Financial Report (30 June 2024).

As further explanation, in 2024 the UK equities market underperformed relative to the US and other global markets due to a combination of factors spanning economic, market dynamics and investor sentiment dimensions.

On Discount to NAV, the share price performed a little better than most over the year, ending at 10.5% compared to the AIC UK Smaller Company sector average of 12.2%. At the time of writing on 6 March 2025 this has improved to 3.1% compared to the sub sector average of 12.3%.

Economic Factors

The UK's economic landscape in 2024 was marked by modest growth, with the economy expanding gently after a negative second half in 2023. Key drivers included real wage growth and sustained full employment. Notably, the UK was the only European country exhibiting a positive outlook across services, manufacturing, and construction sectors.

Despite these positive indicators, the UK faced challenges such as heightened competition in the domestic market and the ongoing cost of living crisis, and uncertainty and delay produced by the general election, which adversely affected consumer cyclical stocks.

The optimism for clarity and momentum created by the new Labour landslide majority was dented by the following weeks of relatively gloomy ministerial analysis, ending in an Autumn Budget that handicapped private sector aspirations, with National Insurance, minimum wage and Inheritance Tax rises. Since then, evidence from KPMG and other surveys shows that recruitment has reduced as employers are more reluctant to take on new staff.

A large increase in government borrowing and shaving of the expected headroom to one third of the usual, announced at that Budget, translated to the UK being the most vulnerable of G7 countries to the increased interest costs driven by rapidly rising gilt yields during December for US, Germany and UK. The new Chancellor's position was not helped by the poor reception from economists and business leaders of the 'anti-growth' Budget implications. In the background, UK actual growth was anaemic at 0.1% in November, half the rate expected. Reeves' options are now currently being squeezed, along with her fiscal headroom.

Geopolitical turmoil generated by continuing wars in 2024, and uncertainty about global economic pressures after US President Elect Trump's appetite to apply tariffs, both contributed to delays in investment decisions, layoffs or reduction of expansion plans at the end of 2024.

Market Dynamics and Investor Sentiment factors

Over the past decade, the UK's share of the global equity market has diminished, decreasing from 8.7% in 2010 to 3.7% in 2024. This decline reflects the superior performance of the US economy, a higher volume of IPOs, and substantial returns from US stocks.

The AIM underperformance continues, however there are still good potential opportunities for large gains, even taking into account the negative (but better than expected) impact of the October Budget's reduction of IHT relief.

The UK's primary stock index increased by approximately 20% from 2015 to October 2024, whereas the major US index grew by more than 250% during the same period. This disparity underscores the challenges facing UK capital markets, including low liquidity, diminished investor confidence, and a shrinking pool of capital. However, there are signs that investors are increasingly questioning the ability of US stocks to continue on the same trajectory, and also proving more nervous at potential threats like AI from China's DeepSeek. In January President Trump called the release of its R1 model, cheaper to develop and using less memory than the West's OpenAI model ChatGPT, a 'wake-up call' for US companies.

Investor sentiment over 2024 favoured US and European stocks over UK equities. Global fund managers have reduced their overweight positions in US stocks from 36% to 19%, while increasing their allocations to European stocks. This shift indicates a growing preference for areas perceived to offer better value, further contributing to the underperformance of UK equities.

The decline of active equity funds in the UK has also impacted the Initial Public Offering (IPO) market. Since 2016, £150 billion has flowed out of active funds due to disappointing performance, high fees, and a shift towards passive funds and alternative assets. This trend has starved active managers of funds, affecting their ability to participate in IPOs and contributing to a weak IPO market.

High potential – UK small cap equities remain undervalued

We remain confident of and committed to our value-based principles, despite the different headwinds nationally and internationally, discussed above. We believe small cap stocks remain cheap now compared to large cap as well as for their long term performance.

Recent analysis[1] shows that average outperformance of smaller companies over large caps over the past 5 cycles has been in excess of 50%. Therefore despite being out of favour currently, there remains high potential for rapid and significant small cap recovery.

Dividend and Earnings

The company's total revenue earned from its portfolio in 2024 dropped 7.5% to £202,843 from £219,366 in the previous year. Our earnings per share fell 3.8% to 7.4p (2023: 7.7p).

Excluding one-off special dividends, UK dividends fell year on year to £86.4bn (-0.4%) in 2024, however the UK market continues to deliver better dividend yield than any other major market – the FTSE Small Cap had a yield of 4.2% and FTSE All Share 3.5% (next best was Japan at 2.3%).

The board is pleased to recommend a maintained final dividend of 7.6p which, subject to shareholder approval at the AGM, will be paid on 15 May 2025 to those shareholders on the register at 11 April 2025. Once added to the interim dividend, this brings the full dividend for 2024 to 9.9p a 1.0% increase on 2023.

Board and Company Developments

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 16 to 19.

We note the Financial Conduct Authority's Policy Statement PS22/3 of April 2022 to comply or explain in relation to board diversity and inclusion, with changes to the Listing Rules commencing in 2023 for the Trust. As a small, low-cost fund, your Board continues to assess how best to structure and plan for a board that meets shareholder and regulatory needs, has continuity, stability and reflects prudent management of costs.

In terms of controllable costs, I confirm a continued freeze on the non-executive director's fee (£10,500) with no premium for Chair positions, which is comparable to the NED fee of other, similarly sized funds.

Our Ongoing Charges Figure (OCF), calculated using the AIC recommended Ongoing Charges methodology, taking annualised costs that would reasonably be incurred if there was no trading of the investee shares, divided by the average of published monthly NAV is 3.13% (2023: 3.84%).

The decrease is due to the decrease in auditor fees from the previous year resulting in a net decrease of £11k in Ongoing Charges in 2024 compared to 2023. While we remain a small fund, reducing the OCF will continue to be a challenge, however every effort is made to do this, while applying appropriate time and resources to growth and good governance.

As we continue to explore ways to grow the fund, the Company is now using the specialist marketing services of Colchester-based Equity Development Ltd. We look forward to the impact this will make in the coming year and continue to take opportunities for the Fund Manager to explain the investment approach, including use of Goodacre Events such as the UK Smaller Companies Conferences which can be joined online.

I am disappointed to report the sudden resignation of Moore Kingston Smith LLP (MKS) as our auditor on 6 August 2024 because, as it explained in its resignation letter, "the Company's audit partner is shortly to depart MKS. As a result our firm has reduced its capacity to complete audits for Public Interest Entities and in order to maintain the quality of the audit services that we provide, we have determined that it is necessary for us to resign from the office of auditor. There are no circumstances connected with our ceasing to hold office as auditor which we consider should be brought to the attention of the company's members or creditors."

1. Simon Thompson interview "The scene is set for a UK Small Cap recovery ", Investors Chronical, 19 Dec 2024

We are delighted to report that after an appropriate, competitive tender process to review a number of alternative auditors, the Board has accepted the recommendation of the Audit Committee and appointed Beever and Struthers as auditor for this financial year on 10 October 2024.

Through no fault of the Company, two auditors have now resigned with no notice in less than 12 months.

We suggest this is further evidence that audit reforms, though well-intentioned by the FRC, were launched into a sector unprepared for the sudden pressures on audit firm costs, approved individuals and general resources capable of sustainably and reliably delivering PIE audits.

Environmental, Human Rights, Employee, Social and Community Issues

The Board consists entirely of two Non-Executive Directors and one Managing Director who was the sole employee. The Company has no direct impact on the community or the environment, and as such has no environmental, human rights, social or community policies. In carrying out its investment activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Environmental, Social and Governance factors are considered as part of the commercial evaluation of investee companies.

Annual General Meeting (AGM)

We are pleased to invite shareholders to our AGM at the offices of Druces LLP, Salisbury House, London Wall, London EC2M 5PS on 23 April 2025 at 12.00 noon.

There will be an opportunity to ask questions during the AGM and also afterwards in a less formal environment.

We encourage all shareholders to vote on the resolutions, all of which the board endorses ahead of the deadline at 12 noon on 17 April 2025. Details on how to vote at the AGM, and its resolutions are in the Notice of AGM, which is delivered with this Annual Report. Further copies are available on our website, or from the Company Secretary.

An Independent Board

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

- Myself, Frank Ashton – Non-Executive Chair
- Simon Moore – Non-Executive Director, Chair of Audit Committee, Chair of Remuneration Committee
- Dr Manny Pohl – Managing Director
- Jason Pohl – Alternate for Dr Manny Pohl

We currently have three directors who together make up an independent Board under the AIC Code of Corporate Governance 2022.

Capital Gains

During the year the Company realised capital profits before expenses arising on the sale of investments in the sum of £49,006 (2023: £50,853).

Portfolio Review

Additional Holdings Purchased

Additional and new holdings of *AJ Bell, Alpha Group, Auto Trader, Begbies Traynor, Liontrust Asset Management, National Grid, NWF Group, Paypoint, Raspberry Pi, RELX* and *Wise* were acquired.

Holdings Sold or Trimmed

4Imprint, Cerillion, Clarke T, Close Brothers, Games Workshop, Gamma, LondonMetric Property. Rightmove, Spirax Engineering, Target Healthcare and *XP Power.*

Outlook

After a brighter start, this has proved to be a further largely challenging year for the Investment Trust sector in the UK. Some of the optimism and expectation felt at the half year, did not translate into material gains by the year end. Inflation, elections and eventually rate cuts were filling 2024's headlines.

Although since mid-January 2025 we now have a returning US President in Donald Trump and a ceasefire between Israel and Hamas in Gaza, there are remaining uncertainties and some expectations. For example, trade tariffs are likely to harm global growth, be inflationary and may cause recession in some countries. Meanwhile there are increasing fiscal challenges in the UK, given the declining growth forecasts from commentators and the Chancellor's rules.

We are delighted now to be using the very attractive option of moving to fund management fees that are only driven by performance against shareholder returns (in cash terms), underpinned by the external fund management of EC Pohl and Company. External management is the chosen fund management model for the large majority of investment trusts. We thank Dr Pohl for his years of service as internal Fund Manager and welcome the new environment which your board believes will translate into lower OCF and strong performance as a result of a mandate executed by EC Pohl and Company. This is a top-rated Australian investment firm with total funds under management as at December 2024 exceeding Aus$3,000m. Overall this adjusts the balance of performance and cost for shareholders, against a backdrop of continuing market headwinds for the UK Investment Trust sector, and sets up the Company for a successful and stable future.

Thank you for your continued support; we hope to see you in person at the AGM.

Frank Ashton
Non-Executive Chair
11 March 2025

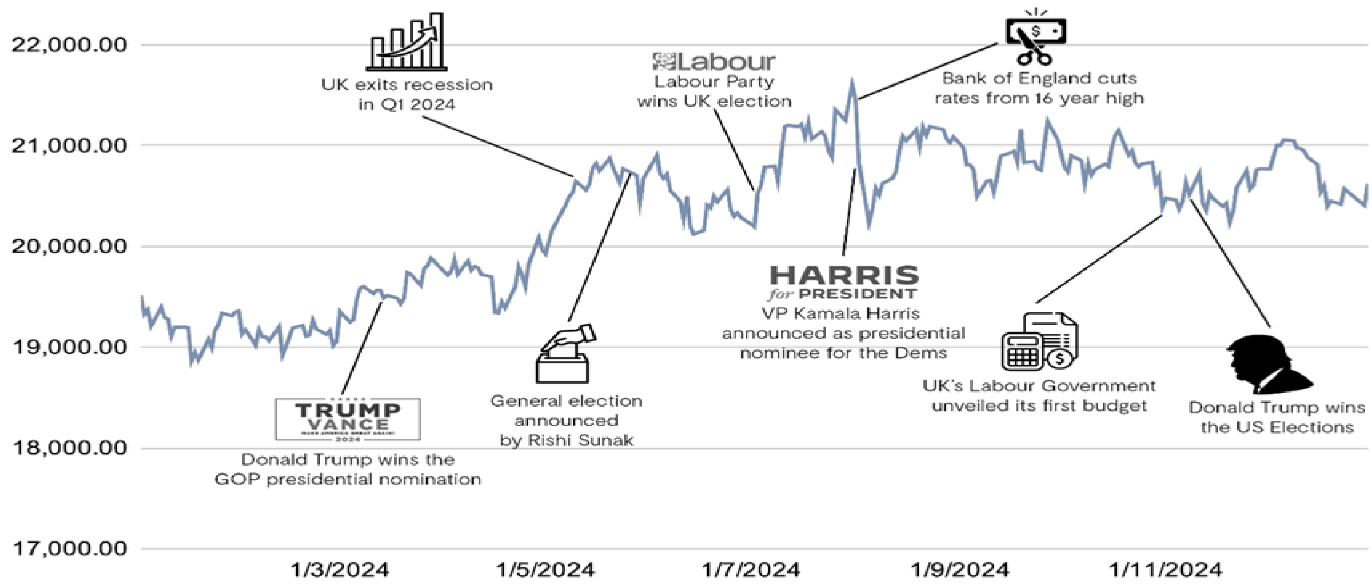
Strategic Report
Fund Manager's Review

Reflecting on 2024

As we close the chapter on 2024, it was a year marked by significant global economic shifts, geopolitical complexity, and technological advancements. For many, the rise of artificial intelligence, easing inflation, and the political ramifications of the U.S. elections underscored the year's challenges and opportunities. These themes not only tested global markets but also demonstrated the critical importance of strategic clarity and disciplined execution.

The attached chart of the FTSE 250 Index provides an overview of the events that have shaped the market over the past twelve months.

Chart 1: FTSE 250 Index



Last year the London Stock Exchange saw the largest outflow of companies since the global financial crisis. A number of these firms said declining liquidity and lower valuations were key reasons for moving away from London, particularly to the US which offers more capital and trading activity and as investors have switched to passive, or tracker, funds that track the main market moves, and as pension funds have ignored smaller companies. This was particularly evident in the Alternative Investment Market (AIM) which declined materially relative to the blue-chip FTSE 100 index since Labour's election win on 4 July and has shrunk to its smallest size in 23 years as business owners and investors anticipated an abolition of inheritance tax relief in the budget. Twenty-six companies have delisted from AIM since the general election in July, taking the total below 700 for first time since 2001.

The attraction of AIM companies is their potential to grow faster than their main market counterparts and now that the government has made the tax position clear, we expect the share price for these companies to better reflect their potential. However, many of the companies on AIM do still lack liquidity which can lead to short-term price volatility.

For the broader market, ongoing geopolitical instability, slow economic growth and a diminished appetite for UK equities among pension funds have impacted valuations and liquidity and UK equities have remained out of favour.

These factors have all had an impact on our portfolio which has performed as shown in Table 1, outperforming the AIM index and underperforming the FTSE Small Company Index.

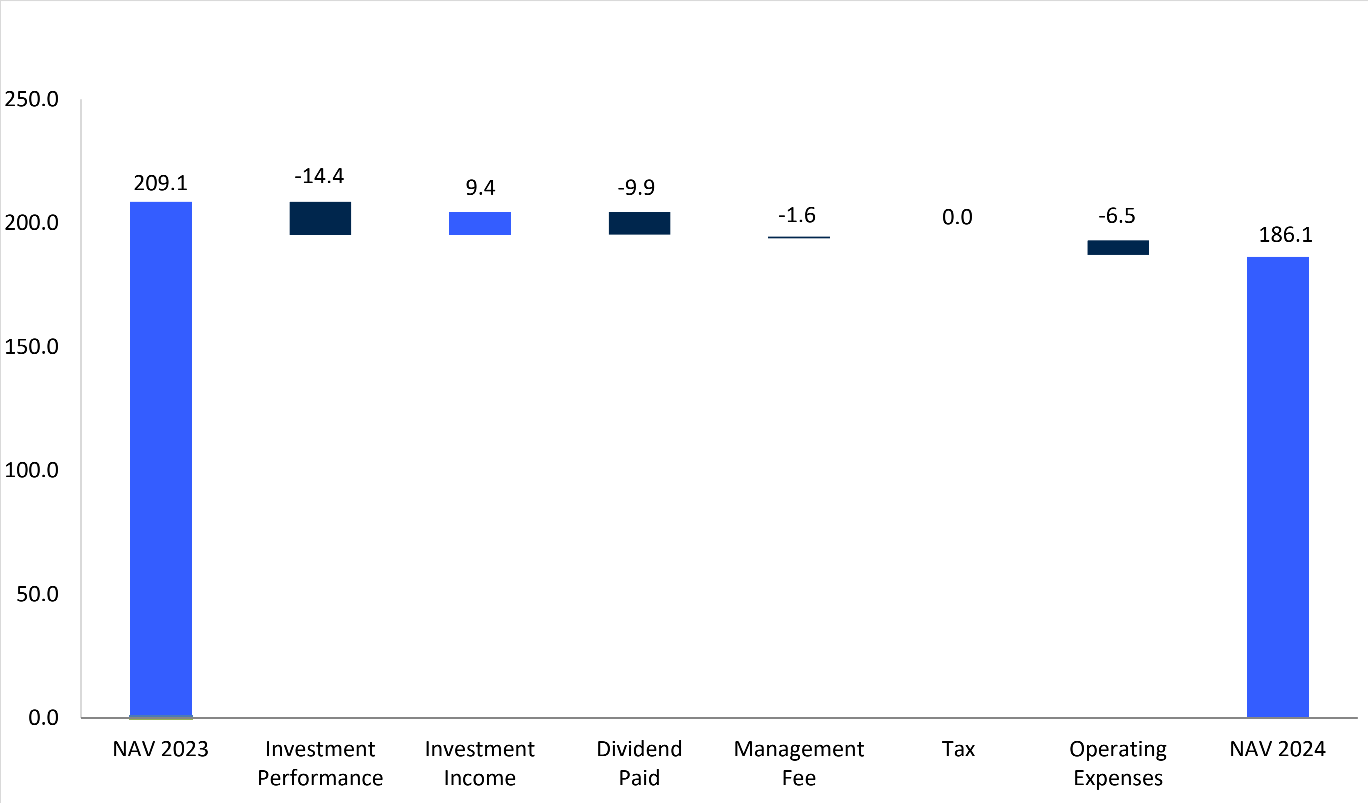
Table 1: Performance Metrics

Compound Growth Rate	1 Year	2 Years	3 Years	5 Years	10 Years
ATY Portfolio*	-2.7%	0.3%	-8.9%	0.3%	n.a.
ATY NAV (excluding dividends)	-11.0%	-7.9%	-15.7%	-7.0%	-2.0%
AIM All Share	-5.7%	-7.0%	-16.1%	-5.6%	0.2%
FTSE Small Cap	6.5%	4.7%	-2.8%	2.8%	4.6%
FTSE 250	4.7%	4.6%	-4.2%	-1.2%	2.5%
FTSE 100	5.7%	4.7%	3.4%	1.6%	2.2%

* 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.

The Athelney NAV has been negatively impacted by rising costs, predominantly audit fees and our large dividend payout (DY:5.4%) as compared to the FTSE250 (DY:3.3%) in particular.

Chart 2: Contributions to NAV in the period 1 January 2024 to 31 December 2024



As we reflect on the year, the IMF's recent statement on global growth challenges has proven particularly relevant. Ageing populations, insufficient investment, and stagnant productivity gains have emerged as significant barriers to sustained growth. Against this backdrop, investor attention converged on three critical themes:

1. The enduring impact and growth potential of the AI revolution.
2. Disinflation trends and their influence on central bank rate policies.
3. The economic and geopolitical effects of President Trump's return to office.

Companies using AI reported tangible returns on investment, leveraging AI to enhance efficiency and strengthen their competitive advantage. From customer service innovations to proprietary machine learning models, AI has become a transformative force, underscoring a structural economic shift. Moreover, hyperscale cloud providers like Microsoft (NASDAQ: MSFT) have heavily invested in AI infrastructure, further driving adoption. While AI offers significant operational benefits, questions about its long-term scalability and broader impact continue to shape the conversation.

Disinflation has defined 2024. Easing inflationary pressures have fuelled optimism for potential central bank rate cuts to stimulate growth. While this trend offers relief, underlying risks in energy markets and persisting geopolitical tensions are keeping investors cautious. Lastly, President Trump's return to power has reshaped the political landscape, reigniting debates on globalization and market dynamics with promises of protectionist trade policies and fiscal reforms.

Amidst this backdrop, we have remained true to our process - focusing on the stocks in our portfolio rather than attempting to predict macroeconomic trends and industry responses. Our focus has been to maintain our large exposure to Property Trusts and higher dividend yielding businesses in recognition of the need to maintain the dividend paid to Shareholders within a growth style portfolio.

During the year, Rightmove (LSE: RMV) was approached by the Australian-listed company REA Group (ASX: REA) with a £6bn 'Cash and REA Share' offer, which was ultimately rejected after the fourth attempt. This followed another development in our portfolio: TClarke Plc was successfully acquired by Regent Acquisitions in April 2024.

We exited our positions in Close Brothers, LondonMetric Property, Spirax Sarco, TClarke, and XP Power during the year. The proceeds from these sales were reallocated to strengthen our existing holdings and initiate new positions in companies we believe are well-positioned to expand their economic footprint and generate sustainable growth for the portfolio over the long term.

We increased our exposure to Alpha Group, Begbies Traynor, Liontrust Asset Management, National Grid, NWF Group, and PayPoint while trimming our holdings in Cerillion, Four Imprint, Games Workshop, Gamma Communications, and RightMove.

In the past twelve months we added five new names to the portfolio:

AJ Bell (LSE: AJB)
AJ Bell is one of the largest and most well-regarded UK-based investment platforms, offering pension, ISA, and investment account services. With a low-cost, user-friendly approach, it attracts retail investors and financial advisers. It has achieved strong growth in assets under administration and has a scalable business model, positioning AJ Bell to benefit from increasing demand for digital wealth management solutions.

Auto Trader (LSE: AUTO)
Auto Trader plc is the UK's leading digital automotive marketplace, connecting buyers and sellers of vehicles. Its subscription-based model ensures recurring revenue, supported by strong market share and data-driven insights. Continuous platform enhancements and digital advertising growth, position Auto Trader well to grow its economic footprint and capitalize on the ongoing shift toward online car sales.

Raspberry Pi (LSE: RPI)
Raspberry Pi is a high-growth, high-margin, founder-led tech company dedicated to revolutionising the accessibility and affordability of computing and digital education in a traditional computing market characterised by high barriers to entry, expensive hardware and software costs. Raspberry Pi disrupts this paradigm by offering compact, versatile, and powerful computing devices at a fraction of the cost and adds to our expanding suite of quality growth companies.

RELX (LSE: REL)
RELX plc is a global leader in information and analytics, operating across Scientific, Risk, Legal, and Exhibitions sectors. With a subscription-driven revenue model, it offers stable growth and recurring income. Significant investments in AI and data innovation position RELX to capitalize on rising demand for analytics and decision-making tools.

Wise (LSE: WISE)
Wise is a high-growth, high-margin, founder-led tech business focused on reducing the cost of cross-border money movement in an extremely inefficient legacy banking network. The intermediary-heavy nature of this network creates pressure to keep fees high, as does banks' short-term profit motive to continue earning the highly profitable income stream from the cross-border transactions. With strong customer growth, increasing transaction volumes, and a scalable business model, Wise is well-positioned to benefit from the ongoing shift toward digital financial services and international money transfers.

Looking ahead

For investors looking ahead, the three key themes of 2024 remain relevant, but their secondary effects deserve attention:

- **AI Boom and Energy Demand**: The increasing demand for energy-intensive computing power may lead to power bottlenecks, potentially sparking a new energy capex boom.
- **Inflationary Pressures:** Emerging energy shortages could add to global inflationary pressures, compounded by proposed U.S. import tariffs and potential trade frictions.
- **Central Bank Policies:** It may be premature to declare victory over inflation or assume central banks will follow the projected rate-cut cycle.

As we embrace the opportunities of this AI-driven era, our focus remains on thoroughly evaluating the business models, financial strength, and growth strategies of potential investments with care, diligence, and commitment. This rigorous approach enables us to identify high-quality growth stocks that are well-positioned for long-term success. Key to their sustained performance is their agility in seizing emerging opportunities and effectively leveraging AI to navigate market trends and meet evolving demands.

Companies with a sustainable competitive advantage are particularly well-equipped to capitalize on the economic potential of AI to withstand inflationary pressures and interest rate moves. Their resilience to market disruptions such as business model shifts or price-based competition and the significant barriers to entry for competitors lacking equivalent data assets position them to not only capture but retain the economic benefits of AI, ensuring enduring value creation for investors.

For us, having a stock-specific approach is central to our philosophy, driven by the belief that the economics of a business underpin long-term investment returns. Our rigorous research process evaluates industry dynamics, financial stability, and management capability, ensuring our portfolio comprises businesses resilient to macroeconomic challenges while positioned to seize growth opportunities. By leveraging our proprietary 'Pillars of a Quality Franchise' framework, we do believe we are able to deliver sustainable alpha by identifying companies early, holding them long-term, and aligning capital allocation with market valuations. However, the continued takeover of small companies in the UK market and the move away from new listings in London as previously mentioned is a worrying feature as our process aims to find high-quality businesses that we would like to own for the very long-term.

Strategic Report
Fund Manager’s Review
Continued

We are encouraged by the recent recovery in our companies' price-to-earnings (P/E) ratios, rebounding from prior lows. Coupled with strong short-term financial performance evidenced by organic sales growth, solid earnings, and rising dividends this reinforces our confidence in their future prospects. These positive developments point to a promising trajectory for further valuation growth across our portfolio.

Given the current market landscape in the UK as mentioned previously, we see this as a prime opportunity to invest in high-quality franchises. These market conditions are ideal for investors seeking resilient, growth-oriented investments, positioning them well for long-term outperformance.

Update

The unaudited NAV on 28 February 2025 was 182.5p per share – down by 1.9% from 31 December 2024. The share price on the same day was 175.0p (trading at a discount of 4.3%). Further updates can be found at www.athelneytrust.co.uk

Dr Manny Pohl AM

BSc (Eng), MBA, DBA, FAICD, F Fin, MSAFAA
Fund Manager
11 March 2025

Strategic Report

Investment and Portfolio Analysis at 31 December 2024

	Stock	Holding	Value (£)	SECTOR £	%
Chemicals	Treatt	35,000	170,276	**170,276**	**4.3%**
Food & beverages	Fevertree drinks	17,000	114,496	**114,496**	**2.9%**
General financial	AJ Bell	28,000	126,700		
	Alpha Group International	8,000	186,400		
	Impax Asset Management	66,000	163,020		
	Liontrust Asset Management	40,000	188,800		
	S & U	6,000	84,600	**749,520**	**19.1%**
Leisure goods	Games Workshop	2,500	332,750	**332,750**	**8.5%**
Media	4Imprint	2,500	121,375		
	Relx	2,300	83,444		
	Rightmove	18,000	115,524		
	Yougov	10,100	41,915	**362,258**	**9.2%**
Mobile communications	Gamma Communications	4,000	61,200	**61,200**	**1.6%**
Multiutilities	National Grid	18,083	171,644	**171,644**	**4.4%**
Property, commercial & residential	AEW UK REIT	580,000	582,320		
	Tritax Big Box	200,000	265,400	**847,720**	**21.5%**
Support services	Auto Trader	14,000	110,516		
	Begbies Traynor	140,000	132,720		
	NWF Group	125,000	190,000		
	Paypoint	30,000	234,000		
	Wise Plc	5,000	53,150	**720,386**	**18.3%**
Technology	Cerillion	7,500	131,250		
	Raspberry Pi Holdings	7,000	43,680	**174,930**	**4.5%**
Travel and leisure	Cake Box Holdings	120,000	222,000	**222,000**	**5.7%**

Portfolio Value		3,927,180
Net Current Assets		88,016
TOTAL VALUE		4,015,196
Shares in issue		2,157,881
Audited NAV	**186.1p**	

Strategic Report

Investment and Portfolio Analysis at 31 December 2024

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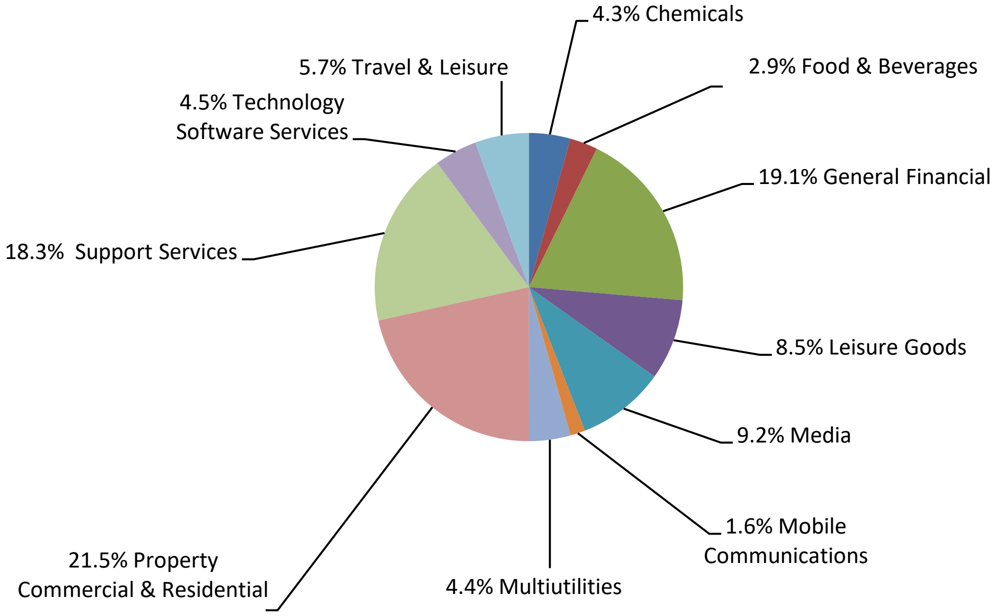
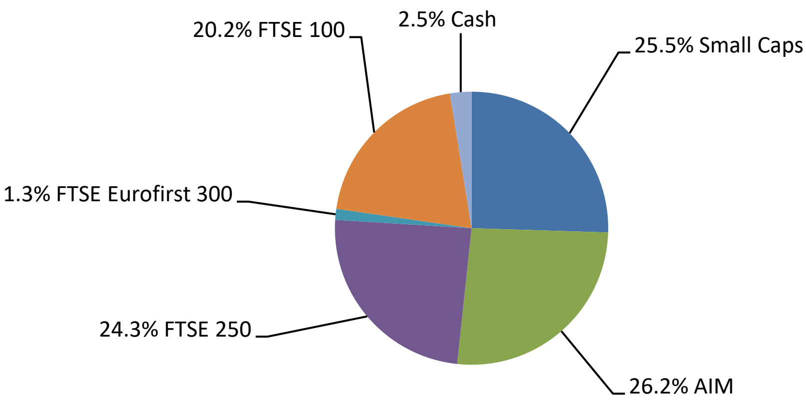
Portfolio by Sectors



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, reports to other Board members and answers any questions raised. Compliance with existing regulatory and legal requirements is 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 Board plan to hold the 2025 AGM on 23 April 2025 at 12.00 noon. Further details regarding the 2025 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 which 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 20 to 22, 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 (2023: 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 the expected future returns from those holdings.

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 2024 can be found on pages 11 and 12 of this 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 16 to 19, 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 Chair's Statement on pages 4 to 6 and the Fund Manager's review on pages 7 to 10 which form part of the Strategic Report.

Principal Risks and Uncertainties and Risk Management

As stated within the Corporate Governance Statement on pages 16 to 19, 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.

- Global conflict – The continuing war between Russia and Ukraine, and the Middle East has had a significant impact, inter alia, on inflation and, in conjunction with affairs in China, an impact on supply chains and globalisation. Investee companies will vary as to the impact on them and their ability to adapt.

- Inflationary pressure – Inflation escalated sharply in 2023 which carried over in to 2024, with the Bank of England raising interest rates on several occasions in an attempt to reduce the level of inflation. This has stabilised in 2024 however not all investee companies are well-placed to pass on cost pressures to their customers.

- 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 16 to 19. 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.

Strategic Report
Other Statutory Information
Continued

- 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.

- Interest rate risk – this is not considered to be a direct risk to the Company other than through its effect on investee companies.

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

- Geopolitical risk - some of the companies that we have invested in trade globally and their value may be affected by international political developments, changes in government and their policies, changes in taxation, restrictions in foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which they operate.

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.

The Directors have adopted best practices as described by the AIC's Statement of Recommended Practice on financial statements dated July 2022.

Greenhouse Gas Emissions

As an investment company with its activities outsourced to third parties or self managed by the Non-Executive Directors, the Company's own direct environmental impact is minimal. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. Furthermore, the Company considers itself to be a low energy user under the Streamlined Energy & Carbon Reporting regulations and therefore is not required to disclose energy and carbon information.

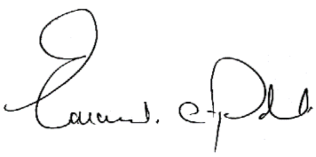
Social, Community and Human Rights issues

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 was registered for the period to 31 December 2024 as its own AIFM with the FCA under the AIFMD and confirms that all required returns have been completed and filed.

For and on behalf of the Board



Dr Manny Pohl AM
Managing Director
11 March 2025

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 corporate governance statement forms part of the Report of the Directors which can be found on pages 20 to 22.

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 July 2022 (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 Chair, 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.
- In certain instances, the Directors have exercised judgement in allocating specific costs between capital and revenue. This judgement, consistently applied for many years, considers the business effect, the nature of the work undertaken, and whether the time and effort expended contributes to capital growth or revenue generation. In some cases this approach departs from the AIC Statement of Recommended Practice (SORP) issued in July 2022, on allocating certain expenses to capital
- The Company has one employee, who is also a Director. The Company Secretary's line of communication in relation to whistle-blowing is to the Chair of the Company.

The Company does not have a Nominations Committee. During the year the Board comprised a maximum of three Directors who liaised continuously throughout and were aware of their obligations to consider recruitment of further Directors as and when the occasion occurred.

Board Membership

At 31 December 2024 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.

Frank Ashton retired by rotation and was re-elected at the AGM on 21 March 2024. The Directors believe that the Board has the balance of skills, experience 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 2024, the Board met a total of 8 times. An additional audit planning meeting was attended by Simon Moore, Frank Ashton and the Company Secretary.

	Board Meetings	Audit Committee	Remuneration Committee
Dr E C Pohl	5	-	-
F Ashton	5	2	1
S Moore	5	2	1

Jason Pohl is the alternate Director for Dr Manny Pohl, he was not required to attend any Board meetings during the year.

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 Chair, 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 15. 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.

Corporate Governance Statement

Continued

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.

Chair

Frank 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 Chair 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 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 24 to 26 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 Chair 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 Frank Ashton. The Committee met twice 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. During this year due to the resignation of Moore Kingston Smith LLP as the Company auditor the committee oversaw the tender process and appointment of the new auditor Beever and Struthers Chartered Accountants. The committee agreed their remuneration and their independence and objectivity. It is also the forum through which the auditor 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
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 company secretary, using the London Stock Exchange bid prices at close of business on the last day of the month.
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 agreed on a monthly basis by the Company Secretary during the completion of the monthly accounts and reconciled to the custodian statement.
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 and reconciled to the custodian transaction statement.
Conflict in the Middle East The ongoing conflict in the Middle East and the uncertainty that surrounds this has adversely affected the global economy and this may impact on the valuation of investee companies and their ability to pay dividends.	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.
Geopolitical Risk The appointment of Donald Trump as President of the United States and the ongoing discussions around tariffs can and will affect global economies and may have, a direct impact on the ability of companies to pay dividends	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.
Ukraine War The war in Ukraine has adversely affected the global economy and this, may impact on the valuation of investee companies and their ability to pay dividends.	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 Audit Committee reviews the scope and results of the audit and, during the year, considered and approved Beever and Struthers Chartered Accountants plan for the audit of the financial statements for the year ended 31 December 2024. At the conclusion of the audit Beever and Struthers Chartered Accountants 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.

As part of the review of auditor independence and effectiveness, Beever and Struthers Chartered Accountants has confirmed that it is independent of the Company and has complied with relevant auditing standards. In evaluating Beever and Struthers Chartered Accountants, the Audit Committee has taken into consideration the standing, skills and experience of the firm and the audit team. Following the FRC regulatory requirements, the engagement leader 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 20 and 21.
- Details of the substantial shareholders in the Company are listed on page 20.
- The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are discussed on page 20.

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 Chair 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. All resolutions proposed at the AGM were unanimously passed.

The notice and further details of the Annual General Meeting, to be held on 23 April 2025 at 12.00 noon, 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.

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 authorisation 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.

For and on behalf of the Board

Frank Ashton
Chair
11 March 2025

Report of the Directors

The Directors present their report and audited financial statements of the Company for the year ended 31 December 2024. 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 £159,108 (2023: £167,070) as detailed on page 32.

The company paid an interim dividend of 2.3p per ordinary share on the 27 September 2024.

It is recommended that a final dividend of 7.6p per ordinary share be paid. This will increase the total dividend paid this year to 9.9p (2023: 9.8p) 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. The registered office is Waterside Court, Falmouth Road, Penryn, TR10 8AW.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been granted approval from HM Revenue & Customs ("HMRC") as an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 and will continue to be treated as an investment trust company, subject to continuing to meet the conditions for approval. The Company has a premium listing on the London Stock Exchange and its principal activity is portfolio investment.

The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 December 2024 so as to be able to continue to qualify as an investment trust.

The Company's status as an investment trust allows it to obtain an exemption from paying taxes on the profits made from the sale of its investments and all other net capital gains.

Events after the End of the Reporting Period

Particulars of events after the reporting date are detailed in note 15 of the financial statements.

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 three yearly cycle. Manny Pohl will retire at the 2025 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.

Directors' and Officers' Liability Insurance

Directors' and Officers' liability insurance cover was in place throughout the financial year and as at the date of this report. The Company's Articles of Association provide, subject to the provisions of UK legislation, that the Directors may be indemnified out of the assets of the Company in respect of liabilities they may sustain or incur in connection with their appointment.

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 2024 the Company's capital structure consisted of 2,157,881 Ordinary Shares of 25p each (2023: 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 25 in the Directors' Remuneration Report.

Dr E C Pohl AM	(Managing Director)
F Ashton	(Chair)
S Moore	(Non-Executive Director)

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 attend any Board meetings.

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**
Astuce Group	550,000	25.49
IP Worldwide Flexible Fund	339,054	15.71
Mehr Mutual	123,890	5.74
E C Pohl & Co Pty Ltd	86,000	3.99
Mrs E Davison	75,000	3.48
Mr GW & Mrs DJ Whicheloe	74,000	3.43
Mr C Frostick	70,500	3.27
Mr S Moore	67,500	3.13
P Grodzinski	65,000	3.01

Out of the nine major shareholders listed above Dr. Manny Pohl has control over two substantial shareholdings amounting to 29.48% of the total shareholding, he is also in contact with IP Worldwide Flexible Fund and Mr C Frostick on a regular basis. Simon Moore has control of 3.13% of the total shareholdings and is in regular contact with two of the remaining four substantial shareholders.

Report of the Directors

Continued

The remaining two 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 changes to the substantial shareholders up until 28 February 2025.

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 Chair.

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 14 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 assets of the Company consist mainly of marketable securities, the directors are of the opinion that at the time of approving the accounts, the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

In addition, the Directors have regard to ongoing investor interest in the sustainability of the Company's business model and in the continuation of the Company, specifically being interested in feedback from meetings and conversations with Shareholders. In addition to considering the principal risks on pages 14 and 15 and the financial position of the Company as described above, the Board has also considered the following further factors:

- the Board continues to adopt a long-term view when making investments;
- regulation will not increase to a level that makes the running of the Company uneconomical; and
- the performance of the Company will be satisfactory and should performance be less than the Board deem acceptable it has the powers to take appropriate action.

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 14 and 15), 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 has a reasonable expectation 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.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit matched against the skill requirements identified by the Board.

The Board believes diversity is important in bringing an appropriate range of skills, knowledge and experience to the Board and gives this consideration when recruiting new Directors and has also noted the requirements of Listing Rule 9.8.6R (9) following the Parker Report on increasing the diversity on the boards of public companies.

As at 31 December 2024, there were three male Directors on the Board. All Directors identified themselves as Caucasian by ethnic background.

When making appointments in the future the Board will continue to operate an open-minded approach to recruitment without restrictions against any perceived group or individual. The Board will take into consideration the diversity targets set by Listing Rule 9.8.6R (9) when making future appointments, however due to the size of the Board meeting a target of 40% of Directors being women with one being a senior Board position, and one individual being from a minority ethnic background may not be reached in the immediate future.

The Company does not have any employees other than the Managing Director and, as a result, the Board does not consider it necessary to establish means for employee engagement with the Board as required by the UK Corporate Governance Code.

Modern Slavery Act

As an investment vehicle that does not provide goods or services in the normal course of business, nor does it have, apart from the Directors, any employees, the Directors consider that the Company is not required to make a slavery or human trafficking statement under the Modern Slavery Act 2015.

The Criminal Finances Act 2017 and Bribery Act 2010

The Company has zero tolerance towards the criminal facilitation of tax evasion and a policy of zero tolerance in relation to bribery and corruption both in its own actions and those of its third-party advisors and service providers.

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.

Statement of Disclosure to Auditor

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 the firm of Beever and Struthers Chartered Accountants as Auditor to the Company. Beever and Struthers Chartered Accountants has indicated its willingness to continue in office.

For and on behalf of the Board

Dr Manny Pohl AM
Managing Director
11 March 2025

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), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 Corporate Governance Statement.

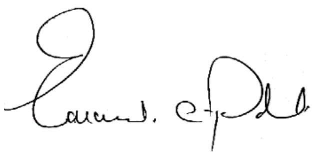
The Directors state that to the best of their knowledge:

- 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 Chair'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.

For and on behalf of the Board



Dr Manny Pohl AM
Managing Director
11 March 2025

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 Auditor 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 27 to 31.

Remuneration Committee

The Company had a Remuneration Committee during the year comprising 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 2024.

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 2025 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, performance fees, compensation on leaving office, pension benefits, share options, long-term incentive schemes or other benefits, as the Board does not consider such arrangements or benefits necessary or appropriate.

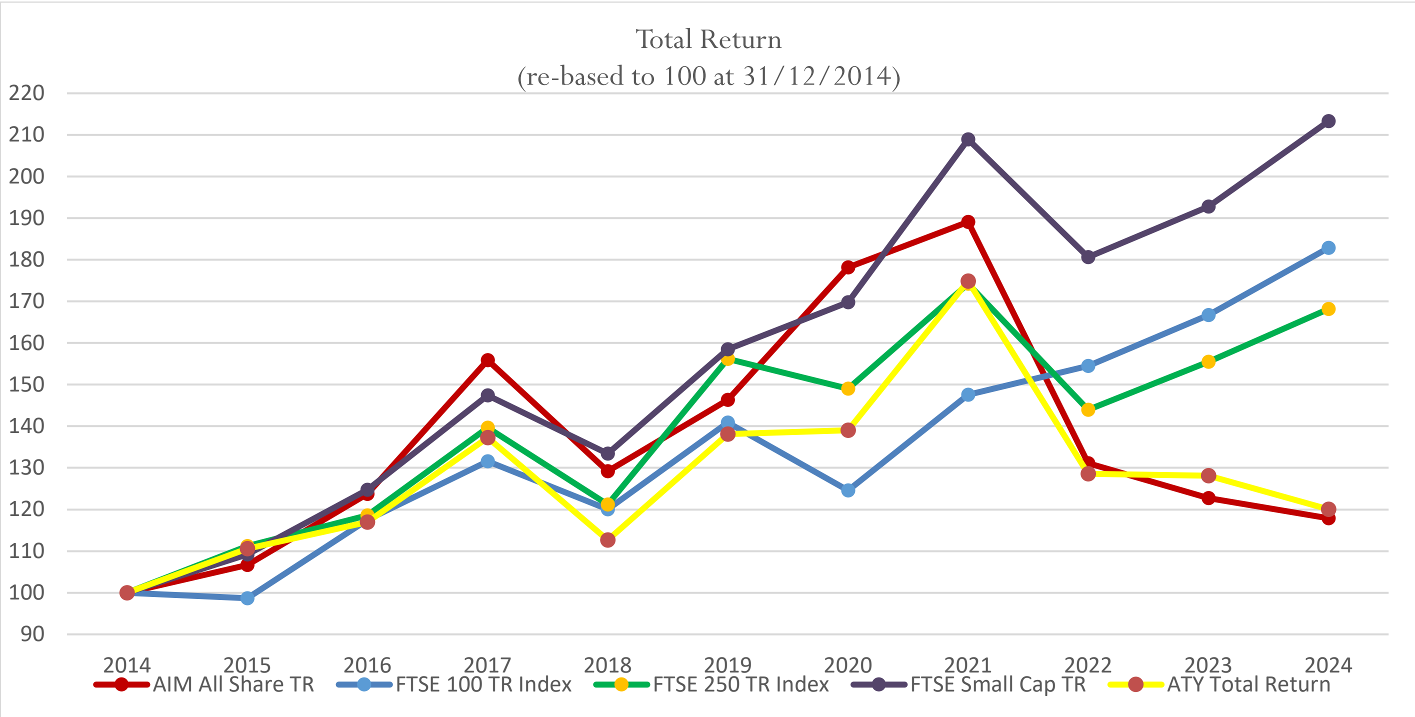
Fees for any new Director appointed will be made on the same basis. Non-executive Director’s fees have been set at £10,500 per annum for a number of years and no changes are expected for the foreseeable future.

The salary for the Managing Director and Fund Manager for 2024 has been fixed at 0.75% of the portfolio value. For 2025 the Managing Director Manny Pohl has generously offered to operate on a zero salary contract.

The policy was last approved by Shareholders at the Annual General Meeting on 16 March 2023 and will remain valid until the Annual General Meeting in 2026.

Company Performance

The graph below compares total return, for the ten financial years ended 31 December 2024, 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.



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ATY Total Return	7.5%	2.5%	13.4%	-20.7%	18.2%	-4.4%	21.5%	-29.3%	-4.7%	-6.3%
FTSE 100 TR	-4.9%	14.4%	7.6%	-12.5%	12.1%	-14.3%	14.6%	1.0%	3.8%	9.7%
FTSE 250 TR	8.4%	3.7%	14.7%	-15.6%	25.0%	-6.4%	14.3%	-19.7%	4.4%	8.1%
FTSE Small Cap TR	7.8%	4.5%	3.6%	-23.8%	31.2%	4.4%	20.0%	-16.3%	3.0%	10.7%
AIM All Share TR	27.5%	8.6%	8.8%	-34.2%	36.4%	20.7%	5.2%	-31.7%	-8.2%	-3.9%

Past performance is no guarantee of future performance.

Directors' Remuneration Report

Continued

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.

	2024 £	2023 £	% Change
Dr E C Pohl - Fund Manager	31,325	34,193	(8.4%)
S Moore (Non-executive)	10,500	10,500	0.0%
F Ashton (Chair)	10,500	10,500	0.0%
Director's expenses	-	-	0.0%
	52,325	55,193	(5.2%)

The Directors' remuneration for the year of £52,325 is down by 5.2% on 2023 and the decrease is due to the drop in the portfolio value during the year on which the Fund Manager's fee is calculated.

Future Policy

	Expected Fees for the Year to 31 December 2025	Fees for Year to 31 December 2024
Chair basic fee	10,500	10,500
Fund Manager	-	31,325
Non-Executive Director	10,500	10,500

Due to the trust moving to a performance related payment arrangement from 1 January 2025 it is impossible to quantify a figure that will be payable in 2025.

Directors' remuneration: 5 year comparison

The table shows the percentage change in the annual remuneration charge of the directors over the past 5 years.

	% Change		
	E C Pohl	S Moore	F Ashton
2024	(8.4%)	0.0%	0.0%
2023	(14.7%)	0.0%	0.0%
2022	(10.7%)	0.0%	0.0%
2021	18.7%	0.0%	0.0%
2020	(0.8%)	20.0%	(14.3%)

Relative importance of spend on pay

	2024 £	2023 £
Total remuneration paid to directors	52,325	55,193
Total dividend paid to shareholders	213,630	209,314

The company does not have any other employees.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or any assets of the Company.
- No incentive or introductory fees will be paid to encourage a directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

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 2024 (or date of Resignation If earlier)	31 December 2023 (or date of appointment if later)
Dr E C Pohl	-[1]	-[1]
S Moore	67,500	67,500
F Ashton	2,234	2,234

Notes:

1. Dr E C Pohl is the sole beneficial owner of E C Pohl & Co Pty Limited. E C Pohl & Co Pty Limited holds 86,000 shares (2023: 86,000).

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 the following five years 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 Corporation Tax 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.

Directors' Remuneration Report

Continued

The Directors' Remuneration Report for the year ended 31 December 2023 was approved by shareholders at the Annual General Meeting held on 21 March 2024. The votes cast by proxy were as follows:

	Number of Votes	% of votes
For	640,996	30
Against	1,476	-
Total votes cast	642,472	30
Number of votes withheld	Nil	-

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. These were renewed for a further three years before the 2022 AGM. 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.

Approval

The Directors' Remuneration Report was approved by the Board on 11 March 2025.

For and on behalf of the Board.

Simon Moore
Chair of Remuneration Committee
11 March 2025

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

Opinion

We have audited the financial statements of Athelney Trust plc for the year ended 31 December 2024 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2024 and of the Company's net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 public interest 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.

Our approach to the audit

The scope, nature, timing and extent of the audit procedures performed was determined by our risk assessment and was communicated to the Audit Committee through our audit planning report.

In assessing the risks of material misstatement in the financial statement, our risk assessment was based on an understanding of the Company and its environment, including:
- system of internal control;
- regulatory environment;
- nature of the investment portfolio, income and expenses;
- day-to-day management and operations; and
- use of third party service providers to whom the company has delegated the provisions of custodian and accounting services.

Our assessment addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

We undertook substantive audit testing on significant transactions, balances and disclosures based on our assessment of materiality and risk.

Key audit matters

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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during our audit.

We have determined the matters described below to be the key audit matters to be communicated in our audit report.

Key Audit Matters	How our scope addressed this matter
Carrying value of the investment portfolio At 31 December 2024, the valuation of the investment portfolio was £3,927,180 (2023: £ 4,374,302) as shown in note 8 of the financial statements. All holdings are in quoted investments, and as such are not considered to be of high risk of material misstatement or management bias through judgement or estimate due to readily available market prices. However, due to their materiality in the context of the financial statements as a whole, the portfolio valuation is considered a key audit matter. There is a risk that the carrying value of the investments is incorrect and the unrealised gains and losses in the year have been incorrectly recorded. Additionally there is a risk that the number of shares held in those investments is misstated.	Our audit work included, but was not restricted to: • Obtaining a list of investments held at fair value through profit and loss from the Company and reconciling it to the general ledger and the financial statements. • Obtaining confirmations from the custodian, regarding the existence and ownership of the investments as at the reporting date. • Testing the fair value of all of the year-end investments by reference to independent market price information. • Reviewing the Company's accounting policy and disclosures in the financial statements for investments held at fair value through profit and loss and ensuring compliance with the applicable accounting standards and regulatory requirements. • Obtaining a list of all acquisitions and disposals during the period and reconciling it to the custodian records. Inspecting the contracts that related to the acquisition and disposal of investments and agreeing the prices to independent market prices, and the relevant cash movements.

	• Testing the accuracy and completeness of the recognition and measurement of all the gains and losses on fair value movements of the investments in profit or loss. • Confirming the appropriateness of the classification and presentation of the fair value gains and losses in the financial statements. • Sample testing investment valuations throughout the period to ensure no evidence of misstatement which would impact the investment manager (director) fees. **Key observations:** Based on the procedures performed, we did not identify any material misstatements in the valuation of the Company's investment portfolio as at the reporting date, or throughout the period, and we concluded that adequate disclosures have been included in the financial statements.
Non-compliance with laws and regulations As the Company is both listed on the London Stock Exchange and holds Investment Trust status under the S446 Corporation Tax Act 2010, there are rules and regulations that the Company must adhere to. A potential breach of the listing rules and Investment Trust status rules may lead to the Company losing its Trust status and its associated tax benefits.	Our audit work included, but was not restricted to: • Enquiries of management and reviewing the design and implementation of controls around the ongoing internal assessment and monitoring of Investment Trust Status compliance and management's review of this on a regular basis. • Testing the conditions for maintaining approval as an investment Trust as set out by HMRC, being a 15% maximum limit on retention of income and revenue expenses after dividends and a minimum 35% of its shares must be owned by the general public and traded on a recognized stock exchange. We critically assessed each of the conditions for maintaining approval to assess whether it has been met as at the year- end. • We have considered and appraised the assumptions made by management in their forecast of realised distributable accumulated profits to 31 March 2025, which were used in their consideration of the proposed final dividend payment. **Key observations:** Based on our review of the documentation maintained, we have not identified any non-compliance with the listing and Investment Trust rules during the period and at the year-end which would lead to approval being removed and we concluded that adequate disclosures have been included in the financial statements.

Our application of materiality

The scope and focus of our audit were influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement or omission that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements.

Based on our professional judgement we determined materiality for the 2024 financial statements as a whole and performance materiality as follows:

	Financial statements
Materiality	£40,600
Basis for determining materiality	1% of Gross Assets

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

Continued

Rationale for the benchmark applied.	Athelney Trust plc is a UK-based investment company that focuses on providing long term growth in dividends and capital. This is driven by holdings and performance in the investment portfolio. Gross assets have been selected as the chosen benchmark for materiality as the investment portfolio forms a significant part of the Company's gross assets and is a key performance metric assessed by management and one which the users of the financial statements are likely to focus. We have chosen this benchmark, based on the wider audit industry using 1%- 2% as a common threshold for gross assets of this nature. Using the lower end of the threshold reflects the fact that we are auditing Athelney Trust PLC for the first year.
Performance materiality	£20,300
Basis for determining performance materiality	50% of overall materiality
Rationale for the benchmark applied	We considered a number of factors: • We are auditing Athelney Trust PLC for the first year. • Athelney Trust PLC is a public interest entity with a listing on the main market of the London Stock Exchange.

The audit team has set specific levels of overall materiality for:

- Income from investments and revenue related expenses. This has been determined as £10,000 (being 5% of revenue) and performance materiality to be 50% of this figure, at £5,000. This amount was determined after considering the predictability of income and revenue expenses.
- Directors' remuneration. This has been determined as £5,000 and performance materiality to be 50% of this figure, at £2,500. This amount was determined after considering the level of each individual director's remuneration.

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £2,030. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We have critically assessed the directors' 12 month forecast and 3-year viability forecasts, which are prepared based on current financial performance and operational expectations and assessed the Company's ability to meet its liabilities as they fall due, including but not limited to, other external factors that in our opinion might affect the going concern status of the Company.
- We have evaluated the key assumptions in the forecast, which are consistent with our knowledge of the business and considered whether these are supported by the evidence provided.
- We assessed management's ability to prepare accurate forecasts by comparing the 2024 forecast, against the actual results of the year ended 31 December 2024.
- We examined the results of the stress testing performed by the directors in relation to the 3 year viability plan and assessed whether they were appropriate for the business.
- We examined the disclosures in the financial statements relating to the going concern basis of preparation and the explanation of the directors' assessment in light of the evidence obtained.
- We examined and critically assessed the liquidity of the invested shares at the current prevailing market price.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company'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 directors 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.

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

Continued

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- 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
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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 in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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.

Corporate Governance statement

We have reviewed the directors statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

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 and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 21;
- Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 21;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 21;
- Directors' statement on fair, balanced and understandable as set out on page 23;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 14-15;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 19 and;
- Section describing the work of the audit committee set out on pages 17-18.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 23, 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 have no realistic alternative but to do so.

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

Continued

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 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Company and considered that the most significant are the Companies Act 2006, FRS 102, the Association of Investment Companies (AIC) Statement of Recommended Practice, the Listing Rules, the Disclosure and Transparency Rules, compliance with HMRC conditions for Investment Trust Status and UK taxation legislation.
- We obtained an understanding of how the Company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations and any known or suspected instances of fraud.
- We reviewed minutes of meetings of those charged with governance throughout the period and post period date for instances of non-compliance with laws and regulations and for any known or suspected instances of fraud.
- We had discussions amongst the audit engagement team as to how and where fraud might occur in the financial statements, and the incentives for fraud.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non- compliance with laws and regulations, and designed specific procedures over balances and transactions most susceptible to fraud. This included (but was not limited to) making enquiries of management and those charged with governance, using data analytics to review higher risk transactions both during the year and at the year-end in the preparation of the financial statements and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Other matters which we are required to address.

We were appointed by the Directors on 10 October 2024 to audit the financial statements for the period ending 31 December 2024. This is the first year of our appointment.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Beever and Struthers

Zoe Fitchett BSc FCA (Senior Statutory Auditor)

For and on behalf of
Beever and Struthers
Chartered Accountants & Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

11 March 2025

Income Statement

For the Year Ended 31 December 2024

	Note	Revenue	Capital	2024 Total	Revenue	Capital	2023 Total
		£	£	£	£	£	£
Losses on investments held at fair value	8	-	(310,888)	(310,888)	-	(57,725)	(57,725)
Income from investments	2	202,843	-	202,843	219,366	-	219,366
Investment management expenses	3	(3,133)	(29,980)	(33,113)	(3,419)	(31,019)	(34,438)
Other expenses	3	(40,154)	(101,384)	(141,538)	(48,254)	(91,604)	(139,858)
Net return on ordinary activities before taxation		159,556	(442,252)	(282,696)	167,693	(180,348)	(12,655)
Taxation	5	(448)	-	(448)	(623)	-	(623)
Net return (negative return) on ordinary activities after taxation	6	159,108	(442,252)	(283,144)	167,070	(180,348)	(13,278)
Net return per ordinary share	6	7.4p	(20.5)p	(13.1)p	7.7p	(8.3p)	(0.6p)
Dividend per ordinary share paid during the year	7	9.9p			9.7p		

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 July 2022 by the Association of Investment Companies.

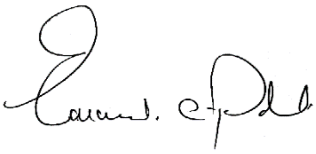
The notes on pages 36 to 40 form part of these financial statements.

Statement of Financial Position
As at 31 December 2024

Company Number: 02933559

	Note	2024	2023
		£	£
Fixed assets			
Investments held at fair value through profit and loss	8	3,927,180	4,374,302
Current assets			
Debtors	9	91,471	137,709
Cash at bank and in hand		43,669	40,347
		135,140	178,056
Creditors: amounts falling due within one year	10	(47,124)	(40,388)
Net current assets		88,016	137,668
Total assets less current liabilities		4,015,196	4,511,970
Net assets		4,015,196	4,511,970
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		2,385,266	2,467,624
Capital reserve - unrealised		93,312	453,206
Revenue reserve (distributable)		116,061	170,583
Shareholders' funds - all equity		4,015,196	4,511,970
Net Asset Value per share	13	186.1p	209.1p

These financial statements were approved and authorised for issue by the Board of Directors on 11 March 2025 and signed on their behalf by



Dr Manny Pohl AM
Managing Director

The notes on pages 36 to 40 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2024

	Called-up Share Capital £	Share Premium £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £	Total Shareholders' Funds £
Balance brought forward at 1 January 2023	539,470	881,087	2,539,394	561,784	212,827	4,734,562
Net profits on realisation of investments	-	-	50,853	-	-	50,853
Decrease in unrealised Appreciation	-	-	-	(108,578)	-	(108,578)
Expenses allocated to Capital	-	-	(122,623)	-	-	(122,623)
Profit for the year	-	-	-	-	167,070	167,070
Dividend paid in year	-	-	-	-	(209,314)	(209,314)
Shareholders' Funds at 31 December 2023	**539,470**	**881,087**	**2,467,624**	**453,206**	**170,583**	**4,511,970**
Balance brought forward at 1 January 2024	539,470	881,087	2,467,624	453,206	170,583	4,511,970
Net profits on realisation of investments	-	-	49,006	-	-	49,006
Decrease in unrealised Appreciation	-	-	-	(359,894)	-	(359,894)
Expenses allocated to Capital	-	-	(131,364)	-	-	(131,364)
Profit for the year	-	-	-	-	159,108	159,108
Dividend paid in year	-	-	-	-	(213,630)	(213,630)
Shareholders' Funds at 31 December 2024	**539,470**	**881,087**	**2,385,266**	**93,312**	**116,061**	**4,015,196**

The notes on pages 36 to 40 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2024

	2023	2023
	£	£
Cash flows used in operating activities		
Net revenue return	159,108	167,070
Adjustment for:		
Expenses charged to capital	(131,364)	(122,623)
Increase/(decrease) in creditors	6,736	23,303
Decrease/(increase) in debtors	46,238	405,592
Cash received/(used) in operations	80,718	473,342
Cash flows from investing activities		
Purchase of investments	(998,640)	(906,775)
Proceeds from sales of investments	1,134,874	655,733
Net cash (used)/received from investing activities	136,234	(251,042)
Cash flows from financing activities		
Equity dividends paid	(213,630)	(209,314)
Net cash (used)/received from financing activities	(213,630)	(209,314)
Net increase/(decrease) in cash	3,322	12,986
Cash at the beginning of the year	40,347	27,361
Cash at the end of the year	43,669	40,347

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 36 to 40 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2024

1. Accounting Policies

Athelney Trust Plc is a public limited company, incorporated in England and Wales, registration number 02933559, The address of the registered office is Waterside Court, Falmouth Road, Penryn, Cornwall TR10 8AW.

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 July 2022, 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 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern. This has included consideration of portfolio liquidity, the financial position in respect of its cashflows, the working arrangements of key service providers, the continued eligibility to be approved as an investment trust company, the impact of the current economic environment and the current conflicts in the Ukraine and the Middle East. In addition the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The Directors are satisfied that the Company has sufficient resources to continue in business for the foreseeable future being a period of at least 12 months from the date these financial statements were approved. Therefore, the financial statements have been prepared on the going concern basis.

1.3 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 section 23 "Revenue". Interest is dealt with on an accruals basis.

1.4 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. A fixed percentage of all other investment management expenses have been charged to capital. The Board propose continuing this basis for future years.

1.5 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.

1.6 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 Investments

Listed investments comprise those listed on the Official List of the London Stock Exchange. Unlisted investments are traded on AIM or AQSE. 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 on 31 December.

1.8 Judgements and estimates

The Directors confirm that judgements and estimates have been made in allocating revenue and capital expenditure. In certain instances, the Directors have exercised judgement in allocating specific costs between capital and revenue. This judgement, consistently applied for many years, considers the business effect, the nature of the work undertaken, and whether the time and effort expended contributes to capital growth or revenue generation. In some cases this approach departs from the AIC Statement of Recommended Practice (SORP) issued in July 2022, on allocating certain expenses to capital.

1.9 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.

1.10 Capital Reserves

Capital Reserve – Realised

Gains and losses on realisation of fixed asset investments are dealt with in this reserve. As per the company articles the reserve is not readily distributable.

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.

1.11 Dividends

In accordance with FRS 102 Section 32" Events after the end of the Reporting Period", dividends are included in the financial statements in the year in which they go ex-div.

1.12 Share Issue Expenses

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

1.13 Financial Instruments

Short term debtors and creditors are held at cost.

Notes to the Financial Statements

For the Year Ended 31 December 2024 (continued)

2. Income

Income from investments

	2024	2023
	£	£
UK dividend income	134,278	140,588
Foreign dividend income	-	2,160
UK Property REITs	66,205	73,339
Bank interest	2,360	3,279
Total income	**202,843**	**219,366**

UK dividend income

	2024	2023
	£	£
UK Main Market listed investments	86,777	105,608
UK AIM-traded shares	47,501	34,980
	134,278	**140,588**

3. Return on Ordinary Activities before Taxation

The following amounts (inclusive of VAT) are included within investment management and other expenses:

	2024	2023
	£	£
Directors' remuneration:		
Services as a director	21,000	21,000
Otherwise in connection with management	31,325	34,193
Auditor's remuneration:		
Audit Services - Statutory audit		
Beever and Struthers	42,000	-
Moore Kingston and Smith	2,460	46,140
Miscellaneous expenses:		
Management services	32,472	32,472
PR and communications	4,383	2,225
Stock exchange subscription	12,780	12,000
Sundry investment management and other expenses	28,231	24,826
Legal fees	-	1,440
	174,651	**174,296**

4. Employees and Directors' Remuneration

	2024	2023
	£	£
Costs in respect of Directors:		
Non-executive Directors' fees	21,000	21,000
Wages and salaries	31,325	34,193
	52,325	**55,193**

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

5. Taxation

Current tax:

	2024	2023
	£	£
Uk current tax expense	448	623
Tax on profit	**448**	**623**

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

The tax charge for the period is higher than (2023: higher than) the average small company rate of corporation tax in the UK of 19 per cent. The differences are explained below:

	2024	2023
	£	£
Total return on ordinary activities before tax	(282,696)	(12,655)
Total return on ordinary activities multiplied by the average small company rate of corporation tax 19% (2023: 19%)	(53,712)	(2,404)
Effects of:		
UK dividend income not taxable	(25,513)	(26.686)
Revaluation of shares not taxable	68,380	20,630
Capital gains not taxable	(9,311)	(9,662)
Unrelieved management expenses	20,604	18,745
Current tax charge for the year	448	623

The Company has unrelieved excess revenue management expenses of £889,360 at 31 December 2024 (2023: £780,914) and £102,597 (2023: £102,597) of capital losses for Corporation Tax purposes 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.

Historically the Company has received approval from HM Revenue and Customs under Section 1158 of the Corporation Tax Act 2010, as a result of this approval the Company is not liable to Corporation Tax on any realised investment gains. 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.

The Directors are fully aware that the Company is not a close company and of the rules associated with this status. The Company holds its Investment Trust status under the S446 Corporation Tax 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 and this is regularly reviewed by the Directors.

Notes to the Financial Statements

For the Year Ended 31 December 2024 (continued)

6. Return per Ordinary Share

Returns per share are based on the weighted average number of shares in issue during the year.

	2024		
	£	£	£
	Revenue	**Capital**	**Total**
Attributable return on ordinary activities after taxation	159,108	(442,252)	(283,144)
Weighted average number of shares		2,157,881	
Return per ordinary share	7.4p	(20.5p)	(13.1p)

	2023		
	£	£	£
	Revenue	**Capital**	**Total**
Attributable return on ordinary activities after taxation	167,070	(180,348)	(13,278)
Weighted average number of shares		2,157,881	
Return per ordinary share	7.7p	(8.3p)	(0.6p)

7. Dividend

	2024	**2023**
	£	**£**
Final dividend in respect of 2023 of 7.6p (2023: a final dividend of 7.5p was paid in respect of 2022) per share	163,999	161,841
Interim dividend in respect of 2024 of 2.3p (2023: an interim dividend of 2.2p was paid in respect of 2023) per share	49,631	47,473
	213,630	**209,314**

The Company's status as an Investment Trust under Section 1158 of the Corporation Tax Act requires that no more than 15% of the distributable revenue profits in a year can be retained from the revenue available for distribution in that year. Revenue profits for the year were £159,108.

An interim dividend of 2.3p per ordinary share was paid on 27 September 2024 amounting to £49,631. It is recommended that a final dividend of 7.6p (2023: 7.6p) per ordinary share be paid totaling £163,999 making the total dividend payable in the year £213,630. In deciding on the proposed final dividend, the Directors have considered the expected accumulated realised distributable profits to 31 March 2025 and concluded these will be in excess of the proposed dividend.

For the year 2023, a final dividend of 7.6p was paid on 8 April 2024 amounting to a total of £163,999. An interim dividend of 2.2p per ordinary share was paid on 23 September 2023 amounting to £47,473 making the total dividend paid in the year £211,472.

Summary of dividends paid for the last 10 financial years

Ex-div date	**Dividend Type**	**Amount**	**Financial Year**
10/04/2025	Proposed	7.6p	2024
12/09/2024	Interim	2.3p	2024
08/03/2024	Final	7.6p	2023
07/09/2023	Interim	2.2p	2023
06/04/2023	Final	7.5p	2022
08/09/2022	Interim	2.1p	2022
10/03/2022	Final	7.5p	2021
09/09/2021	Interim	2.0p	2021
11/03/2021	Final	7.7p	2020
10/09/2020	Interim	1.7p	2020
19/03/2020	Final	9.3p	2019
20/03/2019	Final	9.1p	2018
01/03/2018	Final	8.9p	2017
09/03/2017	Final	8.6p	2016
17/03/2016	Final	7.9p	2015
19/03/2015	Final	6.7p	2014

8. Investments

Movements in year	**2024**	**2023**
	£	**£**
Valuation at beginning of year	4,374,302	4,180,985
Purchases at cost	998,640	906,775
Sales - proceeds	(1,134,874)	(655.733)
- realised gains on sales	49,006	50,853
Decrease in unrealised appreciation	(359,894)	(108,578)
Valuation at end of year	**3,927,180**	**4,374,302**
Book cost at end of year	**3,833,868**	**3,921,097**
Unrealised appreciation at the end of the year	93,312	453,205
	3,927,180	**4,374.302**
UK Main Market listed investments	2,870,580	2,886,362
UK AIM-traded shares	1,056,600	1,487,940
	3,927,180	**4,374,302**

Notes to the Financial Statements

For the Year Ended 31 December 2024 (continued)

Gains on investments

	2024	2023
	£	£
Realised gains on sales	49,006	50,853
Decrease in unrealised appreciation	(359,894)	(108,578)
	(310,888)	**(57,725)**

The purchase costs and sales proceeds above include transaction costs of £9,047 (2023: £5,429) and £5,979 (2023: £2,795) respectively.

9. Debtors

	2024	2023
	£	£
Investment transaction debtors	70,002	104,128
Other debtors	21,469	33,581
	91,471	**137,709**

10. Creditors: amounts falling due within one year

	2024	2023
	£	£
Social security and other taxes	98	700
Other creditors	2,850	2,880
Accruals and deferred income	44,176	36,808
	47,124	**40,388**

11. Called Up Share Capital

	2024	2023
	£	£
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 2024 would have decreased net assets attributable shareholders by 37 pence per share (2023: 47 pence per share). An increase of the same percentage would have an equal but opposite effect on net assets attributable to shareholders.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2024 (continued)

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.

	2024	2023
	£	£
Fair value through profit or loss investments	3,927,180	4,374,302

Financial instruments by category

The financial instruments of the Company fall into the following categories

31 December 2024

	At Amortised Cost	Assets at fair value through profit or loss	Total
Assets	£	£	£
Investments	-	3,927,180	3,927,180
Debtors	91,471	-	91,471
Total	**91,471**	**3,927,180**	**4,018,651**
Liabilities			
Creditors	47,026	-	47,026
Total	**47,026**	**-**	**47,026**

31 December 2023

	At Amortised Cost	Assets at fair value through profit or loss	Total
Assets	£	£	£
Investments	-	4,374,302	4,374,302
Debtors	137,709	-	137,709
Cash at bank	40,347	-	40,347
Total	**178,056**	**4,374,302**	**4,552,358**
Liabilities			
Creditors	39,688	-	39,688
Total	**39,688**	**-**	**39,688**

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 1 – 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 2 – 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 3 – 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 1 investments (2023: classification 1 investments only).

13. Net Asset Value per Share

The net asset value per share is based on net assets of £4,015,196 (2023: £4,511.970) divided by 2,157,881 (2023: 2,157,881) ordinary shares in issue at the year end.

	2024	2023
	£	£
Net asset value per share	186.1p	209.1p

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 E C Pohl AM	£8,514[1]
Simon Moore	£6,682
Frank Ashton	£ 228

Notes:

1. Manny Pohl's relationship with EC Pohl & Co Pty Ltd is described in Note 1 to the table of Directors' interests on page 25. During the year dividends amounting to £8,514 were paid to EC Pohl & Co Pty Ltd.

15. Events after the balance sheet date

From 1 January 2025, the company has moved its investment management from internal fund management by Dr E C Pohl, to external management by EC Pohl and Co Pty Limited. The Company will cease to be an Alternative Investment Fund Manager, this role passing to EC Pohl and Co Pty. The investment management fee will be performance based.

Officers and Financial Advisors

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Secretary:	Mrs D Warburton Waterside Court Falmouth Road Penryn Cornwall, TR10 8AW	Email: secretary@athelneytrust.co.uk Tel: 01326 378 288
Registered Office:	Waterside Court Falmouth Road Penryn Cornwall, TR10 8AW	Email: info@athelneytrust.co.uk Tel: 01326 378 288 Website: http://www.athelneytrust.co.uk
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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