

SDV 2025 ZDP plc

Half-Yearly Report

For the six months ended 31 October 2022

Registered Number: 11031268

SDV 2025 ZDP plc

Half-Yearly Report

for the six months ended 31 October 2022

The Half-Yearly Report can be accessed via the Investment Manager's website at www.chelvertonam.com or by contacting the Company Secretary on 01245 398950.

This interim report should be read in conjunction with the Half-Yearly report of Chelverton UK Dividend Trust PLC ('SDV').

COMPANY SUMMARY

Company Activities, Strategy & Business Model

SDV 2025 ZDP PLC ('SDVP' or the 'Company') was incorporated on 25 October 2017 as a wholly owned subsidiary of SDV, together referred to as the 'Group'. SDVP was especially formed for the issuing of Zero Dividend Preference ('ZDP') shares. It raised £10,980,000 before expenses on 8 January 2018 by the conversion of ZDPs from Chelverton Small Companies ZDP PLC of 10,977,747 ZDP shares and £1,802,000 on 8 January 2018 by placing of 1,802,336 ZDP Shares, which are listed in the UK Official List and admitted to trading on the London Stock Exchange.

On 11 April 2018, SDVP placed an additional 1,419,917 ZDP shares at 103p per share and this raised a net total of £1.4 million.

On 10 May 2018, SDVP placed an additional 100,000 ZDP shares at 104p per share and this raised a net total of £104,500.

On 15 May 2018, SDVP placed an additional 200,000 ZDP shares at 105p per share and this raised a net total of £208,500.

Pursuant to a contribution agreement between SDVP and SDV, SDVP has lent the proceeds of the placing to SDV. The loan is non-interest bearing and is repayable three business days before the ZDP share redemption date of 30 April 2025 or, if required by SDVP, at any time prior to that date in order to repay the ZDP share entitlement. The funds are to be managed in accordance with the investment policy of SDV.

SDVP investment objective & policy

The objective of SDVP is to provide the final capital entitlement of the ZDP shares, of 133.18p per share, to the holders of the ZDP shares at the redemption date of 30 April 2025. The proceeds of the placing of the ZDP shares have been lent to SDV under a contribution agreement and the funds are managed in accordance with the investment policy of SDV, which is as follows (as extracted from the Annual Report of SDV):

- The Company's assets comprise investments in equities in order to achieve its investment objectives. It is the aim of the Company 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 or traded on AIM.
- 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 or other investment trusts or in unquoted companies.

SDVP has a capital structure comprising unlisted Ordinary shares and ZDP shares listed on the Official List and traded on the London Stock Exchange by way of a standard listing. SDVP is a wholly owned subsidiary of SDV which is a closed-ended investment company. On 8 January 2018, 10,977,747 ZDP shares were converted from SDVP at 100p per share, and 1,802,336 ZDP shares were placed at 100p per share and this raised a net total of £12.4 million. The expenses of the placing were borne by SDV. On 11 April 2018, SDVP placed an additional 1,419,917 ZDP shares at 103p per share and this raised a net total of £1.4 million. On 10 May 2018, SDVP placed an additional 100,000 ZDP shares at 104.5p per share and this raised a net total of £0.1 million. On 15 May 2018, SDVP placed an additional 200,000 ZDP shares at 104.25p per share and this raised a net total of £0.2 million. The expenses of the placing were borne by SDV.

A contribution agreement between SDV and SDVP has also been made whereby SDV will undertake to contribute sufficient to ensure that SDVP will have in aggregate sufficient assets on 30 April 2025 to satisfy the final capital entitlement of the ZDP shares of 133.18p per share, being £19,311,100 in total. This assumes that the parent company and the Company have sufficient assets as at 30 April 2025 to repay the ZDP shares. To this extent the Company is reliant upon the investment performance of the parent company and subject to the principal risks as set out in the Annual Report of SDV.

To protect the interests of ZDP Shareholders, the contribution agreement contains a restriction on the Group incurring any other borrowings (other than short-term indebtedness in the normal course of business, such as when settling share transactions) except where such borrowings are for the purpose of paying the final capital entitlement due to holders of ZDP shares.

Based on the value of the Group's assets as at 31 October 2022 they would have to fall at a rate of 69.87% per annum for the Company to be unable to meet the full capital repayment entitlements of the ZDP shares on the scheduled repayment date of 30 April 2025.

Registered in England No: 11031268

INTERIM MANAGEMENT REPORT

For details of the Group's activities, development and performance during the six months ended 31 October 2022 Shareholders should refer to the Half-Yearly Report of SDV, which can be found on the Investment Manager's website. www.chelvertonam.com or is available for inspection at the NSM, which is situated at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

David Horner

Chelverton Asset Management Limited
29 November 2022

PRINCIPAL RISKS

The principal risks facing the Company are substantially unchanged since the date of the Annual Report for the year ended 30 April 2022 and continue to be as set out on page 11 and 12 of SDV's Annual Report for the year ended 30 April 2022.

In addition, and due to the Company's dependence on SDV to repay the loan and provide a contribution to meet the capital entitlement of the ZDP Shareholders, the other risks faced by the Company are considered to be the same as for SDV. These are defined in note 21 of SDV's Annual Report for the year ended 30 April 2022 and include the following: market risk, market price risk, foreign currency risk, interest rate risk, credit risk and liquidity risk.

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 IAS34 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities and financial position of the Company; 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 Company 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 29 November 2022 and the above responsibility statement was signed on its behalf by Howard Myles, Chairman.

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

for the six months ended 31 October 2022

	Six months ended 31 October 2022			Year to 30 April 2022 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	-	-	-	-	-	-
Provision for contribution from SDV regarding the capital entitlement of the ZDP shares	-	340	340	-	654	654
Return before finance costs and taxation	-	340	340	-	654	654
Appropriations in respect of ZDP shares	-	(340)	(340)	-	(654)	(654)
Net return after finance costs and before taxation	-	-	-	-	-	-
Taxation	-	-	-	-	-	-
Net return after taxation	-	-	-	-	-	-
Return per ZDP share (see note 3)	-	2.34p	2.34p	-	4.51p	4.51p

The total column of this statement is the Statement of Comprehensive Income of the Company, prepared in accordance with International Accounting Standards and in conformity with the requirements of the Companies Act 2006. 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').

All items in the above statement derive from continuing operations.

Statement of Changes in Net Equity

for the six months ended 31 October 2022

Period ended 31 October 2022	Share Capital £'000	Total £'000
1 May 2022	13	13
Total comprehensive income for the period	-	-
31 October 2022	<u>13</u>	<u>13</u>

Year ended 30 April 2022 (audited)	Share Capital £'000	Total £'000
1 May 2021	13	13
Total comprehensive income for the year	-	-
30 April 2022	<u>13</u>	<u>13</u>

BALANCE SHEET (unaudited)
as at 31 October 2022

	31 October 2022 £'000	30 April 2022 £'000 (audited)
Non-current assets		
Loans and receivables	17,526	17,186
Current assets		
Trade and other receivables	<u>13</u>	<u>13</u>
Total assets	<u>17,539</u>	<u>17,199</u>
Non-current liabilities		
ZDP shares	<u>(17,526)</u>	<u>(17,186)</u>
Net assets	<u>13</u>	<u>13</u>
Represented by:		
Share capital	<u>13</u>	<u>13</u>
Equity Shareholders' funds	<u>13</u>	<u>13</u>
Net asset value per ZDP share (see note 4)	120.87p	118.52p

NOTES TO THE HALF-YEARLY REPORT

For the six months ended 31 October 2022

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 2022, 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. The financial statements of the Company have been prepared in accordance with International Accounting Standards and applicable requirements of UK company law and reflect the following policies which have been adopted and applied consistently.

The financial information of the Company for the period ended 31 October 2022 has also been consolidated into the results of SDV for the six months ended 31 October 2022.

This Half-Yearly Report has not been reviewed by the Company's Auditors.

This Half-Yearly Report has been prepared using accounting policies set out in note 2 of the Company's audited financial statements for the year ended 30 April 2022.

2. Taxation

There is no charge to United Kingdom income taxation as the Company does not have any income. There are no deferred tax assets in respect of unrelieved excess expenses as all expenses are borne by SDV.

3. Return per ZDP share

The capital return per ZDP share is based on appropriations of £340,000 (30 April 2022: £654,000) and on 14,500,000 (30 April 2022: 14,500,000) being the weighted average number of ZDP shares in issue during the period.

4. Net asset value per ZDP share

The net asset value per ZDP share is based on the net assets attributable of £17,526,000 (30 April 2022: £17,186,000) and on 14,500,000 (30 April 2022: 14,500,000) being the number of ZDP shares in issue during the period.

5. Going concern

The Company will fulfil its investment objective through the contribution agreement it has with SDV. The contribution from SDV will provide the capital entitlement of the ZDP Shareholders. The principal risk the Company faces, is therefore, that SDV would not have sufficient assets to repay the loan and to make a contribution to fulfil the amount of the capital entitlement due to the ZDP Shareholders. Covenants are in place between SDV and the Company that ensure that SDV will not undertake certain actions in relation to both itself and the Company.

Due to the Company's dependence on SDV to repay the loan and provide a contribution to meet the capital entitlement of the ZDP Shareholders, other risks faced by the Company are considered to be the same as for SDV and these are defined in note 21 of SDV's Annual Report.

SDV has considerable financial resources and therefore the Directors believe that the Company is well placed to manage its business risks and also believe that SDV will have sufficient resources to continue in operational existence for the foreseeable future. Accordingly, they have prepared this Half-Yearly Report on the going concern basis.

NOTES TO THE HALF-YEARLY REPORT (continued)

For the six months ended 31 October 2022

6. Related party transactions

There were no related party transactions in the period.

DIRECTORS AND ADVISERS

Directors

Howard Myles
Andrew Watkins
Denise Hadgill

Principal Group Advisers

Investment Manager

Chelverton Asset Management Limited
11 Laura Place
Bath BA2 4BL
Tel: 01225 483030

Secretary and Registered Office

Maitland Administration Services Limited
Hamilton Centre
Rodney Way, Chelmsford
Essex CM1 3BY
Tel: 01245 398950

Registrar and Transfer Office for the ZDP shares

Share Registrars Limited
3 Millennium Centre
Crosby Way
Farnham
Surrey GU9 7XX
Tel: 01252 821390
www.shareregistrars.uk.com

Auditor

Hazlewoods LLP
Staverton Court
Staverton
Cheltenham GL51 0UX

SHAREHOLDER INFORMATION

Financial calendar

Company year end	April
Annual results announced	June
Annual General Meeting	September
Half-year results announced	November

Sources of further information

The Company's ZDP shares are listed on the London Stock Exchange.

The Company's ZDP NAV is released to the London Stock Exchange on a daily basis and published monthly via the AIC.

Information about the Company and SDV can be obtained on the Manager's website: www.chelvertonam.com. Any enquiries can also be emailed to cam@chelvertonam.com

Share registrar enquiries

The register for the ZDP shares is 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.