

CHELVERTON UK DIVIDEND TRUST PLC

Half-Yearly Report
for the six months ended 31 October 2020



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 ('the Company'), and its subsidiary SDV 2025 ZDP PLC ('SDVP') ('the Subsidiary'), 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 2020	30 April 2020	% change
Capital			
Total gross assets (£'000)	41,602	42,040	(1.04)
Total net assets (£'000)	25,205	26,034	(3.18)
Net asset value per Ordinary share	120.89p	124.86p	(3.18)
Mid-market price per Ordinary share (Discount)/premium	111.00p (8.18%)	127.50p 2.11%	(12.94)
Net asset value per Zero Dividend Preference share	111.84p	109.67p	1.98
Mid-market price per Zero Dividend Preference share Discount	108.00p (3.43%)	102.00p (6.99%)	5.88
	Six months to 31 October 2020	Six months to 31 October 2019	% change
Revenue			
Return per Ordinary share	2.80p	6.71p	(58.27)
Dividends declared per Ordinary share*	5.00p	4.80p	4.17
Special dividends declared per Ordinary share	–	2.50p	(100.00)
Total Return			
Total return on Group net assets**	0.74%	(4.94%)	

* Dividend per Ordinary share includes the first interim paid and second interim declared for the period to 31 October 2020 and 2019 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

Overview

Given the extraordinary events of the past few months the Board felt it appropriate to update shareholders on the positioning of the Company with a more detailed view of the current state of the portfolio and the market.

In the period since the depths of the market collapse in March, a time we have called "The Great Panic", matters have become progressively clearer as more is now known medically about the Covid-19 virus and over this period companies have developed processes and systems to manage their businesses within the constraints of keeping employees and customers safe and operating within Government regulations.

Initially, after the significant market collapse of share prices in the Small and Mid-Cap sector, share values "flatlined". Whilst the portfolio companies, universally, started reporting that trading had been better than expected, there was no marked improvement in their share prices. Since that period share prices have in general modestly recovered, although the sectors most affected by Covid-19 driven restrictions - travel and hospitality - have continued to be depressed.

However, after a little while companies began to work out new ways of operating and were innovative in what they did and how they did it. Whilst some of our companies are dependent on people interacting and coming together, others have very definitely benefited from the restrictions of the lockdown.

Across the companies invested in by the funds managed by Chelverton Asset Management it is fair to say that all of them felt they were in a better position after four to six months of lockdown than they had at first anticipated in March. Clearly companies involved in the hospitality industry have, through the recent tightening of regulations, gone backwards of late.

Another very clear feature that has become evident over the past six months is that this period has been used by our companies to adopt new business practices and to drive through efficiency improvements that will make a difference now but particularly in the future as demand picks up. The furlough scheme, and the subsequent gradual unwinding of the furlough scheme, has highlighted the productivity, or indeed lack of productivity, of the marginal employee. It might well be that the spike in unemployment that we all expect in the next few months could be partially from a reduction in demand but also from a reduction in workforces resulting in improvement in their productivity. It looks like the absolute level of expected unemployment might be reduced by the news that some 800,000 visitors from the European Community have already returned to their home countries.

Hopefully, if and when, we finally see a Free Trade Agreement in the next few weeks or months then the country and the companies we are invested in can get on with managing with what will then be "known-knows". The energy, time and resources spent on the Brexit process will be applied much more productively. There is a feeling that once the relationship with the European Union is resolved, either with a Free Trade Agreement or indeed No Agreement, then there will be a release of pent-up demand that has been held up while waiting several years for this to be resolved.

The portfolio is invested in small listed and AIM-traded companies whose business is largely conducted in the UK and therefore the strength and growth of the UK economy is by far and away the most important determinant of our underlying companies' success.

It is a well-documented fact that UK and overseas investors remain very underweight in UK equities, as it has been all too easy to sit on the side-lines waiting for a resolution of the Brexit Debate and then the Free Trade Agreement impasse. The trend we highlighted last year of the large differential in the relative ratings between "Growth" companies and "Value" companies has continued to widen in the year. An example of this is the extraordinary rise in the past year in the value of Apple, the American technology company, which on its own became worth more than the aggregate value of the components of FTSE 100. Those of us who have been working in and observing markets for some time know that these extremes of valuation difference do not last forever.

As is often the case after a market sell-off, the share prices of smaller companies take much longer to recover as compared to members of the FTSE100. This period, after a market collapse and then a stabilisation period, generally throws up a large number of deeply undervalued companies and this is particularly true as one moves down the market capitalisation scale, especially in under researched smaller companies which is this fund's area of focus.

Results

This half-yearly report covers the six months to 31 October 2020. The net asset value per Ordinary share at 31 October 2020 was 120.89p, down from 124.86p at 30th April 2020, a decrease of 3.18% in the past six months compared to an increase of 2.03% in the MSCI Small Cap Index.

Since the beginning of the Company's financial year, the Ordinary share price has decreased from 127.5p to 111.0p at 31st October 2020, a decrease of 12.9%. Since the period end the net asset value per share has increased to 156.34p, a percentage increase of 29.3% as at 26 November 2020 and the shares at a price of 151.0p now trade on a discount of some 3.41%.

Dividend

In respect of the year ended 30 April 2021, a first interim dividend of 2.50p (2019: 2.40p) per Ordinary share was paid on 1 October 2020. The Board has declared a second interim dividend of 2.50p per Ordinary share (2019: 2.40p) payable on 4 January 2021 to shareholders on the register on 11 December 2020, making a total for the half year of 5.00p per Ordinary share (2019: 4.80p) an increase of 4.2%. At present the Company intends to at least maintain this level of dividend for the third and fourth interim dividends making a total core dividend of 10.00p for the year (2019: 9.6p) an increase of 4.2%.

The Board will review the dividend flow from the company's portfolio over the next six months and consider the forecast dividend flow for 2021/2022 before deciding on the absolute amount of the fourth interim dividend. A number of the Company's investee companies initially adopted a very cautious approach in respect of the uncertainties that lay ahead and reduced or passed their dividends. Some of these companies have restored their dividends and others have already indicated that they will resume paying dividends next year.

Shareholders will also be aware that your Company has built up significant revenue reserves over the past ten years and has one of the highest levels of reserves relative to its annual core dividend. It is therefore in a strong position to continue increasing the dividend paid even in this period where others are having to cut or maintain their dividend.

Interim Management Report (continued)

Portfolio

In the last six months we have increased our investment in twenty-three of our existing holdings, taking advantage of lower share prices and shares being available, including Amino Technologies, Appreciate Group, Belvoir Lettings, Bloomsbury Publishing, Brewin Dolphin Holdings, Brown (N) Group, Close Brothers Group, Coral Products, Elementis, Marstons, MTI Wireless Edge, Orchard Funding Group, Personal Group Holdings, Portmeirion Group, Premier Miton Group, Randall & Quilter, Regional REIT, Revolution Bars Group, RPS Group, Saga, STV, TheWorks.co.uk and Wilmington Group.

During the period we added four new names to the portfolio; Contourglobal – a power generation business, Curtis Banks Group (a company that the fund has owned before) – an administrator of Self Invested Pension Schemes, Hargreaves Services – providing services to industrial and property sectors and i-Energiser – a global supplier of Business Outsourcing Solutions.

Funds were raised from the outright sale of six of our holdings; Low and Bonar and Moss Bros were both taken over in the period. Elementis has received a very preliminary takeover approach at this time. The following holdings were reduced as they grew to become larger weightings on lower yields, Jarvis Securities, Strix Group and UP Global Sourcing Holdings.

Outlook

Despite the current extraordinary conditions we expect that once we as a nation have navigated the next six months, a period when the political situation in the USA will be clarified and, when the arrangements with the European Union have been resolved, life will return to a more stable and normal position once the Covid-19 pandemic has been brought under control.

It is being consistently reported and routinely discussed in the media that UK equities are cheaper than they have been for some 40 years. Once the matters referred to above are resolved then it is reasonable to expect that the improved certainty and clarity in the UK will encourage investors back to invest in UK companies. In time the Board believes this will lead to a significant increase in the net asset value per share.

We believe that the companies in the portfolio have shown great resilience over the past 12 months and it will be this strength that will enable them to survive and prosper whilst some of their competitors will not last the course. We hope, and expect, that the investment and development that has taken place in the past few years will begin to bear fruit over the next period.

Chelverton Asset Management
30 November 2020

Principal Risks

The principal risks facing the Group are substantially unchanged since the date of the Annual Report for the year ended 30 April 2020 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 risk, financial risk, political risk, climate change risk and risks associated with Covid-19 and other potential pandemics and risks associated with banking counterparties.

Going concern

Having assessed the principal risks and the other matters discussed in connection with the viability statement as set out on page 26 of the Annual Report for the year ended 30 April 2020, as well as considering the additional risks related to Covid-19, 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.

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 30 November 2020 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 2020

	Six months to 31 October 2020			Year to 30 April 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments at fair value through profit or loss	–	84	84	–	(17,046)	(17,046)
Investment income	790	–	790	2,414	–	2,414
Investment management fee	(52)	(156)	(208)	(135)	(407)	(542)
Other expenses	(139)	(5)	(144)	(270)	(13)	(283)
Net surplus/(deficit) before finance costs and taxation	599	(77)	522	2,009	(17,466)	(15,457)
Finance costs						
Preference shares	–	(314)	(314)	–	(607)	(607)
Net surplus/(deficit) before taxation	599	(391)	208	2,009	(18,073)	(16,064)
Taxation (see note 2)	(15)	–	(15)	(38)	–	(38)
Total comprehensive income/(expense) for the period	584	(391)	193	1,971	(18,073)	(16,102)
	Revenue	Capital	Total	Revenue	Capital	Total
	pence	pence	pence	pence	pence	pence
Net return per:						
Ordinary share (see note 3)	2.80	(1.87)	0.93	9.45	(86.68)	(77.23)
Zero Dividend Preference share 2025 (see note 3)	–	2.17	2.17	–	4.19	4.19

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 Changes in Net Equity (unaudited)

for the six months ended 31 October 2020

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months ended 31 October 2020						
30 April 2020	5,213	17,517	5,004	(5,148)	3,448	26,034
Total comprehensive income/ (expense) for the period	-	-	-	(391)	584	193
Dividends paid (see note 4)	-	-	-	-	(1,022)	(1,022)
31 October 2020	<u>5,213</u>	<u>17,517</u>	<u>5,004</u>	<u>(5,539)</u>	<u>3,010</u>	<u>25,205</u>
Year ended 30 April 2020 (audited)						
30 April 2019	5,213	17,517	5,004	12,925	4,000	44,659
Total comprehensive income/ (expense) for the period	-	-	-	(18,073)	1,971	(16,102)
Dividends paid	-	-	-	-	(2,523)	(2,523)
30 April 2020	<u>5,213</u>	<u>17,517</u>	<u>5,004</u>	<u>(5,148)</u>	<u>3,448</u>	<u>26,034</u>
Six months ended 31 October 2019						
30 April 2019	5,213	17,517	5,004	12,925	4,000	44,659
Total comprehensive income/ (expense) for the period	-	-	-	(3,604)	1,399	(2,205)
Dividends paid	-	-	-	-	(1,522)	(1,522)
31 October 2019	<u>5,213</u>	<u>17,517</u>	<u>5,004</u>	<u>9,321</u>	<u>3,877</u>	<u>40,932</u>

Condensed Consolidated Balance Sheet (unaudited)

as at 31 October 2020

	31 October 2020 £'000	30 April 2020 £'000 (audited)	31 October 2019 £'000
Non-current assets			
Investments at fair value through profit or loss	41,347	40,588	56,239
Current assets			
Trade and other receivables	123	186	259
Cash and cash equivalents	132	1,266	236
	<u>255</u>	<u>1,452</u>	<u>495</u>
Total assets	<u>41,602</u>	<u>42,040</u>	<u>56,734</u>
Current liabilities			
Trade and other payables	(181)	(104)	(205)
	<u>(181)</u>	<u>(104)</u>	<u>(205)</u>
Total assets less current liabilities	<u>41,421</u>	<u>41,936</u>	<u>56,529</u>
Non-current liabilities			
Zero Dividend Preference shares 2025	(16,216)	(15,902)	(15,597)
Total liabilities	<u>(16,397)</u>	<u>(16,006)</u>	<u>(15,802)</u>
Net assets	<u>25,205</u>	<u>26,034</u>	<u>40,932</u>
Represented by:			
Share capital	5,213	5,213	5,213
Share premium account	17,517	17,517	17,517
Capital redemption reserve	5,004	5,004	5,004
Capital reserve	(5,539)	(5,148)	9,321
Revenue reserve	3,010	3,448	3,877
Equity shareholders' funds	<u>25,205</u>	<u>26,034</u>	<u>40,932</u>
Net asset value per: (see note 5)	pence	pence	pence
Ordinary share	<u>120.89</u>	124.86	196.32
Zero Dividend Preference share 2025	<u>111.84</u>	<u>109.67</u>	<u>107.57</u>

Condensed Consolidated Statement of Cash Flows (unaudited)

for the six months ended 31 October 2020

	Six months to 31 October 2020 £'000	Year to 30 April 2020 £'000 (audited)	Six months to 31 October 2019 £'000
Operating activities			
Investment income received	727	2,618	1,665
Investment management fee paid	(161)	(605)	(324)
Administration and secretarial fees paid	(27)	(64)	(32)
Other cash payments	(120)	(247)	(152)
Cash generated from operations (see note 7)	419	1,702	1,157
Purchases of investments	(3,962)	(9,951)	(7,021)
Sales of investments	3,431	10,348	5,932
Net cash (outflow)/inflow from operating activities	(112)	2,099	68
Financing activities			
Dividends paid	(1,022)	(2,523)	(1,522)
Net cash outflow from financing activities	(1,022)	(2,523)	(1,522)
Change in cash and cash equivalents for period	(1,134)	(424)	(1,454)
Cash and cash equivalents at start of period	1,266	1,690	1,690
Cash and cash equivalents at end of period	132	1,266	236
Comprised of:			
Cash and cash equivalents	132	1,266	236

Notes to the Condensed Half-Yearly Report

for the six months ended 31 October 2020

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 2020, 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 October 2020, 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 2020. This report has also been prepared in compliance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

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 £584,000 (30 April 2020: £1,971,000, 31 October 2019: £1,399,000) and on 20,850,000 (30 April 2020: 20,850,000, 31 October 2019: 20,850,000) Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

Capital earnings per Ordinary share is based on the capital loss of £391,000 (30 April 2020: £18,073,000, 31 October 2019: £3,604,000) and on 20,850,000 (30 April 2020: 20,850,000, 31 October 2019: 20,850,000) Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

Zero Dividend Preference shares

Capital earnings per Zero Dividend Preference share 2025 is based on allocations from the Company of £314,000 (30 April 2020: £607,000, 31 October 2019: £302,000) and on 14,500,000 (30 April 2020: 14,500,000, 31 October 2019: 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 2020

4 Dividends

In respect of the financial year ended 30 April 2020, during the period, a fourth interim dividend of 2.40p per Ordinary share has been paid to Shareholders.

In respect of the year ended 30 April 2021, a first interim dividend of 2.50p per ordinary share has been paid to the shareholders.

In addition, for the year ended 30 April 2021, the Board has declared a second interim dividend of 2.50p per Ordinary share payable 4 January 2021 to shareholders on the register at 11 December 2020 (ex-dividend 10 December 2020).

5 Net asset values

Ordinary shares

The net asset value per Ordinary share is based on assets attributable of £25,205,000 (30 April 2020: £26,034,000, 31 October 2019: £40,932,000) and on 20,850,000 (30 April 2020: 20,850,000, 31 October 2019: 20,850,000) Ordinary shares being the number of shares in issue at the period end.

Zero Dividend Preference shares

The net asset value per Zero Dividend Preference shares is based on assets attributable of £16,216,000 (30 April 2020: £15,902,000, 31 October 2019: £15,597,000) and on 14,500,000 (30 April 2020: 14,500,000, 31 October 2019: 14,500,000) Zero Dividend Preference shares being the number of shares in issue at the period end.

6 Fair value hierarchy

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

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

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

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

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

Level 2 inputs include the following:

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

6 Fair value hierarchy (continued)

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

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

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

As at 31 October 2020, 30 April 2020 and 31 October 2019 all of the Company's investments are classified as Level 1.

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

	31 October 2020 £'000	30 April 2020 £'000	31 October 2019 £'000
Net return before taxation	208	(16,064)	(2,205)
Taxation	(15)	(38)	–
Net return after taxation	193	(16,102)	(2,205)
Net capital return	391	18,073	3,604
(Increase)/decrease in receivables	(44)	225	45
Increase/(decrease) in payables	40	(74)	(65)
Interest and expenses charged to the capital reserve	(161)	(420)	(222)
Net cash inflow from operating activities	419	1,702	1,157

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 2020 were £208,000 (year ended 30 April 2020: £542,000, six months to 31 October 2019: £285,000).

At 31 October 2020 there were amounts outstanding to be paid to the Investment Manager of £105,000 (year ended 30 April 2020: £58,000, six months to 31 October 2019: £83,000).

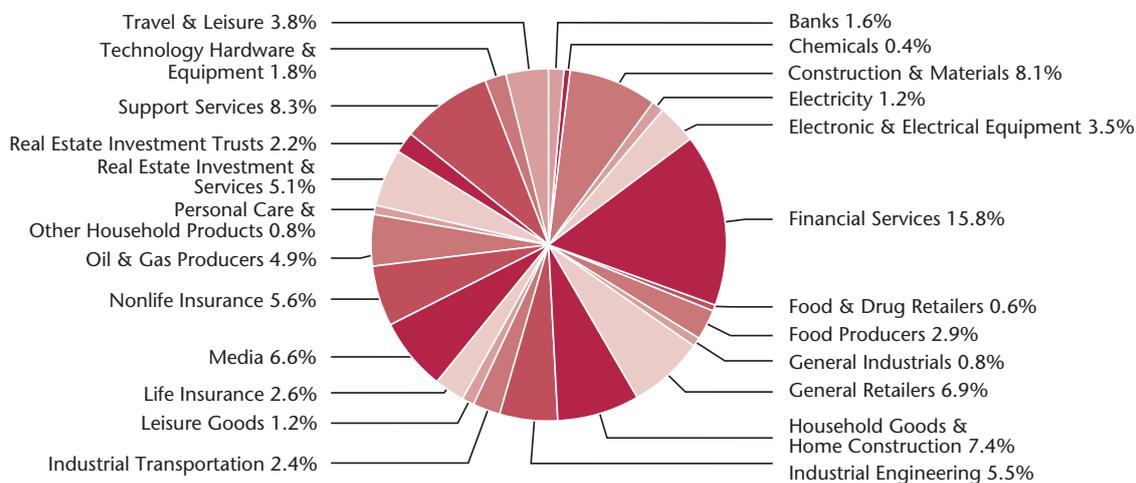
Portfolio Investments

as at 31 October 2020

Security	Sector	Market value £'000	% of portfolio
Diversified Gas & Oil	Oil & Gas Producers	2,012	4.9
Randall & Quilter	Nonlife Insurance	1,453	3.5
UP Global Sourcing Holdings	Household Goods & Home Construction	1,406	3.4
Belvoir Lettings	Real Estate Investment & Services	1,388	3.4
Jarvis Securities	Financial Services	1,064	2.6
Bloomsbury Publishing	Media	1,048	2.5
Alumasc Group	Construction & Materials	950	2.3
DFS Furniture	General Retailers	925	2.2
Polar Capital Holdings	Financial Services	919	2.2
STV	Media	910	2.2
Devro	Food Producers	901	2.2
Marston's	Travel & Leisure	844	2.0
Tyman	Construction & Materials	801	1.9
MTI Wireless Edge	Electronic & Electrical Equipment	792	1.9
Chesnara	Life Insurance	786	1.9
Castings	Industrial Engineering	775	1.9
Flowtech Fluid Power	Industrial Engineering	770	1.9
Numis Corporation	Financial Services	742	1.8
Amino Technologies	Technology Hardware & Equipment	735	1.8
Brewin Dolphin Holdings	Financial Services	729	1.8
Strix Group	Electronic & Electrical Equipment	673	1.6
Severfield	Industrial Engineering	667	1.6
Clarke (T.)	Construction & Materials	664	1.6
Crest Nicholson	Household Goods & Home Construction	659	1.6
Close Brothers Group	Banks	646	1.6
Epwin Group	Construction & Materials	640	1.5
Essentra	Support Services	616	1.5
Premier Miton Group	Financial Services	594	1.4
Ramsdens Holdings	Financial Services	590	1.4
Vertu Motors	General Retailers	588	1.4
Finncap Group	Financial Services	570	1.4
Brown (N) Group	General Retailers	564	1.4
Regional REIT	Real Estate Investment Trusts	561	1.4
DX Group	Industrial Transportation	555	1.3
Personal Group Holdings	Nonlife Insurance	540	1.3
Redde Northgate	Support Services	533	1.3
Headlam Group	Household Goods & Home Construction	530	1.3
Curtis Banks Group	Financial Services	500	1.2
Photo-me International	Leisure Goods	490	1.2
Contourglobal	Electricity	484	1.2
Braemar Shipping Services	Industrial Transportation	472	1.1
Vistry Group	Household Goods & Home Construction	469	1.1
Palace Capital	Real Estate Investment & Services	455	1.1
Wilmington Group	Media	441	1.1
Appreciate Group	Financial Services	378	0.9
Kin & Carta	Support Services	355	0.9
iEnergizer	Support Services	351	0.8
Orchard Funding Group	Financial Services	346	0.8

Security	Sector	Market value £'000	% of portfolio
Sabre Insurance	Nonlife Insurance	343	0.8
Centaur Media	Media	340	0.8
Town Centre Securities	Real Estate Investment Trusts	336	0.8
RTC Group	Support Services	330	0.8
Coral Products	General Industrials	329	0.8
Babcock International	Support Services	326	0.8
Portmeirion Group	Personal Care & Other Household Products	312	0.8
Hansard Global	Life Insurance	310	0.7
Connect Group	Support Services	305	0.7
Restaurant Group	Travel & Leisure	297	0.7
Bakkavor	Food Producers	292	0.7
Go-Ahead Group	Travel & Leisure	292	0.7
Saga	General Retailers	276	0.7
Shoe Zone	General Retailers	260	0.6
RPS Group	Support Services	254	0.6
TheWorks.co.uk	General Retailers	248	0.6
McColl's Retail Group	Food & Drug Retailers	240	0.6
Foxtons Group	Real Estate Investment & Services	238	0.6
Hargreaves Services	Support Services	200	0.5
Gattaca	Support Services	176	0.4
Revolution Bars Group	Travel & Leisure	157	0.4
Elementis	Chemicals	149	0.4
Kier Group	Construction & Materials	112	0.3
Galliford Try	Construction & Materials	107	0.3
GLI Finance	Financial Services	105	0.3
Titon Holdings	Construction & Materials	82	0.2
Chamberlin	Industrial Engineering	50	0.1
Total Portfolio		41,347	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	July
Annual General Meeting	September
Group's half year	31 October
Half-Year results announced	November

Share prices and performance information

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

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

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

Share register enquiries

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

Capital Structure

Chelverton UK Dividend Trust PLC ('the Company')

Chelverton UK Dividend Trust PLC was registered on 3 September 2003 with number 0374956. 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 (SDV.L) – 20,850,000 in issue as at 31 October 2020

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 (SDVP.L) – 50,000 in issue (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 2020

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) William van Heesewijk Howard Myles Andrew Watkins
Investment Manager	Chelverton Asset Management Limited 11 Laura Place Bath BA2 4BL Tel: 01225 483030
Secretary and Registered Office	Maitland Administration Services Limited Hamilton Centre Rodney Way, Chelmsford Essex CM1 3BY Tel: 01245 398950
Registrar and Transfer Office	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	Shore Capital Cassini House 57 St James's Street London SW1A 1LD
Custodian	Jarvis Investment Management Limited 78 Mount Ephraim Tunbridge Wells Kent TN4 8BS

Registered in England
No. 3749536

A member of the Association of Investment Companies

