

CHELVERTON UK DIVIDEND TRUST PLC

Half-Yearly Report
for the six months ended 31 October 2024



CHELVERTON
ASSET MANAGEMENT

Contents

Investment Objective and Policy	1
Financial Highlights	1
Interim Management Report	2
Principal Risks	4
Going Concern	4
Change of Auditor	4
Financing Structure of the Group	4
Responsibility Statement of the Directors in respect of the Half-Yearly Report	5
Condensed Consolidated Statement of Comprehensive Income (unaudited)	6
Condensed Consolidated Statement of Changes in Net Equity (unaudited)	8
Condensed Consolidated Balance Sheet (unaudited)	9
Condensed Consolidated Statement of Cash Flows (unaudited)	10
Notes to the Condensed Half-Yearly Report	11
Portfolio Investments	15
Shareholder Information	17
Capital Structure	18
Directors and Advisers	19

Investment Objective and Policy

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

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

The Company's investment policy is that:

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

Financial Highlights

	31 October 2024	30 April 2024	% change
Capital			
Total gross assets (£'000)	54,960	52,231	5.22
Total net assets (£'000)	34,572	33,521	3.14
Net asset value per Ordinary share	156.75p	155.59p	0.75
Mid-market price per Ordinary share	167.00p	145.50p	14.78
Premium/(discount)	6.54%	(6.48%)	
Net asset value per Zero Dividend Preference share	130.64p	128.11p	1.97
Mid-market price per Zero Dividend Preference share	124.00p	120.00p	3.33
Discount	(5.08%)	(6.33%)	
	Six months to 31 October 2024	Six months to 31 October 2023	% change
Revenue			
Return per Ordinary share	6.41p	6.32p	1.42
Dividends declared per Ordinary share*	6.50p	6.30p	3.17
Total Return			
Total return on Group net assets**	0.60%	(23.82%)	

* Dividend per Ordinary share includes the first interim paid and second interim declared for each of the periods to 31 October 2024 and 2023 and will differ from the amounts disclosed within the statement of changes in net equity.

** Adding back dividends distributed in the period.

Interim Management Report

This half-yearly report covers the six months to 31 October 2024. The net asset value per Ordinary share as of 31 October 2024 was 156.75p up from 155.59p as of 30 April 2024, an increase of 0.75% during the period. As at 27 November 2024 the NAV per share has decreased to 155.36p.

Since the beginning of the Company's financial year, the Ordinary share price has increased from 145.5p to 167.0p as of 31 October 2024, an increase of 14.8%. Since the period end the shares have slightly decreased in price to 160.00p and as at 27 November 2024 the shares traded on a premium of 3.0%.

Dividend

Maintaining its record of increasing the annual core dividend paid by the Company for 15 years, the first interim dividend for the current year of 3.25p (2023: 3.15p) per Ordinary share was paid on 15th November 2024. The Board has declared a second interim dividend of 3.25p per Ordinary share (2023: 3.15p) payable on 10 January 2024 to shareholders on the register on 13 December 2024, making a total for the half year of 6.50p per Ordinary share (2023: 6.30p) an increase of 3.2%.

It is anticipated that the Company will maintain the level of dividend for the third and fourth quarter at 3.25p making a total core dividend declared of 13.00p for the year (2024: 12.6p) an annual increase of 3.2%.

Portfolio

In the last six months we have increased our investment in 16 of our existing holdings (2023: 14), taking advantage of lower share prices and shares being available in Arbuthnot Banking Group, Castings, Chesnara, Conduit, FDM Group, Gateley, ITV, Liontrust Asset Management, Mony, Paypoint, Personal Group Holdings, Polar Capital Holdings, Premier Miton Group, Regional REIT, RWS and Wynnstay Group.

During the period we added nine new names to the portfolio (2023: 6) – Assura – Property business focusing on GP and primary care buildings; Dowlais Group – automotive and powder metallurgy industries; i-3 Energy – oil and gas producer; Oxford Metrics – smart sensing and software; Public Policy Holding – public relations; Serica Energy – oil and gas producer; Speedy Hire – plant hire; Vesuvius – engineered ceramics; and VP – plant hire.

Funds were raised from the outright sale of nine of our holdings, Tyman, iEnergizer, T. Clarke, Genuit Group, Randall & Quilter, Hilton Foods, Marshalls, Bank of Cyprus and Brown (N) Group.

Of the above exits, T. Clarke and Brown (N) Group were taken over and Bank of Cyprus was sold as it was delisting. iEnergizer delisted the previous year, and we held onto our holding and managed to achieve a significantly higher price on a sale back to the company.

The following holdings were reduced as they grew to become larger weightings on lower yields: Alumasc Group, Bakkavor, Gattaca, Headlam Group, Orchard Funding Group, Palace Capital, Portmeirion Group, Property Franchise, RTC Group, Sancus Lending Group, Spectra Systems, Springfield Properties, TheWorks.co.uk, Vector Capital and Watkins Jones.

Outlook

The stock market for the last six months has felt like it has been "waiting". Firstly, it was waiting for the general election, even though the outcome was entirely as expected, and then almost immediately it seemed like everything was on hold until the recent budget was announced. Since then, of course we have had the much talked about and debated US presidential election with its well documented potential impact on the UK and European economies.

The one common theme through all of this is that UK equities continue to remain relatively undervalued, and this undervalue is more pronounced in Small and Midcap companies, the area of the market the Company invests in. More recently, prior to the Budget, there was great concern that AIM shares would no longer enjoy Business Relief, being exempt from Inheritance Tax, and these experienced widespread declines in their share prices whilst shareholders voted with their feet. Consequently, we were able to buy some shares at much lower prices in fundamentally strong companies at what we believe will be seen to be low valuations.

During this reporting period inflation declined as sharply as it increased the previous year. This was entirely predictable, although seemingly something of a shock to the Bank of England, who still seem to be behind on cutting interest rates. Despite the continual "noise" about the desperate state of the UK economy the reality is inflation is on target, the UK Gross Domestic Product ('GDP') is growing, albeit it could be doing better, the bulk of people who can and want to work are working and following this recent budget there will be an injection of funding which will certainly provide a boost around the country. Real wages have been rising for most of this year and it is therefore expected that consumers will continue to increase spending.

The election of the Labour Government with an extraordinary majority from such a small share of the popular vote at least means there should, logically, be political stability for the next few years. The Labour Government have also clearly and oft said that they are going to do everything they can to grow the economy. It will be interesting to see how they propose to achieve this objective.

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

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

We are pleased to recommend an annual 3.2% rise in the dividend and are pleased not only with the resilience of the portfolio's regular dividend stream but also the incidence of "Special Dividends".

Whilst we await the effects on economic growth of the measures delivered by the Budget, we believe that as we move into the new year and all of the elections are left behind there are prospects for growth in the UK economy, further modest interest cuts and a stable level of inflation. These market conditions are historically very good for UK equities and in particular the Small and MidCap sector.

Chelverton Asset Management
3 December 2024

Principal Risks

The principal risks facing the Group are substantially unchanged since the date of the Annual Report for the year ended 30 April 2024 and continue to be as set out in that report on pages 11 to 13. Risks faced by the Group include, but are not limited to, market risk, discount volatility, regulatory risks, financial risk, gearing, political risk, loss of key personnel and operational risk.

Going Concern

Having assessed the principal risks and the other matters discussed in connection with the viability statement as set out on pages 15 and 16 of the Annual Report for the year ended 30 April 2024, the Directors believe that the Group is well placed to manage its business risks successfully and it is appropriate to adopt the going concern basis in preparing the accounts.

Change of Auditor

Following a competitive tender process, the Company appointed Johnston Carmichael LLP as its auditor on 6 November 2023. Johnston Carmichael LLP carried out the audit of the Company's annual report and accounts for the year ended 30 April 2024 and their appointment was ratified at the AGM held on 11 October 2024.

Financing Structure of the Group

The Directors of the Group have been considering the options for a refinancing of the Zero Dividend Preference ('ZDP') shares, which are due for repayment upon the winding up of SDVP on 30 April 2025, by way of incorporating a new wholly owned subsidiary in which to issue ZDP shares. The Board believes that, given the current economic environment, a ZDP refinancing could be achieved at an appropriate gross redemption yield. This would enable the Company to continue to provide Ordinary shareholders with an attractive level of income, supported by the Company's significant revenue reserve, as well as the opportunity for further capital growth driven principally by the well-established and diversified investment portfolio.

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

We confirm that to the best of our knowledge:

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

This Half-Yearly Report was approved by the Board of Directors on 3 December 2024 and the above responsibility statement was signed on its behalf by Howard Myles, Chairman.

Condensed Consolidated Statement of Comprehensive Income (unaudited)

for the six months ended 31 October 2024

	Six months to 31 October 2024			Six months to 31 October 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments at fair value through profit or loss	–	793	793	–	(7,766)	(7,766)
Investment income	1,683	–	1,683	1,599	–	1,599
Investment management fee	(70)	(210)	(280)	(61)	(183)	(244)
Other expenses	(210)	(6)	(216)	(163)	(7)	(170)
Net surplus/(deficit) before finance costs and taxation	1,403	577	1,980	1,375	(7,956)	(6,581)
Finance costs						
Preference shares	–	(367)	(367)	–	(354)	(354)
Net surplus/(deficit) before taxation	1,403	210	1,613	1,375	(8,310)	(6,935)
Taxation (see note 2)	(15)	–	(15)	(25)	–	(25)
Total comprehensive income/(expense) for the period	1,388	210	1,598	1,350	(8,310)	(6,960)
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Net return per:						
Ordinary share (see note 3)	6.41	0.97	7.38	6.32	(38.91)	(32.59)
Zero Dividend Preference share 2025 (see note 3)	–	2.53	2.53	–	2.44	2.44

The total column of this statement is the Statement of Comprehensive Income of the Group prepared in accordance with UK-Adopted International Accounting Standards and with the requirements of the Companies Act 2006. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. All of the net return for the period and the total comprehensive income for the period is attributed to the shareholders of the Group. The supplementary revenue and capital return columns are presented for information purposes as recommended by the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP') issued by the Association of Investment Companies ('AIC') (dated June 2022).

Condensed Consolidated Statement of Changes in Net Equity (unaudited)

for the six months ended 31 October 2024

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months ended 31 October 2024						
30 April 2024	5,386	18,497	5,004	1,840	2,794	33,521
Total comprehensive income/ (expense) for the period	-	-	-	210	1,388	1,598
Ordinary shares issued	128	714	-	-	-	842
Expenses of Ordinary share issue	-	(2)	-	-	-	(2)
Dividends paid (see note 4)	-	-	-	-	(1,387)	(1,387)
31 October 2024	<u>5,514</u>	<u>19,209</u>	<u>5,004</u>	<u>2,050</u>	<u>2,795</u>	<u>34,572</u>
Six months ended 31 October 2023						
30 April 2023	5,288	17,980	5,004	4,564	2,727	35,563
Total comprehensive income/ (expense) for the period	-	-	-	(8,310)	1,350	(6,960)
Ordinary shares issued	53	303	-	-	-	356
Expenses of Ordinary share issue	-	(22)	-	-	-	(22)
Dividends paid (see note 4)	-	-	-	-	(1,301)	(1,301)
31 October 2023	<u>5,341</u>	<u>18,261</u>	<u>5,004</u>	<u>(3,746)</u>	<u>2,776</u>	<u>27,636</u>
Year ended 30 April 2024 (audited)						
30 April 2023	5,288	17,980	5,004	4,564	2,727	35,563
Total comprehensive income/ (expense) for the year	-	-	-	(2,724)	2,720	(4)
Ordinary shares issued	98	539	-	-	-	637
Expenses of Ordinary share issue	-	(22)	-	-	-	(22)
Dividends paid (see note 4)	-	-	-	-	(2,653)	(2,653)
30 April 2024	<u>5,386</u>	<u>18,497</u>	<u>5,004</u>	<u>1,840</u>	<u>2,794</u>	<u>33,521</u>

Condensed Consolidated Balance Sheet (unaudited)

as at 31 October 2024

	31 October 2024 £'000	31 October 2023 £'000	30 April 2024 £'000 (audited)
Non-current assets			
Investments at fair value through profit or loss	52,585	45,277	51,483
Current assets			
Trade and other receivables	554	283	661
Cash and cash equivalents	1,821	376	87
	<u>2,375</u>	<u>659</u>	<u>748</u>
Total assets	<u>54,960</u>	<u>45,936</u>	<u>52,231</u>
Current liabilities			
Trade and other payables	(1,446)	(80)	(135)
Zero Dividend Preference Shares	(18,942)	–	(18,575)
	<u>(20,388)</u>	<u>(80)</u>	<u>(18,710)</u>
Total assets less current liabilities	<u>34,572</u>	<u>45,856</u>	<u>33,521</u>
Non-current liabilities			
Zero Dividend Preference Shares	–	(18,220)	–
Total liabilities	<u>(20,388)</u>	<u>(18,300)</u>	<u>(18,710)</u>
Net assets	<u>34,572</u>	<u>27,636</u>	<u>33,521</u>
Represented by:			
Share capital	5,514	5,341	5,386
Share premium account	19,209	18,261	18,497
Capital redemption reserve	5,004	5,004	5,004
Capital reserve	2,050	(3,746)	1,840
Revenue reserve	2,795	2,776	2,794
Equity Shareholders' funds	<u>34,572</u>	<u>27,636</u>	<u>33,521</u>
Net asset value per: (see note 5)	pence	pence	pence
Ordinary Share	<u>156.75</u>	<u>129.38</u>	<u>155.59</u>
Zero Dividend Preference Share 2025	<u>130.64</u>	<u>125.65</u>	<u>128.11</u>

Condensed Consolidated Statement of Cash Flows (unaudited)

for the six months ended 31 October 2024

	Six months to 31 October 2024 £'000	Six months to 31 October 2023 £'000	Year to 30 April 2024 £'000 (audited)
Operating activities			
Investment income received	1,855	1,781	3,032
Investment management fee paid	(269)	(260)	(502)
Administration and secretarial fees paid	(32)	(32)	(64)
Refund of tax	–	1	1
Bank interest paid	8	–	5
Other cash payments	(182)	(189)	(322)
Cash generated from operations (see note 7)	1,380	1,301	2,150
Purchases of investments	(8,691)	(6,538)	(10,444)
Sales of investments	8,981	6,200	10,039
Net cash inflow/(outflow) from operating activities	290	(338)	(405)
Financing activities			
Issue of Ordinary shares	745	356	637
Expenses of Ordinary share issue	(2)	(22)	(22)
Dividends paid	(679)	(1,301)	(2,653)
Net cash inflow/(outflow) from financing activities	64	(967)	(2,038)
Change in cash and cash equivalents	1,734	(4)	(293)
Cash and cash equivalents at start of period	87	380	380
Cash and cash equivalents at end of period	1,821	376	87

Notes to the Condensed Half-Yearly Report

for the six months ended 31 October 2024

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 2024, which contained an unqualified auditors' report, have been lodged with the Registrar of Companies and did not contain a statement required under the Companies Act 2006. These statutory financial statements were prepared in accordance with UK-Adopted International Accounting Standards and in accordance with the SORP.

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

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

This report has been prepared using accounting policies adopted in the audited financial statements for the year ended 30 April 2024. This report has also been prepared in compliance with IAS 34 'Interim Financial Reporting' and the Companies Act 2006.

2 Taxation

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

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

3 Earnings per share

Ordinary shares

Revenue earnings per Ordinary share is based on revenue on ordinary activities after taxation of £1,388,000 (31 October 2023: £1,350,000, 30 April 2024: £2,720,000) and on 21,636,848 (31 October 2023: 21,355,216; 30 April 2024: 21,413,334) Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

Capital earnings per Ordinary share is based on the capital gain of £210,000 (31 October 2023: loss of £8,310,000, 30 April 2024: loss of £2,724,000) and on 21,636,848 (31 October 2023: 21,355,216, 30 April 2023: 21,413,334) Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

Zero Dividend Preference shares

Capital earnings per Zero Dividend Preference share 2025 is based on allocations from the Company of £367,000 (31 October 2023: £354,000, 30 April 2024: £709,000) and on 14,500,000 (31 October 2023: 14,500,000, 30 April 2024: 14,500,000) Zero Dividend Preference shares 2025 being the weighted average number of Zero Dividend Preference shares in issue during the period.

Notes to the Condensed Half-Yearly Report (continued)

for the six months ended 31 October 2024

4 Dividends

During the period, a fourth interim dividend of 3.15p per Ordinary share was paid to Shareholders in respect of the financial year ended 30 April 2024.

In respect of the year ending 30 April 2024, a first interim dividend of 3.25p per ordinary share has been paid to Shareholders on 15 November 2024.

In addition, for the year ending 30 April 2024, the Board has declared a second interim dividend of 3.25p per Ordinary share payable on 10 January 2025 to Shareholders on the register at 13 December 2024 (ex-dividend date 12 December 2024).

5 Net asset values

Ordinary shares

The net asset value per Ordinary share is based on assets attributable of £34,572,000 (31 October 2023: £27,636,000, 30 April 2024: £33,521,000) and on 22,055,000 (31 October 2023: 21,360,000, 30 April 2024: 21,360,000) Ordinary shares being the number of shares in issue at the period end.

Zero Dividend Preference shares

The net asset value per Zero Dividend Preference shares is based on assets attributable of £18,942,000 (31 October 2023: £18,220,000, 30 April 2024: £18,575,000) and on 14,500,000 (31 October 2023: 14,500,000, 30 April 2024: 14,500,000) Zero Dividend Preference shares being the number of shares in issue at the period end.

6 Fair value hierarchy

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

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

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

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

6 Fair value hierarchy (continued)

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

Level 2 inputs include the following:

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

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

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

The table below sets out fair value measurements of financial instruments at the period end, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial Asset at fair value through profit or loss at 31 October 2024

Level 1	Level 2	Level 3	Total
£'000	£'000	£'000	£'000
51,852	733	–	52,585

Financial Asset at fair value through profit or loss at 31 October 2023

Level 1	Level 2	Level 3	Total
£'000	£'000	£'000	£'000
45,277	–	–	45,277

Financial Asset at fair value through profit or loss at 30 April 2024

Level 1	Level 2	Level 3	Total
£'000	£'000	£'000	£'000
50,755	623	105	51,483

Notes to the Condensed Half-Yearly Report (continued)

for the six months ended 31 October 2024

6 Fair value hierarchy (continued)

Level 3 Financial Assets at fair value through profit or loss

	31 October 2024 £'000	31 October 2023 £'000	30 April 2024 £'000
Opening fair value	105	–	–
Transfer from level 1	–	–	200
Purchases	–	–	–
Sales	(401)	–	–
Total gains/(losses) included in gains/(losses) on investments in the Condensed Consolidated Statement of Comprehensive Income:			
- on sold assets	296	–	–
- on assets held at the year end	–	–	(95)
Closing fair value	<u>–</u>	<u>–</u>	<u>105</u>

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

	31 October 2024 £'000	31 October 2023 £'000	30 April 2024 £'000
Net surplus/(deficit) before taxation	1,613	(6,935)	54
Taxation	(15)	(25)	(58)
Net surplus/(deficit) after taxation	<u>1,598</u>	<u>(6,960)</u>	<u>(4)</u>
Net capital return	(210)	8,310	2,724
Decrease/(increase) in receivables	203	186	(192)
Increase/(decrease) in payables	5	(45)	10
Interest and expenses charged to the capital reserve	(216)	(190)	(388)
Net cash inflow from operating activities	<u>1,380</u>	<u>1,301</u>	<u>2,150</u>

8 Related party transactions

The Group's investments are managed by Chelverton Asset Management Limited. The amounts paid to the Investment Manager in the period to 31 October 2024 were £280,000 (31 October 2023: £244,000, 30 April 2024: £500,000).

At 31 October 2024 there were amounts outstanding to be paid to the Investment Manager of £69,000 (31 October 2023: £45,000, 30 April 2024: £58,000).

Portfolio Investments

as at 31 October 2024

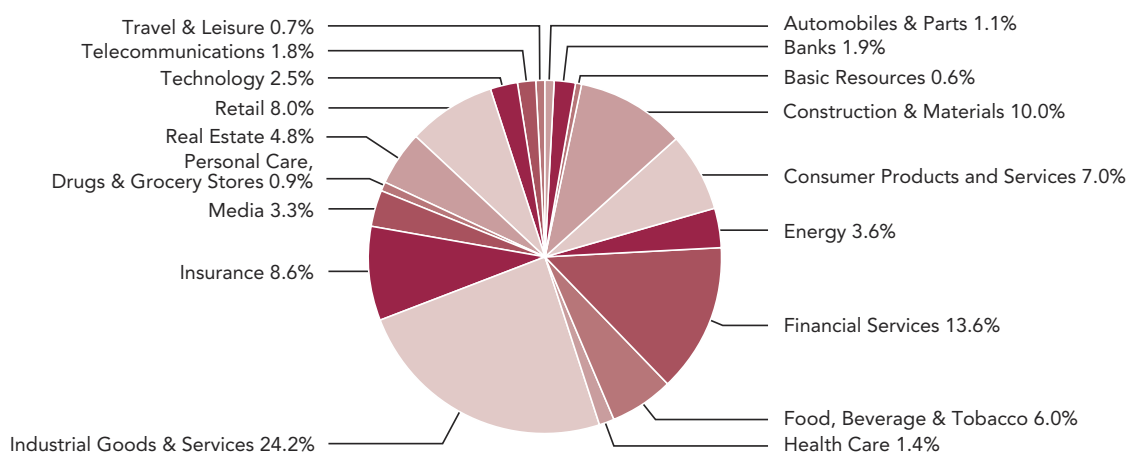
Security	Sector	Market value £'000	% of portfolio
ME Group	Consumer Products & Services	1,381	2.6
RTC Group	Industrial Goods & Services	1,376	2.6
Smiths News	Industrial Goods & Services	1,358	2.6
Chesnara	Insurance	1,255	2.4
Hargreaves Services	Industrial Goods & Services	1,233	2.3
Ultimate Products	Consumer Products & Services	1,224	2.3
Bakkavor	Food, Beverage & Tobacco	1,192	2.3
Alumasc Group	Construction & Materials	1,180	2.2
M P Evans	Food, Beverage & Tobacco	1,153	2.2
Severfield	Construction & Materials	1,073	2.0
Epwin Group	Construction & Materials	1,050	2.0
Wickes	Retail	1,040	2.0
Stelrad	Construction & Materials	1,029	2.0
Conduit	Insurance	1,022	2.0
Paypoint	Industrial Goods & Services	963	1.8
MTI Wireless Edge	Telecommunications	945	1.8
Duke Royalty	Financial Services	939	1.8
STV	Media	936	1.8
Personal Group Holdings	Insurance	935	1.8
Kier Group	Construction & Materials	928	1.8
i-3 Energy	Energy	924	1.8
Arbuthnot Banking Group	Banks	900	1.7
Zigup	Industrial Goods & Services	885	1.7
Ramsdens Holdings	Financial Services	872	1.7
Polar Capital Holdings	Financial Services	836	1.6
Dunelm	Retail	833	1.6
ITV	Media	813	1.5
Assura	Real Estate	804	1.5
OSB Group	Financial Services	796	1.5
Somero	Industrial Goods & Services	795	1.5
DFS Furniture	Retail	792	1.5
TP ICAP	Financial Services	786	1.5
Wynnstay Group	Food, Beverage & Tobacco	775	1.5
Gateley	Industrial Goods & Services	762	1.5
MoneySuperMarket	Technology	752	1.4
Spectra Systems	Retail	738	1.4
One Health Group	Health Care	733	1.4
Fonix Mobile	Industrial Goods & Services	703	1.3
Sabre Insurance	Insurance	683	1.3
Castings	Industrial Goods & Services	670	1.3
Property Franchise	Real Estate	660	1.3
Diversified Energy	Energy	654	1.3
Premier Miton Group	Financial Services	620	1.2
Liontrust Asset Management	Financial Services	606	1.2
Regional REIT	Real Estate	604	1.1
RWS	Industrial Goods & Services	587	1.1
Dowlais Group	Automobiles & Parts	587	1.1
Hansard Global	Insurance	579	1.1

Portfolio Investments (continued)

as at 31 October 2024

Security	Sector	Market value £'000	% of portfolio
Oxford Metrics	Technology	570	1.1
FDM Group	Industrial Goods & Services	531	1.0
Public Policy Holding	Industrial Goods & Services	520	1.0
Speedy Hire	Industrial Goods & Services	494	0.9
Palace Capital	Real Estate	493	0.9
Springfield Properties	Consumer Products & Services	490	0.9
Kitwave Group	Personal Care, Drugs & Grocery Stores	476	0.9
VP	Industrial Goods & Services	454	0.9
Vesuvius	Industrial Goods & Services	446	0.8
Topps Tiles	Retail	426	0.8
Coral Products	Industrial Goods & Services	420	0.8
Marston's	Travel & Leisure	385	0.7
Lendinvest	Financial Services	375	0.7
TheWorks.co.uk	Retail	370	0.7
Cavendish Financial	Financial Services	325	0.6
Strix Group	Industrial Goods & Services	311	0.6
Ecora Resources	Basic Resources	311	0.6
Orchard Funding Group	Financial Services	299	0.6
Serica Energy	Energy	286	0.5
Gattaca	Industrial Goods & Services	280	0.5
Headlam Group	Consumer Products & Services	259	0.5
DSW Capital	Financial Services	250	0.5
Jarvis Securities	Financial Services	225	0.4
Portmeirion Group	Consumer Products & Services	215	0.4
Watkin Jones	Consumer Products & Services	148	0.3
Close Brothers Group	Banks	114	0.2
Vanquis Banking	Financial Services	89	0.2
Sancus Lending Group	Financial Services	35	0.1
Aferian	Telecommunications	14	–
The Reval Collective	Travel & Leisure	13	–
Total Portfolio		52,585	100.0

Breakdown of portfolio by industry



Shareholder Information

Financial calendar

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

The Company's Annual General Meeting ('AGM') was held on 11 October 2024. It is intended that the timing of future AGMs will be in line with previous years as per the financial calendar above.

Share prices and performance information

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

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

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

Share register enquiries

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

Capital Structure

The Company

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

Ordinary shares of 25p each – 22,055,000 in issue as at 31 October 2024

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

Dividends

Holders of Ordinary shares are entitled to dividends.

Capital

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

Voting

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

SDVP

Ordinary shares of 100p each – 50,000 in issue as at 31 October 2024 (partly paid up as to 25p each)

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

Capital

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

Voting

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

Zero Dividend Preference shares of 100p each – 14,500,000 in issue as at 31 October 2024

Dividends

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

Capital

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

Voting

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

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

Directors and Advisers

Directors	Howard Myles (Chairman) Andrew Watkins (Audit Committee Chairman) Denise Hadgill
Investment Manager	Chelverton Asset Management Limited 11 Laura Place Bath BA2 4BL Tel: 01225 483030
Secretary and Registered Office	Apex Fund Administration Services (UK) Limited Hamilton Centre Rodney Way, Chelmsford Essex CM1 3BY Tel: 01245 398950
Registrar and Transfer Office	Share Registrars Limited 3 Millennium Centre Crosby Way Farnham Surrey GU9 7XX Tel: 01252 821390 www.shareregistrars.uk.com
Auditors	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND Tel: 0141 222 5800 www.jcca.co.uk
Brokers	Shore Capital Cassini House 57 St James's Street London SW1A 1LD
Custodian	Northern Trust 50 Bank Street London E14 5NT

Registered in England
No. 3749536

A member of the Association of Investment Companies

