

CHELVERTON SMALL COMPANIES DIVIDEND TRUST PLC

Half-Yearly Report
for the six months ended 31 October 2017



CHELVERTON
ASSET MANAGEMENT

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Investment Objective and Policy

The investment objective of Chelverton Small Companies 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 final capital entitlement of the Zero Dividend Preference shares issued by the subsidiary company, Chelverton Small Companies ZDP PLC ('SCZ').

Chelverton Small Companies Dividend Trust PLC, and its subsidiary Chelverton Small Companies ZDP PLC, together form the Group ('the Group'). The Group's funds are invested principally in 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. On 25 October 2017, a new wholly owned subsidiary, SDV 2025 ZDP PLC, was incorporated with company number 11031268.

Financial Highlights

	31 October	30 April	
	2017	2017	% change
Capital			
Total net assets (£'000)	47,431	41,724	13.68
Net asset value per Ordinary share	266.84p	248.35p	7.44
Mid-market price per Ordinary share	266.50p	230.00p	15.87
Discount	0.13%	7.39%	
Net asset value per Zero Dividend Preference share	135.30p	131.65p	2.77
Mid-market price per Zero Dividend Preference share	137.00p	136.00p	0.74
Premium	1.25%	3.30%	
	Six months to	Six months to	
	31 October	31 October	% change
	2017	2016	
Revenue			
Earnings per Ordinary share	6.37p	6.67p	(4.50)
Dividend per Ordinary share*	4.04p	3.70p	9.19
Total Return			
Total return on Group's net assets**	16.27%	(0.21)%	

* Dividend per Ordinary share includes the first interim paid and second interim declared for the period to 31 October 2017 and 2016 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 2017. The net asset value per Ordinary share at 31 October 2017 was 266.84p up from 248.35p at 30 April 2017, an increase of 7.44% in the past six months compared to an increase of 7.4% in the MSCI Small Cap Index.

Since the beginning of the Company's financial year, the Ordinary share price has increased from 230p to 266.5p at 31 October 2017, an increase of 15.87%, whilst the discount of 7.4% at the year-end has been almost eliminated with the shares traded at a negligible discount of 0.13% at the period end. Since then the share price has increased to 269.5p as at 10 November 2017.

Dividend

A first interim dividend of 2.02p (2016: 1.85p) per Ordinary share was paid on 2 October 2017. The Board has declared a second interim dividend of 2.02p per Ordinary share (2016: 1.85p) payable on 2 January 2017 to shareholders on the register on 8 December 2017, making a total for the half year of 4.04p per Ordinary share (2016: 3.70p) an increase of 9.2%. At present 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 normal dividend of 8.46p for the year.

Portfolio

In the last six months we have increased our investment in seventeen of our existing holdings, taking advantage of lower share prices and shares being available, including Alumasc Group, Bloomsbury Publishing, Castings, Connect Group, DFS Furniture, Diversified Gas & Oil, Epwin Group, Galliford Try, Go-Ahead Group, Hilton Food Group, Kier Group, Marston's, Murgitroyd Group, Produce Investments, Randall & Quilter Investment, RTC Group and Severfield.

During the period we added eight new names to the portfolio, BCA Marketplace – manager of used car auctions, De La Rue – bank note manufacturer and security printing, Flowtech Fluidpower – distributor of technical fluid power products, Palace Capital - property investment, Premier Asset Management Group – asset management, Restaurant Group – operator of chains of UK restaurants and public houses, Revolution Bars Group – operator of premium bars, Strix Group – manufacturer of kettle safety controls.

Funds were raised from the sale of nineteen of our holdings, Cape was the only company taken over in the period whilst the holdings in Bioventix, UP Global Sourcing Holdings, Morgan Sindall Group and Intermediate Capital Group were sold in their entirety. The following holdings were reduced as they grew to become larger weightings on lower yields, Acal, Amino Technologies, Brewin Dolphin Holdings, Brown (N) Group, Conviviality, Curtis Banks Group, Dairy Crest Group, Games Workshop Group, GVC Holdings, Huntsworth, Jarvis Securities, McColls Retail Group, Polar Capital Holdings and StatPro Group.

Outlook

The fund has continued to see strong growth across the portfolio and with the number of attractive opportunities available the portfolio has been increased to 73 holdings and with steady growth in the UK economy we believe the portfolio will continue to prosper.

We have been surprised that there has not been more takeover offers, building on the increase last year however one can only suppose that the Brexit uncertainty is holding corporates back from taking advantage of the sterling discount.

UK Gross Domestic Product growth has been subdued for the last six months, although there are signs that UK Growth will increase in the future mirroring the recent pick-up in the Eurozone.

The Brexit position will likely remain unresolved until the “eleventh” hour, that being the EU’s usual modus operandi in negotiations. Repeatedly “experts” have said that a deal is of equal importance to both sides however until the Germans and the French properly engage then little or no obvious progress will be made.

The dividends of the underlying companies continue to be increased and we believe that this will continue into 2018 with company balance sheets remaining in a strong state.

Chelverton Asset Management
15 November 2017

Principal Risks

The principal risks facing the Group are substantially unchanged since the date of the Annual Report for the year ended 30 April 2017 and continue to be as set out in that report on pages 9 to 10. 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 15 November 2017 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 2017

	Six months to 31 October 2017			Year to 30 April 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
						(audited)
Gains/(losses) on investments at fair value through profit or loss	–	3,820	3,820	–	6,642	6,642
Investment income	1,314	–	1,314	2,361	–	2,361
Investment management fee	(75)	(223)	(298)	(119)	(357)	(476)
Other expenses	(118)	(6)	(124)	(224)	(12)	(236)
Net return/(deficit) before finance costs and taxation	1,121	3,591	4,712	2,018	6,273	8,291
Finance costs						
Appropriations in respect of Zero Dividend Preference shares	–	(341)	(341)	–	(633)	(633)
Net return/(deficit) before taxation	1,121	3,250	4,371	2,018	5,640	7,658
Taxation (see note 2)	(4)	–	(4)	–	–	–
Total comprehensive income for the period	1,117	3,250	4,367	2,018	5,640	7,658
	Revenue	Capital	Total	Revenue	Capital	Total
	pence	pence	pence	pence	pence	pence
Earnings per:						
Ordinary share (see note 3)	6.37	18.53	24.90	12.17	34.03	46.20
Zero Dividend Preference share (see note 3)	–	3.65	3.65	–	7.37	7.37

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').

Six months to 31 October
2016

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

–	(690)	(690)
1,270	–	1,270
(56)	(166)	(222)
(110)	(7)	(117)
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1,104	(863)	241
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–	(313)	(313)
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1,104	(1,176)	(72)
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–	–	–
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1,104	(1,176)	(72)
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Revenue	Capital	Total
pence	pence	pence

6.67	(7.11)	(0.44)
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–	3.68	3.68
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Gains/(losses) on investments at fair value
through profit or loss

Investment income

Investment management fee

Other expenses

**Net return/(deficit) before finance costs
and taxation**

Finance costs

Appropriations in respect of Zero Dividend
Preference shares

Net return/(deficit) before taxation

Taxation (see note 2)

Total comprehensive income for the period

Earnings per:

Ordinary share

(see note 3)

Zero Dividend Preference share

(see note 3)

Condensed Consolidated Statement of Changes in Net Equity (unaudited)

for the six months ended 31 October 2017

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
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>24,882</u>	<u>3,011</u>	<u>47,431</u>
Year ended 30 April 2017 (audited)					
30 April 2016	4,138	12,403	15,992	2,544	35,077
Total comprehensive income for the year	–	–	5,640	2,018	7,658
Ordinary shares issued	62	519	–	–	581
Expenses of ordinary share issue	–	(7)	–	–	(7)
Dividends paid	–	–	–	(1,585)	(1,585)
30 April 2017	<u>4,200</u>	<u>12,915</u>	<u>21,632</u>	<u>2,977</u>	<u>41,724</u>
Six months ended 31 October 2016					
30 April 2016	4,138	12,403	15,992	2,544	35,077
Total comprehensive income for the period	–	–	(1,176)	1,104	(72)
Dividends paid	–	–	–	(968)	(968)
31 October 2016	<u>4,138</u>	<u>12,403</u>	<u>14,816</u>	<u>2,680</u>	<u>34,037</u>

Condensed Consolidated Balance Sheet (unaudited)

as at 31 October 2017

	31 October 2017 £'000	30 April 2017 £'000 (audited)	31 October 2016 £'000
Non-current assets			
Investments at fair value through profit or loss	59,806	53,827	44,605
Current assets			
Trade and other receivables	238	262	340
Cash and cash equivalents	377	89	59
	<u>615</u>	<u>351</u>	<u>399</u>
Total assets	<u>60,421</u>	<u>54,178</u>	<u>45,004</u>
Current liabilities			
Trade and other payables	(341)	(146)	(125)
Zero Dividend Preference shares	(12,649)	(12,308)	–
	<u>(12,990)</u>	<u>(12,454)</u>	<u>(125)</u>
Total assets less current liabilities	<u>47,431</u>	<u>41,724</u>	<u>44,879</u>
Non-current liabilities			
Zero Dividend Preference shares	–	–	(10,842)
Total liabilities	<u>(12,990)</u>	<u>(12,454)</u>	<u>(10,967)</u>
Net assets	<u>47,431</u>	<u>41,724</u>	<u>34,037</u>
Represented by:			
Share capital	4,444	4,200	4,138
Share premium account	15,094	12,915	12,403
Capital reserve	24,882	21,632	14,816
Revenue reserve	3,011	2,977	2,680
Equity shareholders' funds	<u>47,431</u>	<u>41,724</u>	<u>34,037</u>
Net asset value per: (see note 5)	pence	pence	pence
Ordinary share	<u>266.84</u>	<u>248.35</u>	<u>205.66</u>
Zero Dividend Preference share	<u>135.30</u>	<u>131.65</u>	<u>127.56</u>

Condensed Consolidated Statement of Cash Flows (unaudited)

for the six months ended 31 October 2017

	Six months to 31 October 2017 £'000	Year to 30 April 2017 £'000 (audited)	Six months to 31 October 2016 £'000
Operating activities			
Investment income received	1,324	2,419	1,244
Investment management fee paid	(278)	(457)	(221)
Administration and secretarial fees paid	(32)	(64)	(37)
Other cash payments	(112)	(185)	(122)
Net cash inflow from operating activities (see note 7)	902	1,713	864
Investing activities			
Purchases of investments	(8,960)	(13,776)	(3,314)
Sales of investments	7,006	11,988	3,448
Net cash (outflow)/inflow from investing activities	(1,954)	(1,788)	134
Financing activities			
Issue of Zero Dividend Preference shares	–	1,146	–
Issue of ordinary shares	2,496	581	–
Expenses of ordinary share issue	(73)	(7)	–
Dividends paid	(1,083)	(1,585)	(968)
Net cash inflow/(outflow) from financing activities	1,340	135	(968)
Change in cash and cash equivalents for period	288	60	30
Cash and cash equivalents at start of period	89	29	29
Cash and cash equivalents at end of period	377	89	59
Comprises of:			
Cash and cash equivalents	377	89	59

Notes to the Condensed Half-Yearly Report

for the six months ended 31 October 2017

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 2017, 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, 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 2017. 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 £1,117,000 (30 April 2017: £2,018,000, 31 October 2016: £1,104,000) and on 17,536,371 (30 April 2017: 16,575,343, 31 October 2016: 16,550,000) 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 profit of £3,250,000 (30 April 2017: capital profit of £5,640,000, 31 October 2016: capital loss of £1,176,000) and on 17,536,371 (30 April 2017: 16,575,343, 31 October 2016: 16,550,000) 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 is based on allocations from the Company of £341,000 (30 April 2017: £633,000, 31 October 2016: £313,000) and on 9,349,000 (30 April 2017: 8,586,063, 31 October 2016: 8,500,000) Zero Dividend Preference shares 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 2017

4 Dividends

During the period, a fourth interim dividend of 2.4p per Ordinary share and a special dividend of 1.86p per Ordinary share for the year ended 30 April 2017, together with a first interim dividend of 2.02p per Ordinary share for the year ending 30 April 2018, have been paid to shareholders.

In addition the Board has declared a second interim dividend of 2.02p per Ordinary share payable on 2 January 2018 to shareholders on the register at 18 December 2017.

5 Net asset values

Ordinary shares

The net asset value per Ordinary share is based on assets attributable of £47,431,000 (30 April 2017: £41,724,000, 31 October 2016: £34,037,000) and on 17,775,000 (30 April 2017: 16,800,000, 31 October 2016: 16,550,000) 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 £12,649,000 (30 April 2017: £12,308,000, 31 October 2016: £10,842,000) and on 9,349,000 (30 April 2017: 9,349,000, 31 October 2016: 8,500,000) 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 2017, 30 April 2017 and 31 October 2016 all of the Company's investments are classified as Level 1.

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

	31 October 2017 £'000	30 April 2017 £'000	31 October 2016 £'000
Net return/(deficit) before taxation	4,371	7,658	(72)
Taxation	(4)	–	–
Net return/(deficit) after taxation	4,367	7,658	(72)
Net capital (gain)/loss	(3,250)	(5,640)	1,176
Decrease/(increase) in receivables	9	50	(43)
Decrease in payables	5	14	(24)
Interest and expenses charged to the capital reserve	(229)	(369)	(173)
Net cash inflow from operating activities	902	1,713	864

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 2017 were £298,000 (year ended 30 April 2017: £476,000, six months to 31 October 2016: £222,000).

At 31 October 2017 there were amounts outstanding to be paid to the Investment Manager of £92,000 (year ended 30 April 2017: £72,000, six months to 31 October 2016: £53,000).

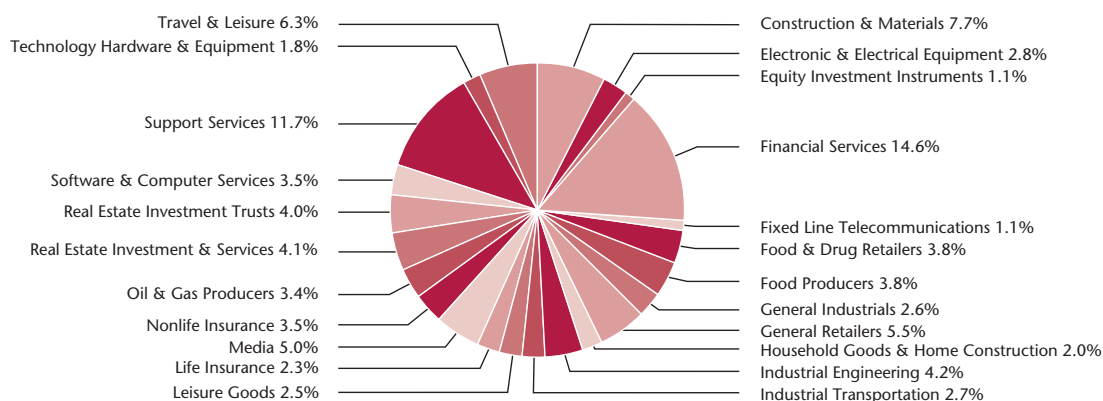
Portfolio Investments

as at 31 October 2017

Holding	Sector	Market value £'000	% of portfolio
Diversified Gas & Oil	Oil & Gas Producers	1,665	2.8
McColl's Retail Group	Food & Drug Retailers	1,429	2.4
Jarvis Securities	Financial Services	1,403	2.4
StatPro Group	Software & Computer Services	1,368	2.3
Acal	Support Services	1,268	2.1
Belvoir Lettings	Real Estate Investment & Services	1,260	2.1
Alumasc Group	Construction & Materials	1,230	2.1
Gattaca	Support Services	1,220	2.0
Galliford Try	Household Goods & Home Construction	1,218	2.0
Personal Group Holdings	Nonlife Insurance	1,215	2.0
Connect Group	Support Services	1,102	1.8
Amino Technologies	Technology Hardware & Equipment	1,097	1.8
Braemar Shipping Services	Industrial Transportation	1,078	1.8
Numis Corporation	Financial Services	1,070	1.8
Curtis Banks Group	Financial Services	1,067	1.8
Marston's	Travel & Leisure	1,066	1.8
Ramsdens Holdings	Financial Services	1,062	1.8
Brown (N) Group	General Retailers	1,054	1.8
De La Rue	Support Services	1,048	1.8
Mucklow (A&J) Group	Real Estate Investment Trusts	980	1.6
Strix Group	Electronic & Electrical Equipment	978	1.6
Moss Bros Group	General Retailers	900	1.5
Polar Capital Holdings	Financial Services	900	1.5
Randall & Quilter Investment	Nonlife Insurance	896	1.5
Photo-Me International	Leisure Goods	894	1.5
Park Group	Financial Services	891	1.5
Hilton Food Group	Food Producers	852	1.4
Conviviality	Food & Drug Retailers	849	1.4
GVC Holdings	Travel & Leisure	842	1.4
Kier Group	Construction & Materials	832	1.4
Bloomsbury Publishing	Media	818	1.4
Severfield	Industrial Engineering	816	1.4
Coral Products	General Industrials	810	1.4
Premier Asset Management Group	Financial Services	804	1.3
Centaur Media	Media	803	1.3
Huntsworth	Media	800	1.3
Go-Ahead Group	Travel & Leisure	797	1.3
Shoe Zone	General Retailers	790	1.3
Chesnara	Life Insurance	767	1.3
Town Centre Securities	Real Estate Investment Trusts	762	1.3
Dairy Crest Group	Food Producers	759	1.3
Orchard Funding Group	Financial Services	750	1.3
Clarke (T)	Construction & Materials	745	1.2
Flowtech Fluidpower	Industrial Engineering	728	1.2
Macfarlane Group	General Industrials	715	1.2

Security	Sector	Market value £'000	% of portfolio
Brewin Dolphin Holdings	Financial Services	706	1.2
Sanderson Group	Software & Computer Services	700	1.2
XP Power	Electronic & Electrical Equipment	694	1.2
Low & Bonar	Construction & Materials	690	1.2
Murgitroyd Group	Support Services	690	1.2
GLI Finance	Equity Investment Instruments	687	1.1
Produce Investments	Food Producers	684	1.1
Regional REIT	Real Estate Investment Trusts	676	1.1
Epwin Group	Construction & Materials	672	1.1
Palace Capital	Real Estate Investment & Services	670	1.1
KCOM Group	Fixed Line Telecommunications	638	1.1
Restaurant Group	Travel & Leisure	607	1.0
Hansard Global	Life Insurance	602	1.0
RPS Group	Support Services	589	1.0
Wilmington Group	Media	585	1.0
Castings	Industrial Engineering	576	1.0
Games Workshop Group	Leisure Goods	568	1.0
Foxtons Group	Real Estate Investment & Services	555	0.9
St.Ives	Support Services	551	0.9
RTC Group	Support Services	530	0.9
DFS Furniture	General Retailers	522	0.9
Revolution Bars Group	Travel & Leisure	507	0.8
Titon Holdings	Construction & Materials	419	0.7
Chamberlin	Industrial Engineering	375	0.6
Anglo African Oil & Gas	Oil & Gas Producers	369	0.6
DX Group	Industrial Transportation	338	0.6
BCA Marketplace	Industrial Transportation	208	0.3
Fairpoint Group	Financial Services	0	0.0
Total Investments		59,806	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 SCZ are listed on the London Stock Exchange.

The net asset values are announced weekly 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 Small Companies Dividend Trust PLC ('the Company')

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

Ordinary shares of 25p each ('Ordinary shares') – 17,775,000 in issue

Share Capital Events

During the period, the Company announced the issue of 975,000 Ordinary shares at an average price of 256.04p 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 17,775,000 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.

Chelverton Small Companies ZDP PLC ('SCZ')

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 Small Companies 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 – 9,349,000 in issue

Dividends

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

Capital

On a winding up of SCZ, 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 28 August 2012 at such compound rate as will give an entitlement to 136.7 pence per share at 8 January 2018.

Voting

Holders of Zero Dividend Preference shares are not entitled to attend, speak or vote at a general meeting of the Company (including the Company's Annual General Meeting) unless the business of the meeting includes a resolution to vary, modify or abrogate the rights attached to the Zero Dividend Preference shares.

In the event that Zero Dividend Preference shareholders are entitled to attend a General Meeting each holder of Zero Dividend Preference shares, on a show of hands, will have one vote for every Zero Dividend Preference share held in relation to any resolutions applicable to Zero Dividend Preference shares.

Directors and Advisers

Directors	Lord Lamont of Lerwick (Chairman) David Harris William van Heeswijk Howard Myles
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
Corporate Broker	Stockdale Securities Limited Beaufort House 15 St. Botolph Street London EC3A 7BB
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
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

