

# **SDV 2025**

## **ZDP plc**

**Annual Report**  
**For the year ended 30 April 2024**

**Registered Number: 11031268**

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This Report and Accounts should be read in conjunction with the Report and Accounts of Chelverton UK Dividend Trust PLC ('SDV'). SDV and its subsidiary, SDV 2025 ZDP PLC ('SDVP' or the 'Company') together form the Group.

## **Strategic Report**

The Strategic Report has been prepared in accordance with Section 414A of the Companies Act 2006 (the 'Act'). Its purpose is to inform members of the Company and help them understand how the Directors have performed their duties under Section 172 of the Act to promote the success of the Company. The Directors are conscious of their duties to promote the success of the Company under the Act, for the benefit of the shareholders, giving careful consideration to wider stakeholders' interests and the environment in which it operates, including the Company's responsibilities to regulators and the wider community. The Board recognises that its decisions are material to the Company and also to the Company's key stakeholders. The Board considers its key stakeholders to be its shareholders, its Investment Manager and its third-party service providers and their priorities are taken into account during all the Board's discussions and form part of the Directors' decision-making process. Further details of how the Directors have performed their duty under Section 172 is contained within the Annual Report of SDV.

### ***Chairman's Statement***

The Chairman's report on the Group's activities for the year ended 30 April 2024 is contained within the Annual Report of SDV. A copy of the full SDV Annual Report can be found on the Investment Manager's website, [www.chelvertonukdividendtrustplc.com](http://www.chelvertonukdividendtrustplc.com) and is available for inspection at the National Storage Mechanism ('NSM') which is situated at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Given that the Company is due to pay its final capital entitlement to the ZDP Shareholders on the ZDP repayment date of 30 April 2025 and the Company will be placed into members' voluntary liquidation and wound up thereafter, the Directors believe that it would not be reasonable to adopt the going concern basis in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern.

**Howard Myles**

Chairman  
29 August 2024

### ***Investment Manager's Report***

For details of the Group's activities, development and performance during the year to 30 April 2024 shareholders should refer to the Annual Report of SDV, which can be found on the Investment Manager's website, [www.chelvertonukdividendtrustplc.com](http://www.chelvertonukdividendtrustplc.com) and 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 August 2024

## **Other Statutory Information**

### ***Company Activities, Strategy & Business Model***

The Company was incorporated on 25 October 2017 as a wholly owned subsidiary of SDV. The Company was formed specifically for the issuing of Zero Dividend Preference ('ZDP') shares. It raised £10,978,000 before expenses on 8 January 2018 by the conversion of ZDP's from Chelverton Small Companies ZDP PLC (dissolved on 18 September 2019) of 10,977,747 ZDP shares and £1,802,000 before expenses on 8 January 2018 by a placing of 1,802,336 ZDP shares. The Company's shares are listed on the UK Official List and admitted to trading on the London Stock Exchange. Between 11 April and 15 May 2018, the Company placed an additional 1,719,917 shares raising a further £1,776,000. Further detail is set out in the Capital Structure section below.

Pursuant to a contribution agreement between the Company and SDV, the Company has loaned the proceeds of the ZDP share placings 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 the Company, 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.

### ***Investment Objective & Policy***

The objective of the Company is to provide the final capital entitlement of the ZDP shares 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 loaned 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 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.
- The current activities of the Company are expected to continue until the scheduled ZDP repayment date of 30 April 2025 at which time the Company will enter into members' voluntary liquidation to wind up its operations.

### ***Capital Structure & Contribution Agreement***

The Company has a capital structure comprising unlisted Ordinary shares and ZDP shares listed on the Official List and admitted to trading on the London Stock Exchange. The Company 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 the Company at 100p per share, and 1,802,336 ZDP shares were placed at 100p per share. This raised a net total of £12.4 million.

On 11 April 2018, the Company placed an additional 1,419,917 ZDP shares at 103p per share and this raised a net total of £1.5 million.

On 10 May 2018, the Company placed an additional 100,000 ZDP shares at 104.50p per share and this raised a net total of £104,500.

## Other Statutory Information (continued)

On 15 May 2018, the Company placed an additional 200,000 ZDP shares at 104.25p per share and this raised a net total of £208,500.

A contribution agreement between the Company and SDV has also been made whereby SDV will undertake to contribute such funds as would ensure that the Company 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.

The value of the Group's net assets would have to fall by 63% (2023: 64%) for it to be unable to meet the full capital repayment entitlement of the ZDP shares on the scheduled repayment date of 30 April 2025.

### **Performance**

The Board reviews performance by reference to a number of key performance indicators ('KPIs') and considers that the most relevant KPI is that which communicates the financial performance and strength of the Company as a whole being:

- Total return per ZDP share

This is set out below:

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Return per ZDP share</b>	-	<b>4.89p</b>	<b>4.89p</b>	-	4.69p	4.69p

Further KPIs for the parent company can be found in SDV's Annual Report.

### **Principal Risks and Uncertainties Facing 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.

### **Employees, Environmental, Human Rights and Community Issues**

The Board recognises the requirement under Section 414C of the Act to detail information about employees, environmental, human rights and community issues, including information about any policies it had in relation to these matters and the effectiveness of these policies. The Company has no employees and the Board is comprised entirely of non-executive Directors. Day-to-day management of the Company and SDV is delegated to the Investment Manager (details of the respective management agreements are set out in the Director's Report of SDV's Annual Report). The Company itself has no environmental, human rights or community policies. However, in carrying out its activities in relationships with suppliers, by way of SDV, the Company aims to conduct itself responsibly, ethically and fairly.

### ***Culture and Values***

The Company's values are to act responsibly, ethically and fairly at all times. The Company's culture is driven by its values and is focused on providing the final capital entitlement of the ZDP shares to the holders of the ZDP shares at the redemption date of 30 April 2025. As the Company has no employees, its culture is represented by the values, conduct and performance of the Board, the Investment Manager and its key service providers.

### ***Current and Future Developments***

The current developments of the Company can be reviewed as part of the Group's activities for the year ended 30 April 2024 by reference to the Annual Report and financial statements of SDV.

The current activities of the Company are expected to continue until the scheduled ZDP repayment date of 30 April 2025 at which time the Company will enter into members' voluntary liquidation to wind up its operations.

### ***Dividends***

The Directors do not recommend the payment of a final dividend in respect of the year ended 30 April 2024.

### ***Diversity and Succession Planning***

The Board of Directors of the Company comprised one female and two male Directors during the year to 30 April 2024. The existing Directors intend to serve up to the anticipated date of the members' voluntary liquidation.

The Directors are satisfied that the Board currently contains members with an appropriate breadth of skills and experience and considers succession planning on at least an annual basis. The key criteria for the appointment of new Directors will be the skills and experience of candidates having regard also to the benefits of diversity in the interests of shareholder value. In relation to any further future appointments the Board will seek to consider a wide range of candidates with due regard to diversity.

On behalf of the Board

**Howard Myles**  
Chairman  
29 August 2024

## Board of Directors

The Directors are:

**Howard Myles** was a partner in Ernst & Young from 2001 to 2007 and was responsible for the Investment Funds Corporate Advisory Team. He was previously with UBS Warburg from 1987 to 2001. Mr Myles began his career in stockbroking in 1971 as an equity salesman and in 1975 joined Touche Ross & Co, where he qualified as a chartered accountant. In 1978 he joined W Greenwell & Co in the corporate broking team and in 1987 moved to SG Warburg Securities, where he was involved in a wide range of commercial and industrial transactions in addition to leading Warburg's corporate finance function for investment funds. He is a non-executive director and chairman of Baker Steel Resources Trust Limited. Mr Myles was appointed to the Board in 2011 and became Chairman on 8 September 2022 upon the retirement of Lord Lamont. On that date he stepped down from the chair of the Audit Committee but remains a member thereof.

**Andrew Watkins** has a wealth of experience in the financial services industry working in senior positions at Kleinwort Benson, Flemings, Jupiter and most recently as Head of Client Relations, Sales & Marketing for Investment Trusts at Invesco Perpetual, retiring in 2017. He is currently a non-executive Director and Chairman of Ashoka India Equity Investment Trust plc and CT UK High Income Trust PLC, and a non-executive Director of BG European Growth Trust plc and Consistent Unit Trust Management Ltd. He is a member of the Chartered Institute for Securities and Investment.

Mr Watkins was appointed to the Board on 6 September 2018. He became Chairman of the Audit Committee on 8 September 2022.

**Denise Hadgill** has spent 35 years in the investment industry, first in the Eurobond market at SGST and then in the equity oil sector at Smith New Court. She moved into fund management at Schroders where she was a UK Equity Fund Manager and Director responsible for the firm's relationship with UK pension funds and charity clients with multi asset portfolios. Denise went on to be a Managing Director and Head of the UK Product Strategy group at BlackRock where she was responsible for delivering the firm's investment message and economic outlook to an extensive range of UK clients. Denise is a non-executive director of Smithson Investment Trust plc as well as the mutual society, Pharmaceutical and General Provident Society Limited.

Ms Hadgill was appointed to the Board on 1 May 2022.

All Directors are independent of the Investment Manager.

## **Investment Manager, Company Secretary and Registrar**

### **Investment Manager: Chelverton Asset Management Limited ('Chelverton')**

Chelverton was formed in 1998 by David Horner, who has considerable experience of analysing investments and working with smaller companies. Chelverton is largely owned by its employees.

Chelverton is a specialist fund manager focused on UK mid and small companies and has a successful track record. At 31 May 2024, Chelverton had total funds under management of approximately £1.3 billion, including two investment companies and three OEICs. The Income Fund Management Team comprises David Horner, Oliver Knott and David Taylor.

Chelverton is authorised and regulated by the Financial Services Authority ('FCA').

### **Administrator and Company Secretary: Apex Fund Administration Services (UK) Limited**

Apex Fund Administration Services (UK) Limited ('Apex') provides company secretarial and administrative services for the Group. The Apex group provides administration and regulatory oversight solutions for a wide range of investment companies.

### **Registrar: Share Registrars Limited**

Share Registrars Limited is a CREST registrar established in 2004. The Company provides registration services to over 200 client companies.



## Directors' Report

The Directors present their Report and the financial statements of the Company for the year ended 30 April 2024. The comparative period covers the year to 30 April 2023. The Company's registered number is 11031268.

### Directors

Directors who served during the year ended 30 April 2024, all of whom are non-executive were as follows:

H Myles  
A Watkins  
D Hadgill

Biographical details of the continuing Directors are given on page 6.

Under the Company's Articles of Association, Directors are required to retire at the first Annual General Meeting ('AGM') following their appointment, and thereafter at three-yearly intervals. At least one Director must retire at each annual general meeting. The Directors to retire by rotation are first, a Director who wishes to retire and offer himself for reappointment and, second, those Directors who have been longest in office since their last appointment or reappointment. However, in accordance with the Articles of Association, and prevailing corporate governance best practice, all three directors will stand for re-election at the forthcoming AGM on 11 October 2024.

None of the Directors nor any persons connected with them had a material interest in any of the Company's transactions, arrangements or agreements during the year. None of the Directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company, and which was effected by the Company during the current financial year.

There have been no loans or guarantees from the Company to any Director at any time during the year or thereafter.

The Company's Articles of Association provide the Directors of the Company, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. Save for this, there are no qualifying third party indemnities in place.

Formal performance evaluation of the Directors and the Board has been carried out and the Board considers that all of the Directors contribute effectively and have the skills and experience relevant to the future leadership and direction of the Company.

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association.

### Corporate Governance

A formal statement on Corporate Governance is set out on page 10 below.

### Share Capital

At the date of this report, the issued share capital of the Company comprised of 50,000 Ordinary shares and 14,500,000 ZDP shares.

50,000 Ordinary shares of £1, each partly paid as to 25p (and each of which have been issued to SDV), represent 0.35% of the total share capital. Holders of Ordinary shares are entitled to receive notice of, attend and vote at General Meetings of the Company. The Ordinary shares are not admitted to trading on a regulated market.

12,780,083 ZDP shares of £1 each were issued on 8 January 2018, pursuant to the placing ZDP shares represent 99.65% of the total share capital. 1,419,917 additional ZDP shares for a total consideration of 103p each were issued on 11 April 2018. 300,000 ZDP shares were issued in May 2018 at a premium for a total consideration of 104p each.

### **Share Capital (continued)**

Holders of ZDP shares are entitled to receive notice of, attend and vote at those General Meetings where ZDP shareholders are entitled to vote. They are not entitled to attend or vote at any General Meeting of the Company unless the business includes any resolution to vary, modify or abrogate any of the special rights attached to the ZDP shares.

### **Shareholders' Funds and Market Capitalisation**

At 30 April 2024 the Company had a market capitalisation of £17,400,000 and total net assets amounted to £13,000.

### **ISA Status**

The ZDP shares are eligible for inclusion in ISAs.

### **Management Agreements**

The Group's assets are managed by Chelverton under an agreement (the 'Investment Management Agreement') dated 30 April 2006 (effective from 1 December 2005) with the parent company. A periodic fee is payable quarterly in arrears at an annual rate of 1% of the value of the gross assets under management of the Group.

These fees are met entirely by the parent company.

The Investment Management Agreement may be terminated by twelve months' written notice. There are no additional arrangements in place for compensation beyond the notice period.

Under another agreement (the 'Administration Agreement') dated 1 January 2015, company secretarial services and the general administration of the Group are undertaken by Apex Fund Administration Services (UK) Limited. Their fee is subject to review at intervals of not less than three years. The Administration Agreement may be terminated by six months' written notice.

### **Management Fee**

The management fee for the Group is charged to and paid in full by SDV.

### **Company Information**

- The Company's capital structure and voting rights are summarised on pages 8 and 9.
- SDVP is a wholly-owned subsidiary of SDV.
- The rules concerning the appointment and replacement of Directors are covered by Article 22 of the Company's Articles of Association.
- There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.
- There are no agreements between the Company and its Directors that provide compensation for loss of office or as a result of a takeover.

### **Viability Statement**

The intention is to wind up the Company following the repayment of the ZDP shares.

### **Basis Other Than Going Concern**

Given that the Company is due to pay the capital entitlement to the ZDP Shareholders on the ZDP repayment date of 30 April 2025 and the Company will be placed into members' voluntary liquidation and wound up thereafter, the Directors believe that it would not be reasonable to adopt the going concern basis in preparing the financial statements. Therefore, the financial statements have been prepared under a basis other than going concern. Based on the assessment carried against the parent company, the parent company has adequate financial resources to meet liabilities as and when they fall due. The cost of the liquidation will be borne by the parent company and as such a provision for the estimated liquidation costs has not been provided for.

## **Directors' Report (continued)**

### **Global Greenhouse Gas Emissions**

The Company has no greenhouse gas emissions to report from its operations, nor does it have any responsibility for any other emission-producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

### **Statement on Corporate Governance**

The Company is committed to maintaining high standards of corporate governance and the Directors are accountable to shareholders for the governance of the Company's affairs.

As set out in the Prospectus dated 24 November 2017, the Company, as a company with a standard listing, is not required to comply with the UK Corporate Governance Code and does not intend to do so. In the Directors' opinion, the interests of the Company and its shareholders are adequately covered by the governance procedures applicable to SDV. For example SDV's Audit Committee considers the financial reporting procedures and oversees the internal control and risk management systems for the Group as a whole and the Directors see no benefit in convening a separate Audit Committee for the Company.

### **Audit Tender**

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

SDV's Audit Committee (the '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 re-appointment will be put to a vote of the shareholders at the Company's Annual General Meeting on 11 October 2024.

### **Auditor**

Johnston Carmichael LLP has indicated its willingness to continue in office as Auditor of the Group. Following its review, the Committee considers that, individually and collectively, the Auditor is appropriately experienced to fulfil the role required and has recommended its re-appointment to the Board.

The Committee has considered the independence and objectivity of the Auditor and has assessed its performance. The Committee is satisfied in these respects that Johnston Carmichael LLP has fulfilled its obligations to the Group and its shareholders.

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are each aware, that there is no relevant audit information of which the Auditors are unaware. Each of the Directors has confirmed that they 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 it has been communicated to the Auditor. The Directors consider that the accounts taken as a whole are fair, balanced and understandable.

**Annual General Meeting**

A formal Notice convening the Annual General Meeting to be held on 11 October 2024 can be found on pages 32 to 34.

On behalf of the Board

**Howard Myles**

Chairman

29 August 2024

## Directors' Remuneration Report

The Board has prepared this report, in accordance with the requirements of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendments) Regulations 2013. Ordinary resolutions for the approval of this report and the Directors' Remuneration Policy shall be put to shareholders at the forthcoming AGM.

The law requires the Group's Auditor, Johnston Carmichael LLP, to audit certain disclosures provided within this report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 15 to 19.

### Report from the Company Chairman

As set out in the Directors' Report, the Company has a standard listing and is not required to comply with the UK Corporate Governance Code and does not intend to do so as a matter of course. However, the Board notes the expectations of the 2018 version of the code, to which the majority of the Board's governance arrangements are aligned. The Board of SDV considers the Directors' remuneration for the Group as a whole.

### Directors' Remuneration Policy

The Remuneration Policy for the Company is that no fees are payable to the Directors in connection with their duties to the Company. It is intended that in accordance with the regulations, an Ordinary resolution to approve the Directors' remuneration policy will be put to shareholders at least once every three years. Accordingly, a resolution to approve the Remuneration Policy was last considered at the AGM on 7 September 2023.

Directors are also not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits, as the Board does not consider such arrangements or benefits necessary or appropriate.

The Directors do receive fees relating to their duties to the parent company, SDV. This policy will continue for future years and is set out in full in the Directors' Remuneration Report of SDV.

### Directors' Service Contracts

None of the Directors has a contract of service with the Company or the parent company, nor has there been any contract or arrangement between the Company and any Director at any time during the year. The terms of their appointment provide that a Director shall retire and be subject to re-election at the first AGM after their appointment, and at least every three years after that. A Director's appointment can be terminated in accordance with the Articles and without compensation.

### Directors' Emoluments for the Year (Audited)

No fees are payable to the Directors regarding their duties to the Company.

### Directors' Beneficial and Family Interests (Audited)

	30 April 2024 ZDP shares	30 April 2023 ZDP shares
H Myles	Nil	Nil
A Watkins	Nil	Nil
D Hadgill	Nil	Nil

The Directors' interests in the shares of the parent company are shown in the Annual Report of SDV.

**Your Company's Performance**

The objective of the Company is to provide the accrued capital entitlement to the ZDP shareholders. The Company has loaned all of its assets to SDV and therefore the performance of the Company is best reflected by looking at the performance of SDV. The Directors' remuneration report within the Annual Report of SDV contains a graph comparing the total return (assuming all dividends are reinvested) to SDV Ordinary shareholders, compared to the total shareholder return of the MSCI UK Small Cap Index. A copy of SDV's Annual Report can be found on the Investment Manager's website [www.chelvertonukdividendtrustplc.com](http://www.chelvertonukdividendtrustplc.com) or is available for inspection at the NSM, which is situated at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

There has been no demonstration of relative importance of spend on pay for the Company as no remuneration is payable to Directors.

**Approval**

The Directors' Remuneration Report was approved by the Board on 29 August 2024.

On behalf of the Board of Directors

**Howard Myles**  
Chairman  
29 August 2024

## **Statement of Directors' Responsibilities**

in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with UK-Adopted International Accounting Standards ('UK-Adopted IAS') and with the requirements of the Companies Act 2006 as applicable to companies reporting under international accounting standards.

Under company law the Directors must not approve the financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Company for that period.

In preparing the Company's financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the Company has complied with UK-Adopted IAS, subject to any material departures disclosed and explained in the financial statements;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in UK-Adopted IAS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 enable them to ensure that the Company's 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.

The Directors are responsible for ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with applicable company law. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Conduct Authority.

The Directors are responsible for the maintenance and integrity of the corporate and financial information relating to the Company on the Investment Manager's website. Legislation in the UK governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

The Directors confirm that, to the best of their knowledge and belief:

- the financial statements, prepared in accordance with the relevant financial framework, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Annual Report includes a fair review of the development and performance of the Company, together with a description of the principal risks and uncertainties faced; and
- the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

On behalf of the Board of Directors

**Howard Myles**

Chairman

29 August 2024

## **Independent Auditor's Report**

to the members of SDV 2025 ZDP plc

### **Opinion**

We have audited the financial statements of SDV 2025 ZDP plc ("the Company"), for the year ended 30 April 2024, which comprise the Statement of Comprehensive Income, the Statement of Changes in Net Equity, the Balance Sheet and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 30 April 2024 and of its net return for the year then ended;
- Have been properly prepared in accordance with UK-adopted International Accounting Standards; 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 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.

### **Emphasis of matter – financial statements prepared on a basis other than going concern**

We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis because the Company is due to pay its final capital entitlement to the ZDP Shareholders on the ZDP repayment date of 30 April 2025 and the Company will be placed into voluntary liquidation and wound up thereafter. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 2.

Our opinion is not modified in respect of this matter.

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

### **Our approach to the audit**

We planned our audit by first obtaining an understanding of the Company and its environment, including its key activities delegated by the Board to relevant approved third-party service providers and the controls over provision of those services.

We conducted our audit using information maintained and provided by Chelverton Asset Management Limited (the "Investment Manager") and Apex Fund Administration Services (UK) Limited (the "Company Secretary" and "Administrator") to whom the company has delegated the provision of services.

We tailored the scope of our audit to reflect our risk assessment, taking into account such factors as the business model and activities, the accounting processes and controls, and the industry in which the Company operates.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in the evaluation of the effect of misstatements, both individually and in aggregate on the financial statements as a whole.



## Independent Auditor’s Report (continued)

### 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) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We summarise below the key audit matters in arriving at our audit opinion above, together with how our audit addressed these matters and the results of our audit work in relation to these matters.

Key audit matter	How our audit addressed the key audit matter and our conclusions
<p><b>Recoverability and valuation of the loan from the Parent Company</b></p> <p><i>The loan repayment due from the parent company at 30 April 2024 is £18.6m (2023: £17.9m).</i></p> <p><i>This balance is due for repayment on 30 April 2025.</i></p> <p><i>The company lent its parent company the gross proceeds of the ZDP share issue and entered into a contribution agreement whereby the parent company has undertaken to contribute such funds that will ensure that the company will have in aggregate, sufficient assets on 30 April 2025 to enable the company to fully meet the redemption obligations in respect of the ZDP shares issues by the company.</i></p> <p><i>For these reasons and due to the value of this position and that it will be settled within 12 months we have identified the recoverability of this balance as the most significant assessed risk of material misstatement due to fraud or error and we have deemed this to be the key audit matter.</i></p>	<p>We performed a walkthrough at the administrator to gain an understanding and evaluate the design of the process and implementation of key controls in relation to calculating the loan receivable.</p> <p>We challenged management’s assessment of the recoverability of the loan receivable by reference to the valuation and liquidity of the investments held by the parent company. We corroborated the expected valuation of the loan position to underlying support at 30 April 2024 and ensured this was in line with UK-adopted International Accounting Standards.</p> <p>We checked that disclosures in relation to the loan repayment are appropriate in line with the financial reporting framework.</p> <p>From our completion of these procedures, we identified no material misstatements of the carrying value of the loan balance in relation to its recoverability.</p>

### Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature and extent of our work and in evaluating the results of that work.

Materiality measure	Value
<p><b>Materiality for the financial statements as a whole</b> – we have set materiality as 1% of total assets as we believe that total assets is the primary performance measure used by investors and is the key driver of shareholder value. It is also a standard benchmark for materiality for similar entities in this sector and we determined the measurement percentage to be commensurate with the risk and complexity of the audit and the Company’s listed status.</p>	<p>£186k</p>

<p><b>Performance materiality</b> – performance materiality represents amounts set by the auditor at less than materiality for the financial statements as a whole, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.</p> <p>In setting this we consider the Company’s overall control environment, as well as this being our first year as appointed auditors. Based on our judgement of these factors, we have set performance materiality at 50% of our overall financial statement materiality.</p>	<p>£93k</p>
<p><b>Audit Committee reporting threshold</b> – we agreed with the Audit Committee that we would report to them all differences in excess of 5% of overall materiality in addition to other identified misstatements that warranted reporting on qualitative grounds, in our view. For example, an immaterial misstatement as a result of fraud.</p>	<p>£9k</p>

During the course of the audit, we reassessed initial materiality and found no reason to alter the basis of calculation used at year-end.

**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 contained 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, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Directors’ Report 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 Directors’ Report.

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

- Adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements 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.

## Independent Auditor's Report (continued)

### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 14, 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.

### Auditor responsibilities for the audit of the financial statements

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

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

#### *Extent to which the audit was considered capable of detecting irregularities, including fraud*

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.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- FCA listing and DTR rules;
- Companies Act 2006; and
- UK adopted International Accounting Standards

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified

a heightened fraud risk in relation to the recoverability of the loan from the parent company (audit procedures performed in response to this risk are set out in the section on key audit matters above) and management override of controls (procedures in response to this risk are included below).

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006 and the Listing Rules;
- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

#### **Other matters which we are required to address**

Following the recommendation of the Audit Committee, we were appointed by the Board on 6 November 2023 to audit the financial statements for the year ended 30 April 2024. The period of our total uninterrupted engagement is one year, covering the year ended 30 April 2024.

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 so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Bryan Shepka (Senior Statutory Auditor)**  
For and on behalf of Johnston Carmichael LLP  
Statutory Auditor  
Glasgow, United Kingdom  
29 August 2024

**Statement of Comprehensive Income**  
for the year ended 30 April 2024

	Note	Year ended 2024			Year ended 2023		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income		-	-	-	-	-	-
Accrued contribution from Chelverton UK Dividend Trust plc ('SDV') regarding the capital entitlement of the ZDP shares		-	709	709	-	680	680
<b>Return before finance costs and taxation</b>		-	709	709	-	680	680
Appropriations in respect of ZDP shares		-	(709)	(709)	-	(680)	(680)
<b>Net return after finance costs and before taxation</b>		-	-	-	-	-	-
<b>Taxation on ordinary activities</b>	2	-	-	-	-	-	-
<b>Net return after taxation</b>		-	-	-	-	-	-

The total column of this statement is the Statement of Comprehensive Income of the Company, prepared in accordance with UK-Adopted International Accounting Standards' and with the requirements of the Companies Act 2006. All revenue and capital return columns in the above statement derive from continuing operations. No operations were acquired or discontinued during the year. All of the net return for the year is attributable to the shareholders of the Company. The supplementary revenue and capital columns are presented for information purposes as recommended by the Statement of Recommended Practice issued by the AIC.

The notes on pages 23 to 29 form part of these financial statements.

**Statement of Changes in Net Equity**  
for the year ended 30 April 2024

	<b>Share Capital £'000</b>	<b>Total £'000</b>
<b>Year ended 30 April 2024</b>		
1 May 2023	13	13
Total comprehensive income for the year	-	-
30 April 2024	<u>13</u>	<u>13</u>

**Year ended 30 April 2023**

1 May 2022	13	13
Total comprehensive income for the year	-	-
30 April 2023	<u>13</u>	<u>13</u>

The notes on pages 23 to 29 form part of these financial statements.

**Statement of Financial Position**  
as at 30 April 2024

	Note	2024 £'000	2023 £'000
<b>Non-current assets</b>			
Loans and receivables	4	18,575	17,866
<b>Current assets</b>			
Trade and other receivables	5	<u>13</u>	<u>13</u>
<b>Total assets</b>		<u>18,588</u>	<u>17,879</u>
<b>Current liabilities</b>			
ZDP shares	7	<u>(18,575)</u>	<u>(17,866)</u>
<b>Net assets</b>		<u>13</u>	<u>13</u>
<b>Represented by:</b>			
Share capital	6	<u>13</u>	<u>13</u>
<b>Equity shareholders' funds</b>		<u>13</u>	<u>13</u>

The notes on pages 23 to 29 form part of these financial statements.

These financial statements were approved by the Board of SDV 2025 ZDP PLC and authorised for issue on 29 August 2024 and were signed on behalf of the Company by:

**Howard Myles,**  
Chairman  
29 August 2024

Company Registered No: 11031268

## **Notes to the Financial Statements**

as at 30 April 2024

### **1. General Information**

The Company is a public company incorporated and registered in England and Wales on 25 October 2017 with limited liability under the Companies Act 2006. All of its Ordinary shares are held by SDV. It is not regulated by the Financial Conduct Authority or any commission.

The financial information of the Company for the year ended 30 April 2024 has also been consolidated into the results of SDV.

### **2. Accounting Policies**

#### **Basis Other Than Going Concern**

The financial statements of the Company have been prepared in accordance with UK-Adopted International Accounting Standards, and applicable requirements of UK company law, and reflect the following policies which have been adopted and applied consistently. The Company has also followed presentational guidance set out in the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP'), issued by the Association of Investment Companies (dated July 2022) when consistent with the requirements of UK-Adopted International Accounting Standards. This is to ensure consistency with the Group accounts.

The financial statements are presented in Sterling, rounded to the nearest £'000.

The Company is due to pay its final capital entitlement to the ZDP Shareholders on the repayment date 30 April 2025 and the Company will be placed into voluntary liquidation and wound up thereafter. Consequently, the Directors believe that it would be inappropriate to adopt the going concern basis in preparing the financial statements. Therefore, the financial statements have been prepared on a basis other than going concern, however the ZDP's shown in the financial statements continue to be presented on an amortised basis rather than a settlement basis. This is deemed appropriate given the purpose of the Company being limited to the issuance of ZDP shares. The capital entitlement attached to the ZDP's will continue to be recognised until their maturity 30 April 2025.

The Company relies on the parent company to pay the operational costs and repayment of the loan when it falls due. Based on the assessment carried out against the parent company, the parent company has adequate financial resources to meet its liabilities as and when they fall due. The Company does not have and, does not expect to have any other business interests, and the current activities of the Company are expected to continue to the scheduled repayment date of 30 April 2025 at which time will enter into voluntary liquidation. The cost of the liquidation will be borne by the Parent Company, so no provision for the estimated liquidation costs has been provided.

#### **New Standards, Interpretations and Amendments Adopted by the Group**

There are no amendments to standards effective this year, being relevant and applicable to the Group.

#### **Critical Accounting Judgments and Uses of Estimation**

The preparation of financial statements in conformity with UK-Adopted International Accounting Standards requires management to make judgments, estimate and assumptions that affect the application of policies and the amounts reported in the Balance Sheet and the Statement of Comprehensive Income. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. There were no significant accounting estimates or significant judgments in the current year.



## **Notes to the Financial Statements (continued)**

as at 30 April 2024

### **Convention**

The financial statements are prepared in accordance with UK-adopted International Accounting Standards and presentational guidance as set out in the Association of Investment Companies SORP (July 2022).

The Directors have sought to prepare the financial statements on a basis other than going concern with the ZDPs repayment date within the year.

The financial statements are presented in Sterling and rounded to the nearest £'000.

### **Segmental Reporting**

The Company does not engage in any business activities from which it can earn revenues and therefore segmental reporting does not apply.

### **Loans and Receivables**

The Company holds a non-interest-bearing secured loan in SDV. Under IAS 39 'Financial Instruments: Recognition and Measurement' the loan is carried at amortised cost using the effective interest method. Amortised cost represents the initial cost of the loan plus a proportion of the expected surplus on redemption. The expected surplus on redemption is allocated to capital at a constant rate over the life of the loan.

### **Expenses**

All operating expenses (including the auditors' remuneration) of the Company are borne by SDV.

### **ZDP Shares**

ZDP shares issued by the Company are treated as a liability under IAS 32 'Financial Instruments: Disclosure and Presentation' and are shown in the Balance Sheet at their redemption value at the Balance Sheet date. The appropriations in respect of the ZDP shares necessary to increase the Company's liabilities to the redemption values are allocated to capital in the Statement of Comprehensive Income. This treatment reflects the Board's long-term expectations that the entitlements of the ZDP shareholders will be satisfied out of gains arising on SDV investments held primarily for capital growth.

### **Statement of Cash Flows**

The Company is a wholly owned subsidiary of SDV and the cash flows of the Company are included in the consolidated statement of cash flows of the parent undertaking. During the prior period the receipt of loan funding from the issue of ZDP shares was received directly by SDV.

The Company has no cash or cash equivalents at the beginning or end of the year. There were no cash flows during the year ended 30 April 2024 therefore no cash flow statement is presented within the financial statements.

### **Taxation**

There is no charge to UK 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. Directors' Remuneration/Management Fee**

The Directors and Manager are remunerated by SDV and the amounts in respect of their services as Directors and Manager of the Company are not separately identifiable.

#### 4. Loans and Receivables

The Company has entered into a contribution agreement with SDV whereby the Company loaned SDV the gross proceeds of £12,780,000 raised from the conversion of SVC ZDP shares of 10,977,747 and the placing on 8 January 2018 of 1,802,336 ZDP shares at 100p.

On 11 April 2018, the Company loaned SDV the gross proceeds of £1,462,514 raised from the additional placing of 1,419,917 ZDP shares at 103p each.

On 10 May 2018, the Company loaned SDV the gross proceeds of £104,500 raised from the additional placing of 100,000 ZDP shares at 104.50p each.

On 15 May 2018, the Company loaned SDV the gross proceeds of £208,500 raised from the additional placing of 200,000 ZDP shares at 104.25p each.

The loan is non-interest bearing and is secured on SDV's total assets by a floating charge debenture entered into between the Company and SDV. The loan is repayable three business days prior to the ZDP share redemption date of 30 April 2025 or, if required by the Company at any time prior to that date in order to repay the ZDP share entitlement.

A contribution agreement between the Company and SDV has also been entered into whereby SDV will undertake to contribute such funds as would ensure that the Company will have in aggregate sufficient assets on 30 April 2025 to satisfy the final capital entitlement of the ZDP shares.

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Loan opening book value at 1 May	<b>17,866</b>	17,186
Amount receivable from SDV under the contribution agreement	<b>709</b>	680
	<hr/>	<hr/>
Loans and receivables book value at 30 April	<b>18,575</b>	17,866

#### 5. Trade and Other Receivables

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Intercompany account	<b>13</b>	13
	<hr/>	<hr/>

## Notes to the Financial Statements (continued)

as at 30 April 2024

### 6. Share Capital

Allotted, issued:

	<b>2024</b>	<b>2024</b>	2023	2023
	<b>Number of</b>	<b>£'000</b>	Number of	£'000
	<b>shares</b>		shares	
Ordinary shares of 100p each – issued and partly paid as to 25p each	<b>50,000</b>	<b>13</b>	50,000	13
ZDP shares of 100p each	<b>14,500,000</b>	<b>14,557</b>	14,500,000	14,557

The Company was incorporated on 25 October 2017 with 50,000 ordinary shares in issue partly paid as to 25p each. All of the ordinary shares are held by SDV.

On 8 January 2018, 12,780,083 ZDP shares were issued at 100p each. The share issue costs were borne by SDV.

On 11 April 2018, 1,419,917 additional ZDP shares were issued at 103p each. The share costs were borne by SDV.

On 10 May 2018, 100,000 ZDP shares were issued at 104.5p each. The share issue costs were borne by SDV.

On 15 May 2018, 200,000 ZDP shares were issued at 104.25p each. The share costs were borne by SDV.

#### As to Dividends

Ordinary shares are entitled to any revenue profits which the Company may determine to distribute as dividends in respect of any financial period. It is not expected that any such dividends will be declared.

The holders of ZDP shares are not entitled to dividends or other distributions out of the revenue or any other profits of the Company.

#### As to Capital on a Winding Up

On a winding up, and after payment of the Company's liabilities in full, holders of ZDP shares are entitled to a payment of an amount equal to 100p per share, increased daily from 8 January 2018 at such compound rate, equivalent to 4%, as will give an entitlement to 133.18p for each ZDP share at 30 April 2025, £19,311,100 in total.

Following payment of the capital entitlement to the ZDP shareholders, Ordinary shareholders are entitled to any surplus assets of the Company.

#### As to Voting

Holders of Ordinary shares are entitled to receive notice of, attend and vote at General Meetings of the Company.

Holders of ZDP shares are entitled to receive notice of, attend and vote at those general meetings where ZDP shareholders are entitled to vote. They are not entitled to attend or vote at any general meeting of the Company unless the business includes any resolution to vary, modify or abrogate any of the special rights attached to the ZDP shares.

## 6. Share Capital (continued)

### Commitment to Contribute to the Capital Entitlement of the ZDP Shares

The Company has entered a contribution agreement with its parent company, SDV, pursuant to which SDV will undertake to contribute such funds as would ensure that the Company will have in aggregate sufficient assets on 30 April 2025 to satisfy the final capital entitlement of the ZDP shares or, if required by the Company, the accrued capital entitlement at any time prior to that date. This assumes that SDV has sufficient assets to repay the capital entitlement of the ZDP shares. As at 30 April 2024, the Group had total assets less current liabilities available for repayment of the ZDP shares of £52,096,000 (2023: £53,429,000). The value of the Group's assets would have to fall at a rate of 62.9% (2023: 63.9%) for it to be unable to meet the full capital repayment entitlement of the ZDP shares on the scheduled repayment date of 30 April 2025.

### Duration

The Articles of Association provide that the Directors shall convene a general meeting of the Company to be held on 30 April 2025 or, if that is not a business day, on the immediately following business day, at which a special resolution will be proposed requiring the Company to be wound up unless the Directors shall have previously been released from their obligations to do so by a special resolution of the Company (such special resolution having been sanctioned by any necessary class approval). If no variation of such date is approved and the Company is not wound up on such date, any holder of more than 1,000 ZDP shares shall have the right to requisition a general meeting of the Company to consider a resolution to wind it up.

At the general meeting, those shareholders present, in person or by proxy or by duly authorised representative who vote in favour of the resolution to wind up the Company will collectively have such total number of votes on a poll as is one more than the number of votes which are required to be cast for the resolution to be carried. The vote will be taken on a poll.

## 7. Net Asset Value Per Share

The net asset value per ZDP share and the net assets attributable to the ZDP shareholders are as follows:

	<b>Net asset value per share 2024 pence</b>	<b>Net assets attributable 2024 £'000</b>	<b>Net asset value per share 2023 pence</b>	<b>Net assets attributable 2023 £'000</b>
ZDP shares	<b>128.11</b>	<b>18,575</b>	123.21	17,866

## 8. Ultimate Parent Undertaking

The Company is a wholly owned subsidiary of SDV which is registered in England and Wales under company number 03749536. The Annual Report of SDV is available from the website of the Manager at [www.chelvertonukdividendtrustplc.com](http://www.chelvertonukdividendtrustplc.com).

## Notes to the Financial Statements (continued)

as at 30 April 2024

### 9. Financial Instruments

#### Investment Objective and Investment Policy

The objective of the Company is to provide the final capital entitlement of the ZDP shares to the holders of the ZDP shares at the redemption date of 30 April 2025.

The Company will fulfil its investment objective through the contribution agreement it has with SDV, as detailed in notes 5 and 7. 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.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and to maximise equity holder returns, taking into consideration the future capital requirement of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows and projected strategic investment opportunities. The management regards capital as total equity and reserves, for capital management purposes. The Group does not currently have any loans and the Directors do not intend to have any loans or borrowings.

### 10. Financial instruments - Risk management policies and procedures for the Company

The Objective of the Company is to provide the Final Capital Entitlement of the ZDP Shares to ZDP holders at the redemption date. Due to the Company's dependence on the Parent Company to repay the loan and provide contribution to meet the final capital entitlement of the ZDP shareholders, the risks faced by the Company are considered to be the same as the Parent Company. The Company has exposure to the following risks from its use of financial instruments, Credit risk, Liquidity risk and Market Risk.

These risks have remained unchanged since the beginning of the year to which these financial statements relate and are summarised below:

#### (a) Credit risk

This is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. As at 30 April 2024, the Company's financial assets which are exposed to credit risk is the loan to the parent company, Chelverton UK Dividend Trust, and it amounted to £18,575,000 (2023: £17,866,000). Loan to the parent company has low credit risk as the parent has a strong capacity to meet its contractual cash flow obligations as they fall due.

The Company does not consider this risk to be significant as it has limited exposure to non-group third parties in respect of amounts receivable. Cash balances are only deposited with financial institutions with a high credit rating. The Company assesses all external counterparties for the credit risk before contracting with them.

## **10. Financial instruments - Risk management policies and procedures for the Company (continued)**

### **(b) Liquidity risk**

This is the risk that the Company will not be able to meet its financial obligations as they fall due. The most significant cash outflow consists of the payment of the Final Capital Entitlement to the ZDP Holders at the ZDP repayment date of 30 April 2025. Liquidity risk is considered to be significant with the Company's exposure dependent upon the Parent Company's ability to meet all current and future obligations of the Company.

The ZDP Shares capital entitlement amount of £19,311,000 will be repayable on the 30 April 2025.

### **(c) Market risk**

The company has no exposure to market risk as it does hold or trade on any direct investment positions. And indirect market risks through the parent company are actively monitored throughout the year as part of the parent company's risk management policies and procedures.

### **(d) Interest rate risk**

The company has no exposure to market risk as it does hold or trade on any direct investment positions. And indirect market risks through the parent company are actively monitored throughout the year as part of the parent company's risk management policies and procedures.

## Directors and Advisers

<b>Directors</b>	Howard Myles (Chairman) Andrew Watkins Denise Hadgill
<b>Investment Manager</b>	Chelverton Asset Management Limited 11 Laura Place Bath BA2 4BL Tel: 01225 483030
<b>Company Secretary /Administrator and Registered Office</b>	Apex Fund Administration Services (UK) Limited Hamilton Centre Rodney Way Chelmsford CM1 3BY Tel: 01245 398950
<b>Registrar and Transfer Office for the ZDP shares</b>	Share Registrars Limited 3 Millennium Centre Crosby Way Farnham Surrey GU9 7XX Tel: 01252 821390 <a href="http://www.shareregistrars.uk.com">www.shareregistrars.uk.com</a>
<b>Auditor</b>	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND Tel: 0141 222 5800 <a href="http://www.jcca.co.uk">www.jcca.co.uk</a>

## **Shareholder Information**

### **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.chelvertonukdividendtrustplc.com](http://www.chelvertonukdividendtrustplc.com). Any enquiries can also be emailed to [info@chelvertonam.com](mailto:info@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.



## **SDV 2025 ZDP PLC - Notice of Annual General Meeting**

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will take place at 11.30am (or as soon thereafter as the Annual General Meeting of the parent company, Chelverton UK Dividend Trust PLC has concluded) on 11 October 2024 at the offices of Chelverton Asset Management, Basildon House, 7 Moorgate, London, EC2R 6AF for the following purposes:

### **Ordinary Business: Ordinary Resolutions**

1. To receive the Report of the Directors and the audited financial statements for the year ended 30 April 2024.
2. To receive and approve the Directors' Remuneration Report for the year ended 30 April 2024
3. To re-elect Mr Myles as a Director.
4. To re-elect Mr Watkins as a Director.
5. To re-elect Ms Hadgill as a Director.
6. To re-appoint Johnston Carmichael LLP as Auditor.
7. To authorise the Directors to determine the remuneration of the Auditor.

### **Special Business**

To consider, and if thought fit to pass the following Resolutions which will be proposed as an Ordinary Resolution:

8. THAT the Directors be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 ('the Act') to exercise all the powers of the Company to allot shares and to grant rights to subscribe for, or to convert any security into, shares in the Company ('the Rights') up to an aggregate nominal value equal to £4,833,333, being one-third of the issued ZDP share capital as at 28 August 2024, during the period commencing on the date of the passing of this resolution and expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2025, or fifteen months from the passing of this resolution, whichever is earlier (the 'Period of Authority').

The Directors may, at any time prior to the expiry of the Period of Authority, make offers or agreements which would or might require shares to be allotted and/or Rights to be granted after the expiry of the Period of Authority and the Directors may allot shares or grant Rights in pursuance of such offers or agreements as if the authority had not expired.

By order of the Board

Registered office:

**Apex Fund Administration Services (UK) Limited**  
Secretary  
29 August 2024

Hamilton Centre  
Rodney Way  
Chelmsford  
Essex  
CM1 3BY

## Explanatory Notes to the Notice of Annual General Meeting

1. *The holders of the Ordinary shares have the right to receive notice, attend, speak and vote at the Annual General Meeting. Holders of ZDP shares have the right to receive notice of general meetings of the Company but do not have any right to attend, speak and vote at any general meeting of the Company unless the business of the meeting includes any resolution to vary, modify or abrogate any of the special rights attached to the ZDP shares.*
2. *A member entitled to attend, vote and speak at the meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. To be effective, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company Secretary, Apex Fund Administration Services (UK) Limited, Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY not later than 48 hours before the time of the meeting. The appointment of a proxy will not prevent a member from attending the meeting and voting and speaking in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and, on a poll, shall have one vote for every Ordinary share of which he/she is the holder.*
3. *A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Note 2 above do not apply to a Nominated Person. The rights described in that note can only be exercised by registered members of the Company.*
4. *As at 28 August 2024 (being the last business day prior to the publication of this notice) the Company's issued voting share capital and total voting rights amounted to 50,000 Ordinary shares of 100p, partly paid as to 25p each, all of which are held by the parent company. In addition, there are 14,500,000 ZDP shares of 100p each in issue with no voting rights attached.*
5. *The Company specifies that only those Ordinary shareholders registered on the Register of Members of the Company as at 11.30am on 9 October 2024 (or in the event that the meeting is adjourned, only those shareholders registered on the Register of Member of the Company as at 11.30am on the day which is 48 hours prior to the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.*
6. *Any question relevant to the business of the business of the Annual General Meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your questions in advance by letter addressed to the Company Secretary at the registered office or by email to: cosec@maitlandgroup.com.*
7. *In accordance with Section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:*
  - a. *to do so would:*
    - i. *Interfere unduly with the preparation for the meeting, or*
    - ii. *involve the disclosure of confidential information;*
  - b. *the answer has already been given on a website in the form of an answer to a question;*  
*or*
  - c. *it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.*

8. *Shareholders should note that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.*
9. *A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of those same shares, they vote those shares in the same way). To be able to attend and vote at the meeting, corporate representatives will be required to produce evidence satisfactory to the Company of their appointment. Corporate shareholders can also appoint one or more proxies in accordance with Note 2. On a vote on a resolution on a show of hands, each authorised person has the same voting rights to which the corporation would be entitled. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares:
  - a. *if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way;*
  - b. *if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.**
10. *Members satisfying the thresholds in Section 338 or 338A of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting. A resolution may properly be moved at the Annual General Meeting unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.*