

CHELVERTON UK DIVIDEND TRUST PLC

Half-Yearly Report
for the six months ended 31 October 2023



CHELVERTON
ASSET MANAGEMENT

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Investment Objective and Policy

The investment objective of Chelverton UK Dividend Trust PLC ('the Company') is to provide Ordinary Shareholders with a high income and opportunity for capital growth, having provided a capital return sufficient to repay the full final capital entitlement of the Zero Dividend Preference shares issued by the wholly owned subsidiary company, SDV 2025 ZDP PLC ('SDVP').

Chelverton UK Dividend Trust PLC, and its subsidiary SDV 2025 ZDP PLC ('the Subsidiary'), together form the Group ('the Group').

The Company's investment policy is that:

- the Company will invest in equities in order to achieve its investment objectives, which are to provide both income and capital growth, predominantly through investment in mid and smaller capitalised UK companies admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange Main Market, traded on AIM or traded on other qualifying UK marketplaces.
- the Company will not invest in preference shares, loan stock or notes, convertible securities or fixed interest securities or any similar securities convertible into shares; nor will it invest in the securities of other investment trusts or in unquoted companies. The Company may retain investments in companies which cease to be listed after the initial investment was made, so long as the total is non-material in the context of the overall portfolio; however, the Company may not increase its exposure to such investments.

Financial Highlights

	31 October 2023	30 April 2023	% change
Capital			
Total gross assets (£'000)	45,936	53,674	(14.42)
Total net assets (£'000)	27,636	35,563	(22.30)
Net asset value per Ordinary share	129.38p	168.15p	(23.06)
Mid-market price per Ordinary share	131.00p	174.50p	(24.93)
Premium/(discount)	1.25%	3.78%	
Net asset value per Zero Dividend Preference share	125.65p	123.21p	1.98
Mid-market price per Zero Dividend Preference share	117.00p	117.50p	(0.43)
Premium/(discount)	(6.88%)	(4.64%)	
	Six months to 31 October 2023	Six months to 31 October 2022	% change
Revenue			
Return per Ordinary share	6.32p	6.63p	(4.68)
Dividends declared per Ordinary share*	6.30p	5.89p	7.05
Total Return			
Total return on Group net assets**	(23.82%)	(20.05%)	

* Dividend per Ordinary share includes the first interim paid and second interim declared for the period to 31 October 2023 and 2022 and will differ from the amounts disclosed within the statement of changes in net equity.

** Adding back dividends distributed in the period.

Interim Management Report

This Half-Yearly report covers the six months to 31 October 2023. The Net Asset Value (NAV) per Ordinary share as at 31 October 2023 was 129.38p, down from 168.15p at 30 April 2023, a decrease of 23.06% during the period. As at 23 November 2023 the NAV per share had increased to 139.20p.

From the beginning of the Company's financial year until 31 October 2023, the Ordinary share price decreased by 24.93% from 174.50p to 131.00p. Since the period end, the share price has increased to 141.50p as at 23 November 2023, on which date the shares were trading at a premium of 1.65%.

Dividend

Maintaining its record of increasing the annual core dividend paid by the Company for the 14th year running, the first interim dividend for the current year of 3.15p (2022: 2.9425p) per Ordinary share was paid on 13 October 2023. The Board has declared a second interim dividend of 3.15p per Ordinary share (2022: 2.9425p) payable on 12 January 2024 to shareholders on the register on 15 December 2023, making a total for the half year of 6.30p per Ordinary share (2022: 5.89p), an increase of 7.05%.

It is anticipated that the Company will maintain the level of dividend for the third and fourth quarter at 3.15p making a total core dividend of 12.6p for the year (2023: 11.77p), an annual increase of 7.05%.

Portfolio

In the last six months we have increased our investment in 14 of our existing holdings taking advantage of lower prices and shares being available in Arbutnot Banking Group, Bakkavor, Hargreaves Services, Liontrust Asset Management, Marshalls, MTI Wireless Edge, OSB Group, Paypoint, Premier Miton Group, RTC Group, Regional REIT, Somero, Spectra Systems and Watkin Jones.

During the period we added six new names to the portfolio: FDM Group – Information Technology, Gateley – Business Services, Lendinvest – Non-bank lender, Stelrad – supplier of central heating radiators, Vanquis Banking – sub-prime lender and Wickes Group – retailer of building materials.

Funds were raised from the outright sale of seven of our holdings: Bloomsbury Publishing, Numis Corporation, Saga, Synthomer, Restaurant Group, Vertu Motors and Vistry Group. The following holdings were reduced as they grew to become larger weightings on lower yields: Belvoir Lettings, Castings, Clarke (T.), Essentra, Fonix Mobile, Gattaca, Hilton, Kier Group, Kitwave Group, ME Group International, Ramsdens Holdings, Sancus Lending Group, Smiths News, Ultimate Products and Wilmington Group.

Outlook

The stock market for the last six months, and in fact the last two years, has been very difficult for small and mid cap companies. It is well-documented that UK shares have been lowly rated over several years and this is particularly so in the area of the market in which the Company invests.

There is no need to recount here the extraordinary events and circumstances that the United Kingdom and indeed the world have experienced over the recent past. Gradually, however, the macro environment is improving. The rate of inflation is now reducing across Europe and, in the UK, has fallen to 4.6% and is on course to trend down to target levels during the next year. There is no expectation of a return to the extraordinarily low interest rates that have prevailed over the past decade, but latest developments suggest that we may be at or near the peak in interest rates. That will take the pressure off central banks to increase rates further and should lead to a gradual reduction from current levels.

Logically this will lead to a reduction in mortgage rates and combined with an expectation that energy prices will decline further in the near future should result in an improvement in household spending power and confidence.

Our portfolio has and is experiencing an unprecedented level of share buy-backs by portfolio companies. This de-equitisation process, whilst rewarding for shareholders, will ultimately be damaging for the London Stock Market. The headlong rush by wealth managers to switch from UK equities to Global equities has been part of the problem leading to the general decline in UK share values. When this trend reverses there will be a sharp upward correction in share prices.

To date there has only been a handful of takeovers in the portfolio but the concern has to be that in the future some of our companies will be acquired at unduly low valuations.

However, it is reassuring that the underlying performance of the companies in the portfolio continues to be positive as managements are reacting rapidly to changing circumstances and the challenges of the current marketplace. We continue to see compelling evidence that our companies are, in the main, managing the current tricky environment. As we said one year ago, "It is likely that our companies will only receive the ratings they deserve once the world political and economic situation is stable and then improving". Nothing has occurred to change our view.

We are pleased to recommend an annual 7.05% rise in the dividend and are heartened by the resilience of the portfolio's revenue stream. Over the life of the Company there have been a number of periods where the asset value has declined sharply only for a very strong recovery to take place soon thereafter. We have been gently repositioning the current portfolio to take full advantage of the potential for similar capital recovery in the future.

Chelverton Asset Management Limited
27 November 2023

Principal Risks

The principal risks facing the Group are substantially unchanged since the date of the Annual Report for the year ended 30 April 2023 and continue to be as set out in that report on pages 11 to 13. Risks faced by the Group include, but are not limited to, market risk, discount volatility, regulatory risks, financial risk, political risk, global pandemics risk and risks associated with accounting policies, gearing and the loss of key personnel.

Going Concern

Having assessed the principal risks and the other matters discussed in connection with the viability statement as set out on pages 15 and 16 of the Annual Report for the year ended 30 April 2023, the Directors believe that the Group is well placed to manage its business risks successfully and it is appropriate to adopt the going concern basis in preparing the accounts.

Change of Auditor

The Company's auditor, Hazlewoods LLP, resigned with effect from 31 October 2023 on the grounds that they have taken the decision to no longer continue their registration as an auditor eligible to undertake Public Interest Entity audits.

The Company's Audit Committee carried out a formal, competitive tender process and, after careful consideration, recommended to the Board the appointment of Johnston Carmichael LLP as the Company's new auditors. This appointment was approved by the Board.

Johnston Carmichael LLP will carry out the audit of the Company's annual report and accounts for the year ending 30 April 2024 and their appointment will be put to a vote of the shareholders at the Company's next Annual General Meeting in September 2024.

Responsibility Statement of the Directors in respect of the Half-Yearly Report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in compliance with the IAS 34 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities and financial position of the Group; and
- the interim management report and notes to the Half-Yearly Report include a fair view of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

This Half-Yearly Report was approved by the Board of Directors on 27 November 2023 and the above responsibility statement was signed on its behalf by Howard Myles, Chairman.

Condensed Consolidated Statement of Comprehensive Income (unaudited)

for the six months ended 31 October 2023

	Six months to 31 October 2023			Year to 30 April 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments at fair value through profit or loss	–	(7,766)	(7,766)	–	(5,543)	(5,543)
Investment income	1,599	–	1,599	3,202	–	3,202
Investment management fee	(61)	(183)	(244)	(133)	(400)	(533)
Other expenses	(163)	(7)	(170)	(333)	(14)	(347)
Net deficit before finance costs and taxation	1,375	(7,956)	(6,581)	2,736	(5,957)	(3,221)
Finance costs						
Preference shares	–	(354)	(354)	–	(680)	(680)
Net deficit before taxation	1,375	(8,310)	(6,935)	2,736	(6,637)	(3,901)
Taxation (see note 2)	(25)	–	(25)	(32)	–	(32)
Total comprehensive expense for the period	1,350	(8,310)	(6,960)	2,704	(6,637)	(3,933)
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Net return per:						
Ordinary share (see note 3)	6.32	(38.91)	(32.59)	12.94	(31.77)	(18.83)
Zero Dividend Preference share 2025 (see note 3)	–	2.44	2.44	–	4.69	4.69

The total column of this statement is the Statement of Comprehensive Income of the Group prepared in accordance with UK adopted IFRSs and with the requirements of the Companies Act 2006. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. All of the net return for the period and the total comprehensive income for the period is attributed to the Shareholders of the Group. The supplementary revenue and capital return columns are presented for information purposes as recommended by the Statement of Recommended Practice issued by the Association of Investment Companies ('AIC').

Six months to 31 October
2022

Revenue	Capital	Total
£'000	£'000	£'000

–	(9,134)	(9,134)
1,631	–	1,631
(65)	(195)	(260)
(168)	(8)	(176)

1,398	(9,337)	(7,939)
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–	(340)	(340)
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1,398	(9,677)	(8,279)
(16)	–	(16)

1,382	(9,677)	(8,295)
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Revenue	Capital	Total
pence	pence	pence

6.63	(46.41)	(39.78)
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–	2.34	2.34
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Losses on investments at fair value
through profit or loss
Investment income
Investment management fee
Other expenses

**Net deficit before finance costs
and taxation**

Finance costs
Preference shares

Net deficit before taxation
Taxation (see note 2)

Total comprehensive expense for the period

Net return per:
Ordinary share
(see note 3)
Zero Dividend Preference share 2025
(see note 3)

Condensed Consolidated Statement of Changes in Net Equity (unaudited)

for the six months ended 31 October 2023

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months ended 31 October 2023						
30 April 2023	5,288	17,980	5,004	4,564	2,727	35,563
Total comprehensive expense for the period	-	-	-	(8,310)	1,350	(6,960)
Ordinary shares issued	53	303	-	-	-	356
Expenses of Ordinary share issue	-	(22)	-	-	-	(22)
Dividends paid (see note 4)	-	-	-	-	(1,301)	(1,301)
31 October 2023	<u>5,341</u>	<u>18,261</u>	<u>5,004</u>	<u>(3,746)</u>	<u>2,776</u>	<u>27,636</u>
Year ended 30 April 2023 (audited)						
30 April 2022	5,213	17,517	5,004	11,201	2,447	41,382
Total comprehensive expense for the year	-	-	-	(6,637)	2,704	(3,933)
Ordinary shares issued	75	466	-	-	-	541
Expenses of Ordinary share issue	-	(3)	-	-	-	(3)
Dividends paid (see note 4)	-	-	-	-	(2,424)	(2,424)
30 April 2023	<u>5,288</u>	<u>17,980</u>	<u>5,004</u>	<u>4,564</u>	<u>2,727</u>	<u>35,563</u>
Six months ended 31 October 2022						
30 April 2022	5,213	17,517	5,004	11,201	2,447	41,382
Total comprehensive expense for the period	-	-	-	(9,677)	1,382	(8,295)
Dividends paid (see note 4)	-	-	-	-	(1,188)	(1,188)
31 October 2022	<u>5,213</u>	<u>17,517</u>	<u>5,004</u>	<u>1,524</u>	<u>2,641</u>	<u>31,899</u>

Condensed Consolidated Balance Sheet (unaudited)

as at 31 October 2023

	31 October 2023 £'000	30 April 2023 £'000 (audited)	31 October 2022 £'000
Non-current assets			
Investments at fair value through profit or loss	45,277	52,825	48,919
Current assets			
Trade and other receivables	283	469	289
Cash and cash equivalents	376	380	335
	<u>659</u>	<u>849</u>	<u>624</u>
Total assets	<u>45,936</u>	<u>53,674</u>	<u>49,543</u>
Current liabilities			
Trade and other payables	(80)	(245)	(118)
	<u>(80)</u>	<u>(245)</u>	<u>(118)</u>
Total assets less current liabilities	<u>45,856</u>	<u>53,429</u>	<u>49,425</u>
Non-current liabilities			
Zero Dividend Preference shares 2025	(18,220)	(17,866)	(17,526)
Total liabilities	<u>(18,300)</u>	<u>(18,111)</u>	<u>(17,644)</u>
Net assets	<u>27,636</u>	<u>35,563</u>	<u>31,899</u>
Represented by:			
Share capital	5,341	5,288	5,213
Share premium account	18,261	17,980	17,517
Capital redemption reserve	5,004	5,004	5,004
Capital reserve	(3,746)	4,564	1,524
Revenue reserve	2,776	2,727	2,641
Equity Shareholders' funds	<u>27,636</u>	<u>35,563</u>	<u>31,899</u>
Net asset value per: (see note 5)	pence	pence	pence
Ordinary share	129.38	168.15	152.99
Zero Dividend Preference share 2025	125.65	123.22	120.87

Condensed Consolidated Statement of Cash Flows (unaudited)

for the six months ended 31 October 2023

	Six months to 31 October 2023 £'000	Year to 30 April 2023 £'000 (audited)	Six months to 31 October 2022 £'000
Operating activities			
Investment income received	1,781	3,170	1,799
Investment management fee paid	(260)	(546)	(278)
Administration and secretarial fees paid	(32)	(64)	(32)
Refund of tax	1	–	–
Other cash payments	(189)	(273)	(187)
Cash generated from operations (see note 7)	1,301	2,287	1,302
Purchases of investments	(6,538)	(12,624)	(4,028)
Sales of investments	6,200	12,069	3,715
Net cash inflow from operating activities	963	1,732	989
Financing activities			
Issue of Ordinary shares	356	541	–
Expenses of Ordinary share issue	(22)	(3)	–
Dividends paid	(1,301)	(2,424)	(1,188)
Net cash outflow from financing activities	(967)	(1,886)	(1,188)
Change in cash and cash equivalents	(4)	(154)	(199)
Cash and cash equivalents at start of period	380	534	534
Cash and cash equivalents at end of period	376	380	335

Notes to the Condensed Half-Yearly Report

for the six months ended 31 October 2023

1 General information

The financial information contained in this Half-Yearly Report does not constitute statutory financial statements as defined in Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 30 April 2023, which contained an unqualified auditors' report, have been lodged with the Registrar of Companies and did not contain a statement required under the Companies Act 2006. These statutory financial statements were prepared in accordance with UK adopted International Financial Reporting Standards ('UK adopted IFRSs') and in accordance with the Statement of Recommended Practice ('SORP'): Financial Statements of Investment Trust Companies and Venture Capital Trusts issued by the AIC in July 2022.

The Group has financial resources which substantially exceed its expense commitments and therefore the Directors believe that the Group is well placed to manage its business risks and also believe that the Group will have sufficient resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing this report.

This report has not been reviewed by the Group's Auditors.

This report has been prepared using accounting policies adopted in the audited financial statements for the year ended 30 April 2023. This report has also been prepared in compliance with IAS 34 'Interim Financial Reporting' and the Companies Act 2006.

2 Taxation

The Company has an effective tax rate of 0% as investment gains are exempt from tax owing to the Company's status as an Investment Trust and there is expected to be an excess of management expenses over taxable income and thus there is no charge for corporation tax.

Deferred tax assets in respect of unrelieved excess expenses are not recognised as it is unlikely that the Group will generate sufficient taxable income in the future to utilise these expenses. Deferred tax is not provided on capital gains and losses because the Company meets the conditions for approval as an investment trust company.

3 Earnings per share

Ordinary shares

Revenue earnings per Ordinary share is based on revenue on ordinary activities after taxation of £1,350,000 (30 April 2023: £2,704,000, 31 October 2022: £1,382,000) and on 21,355,216 (30 April 2023: 20,890,547, 31 October 2022: 20,850,000) Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

Capital earnings per Ordinary share is based on the capital loss of £8,310,000 (30 April 2023: £6,637,000, 31 October 2022: £9,677,000) and on 21,355,216 (30 April 2023: 20,890,547, 31 October 2022: 20,850,000) Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

Zero Dividend Preference shares

Capital earnings per Zero Dividend Preference share 2025 is based on allocations from the Company of £354,000 (30 April 2023: £680,000, 31 October 2022: £340,000) and on 14,500,000 (30 April 2023: 14,500,000, 31 October 2022: 14,500,000) Zero Dividend Preference shares 2025 being the weighted average number of Zero Dividend Preference shares in issue during the period.

Notes to the Condensed Half-Yearly Report (continued)

for the six months ended 31 October 2023

4 Dividends

During the period, a fourth interim dividend of 2.9425p per Ordinary share was paid to Shareholders in respect of the financial year ended 30 April 2023.

In respect of the year ending 30 April 2024, a first interim dividend of 3.15p per ordinary share has been paid to the Shareholders.

In addition, for the year ending 30 April 2024, the Board has declared a second interim dividend of 3.15p per Ordinary share payable on 12 January 2024 to Shareholders on the register at 15 December 2023 (ex-dividend date 14 December 2023).

5 Net asset values

Ordinary shares

The net asset value per Ordinary share is based on assets attributable of £27,636,000 (30 April 2022: £35,563,000, 31 October 2022: £31,899,000) and on 21,360,000 (30 April 2023: 21,150,000, 31 October 2022: 20,850,000) Ordinary shares being the number of shares in issue at the period end.

Zero Dividend Preference shares

The net asset value per Zero Dividend Preference shares is based on assets attributable of £18,220,000 (30 April 2023: £17,866,000, 31 October 2022: £17,526,000) and on 14,500,000 (30 April 2023: 14,500,000, 31 October 2022: 14,500,000) Zero Dividend Preference shares being the number of shares in issue at the period end.

6 Fair value hierarchy

Financial assets and financial liabilities of the Company are carried in the condensed Consolidated Balance Sheet at their fair value. The fair value is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than a forced or liquidation sale. For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices and Stock Exchange Electronic Trading Services ('SETS') at last trade price at the Balance Sheet date, without adjustment for transaction costs necessary to realise the asset.

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1, if they reflect actual and regularly occurring market transactions on an arm's length basis.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 2 inputs include the following:

- quoted prices for similar (i.e. not identical) assets in active markets;

6 Fair value hierarchy (continued)

- quoted prices for identical or similar assets or liabilities in markets that are not active. Characteristics of an inactive market include a significant decline in the volume and level of trading activity, the available prices vary significantly over time or among market participants or the prices are not current;
- inputs other than quoted prices that are observable for the asset (for example, interest rates and yield curves observable at commonly quoted intervals); and
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (market-corroborated inputs).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

As at 31 October 2023, 30 April 2023 and 31 October 2022 all of the Company's investments are classified as Level 1.

7 Reconciliation of net return before and after taxation to cash generated from operations

	31 October 2023 £'000	30 April 2023 £'000	31 October 2022 £'000
Net deficit before taxation	(6,935)	(3,901)	(8,279)
Taxation	(25)	(32)	(16)
Net deficit after taxation	(6,960)	(3,933)	(8,295)
Net capital deficit	8,310	6,637	9,677
Decrease in receivables	186	5	184
Decrease in payables	(45)	(8)	(61)
Interest and expenses charged to the capital reserve	(190)	(414)	(203)
Net cash inflow from operating activities	1,301	2,287	1,302

8 Related party transactions

The Group's investments are managed by Chelverton Asset Management Limited. The amounts paid to the Investment Manager in the period to 31 October 2023 were £244,000 (year ended 30 April 2023: £533,000, six months to 31 October 2022: £260,000).

At 31 October 2023 there were amounts outstanding to be paid to the Investment Manager of £45,000 (year ended 30 April 2023: £61,000, six months to 31 October 2022: £55,000).

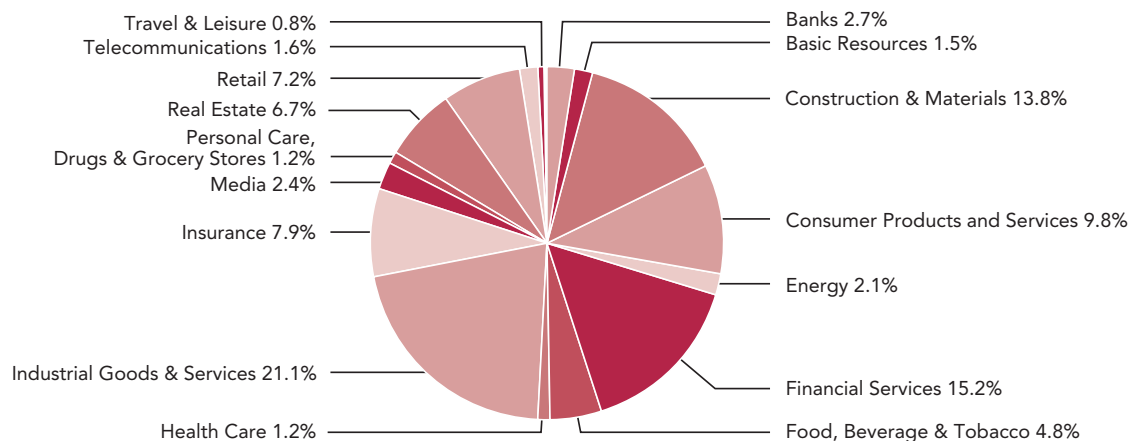
Portfolio Investments

as at 31 October 2023

Security	Sector	Market value £'000	% of portfolio
Belvoir Lettings	Real Estate	1,610	3.6
Alumasc Group	Construction & Materials	1,136	2.5
Smiths News	Industrial Goods & Services	1,128	2.5
Ultimate Products	Consumer Products and Services	1,080	2.4
Chesnara	Insurance	1,010	2.2
Diversified Energy	Energy	936	2.1
M P Evans Group	Food, Beverage & Tobacco	927	2.0
ME Group	Consumer Products and Services	911	2.0
Coral Products	Industrial Goods & Services	910	2.0
Duke Royalty	Financial Services	866	1.9
Redde Northgate	Industrial Goods & Services	839	1.9
Ramsdens Holdings	Financial Services	835	1.9
Hargreaves Services	Industrial Goods & Services	832	1.8
Castings	Industrial Goods & Services	823	1.8
Severfield	Construction & Materials	770	1.7
Conduit	Insurance	766	1.7
Somero	Industrial Goods & Services	765	1.7
RTC Group	Industrial Goods & Services	740	1.7
Spectra Systems	Retail	740	1.7
Fonix Mobile	Industrial Goods & Services	731	1.6
Tyman	Construction & Materials	728	1.6
Clarke (T.)	Construction & Materials	693	1.5
TheWorks.co.uk	Retail	684	1.5
MTI Wireless Edge	Telecommunications	677	1.5
Vector Capital	Financial Services	665	1.5
Palace Capital	Real Estate	654	1.4
Kier Group	Construction & Materials	654	1.4
Hilton	Food, Beverage & Tobacco	653	1.4
Stelrad	Construction & Materials	644	1.4
STV	Media	643	1.4
Close Brothers Group	Banks	637	1.4
Epwin Group	Construction & Materials	630	1.4
Bakkavor	Food, Beverage & Tobacco	612	1.4
OSB Group	Financial Services	599	1.3
Sabre Insurance	Insurance	577	1.3
Wickes Group	Retail	576	1.3
Arbuthnot Banking Group	Banks	569	1.3
Hansard Global	Insurance	564	1.2
Kitwave Group	Personal Care, Drugs & Grocery Stores	560	1.2
Personal Group Holdings	Insurance	560	1.2
One Health Group	Health Care	550	1.2
TP ICAP	Financial Services	550	1.2
Genuit Group	Construction & Materials	531	1.2
Bellway	Consumer Products and Services	522	1.2
Polar Capital Holdings	Financial Services	521	1.2
Gateley	Industrial Goods & Services	520	1.1
DFS Furniture	Retail	515	1.1
Marshalls	Construction & Materials	515	1.1

Security	Sector	Market value £'000	% of portfolio
Crest Nicholson	Consumer Products and Services	480	1.1
Wilmington Group	Media	472	1.0
Topps Tiles	Retail	466	1.0
Jarvis Securities	Financial Services	465	1.0
Lendinvest	Financial Services	450	1.0
FDM Group	Industrial Goods & Services	436	1.0
Ecora Resources	Basic Resources	429	1.0
Gattaca	Industrial Goods & Services	428	0.9
Orchard Funding Group	Financial Services	425	0.9
Regional REIT	Real Estate	422	0.9
RWS	Industrial Goods & Services	415	0.9
Portmeirion Group	Consumer Products and Services	403	0.9
Town Centre Securities	Real Estate	383	0.8
Headlam Group	Consumer Products and Services	360	0.8
Premier Miton Group	Financial Services	357	0.8
Vanquis Banking	Financial Services	347	0.8
Paypoint	Industrial Goods & Services	346	0.8
Liontrust Asset Management	Financial Services	335	0.7
Springfield Properties	Consumer Products and Services	306	0.7
Watkin Jones	Consumer Products and Services	302	0.7
Marston's	Travel & Leisure	290	0.7
Strix Group	Industrial Goods & Services	290	0.7
Brown (N) Group	Retail	263	0.6
DSW Capital	Financial Services	240	0.5
Chamberlin	Basic Resources	225	0.5
Essentra	Industrial Goods & Services	223	0.5
Cavendish Financial	Financial Services	189	0.4
R&Q Insurance	Insurance	112	0.3
iEnergizer	Industrial Goods & Services	105	0.2
Aferian	Telecommunications	63	0.1
Revolution Bars Group	Travel & Leisure	52	0.1
Sancus Lending Group	Financial Services	40	0.1
Total Portfolio		45,277	100.0

Breakdown of portfolio by industry



Shareholder Information

Financial calendar

Group's year end	30 April
Quarterly dividends paid	July, October, January and April
Annual results announced	June
Annual General Meeting	September
Group's half year	31 October
Half-Year results announced	November

Share prices and performance information

The Company's Ordinary shares and the Zero Dividend Preference shares issued through SDVP are listed on the London Stock Exchange Main Market.

The net asset values are announced daily to the London Stock Exchange and published monthly via the AIC.

Information about the Group can be obtained on the Chelverton website at www.chelvertonam.com. Any enquiries can also be e-mailed to cam@chelvertonam.com.

Share register enquiries

The register for the Ordinary shares and Zero Dividend Preference shares are maintained by Share Registrars Limited. In the event of queries regarding your holding, please contact the Registrar on 01252 821390. Changes of name and/or address must be notified in writing to the Registrar.

Capital Structure

Chelverton UK Dividend Trust PLC ('the Company')

Chelverton UK Dividend Trust PLC was incorporated on 6 April 1999 and commenced trading on 12 May 1999. The Company is a closed-ended investment trust with registered number 03749536. The Company has in issue one class of Ordinary share. In addition, it has a wholly owned subsidiary SDV 2025 ZDP PLC, which was registered on 25 October 2017 with number 11031268, through which Zero Dividend Preference shares have been issued.

Ordinary shares of 25p each – 21,360,000 in issue as at 31 October 2023

The Company has only one class of share and this figure represents 100% of the Company's share capital and voting rights.

Dividends

Holders of Ordinary shares are entitled to dividends.

Capital

On a winding-up of the Company, Ordinary Shareholders will be entitled to all surplus assets of the Company available after payment of the Company's liabilities including the capital entitlement of the Zero Dividend Preference shares.

Voting

Each holder, on a show of hands, will have one vote and on a poll will have one vote for each Ordinary share held.

SDV 2025 ZDP PLC ('SDVP')

Ordinary shares of 100p each – 50,000 in issue as at 31 October 2023 (partly paid up as to 25p each)

The ordinary shares are wholly owned by the Company. References to Ordinary shares within this Half-Yearly Report are to the Ordinary shares of Chelverton UK Dividend Trust PLC.

Capital

Following payment of any liabilities and the capital entitlement to the Zero Dividend Preference Shareholders, ordinary Shareholders are entitled to any surplus assets of SDVP.

Voting

Each holder, on a show of hands, will have one vote and on a poll will have one vote for each ordinary share held.

Zero Dividend Preference shares of 100p each – 14,500,000 in issue as at 31 October 2023

Dividends

Holders of Zero Dividend Preference shares are not entitled to dividends.

Capital

On a winding up of SDVP, after the satisfaction of prior ranking creditors and subject to sufficient assets being available, Zero Dividend Preference Shareholders are entitled to an amount equal to 100p per share increased daily from 8 January 2018 at such compound rate as will give an entitlement to 133.18 pence per share at 30 April 2025.

Voting

Each holder of Zero Dividend Preference shares on a show of hands will have one vote at meetings where Zero Dividend Preference Shareholders are entitled to vote and on a poll will have one vote for each Zero Dividend Preference share held.

Holders of Zero Dividend Preference shares are not entitled to attend, speak or vote at General Meetings unless the business of the meeting includes a resolution to vary, modify or abrogate the rights attached to the Zero Dividend Preference shares.

Directors and Advisers

Directors	Howard Myles (Chairman) Andrew Watkins Denise Hadgill
Investment Manager	Chelverton Asset Management Limited 11 Laura Place Bath BA2 4BL Tel: 01225 483030
Secretary and Registered Office	Apex Fund Administration Services (UK) Limited (formerly Maitland Administration Services Limited) Hamilton Centre Rodney Way, Chelmsford Essex CM1 3BY Tel: 01245 398950
Registrar and Transfer Office	Share Registrars Limited 3 Millennium Centre Crosby Way Farnham Surrey GU9 7XX Tel: 01252 821390 www.shareregistrars.uk.com
Auditors (until October 2023)	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX
Auditors (from November 2023)	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND Tel: 0141 222 5800 www.jcca.co.uk
Brokers	Shore Capital Cassini House 57 St James's Street London SW1A 1LD
Custodian (until mid-December 2023)	Jarvis Investment Management Limited 78 Mount Ephraim Tunbridge Wells Kent TN4 8BS
Custodian (from mid-December 2023)	Northern Trust 50 Bank Street London E14 5NT

Registered in England
No. 3749536

A member of the Association of Investment Companies

