

CHELVERTON UK DIVIDEND TRUST PLC

Half-Yearly Report
for the six months ended 31 October 2018



CHELVERTON
ASSET MANAGEMENT

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Investment Objective and Policy

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

Chelverton UK Dividend Trust PLC, and its subsidiary SDV 2025 ZDP PLC, together form the Group ('the Group'). The Group's funds are invested principally in mid and smaller capitalised UK companies. The portfolio comprises companies listed on the Official List and companies admitted to trading on AIM. The Group does not invest in other investment trusts or in unquoted companies. No investment is made in preference shares, loan stock or notes, convertible securities or fixed interest securities.

Financial Highlights

	31 October 2018	30 April 2018	% change
Capital			
Total gross assets (£'000)	59,531	66,386	-10.33
Total net assets (£'000)	44,403	51,794	-14.27
Net asset value per Ordinary share	212.96p	249.61p	-14.68
Mid-market price per Ordinary share	209.00p	251.00p	-16.73
(Discount)/premium	(1.86)%	0.56%	
Net asset value per Zero Dividend Preference share	103.47p	101.41p	2.03
Mid-market price per Zero Dividend Preference share	108.00p	105.50p	2.37
Premium	4.38%	4.02%	
	Six months to 31 October 2018	Six months to 31 October 2017	% change
Revenue			
Earnings per Ordinary share	7.15p	6.37p	12.24
Dividends declared per Ordinary share*	4.38p	4.04p	8.42
Special dividends declared per Ordinary share*	0.66p	–	–
Total Return			
Total return on Group net assets**	12.16%	16.27%	

* Dividend per Ordinary share includes the first interim paid and second interim declared for the period to 31 October 2018 and 2017 and will differ from the amounts disclosed within the statement of changes in net equity, owing to the timings of payments.

** Adding back dividends distributed in the period.

Interim Management Report

Results

This Half-Yearly Report covers the six months to 31 October 2018. The net asset value per Ordinary share at 31 October 2018 was 212.96p down from 249.61p at 30 April 2018, a decrease of 14.68% in the past six months compared to a decrease of 6.92% in the MSCI Small Cap Index.

Since the beginning of the Company's financial year, the Ordinary share price has decreased from 251p to 209p at 31 October 2018, a decrease of 16.7%, the premium of 0.56% at the year-end has now become a discount of 1.86% at the period end. Since then the share price has decreased to 188.50p as at the close of business on 5 December 2018.

Dividend

Following 10 years of increase in the total annual core dividend paid by the Company, the first interim dividend for the current year of 2.19p (2017: 2.02p) per Ordinary share was paid on 1 October 2018. The Board has declared a second interim dividend of 2.19p per Ordinary share (2017: 2.02p) payable on 2 January 2019 to shareholders on the register on 7 December 2018, making a total for the half year of 4.38p per Ordinary share (2017: 4.04p) an increase of 8.4%. It is anticipated that the Company will maintain this level of dividend for the third quarter and will likewise maintain the same level for the fourth interim of 2.40p as was paid last year making a total core dividend of 8.97p for the year (2017: 8.46p) an increase of 6.03%.

Portfolio

In the last six months we have increased our investment in eighteen of our existing holdings (2017: 17), taking advantage of lower share prices and shares being available in Alumasc Group, Anglo African Oil & Gas, Brewin Dolphin Holdings, Brown (N) Group, Castings, Dairy Crest Group, Essentra, Flowtech Fluidpower, Headlam, Kier Group, Low & Bonar, Marston's, McColls Retail Group, Mucklow (A & J) Group, Park Group, Photo-Me International, Revolution Bars Group and UP Global Sourcing Holdings.

During the period we added three new names to the portfolio (2017: 8) - Bakkavor¹, Crest Nicholson² and Sabre Insurance³. Funds were raised from the outright sale of four of our holdings (2017: 19); Produce Investments was the only company taken over in the period whilst the holdings in Huntsworth, Macfarlane and Hilton Foods were sold in their entirety. The following holdings were reduced as they grew to become larger weightings on lower yields: Amino Technologies, BCA Marketplace, Curtis Banks Group, GVC Holdings, Numis Corporation, Ramsdens Holdings and Titon Holdings.

Outlook

Overall, the shares of the companies in which the fund is invested were generally steady in the first part of the reporting period from May to July but since then have declined, despite the fact that the underlying performance of most of the companies has generally been positive with strong dividend growth. With the recent decline in the general market the number of attractive opportunities available to invest in has increased significantly and the portfolio has been increased to 73 holdings (2017: 72).

¹ Bakkavor - provider of fresh prepared food

² Crest Nicholson - residential developer

³ Sabre Insurance - private motor insurance underwriter

UK GDP growth has been subdued but steady for the last six months, although there are signs that UK Growth will be maintained whilst the Eurozone, collectively, is starting to experience some reductions in growth.

The whole Brexit position of course remains unresolved and at this point no one can say what the position will be on the 1st April 2019. The whole issue has progressively absorbed more and more time and attention and in the meantime our companies, for whom trading with the EU is a very small part of their sales, have seen their share prices dragged down.

Reassuringly, the dividends of the underlying companies continue to be increased and we believe that this will continue into 2019 with company balance sheets remaining in a strong state.

Chelverton Asset Management
7 December 2018

Principal Risks

The principal risks facing the Group are substantially unchanged since the date of the Annual Report for the year ended 30 April 2018 and continue to be as set out in that report on pages 10 to 11. Risks faced by the Group include, but are not limited to, market risk, discount volatility, regulatory risk, financial risk and risks associated with banking counterparties.

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 7 December 2018 and the above responsibility statement was signed on its behalf by Lord Lamont, Chairman.

Condensed Consolidated Statement of Comprehensive Income (unaudited)

for the six months ended 31 October 2018

	Six months to 31 October 2018			Year to 30 April 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments at fair value through profit or loss	–	(7,472)	(7,472)	–	999	999
Investment income	1,712	–	1,712	2,526	–	2,526
Investment management fee	(79)	(236)	(315)	(156)	(469)	(625)
Other expenses	(142)	(30)	(172)	(275)	(446)	(721)
Net (deficit)/return before finance costs and taxation	1,491	(7,738)	(6,247)	2,095	84	2,179
Finance costs						
Appropriations in respect of Zero Dividend Preference shares	–	(290)	(290)	–	(630)	(630)
Net (deficit)/return before taxation	1,491	(8,028)	(6,537)	2,095	(546)	1,549
Taxation (see note 2)	–	–	–	–	–	–
Total comprehensive (deficit)/income for the period	1,491	(8,028)	(6,537)	2,095	(546)	1,549
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Earnings per:						
Ordinary share (see note 3)	7.15	(38.51)	31.36	11.49	(2.99)	8.50
Zero Dividend Preference share 2025 (see note 3)	–	2.00	2.00	–	1.21	1.21
Zero Dividend Preference share 2018 (see note 3)	–	–	–	–	5.50	5.50

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

Condensed Consolidated Statement of Comprehensive Income (unaudited) (continued)

Six months to 31 October
2017

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

			(Losses)/gains on investments at fair value through profit or loss
–	3,820	3,820	Investment income
1,314	–	1,314	Investment management fee
(75)	(223)	(298)	Other expenses
(118)	(6)	(124)	

1,121	3,591	4,712
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Net (deficit)/return before finance costs and taxation

Finance costs

Appropriations in respect of Zero Dividend Preference shares

–	(341)	(341)
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1,121	3,250	4,371
(4)	–	(4)

Net (deficit)/return before taxation

Taxation (see note 2)

1,117	3,250	4,367
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Total comprehensive income for the period

Revenue	Capital	Total
pence	pence	pence

6.37	18.53	24.90
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–	–	–
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–	3.65	3.65
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Earnings per:

Ordinary share

(see note 3)

Zero Dividend Preference share 2025

(see note 3)

Zero Dividend Preference share 2018

(see note 3)

Condensed Consolidated Statement of Changes in Net Equity (unaudited)

for the six months ended 31 October 2018

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months ended 31 October 2018						
30 April 2018	5,188	17,301	5,004	21,086	3,215	51,794
Total comprehensive income for the period	-	-	-	(8,028)	1,491	(6,537)
Ordinary shares issued	25	215	-	-	-	240
Expenses of ordinary share issue	-	-	-	-	-	-
Dividends paid (see note 4)	-	-	-	-	(1,094)	(1,094)
31 October 2018	<u>5,213</u>	<u>17,516</u>	<u>5,004</u>	<u>13,058</u>	<u>3,612</u>	<u>44,403</u>
Year ended 30 April 2018 (audited)						
30 April 2017	4,200	12,915	-	21,632	2,977	41,724
Total comprehensive income for the period	-	-	-	(546)	2,095	1,549
Ordinary shares issued	492	4,543	-	-	-	5,035
Expenses of Ordinary share issue	-	(157)	-	-	-	(157)
C shares issued	5,500	-	-	-	-	5,500
Cancellation of deferred shares	(5,004)	-	5,004	-	-	-
Dividends paid	-	-	-	-	(1,857)	(1,857)
30 April 2018	<u>5,188</u>	<u>17,301</u>	<u>5,004</u>	<u>21,086</u>	<u>3,215</u>	<u>51,794</u>
Six months ended 31 October 2017						
30 April 2017	4,200	12,915	-	21,632	2,977	41,724
Total comprehensive income for the period	-	-	-	3,250	1,117	4,367
Ordinary shares issued	244	2,252	-	-	-	2,496
Expenses of ordinary share issue	-	(73)	-	-	-	(73)
Dividends paid (see note 4)	-	-	-	-	(1,083)	(1,083)
31 October 2017	<u>4,444</u>	<u>15,094</u>	<u>-</u>	<u>24,882</u>	<u>3,011</u>	<u>47,431</u>

Condensed Consolidated Balance Sheet (unaudited)

as at 31 October 2018

	31 October 2018 £'000	30 April 2018 £'000 (audited)	31 October 2017 £'000
Non-current assets			
Investments at fair value through profit or loss	58,571	65,412	59,806
Current assets			
Trade and other receivables	313	863	238
Cash and cash equivalents	647	111	377
	<u>960</u>	<u>974</u>	<u>615</u>
Total assets	<u>59,531</u>	<u>66,386</u>	<u>60,421</u>
Current liabilities			
Trade and other payables	(125)	(192)	(341)
Zero Dividend Preference shares 2018	–	–	(12,649)
	<u>(125)</u>	<u>(192)</u>	<u>(12,990)</u>
Total assets less current liabilities	<u>59,406</u>	<u>66,194</u>	<u>47,431</u>
Non-current liabilities			
Zero Dividend Preference shares 2025	(15,003)	(14,400)	–
Total liabilities	<u>(15,128)</u>	<u>(14,592)</u>	<u>(12,990)</u>
Net assets	<u>44,403</u>	<u>51,794</u>	<u>47,431</u>
Represented by:			
Share capital	5,213	5,188	4,444
Share premium account	17,516	17,301	15,094
Capital redemption reserve	5,004	5,004	–
Capital reserve	13,058	21,086	24,882
Revenue reserve	3,612	3,215	3,011
Equity shareholders' funds	<u>44,403</u>	<u>51,794</u>	<u>47,431</u>
Net asset value per: (see note 5)	pence	pence	pence
Ordinary share	212.96	249.61	266.84
Zero Dividend Preference share 2025	103.47	101.41	–
Zero Dividend Preference share 2018	–	–	135.30

Condensed Consolidated Statement of Cash Flows (unaudited)

for the six months ended 31 October 2018

	Six months to 31 October 2018 £'000	Year to 30 April 2018 £'000 (audited)	Six months to 31 October 2017 £'000
Operating activities			
Investment income received	1,686	2,526	1,324
Investment management fee paid	(368)	(536)	(278)
Administration and secretarial fees paid	(40)	(66)	(32)
Other cash payments	(181)	(204)	(112)
Net cash inflow from operating activities (see note 7)	1,097	1,720	902
Investing activities			
Purchases of investments	(6,220)	(20,970)	(8,960)
Sales of investments	5,588	10,399	7,006
Net cash inflow/(outflow) from investing activities	632	(10,571)	(1,954)
Financing activities			
Redemption of Zero Dividend Preference shares 2018	–	(1,802)	–
Issue of Zero Dividend Preference shares 2025	313	3,265	–
Issue of C shares	–	5,500	–
Expenses of C shares issue	(2)	(163)	–
Issue of ordinary shares	875	4,412	2,496
Expenses for redemption and issue of Zero Dividend Preference shares	(8)	(325)	–
Expenses of ordinary share issue	(13)	(157)	(73)
Dividends paid	(1,094)	(1,857)	(1,083)
Net cash inflow from financing activities	71	8,873	1,340
Change in cash and cash equivalents for period	536	22	288
Cash and cash equivalents at start of period	111	89	89
Cash and cash equivalents at end of period	647	111	377
Comprises of:			
Cash and cash equivalents	647	111	377

Notes to the Condensed Half-Yearly Report

for the six months ended 31 October 2018

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 2018, 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 under International Financial Reporting Standards ('IFRS') and in accordance with the Statement of Recommended Practice ('SORP'): Financial Statements of Investment Trust Companies and Venture Capital Trusts issued by the AIC in November 2014 and updated in February 2018 with consequential amendments, except to any extent where it conflicts with IFRS.

The Group has considerable financial resources 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 2018. This report has also been prepared in compliance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The Group has adequate financial resources and, as a consequence, the Directors believe that the Group is well placed to manage its business risks successfully and continue to adopt the going concern basis for this report.

2 Taxation

The Company has an effective tax rate of 0%. The estimated effective tax rate is 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.

3 Earnings per share

Ordinary shares

Revenue earnings per Ordinary share is based on revenue on ordinary activities after taxation of £1,491,000 (30 April 2018: £2,095,000, 31 October 2017: £1,117,000) and on 20,845,109 (30 April 2018: 18,237,864, 31 October 2017: 17,536,371) Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

Capital earnings per Ordinary share is based on the capital loss of £8,028,000 (30 April 2018: capital loss of £546,000, 31 October 2017: capital profit of £3,250,000) and on 20,845,109 (30 April 2018: 18,237,864, 31 October 2017: 17,536,371) 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 £290,000 (30 April 2018: £157,000, 31 October 2017: £nil) and on 14,479,891 (30 April 2018: 9,646,150, 31 October 2017: nil) Zero Dividend Preference shares 2025 being the weighted average number of Zero Dividend Preference shares in issue during the period.

Capital earnings per Zero Dividend Preference share 2018 is based on allocations from the Company of £nil (30 April 2018: £473,000, 31 October 2017: £633,000) and on nil (30 April 2018: 9,646,150, 31 October 2017: 8,586,063) Zero Dividend Preference shares 2018 being the weighted average number of Zero Dividend Preference shares in issue during the period.

4 Dividends

During the period, a fourth interim dividend of 2.40p per Ordinary share and a special dividend of 0.66p per Ordinary share for the year ended 30 April 2018, together with a first interim dividend of 2.19p per Ordinary share for the year ending 30 April 2019, have been paid to shareholders.

In addition the Board has declared a second interim dividend of 2.19p per Ordinary share payable on 2 January 2019 to shareholders on the register at 7 December 2018 (ex-dividend 6 December 2018).

5 Net asset values

Ordinary shares

The net asset value per Ordinary share is based on assets attributable of £44,403,000 (30 April 2018: £51,794,000, 31 October 2017: £47,431,000) and on 20,850,000 (30 April 2018: 20,750,000, 31 October 2017: 17,775,000) 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 £15,003,000 (30 April 2018: £14,400,000, 31 October 2017: £12,649,000) and on 14,500,000 (30 April 2018: 14,200,000, 31 October 2017: 9,349,000) Zero Dividend Preference shares being the number of shares in issue at the period end.

6 Fair value hierarchy

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

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

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

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

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

Level 2 inputs include the following:

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

Notes to the Condensed Half-Yearly Report (continued)

for the six months ended 31 October 2018

6 Fair value hierarchy (continued)

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

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

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

As at 31 October 2018, 30 April 2018 and 31 October 2017 all of the Company's investments are classified as Level 1.

7 Reconciliation of net (deficit)/return before and after taxation to net cash flow from operating activities

	31 October 2018 £'000	30 April 2018 £'000	31 October 2017 £'000
Net (deficit)/return before taxation	(6,537)	1,549	4,371
Taxation	–	–	(4)
Net (deficit)/return after taxation	(6,537)	1,549	4,367
Net capital loss/(gain)	8,028	546	(3,250)
(Increase)/decrease in receivables	(73)	6	9
Decrease/(increase) in payables	(57)	99	5
Interest and expenses charged to the capital reserve	(264)	(480)	(229)
Net cash inflow from operating activities	1,097	1,720	902

8 Related party transactions

The Group's investments are managed by Chelverton Asset Management Limited, a company in which Mr van Heesewijk, a Director of the Company and the subsidiary, has an interest. The amounts paid to the Investment Manager in the period to 31 October 2018 were £315,000 (year ended 30 April 2018: £625,000, six months to 31 October 2017: £298,000).

At 31 October 2018 there were amounts outstanding to be paid to the Investment Manager of £90,000 (year ended 30 April 2018: £123,000, six months to 31 October 2017: £92,000).

Portfolio Investments

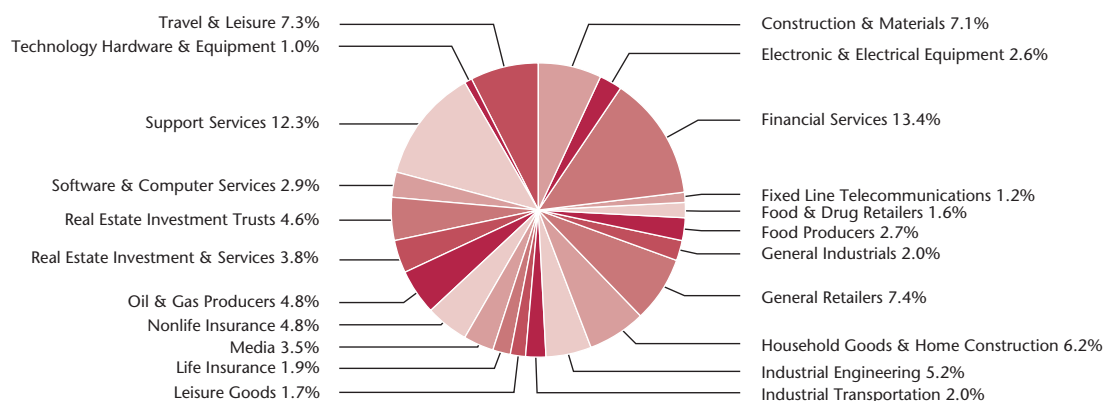
as at 31 October 2018

Security	Sector	Market value £'000	% of portfolio
Diversified Gas & Oil	Oil & Gas Producers	2,330	4.0
Randall & Quilter Investment	Nonlife Insurance	1,547	2.6
Marstons	Travel & Leisure	1,392	2.4
Galliford Try	Household Goods & Home Construction	1,310	2.2
Dairy Crest Group	Food Producers	1,308	2.2
Mucklow (A&J) Group	Real Estate Investment Trusts	1,280	2.2
BCA Marketplace	Support Services	1,209	2.1
De La Rue	Support Services	1,196	2.0
Belvoir Lettings	Real Estate Investment & Services	1,140	2.0
Kier Group	Construction & Materials	1,096	1.9
Alumasc Group	Construction & Materials	1,071	1.8
Shoe Zone	General Retailers	1,050	1.8
Castings	Industrial Engineering	1,045	1.8
Strix Group	Electronic & Electrical Equipment	1,042	1.8
Polar Capital Holdings	Financial Services	1,040	1.8
DFS Furniture	General Retailers	1,040	1.8
Photo-me International	Leisure Goods	1,016	1.7
Park Group	Financial Services	1,014	1.7
Personal Group Holdings	Nonlife Insurance	1,010	1.7
Jarvis Securities	Financial Services	984	1.7
Bloomsbury Publishing	Media	960	1.6
StatPro Group	Software & Computer Services	960	1.6
Brown (N) Group	General Retailers	948	1.6
McColl's Retail Group	Food & Drug Retailers	945	1.6
Go-Ahead Group	Travel & Leisure	922	1.6
Braemar Shipping Services	Industrial Transportation	900	1.5
Saga	General Retailers	892	1.5
Murgitroyd Group	Support Services	885	1.5
Premier Asset Management Group	Financial Services	856	1.5
Crest Nicholson	Household Goods & Home Construction	852	1.5
Severfield	Industrial Engineering	850	1.5
Flowtech Fluidpower	Industrial Engineering	825	1.4
Epwin Group	Construction & Materials	821	1.4
Ramsdens Holdings	Financial Services	790	1.4
Clarke (T.)	Construction & Materials	784	1.3
Sanderson Group	Software & Computer Services	780	1.3
UP Global Sourcing Holdings	Household Goods & Home Construction	769	1.3
Northgate	Support Services	754	1.3
Regional REIT	Real Estate Investment Trusts	750	1.3
Brewin Dolphin Holdings	Financial Services	740	1.3
Palace Capital	Real Estate Investment & Services	730	1.2
Numis Corporation	Financial Services	726	1.2
Restaurant Group	Travel & Leisure	724	1.2
Orchard Funding Group	Financial Services	697	1.2
Kin & Carta	Support Services	697	1.2

Portfolio Investments (continued)

Security	Sector	Market value £'000	% of portfolio
KCOM Group	Fixed Line Telecommunications	691	1.2
Chesnara	Life Insurance	685	1.2
Headlam Group	Household Goods & Home Construction	676	1.2
GVC Holdings	Travel & Leisure	656	1.1
Town Centre Securities	Real Estate Investment Trusts	625	1.1
Amino Technologies	Technology Hardware & Equipment	605	1.0
Low & Bonar	General Industrials	600	1.0
Centaur Media	Media	595	1.0
Revolution Bars Group	Travel & Leisure	581	1.0
Essentra	Support Services	572	1.0
Coral Products	General Industrials	570	1.0
RPS Group	Support Services	549	0.9
Curtis Banks Group	Financial Services	544	0.9
Wilmington Group	Media	498	0.9
XP Power	Electronic & Electrical Equipment	496	0.8
Anglo African Oil & Gas	Oil & Gas Producers	492	0.8
Gattaca	Support Services	482	0.8
RTC Group	Support Services	480	0.8
Hansard Global	Life Insurance	423	0.7
Connect Group	Support Services	408	0.7
Titon Holdings	Construction & Materials	400	0.7
GLI Finance	Financial Services	400	0.7
Moss Bros Group	General Retailers	387	0.7
Foxtons Group	Real Estate Investment & Services	327	0.6
Chamberlin	Industrial Engineering	310	0.5
Bakkavor	Food Producers	292	0.5
Sabre Insurance	Nonlife Insurance	277	0.5
DX Group	Industrial Transportation	273	0.5
Total Portfolio		58,571	100.0

Breakdown of portfolio by industry



Shareholder Information

Financial calendar

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

Share prices and performance information

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

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

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

Share register enquiries

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

Capital Structure

Chelverton UK Dividend Trust PLC ('the Company')

The Company has in issue one class of Ordinary share. In addition, it has a wholly owned subsidiary SDVP, through which Zero Dividend Preference shares have been issued.

Ordinary shares of 25p each ('Ordinary shares') – 20,850,000 in issue as at 31 October 2018

Share Capital Events

During the period, the Company announced the issue of 100,000 Ordinary shares at a price of 253p each, which were to rank pari passu in all respects with the Ordinary shares in issue. The shares were issued for cash in order to meet investor demand. Following this admission there were 20,850,000 Ordinary shares in issue. The Company has only one class of share and this figure represents 100% of the Company's share capital and voting rights.

Dividends

Holders of Ordinary shares are entitled to dividends.

Capital

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

Voting

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

SDV 2025 ZDP PLC ('SDVP')

Ordinary shares of 100p each ('SCZ ordinary shares') – 50,000 in issue (partly paid up as to 25p each)

The SCZ 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 SCZ.

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

Share Capital Events

During the period, the Company announced the issue of 100,000 Zero Dividend Preference shares at a price of 104.50p each on the 10 May 2018 and the issue of 200,000 Zero Dividend Preference shares at a price of 104.25p each.

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	Lord Lamont of Lerwick (Chairman) David Harris (resigned 6 September 2018) William van Heeswijk Howard Myles Andrew Watkins (appointed 6 September 2018)
Investment Manager	Chelverton Asset Management Limited 11 Laura Place Bath BA2 4BL Tel: 01225 483030
Secretary and Registered Office	Maitland Administration Services Limited Springfield Lodge Colchester Road, Chelmsford Essex CM2 5PW Tel: 01245 398950
Registrar and Transfer Office	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR Tel: 01252 821390 www.shareregistrars.uk.com
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT
Brokers	Stockdale Securities Limited 100 Wood Street London EC2V 7AN
Custodian	Jarvis Investment Management Limited 78 Mount Ephraim Tunbridge Wells Kent TN4 8BS

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No. 3749536

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