

# **SDV 2025**

## **ZDP plc**

**Annual Report**  
**For the year ended 30 April 2023**

**Registered Number: 11031268**

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

## **Strategic Report**

The Strategic Report has been prepared in accordance with Section 414A of the Companies Act 2006 (the 'Act'). Its purpose is to inform members of the Company and help them understand how the Directors have performed their duties under Section 172 of the Act to promote the success of the Company. The Directors are conscious of their duties to promote the success of the Company under Section 172 of the Companies Act 2006, for the benefit of the shareholders, giving careful consideration to wider stakeholders' interests and the environment in which it operates. The Board recognises that its decisions are material to the Company and also to the Company's key stakeholders. Further details of how the Directors have performed their duty under Section 172 is contained within the Annual Report of SDV.

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

The Chairman's report on the Group's activities for the year ended 30 April 2023 is contained within the Annual Report of SDV. A copy of the full SDV Annual Report can be found on the Investment Manager's website, [www.chelvertonam.com](http://www.chelvertonam.com) and is available for inspection at the National Storage Mechanism ('NSM') which is situated at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.



**Howard Myles**  
Chairman  
29 June 2023

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

For details of the Group's activities, development and performance during the year to 30 April 2023 shareholders should refer to the Annual Report of SDV, which can be found on the Investment Manager's website, [www.chelvertonam.com](http://www.chelvertonam.com) and is available for inspection at the NSM, which is situated at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.



**David Horner**  
Chelverton Asset Management Limited  
29 June 2023

### ***Other Statutory Information***

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

The Company was incorporated on 25 October 2017 as a wholly owned subsidiary of SDV". The Company was formed specifically for the issuing of Zero Dividend Preference ('ZDP') shares. It raised

£10,980,000 before expenses on 8 January 2018 by the conversion of ZDP's from Chelverton Small Companies ZDP PLC (dissolved on 18 September 2019) " of 10,977,747 ZDP shares and £1,802,000 before expenses on 8 January 2018 by a placing of 1,802,336 ZDP shares. The Company's shares are listed on the UK Official List and admitted to trading on the London Stock Exchange. Between 11 April and 15 May 2018, the Company placed an additional 1,719,917 shares raising a further £1,775,500. Further detail is set out in the Capital Structure section below.

Pursuant to a contribution agreement between the Company and SDV, the Company has loaned the proceeds of the ZDP share placings to SDV. The loan is non-interest bearing and is repayable three business days before the ZDP share redemption date of 30 April 2025 or, if required by the Company, at any time prior to that date in order to repay the ZDP share entitlement. The funds are to be managed in accordance with the investment policy of SDV.

### ***Investment objective & policy***

The objective of the Company is to provide the final capital entitlement of the ZDP shares to the holders of the ZDP shares at the redemption date of 30 April 2025. The proceeds of the placing of the ZDP shares have been loaned to SDV under a contribution agreement and the funds are managed in accordance with the investment policy of SDV, which is as follows (as extracted from the Annual Report of SDV):

- The Company will invest in equities in order to achieve its investment objectives, which are to provide both income and capital growth, predominantly through investment in mid and smaller capitalised UK companies admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange Main Market, AIM or other qualifying UK marketplaces.
- The Company will not invest in preference shares, loan stock or notes, convertible securities or fixed interest securities or any similar securities convertible into shares; nor will it invest in the securities of other investment trusts or in unquoted companies.

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

The Company has a capital structure comprising unlisted Ordinary shares and ZDP shares listed on the Official List and admitted to trading on the London Stock Exchange by way of a standard listing. The Company is a wholly owned subsidiary of SDV which is a closed-ended investment company. On 8 January 2018, 10,977,747 ZDP shares were converted from the Company at 100p per share, and 1,802,336 ZDP shares were placed at 100p per share. This raised a net total of £12.4 million.

On 11 April 2018, the Company placed an additional 1,419,917 ZDP shares at 103p per share and this raised a net total of £1.4 million.

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

On 15 May 2018, the Company placed an additional 200,000 ZDP shares at 105p per share and this raised a net total of £208,500.

A contribution agreement between the Company and SDV has also been made whereby SDV will undertake to contribute such funds as would ensure that the Company will have in aggregate sufficient assets on 30 April 2025 to satisfy the final capital entitlement of the ZDP shares of 133.18p per share, being £19,311,100 in total. This assumes that the parent company and the Company have sufficient assets as at 30 April 2025 to repay the ZDP shares. To this extent the Company is reliant upon the investment performance of the parent company and subject to the principal risks as set out in the Annual Report of SDV.

To protect the interests of ZDP shareholders, the contribution agreement contains a restriction on the Group incurring any other borrowings (other than short-term indebtedness in the normal course of business, such as when settling share transactions) except where such borrowings are for the purpose of paying the final capital entitlement due to holders of ZDP shares.

The value of the Group's net assets would have to fall by 64% (2022: 67%) for it to be unable to meet the full capital repayment entitlement of the ZDP shares on the scheduled repayment date of 30 April 2025.

### **Performance**

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

- Total return per ZDP share

This is set out below:

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Return per ZDP share</b>	-	<b>4.69p</b>	<b>4.69p</b>	-	4.51p	4.51p

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

### **Principal Risks and Uncertainties Facing the Company**

Due to the Company's dependence on SDV to repay the loan and provide a contribution to meet the capital entitlement of the ZDP shareholders other risks faced by the Company are considered to be the same as for SDV and these are defined in note 21 of SDV's Annual Report.

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

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

### **Culture and values**

The Company's values are to act responsibly, ethically and fairly at all times. The Company's culture is driven by its values and is focused on providing the final capital entitlement of the ZDP shares to the holders of the ZDP shares at the redemption date of 30 April 2025, as set out on page 3. As the Company has no employees, its culture is represented by the values, conduct and performance of the Board, the Investment Manager and its key service providers.

### **Current and Future Developments**

The current and future developments of the Company can be reviewed as part of the Group's activities for the year ended 30 April 2023 by reference to the Annual Report and financial statements of SDV.

### **Dividends**

The Directors do not recommend the payment of a final dividend in respect of the year ended 30 April 2023.

### **Diversity and succession planning**

The Board of Directors of the Company comprised one female and two male Directors during the year to 30 April 2023. Ms Hadgill was appointed as a Director of the Company on 1 May 2022.

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

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Howard Myles', with a long horizontal flourish extending to the right.

**Howard Myles**  
Chairman  
29 June 2023

## Board of Directors

The Directors are:

**Howard Myles** was a partner in Ernst & Young from 2001 to 2007 and was responsible for the Investment Funds Corporate Advisory Team. He was previously with UBS Warburg from 1987 to 2001. Mr Myles began his career in stockbroking in 1971 as an equity salesman and in 1975 joined Touche Ross & Co, where he qualified as a chartered accountant. In 1978 he joined W Greenwell & Co in the corporate broking team and in 1987 moved to SG Warburg Securities, where he was involved in a wide range of commercial and industrial transactions in addition to leading Warburg's corporate finance function for investment funds. He is now a non-executive director and chairman of Baker Steel Resources Trust Limited and during the year was chairman of abrdn Latin American Income Fund Limited which went into voluntary liquidation on 12 June, having retired from the Board of BBGI SICAV S.A. in April 2022.

Mr Myles was appointed to the Board of SDVP on 25 October 2017 and has been a director of the parent company, SDV, since 2011. He chairs the Board of SDV.

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

Mr Watkins was appointed to the Board of SDVP on 6 September 2018 and has been a director of SDV from the same date. He chairs the Audit Committee of SDV.

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

Ms Hadgill was appointed to the Board of SDVP on 1 May 2022 and has also been a director of SDV from the same date.

All Directors are independent of the Investment Manager.

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

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

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

Chelverton is a specialist fund manager focused on UK mid and small companies and has a successful track record. At 31 March 2023, Chelverton had total funds under management of approximately £1.6 billion, including two investment companies and three OEICs. The Income Fund Management Team comprises David Horner, Oliver Knott and David Taylor.

Chelverton is authorised and regulated by the FCA.

### **Administrator and Corporate Secretary: Apex Fund Administration Services (UK) Limited (formerly Maitland Administration Services Limited)**

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

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

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



## **Directors' Report**

The Directors present their Report and the financial statements of the Company for the year ended 30 April 2023. The comparative period covers the year to 30 April 2022. The Company's registered number is 11031268.

### **Directors**

Directors who served during the year ended 30 April 2023, all of whom are non-executive were as follows:

H Myles  
A Watkins  
D Hadgill

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

Under the Company's Articles of Association, Directors are required to retire at the first Annual General Meeting ('AGM') following their appointment, and thereafter at three-yearly intervals. At least one Director must retire at each annual general meeting. The Directors to retire by rotation are first, a Director who wishes to retire and offer himself for reappointment and, second, those Directors who have been longest in office since their last appointment or reappointment. However, in accordance with the Articles of Association, and prevailing corporate governance best practice, all three directors will stand for re-election at the forthcoming AGM on 7 September 2023.

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

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

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

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

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

### **Corporate Governance**

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

### **Share Capital**

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

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

**Share Capital (continued)**

12,780,083 ZDP shares of £1 each were issued on 8 January 2018, pursuant to the placing ZDP shares represent 99.65% of the total share capital. 1,419,917 additional ZDP shares for a total consideration of £1.03 each were issued on 11 April 2018. 300,000 ZDP shares were issued in at a premium May 2018 for a total consideration of £1.045 each.

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

**Shareholders' funds and market capitalisation**

At 30 April 2023 the Company had a market capitalisation of £17,038,000 and total net assets amounted to £13,000.

**ISA status**

The ZDP shares are eligible for inclusion in ISAs.

**Management agreements**

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

These fees are met entirely by the parent company.

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

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

**Management fee**

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

**Company Information**

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

**Viability Statement**

The Board reviews the performance and progress of the Company over various time periods and uses these assessments, regular updates from the Investment Manager and a continuing programme of risk monitoring, to assess the future viability of the Company. The Directors consider that a period until the maturity of the ZDPs on 30 April 2025 is the most appropriate time horizon to consider the Company's viability and after careful analysis, the Directors believe that the Company is viable over this time period.

The Board has reviewed the viability statement of SDV and has assessed that SDV has the necessary financial strength to fulfil the obligations to the Company under the contribution agreement. SDV has a liquid investment portfolio invested predominantly in readily realisable smaller and mid capitalised companies.

The Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment.

### **Going concern**

The Company has adopted the going concern basis in preparing the financial statements consistent with the parent company. The parent company has adequate financial resources to ensure the Company will have in aggregate sufficient assets to satisfy the accrued capital entitlement and future capital entitlement of the ZDP shares.

### **Global Greenhouse Gas Emissions**

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

### **Statement on Corporate Governance**

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

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

### **Auditor**

The Auditor, Hazlewoods LLP, has indicated their willingness to continue in office and resolutions proposing their re-appointment and authorising the Directors to determine their remuneration for the ensuing year will be submitted at the forthcoming Annual General Meeting on 7 September 2023.

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

### **Annual General Meeting**

A formal Notice convening the Annual General Meeting to be held on 7 September 2023 can be found on page 31.

On behalf of the Board



**Howard Myles**  
Chairman

29 June 2023

## Directors' Remuneration Report

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

The law requires the Group's Auditor, Hazlewoods LLP, to audit certain disclosures provided within this report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 14 to 19.

### Report from the Company Chairman

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

### Directors' Remuneration Policy

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

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

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

### Directors' service contracts

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

### Directors' emoluments for the year (audited)

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

### Directors' beneficial and family interests (audited)

	30 April 2023 ZDP shares	30 April 2022 ZDP shares
H Myles	Nil	Nil
D Hadgill	Nil	Nil
A Watkins	Nil	Nil

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

**Your Company's performance**

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

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

**Approval**

The Directors' Remuneration Report was approved by the Board on 29 June 2023.

On behalf of the Board of Directors



**Howard Myles**  
Chairman  
29 June 2023

## **Statement of Directors' Responsibilities**

in respect of the Annual Report and the financial statements

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

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company's financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

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

On behalf of the Board of Directors



**Howard Myles**

Chairman

29 June 2023

## **Independent Auditor's Report**

to the members of SDV 2025 ZDP plc

### **Opinion**

We have audited the financial statements of SDV 2025 ZDP plc (the 'Company') for the year ended 30 April 2023, which comprise the Statement of Comprehensive Income, the Statement of Changes in Net Equity, the Balance Sheet and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2023 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Our audit approach is based on a thorough understanding of the company's activities and is risk-based. The maintenance of the company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focused on obtaining an understanding of, and evaluating, internal controls of the company and inspecting records and documents held by the third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

### **Key audit matters**

The audit team communicated throughout the audit with the directors and investment managers in order to ensure we had good knowledge of the business of the company. During the audit, we reassessed and re-evaluated audit risk and tailored our approach accordingly.

We communicated with those charged with governance regarding other matters, the planned scope and timing of the audit findings, including significant deficiencies in internal controls that we identified during the audit, if any.

Our approach to the audit is also based on the key audit matters identified. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified was recoverability of a loan to its Parent Company and the potential for management override of controls is a key risks in any audit. We summarise below the key audit audited matters that we identified and how we responded to them. This is not a complete list of all risks identified by our audit.

Audit Risk	How we responded to the risk
<b>Recoverability of the loan to Parent Company.</b>	
<p>The Company lent its Parent Company the gross proceeds of the ZDP share issue and entered into a contribution agreement whereby the Parent Company has undertaken to contribute such funds that will ensure that the Company will have, in aggregate, sufficient assets on 30 April 2025 to enable the Company to fully meet the redemption obligations in respect of the Zero Dividend Preference shares issued by the Company, 'ZDP shares'. The loan is the only material asset of the Company.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>• Considering the assets, and the liquidity of those assets, that the Parent Company has available to fulfil its obligation to provide funds to meet the full final capital entitlement attaching to the ZDP shares.</li> </ul>
<b>Management override of controls</b>	
<p>The risk of not detecting a misstatement resulting from management fraud is greater than for employee fraud, because management is frequently in a position to directly or indirectly manipulate accounting records, present fraudulent financial information or override controls designed to prevent similar frauds by other employees</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>• Maintaining professional scepticism throughout the audit and considering the potential for management override of controls.</li> <li>• Reviewing material estimates, judgments and decisions made by management; and</li> <li>• Testing all material journal entries.</li> <li>• Considering whether there were any significant transactions outside the normal course of business.</li> </ul>

### Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. We also determine a level of performance materiality, which we use to determine the extent of testing needed, to reduce to an appropriately low-level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We established materiality for the financial statements as a whole to be £172,000, which is 1% of the value of the Company's gross assets. We agreed with the Audit Committee that we would report all differences in excess of 5% of materiality as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified during the course of assessing the overall presentation of the financial statements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Company's ability to continue as a going concern;
- evaluating the Directors' method to assess the Company's ability to continue as a going concern;
- reviewing of the parent Company's ability to meet the required contributions to enable repayment of the ZDP shares in 2025; and
- reviewing the appropriateness of the Directors' disclosures in the financial statements.



Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Corporate governance statement**

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's and Parent Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- the disclosures in the SDV annual report set out on pages 11 to 13 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 11 in the SDV annual report that they have carried out a robust assessment of the principal risks facing the Group and Parent Company, including those that would threaten its business model, future performance, solvency or liquidity;
- section in the SDV annual report set out on pages 36 to 38 that describes the review of the effectiveness of the Group's and Parent Company's risk management and internal control systems, covering all material controls, including financial, operational and compliance controls;
- section in the SDV annual report set out on page 35 that describes the work of the audit committee, including the significant issues that the audit committee considered relating to the financial statements, if any, and how these issues were addressed;
- the directors' statement set out on page 30 in the SDV financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Group's and Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on pages 15 and 16 in the SDV annual report as to how they have assessed the prospects of the Group and Parent Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group and Parent Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, set out on page 13, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its activities, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, money laundering, and the Listing Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit;
- Considering the risk of acts by the Company which were contrary to the applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

We consider that our procedures are sufficient to detect irregularities, including fraud, although they are not designed specifically for the detection of irregularities. The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remains a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under 'Audit Approach' within this report.

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

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

We were appointed by the Board on 29 May 2018 to audit the financial statements for the year ending 30 April 2018. Our total uninterrupted period of engagement is 6 years, covering the year ending 30 April 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Board.

**Use of this report**

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Scott Lawrence', with a horizontal line underneath.

**Scott Lawrence FCA**

Senior Statutory Auditor

For and on behalf of Hazlewoods LLP

Statutory Auditor

Cheltenham

29 June 2023

**Statement of Comprehensive Income**  
for the year ended 30 April 2023

	Note	Year ended 2023			Year ended 2022		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income		-	-	-	-	-	-
Provision for contribution from SDV regarding the capital entitlement of the ZDP shares		-	680	680	-	654	654
<b>Return before finance costs and taxation</b>		-	680	680	-	654	654
Appropriations in respect of ZDP shares		-	(680)	(680)	-	(654)	(654)
<b>Net return after finance costs and before taxation</b>		-	-	-	-	-	-
<b>Taxation on ordinary activities</b>	2	-	-	-	-	-	-
<b>Net return after taxation</b>		-	-	-	-	-	-
<b>Return per ZDP share</b>	4	-	4.69p	4.69p	-	4.51p	4.51p

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

The notes on pages 23 to 28 form part of these financial statements.

**Statement of Changes in Net Equity**  
for the year ended 30 April 2023

	<b>Share Capital £'000</b>	<b>Total £'000</b>
<b>Year ended 30 April 2023</b>		
1 May 2022	13	13
Total comprehensive income for the year	-	-
30 April 2023	<u>13</u>	<u>13</u>

**Year ended 30 April 2022**

1 May 2021	13	13
Total comprehensive income for the year	-	-
30 April 2022	<u>13</u>	<u>13</u>

The notes on pages 23 to 28 form part of these financial statements.

## Balance Sheet

as at 30 April 2023

	Note	2023 £'000	2022 £'000
<b>Non-current assets</b>			
Loans and receivables	5	17,866	17,186
<b>Current assets</b>			
Trade and other receivables	6	<u>13</u>	<u>13</u>
<b>Total assets</b>		<u>17,879</u>	<u>17,199</u>
<b>Current liabilities</b>			
ZDP shares	8	<u>(17,866)</u>	<u>(17,186)</u>
<b>Net assets</b>		<u>13</u>	<u>13</u>
<b>Represented by:</b>			
Share capital	7	<u>13</u>	<u>13</u>
<b>Equity shareholders' funds</b>		<u>13</u>	<u>13</u>

The notes on pages 23 to 28 form part of these financial statements.

These financial statements were approved by the Board of SDV 2025 ZDP PLC and authorised for issue on 29 June 2023 and were signed on behalf of the Company by:



**Howard Myles**  
Chairman  
29 June 2023

Company Registered No: 11031268

## **Notes to the Financial Statements**

as at 30 April 2023

### **1. General information**

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

The financial information of the Company for the year ended 30 April 2023 has also been consolidated into the results of SDV.

### **2. Accounting policies**

#### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with UK adopted International Financial Reporting Standards ('UK adopted IFRS'), and Interpretations issued by the International Financial Reporting Interpretations Committee, and applicable requirements of UK company law, and reflect the following policies which have been adopted and applied consistently.

#### **New standards, interpretations and amendments adopted by the Group**

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

#### **Critical accounting judgments and uses of estimation**

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

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

#### **Convention**

The financial statements are presented in Sterling, rounded to the nearest £'000. The financial statements have been prepared on a going concern basis. Where presentational guidance set out in the Statement of Recommended Practice regarding the 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP'), issued by the Association of Investment Companies (dated April 2021) is consistent with the requirements of UK adopted IFRS, the Directors have sought to prepare the financial statements on a consistent basis compliant with the recommendations of the SORP.

#### **Segmental reporting**

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



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

as at 30 April 2023

### **2. Accounting policies (continued)**

#### **Loans and receivables**

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

#### **Expenses**

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

#### **ZDP shares**

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

#### **Statement of Cash Flows**

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

There were no cash flows during the year ended 30 April 2023 therefore no cash flow statement is presented within the financial statements.

#### **Taxation**

There is no charge to UK income taxation as the Company does not have any income. There are no deferred tax assets in respect of unrelieved excess expenses as all expenses are borne by SDV.

### **3. Directors' remuneration/Management fee**

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

## Notes to the Financial Statements (continued)

as at 30 April 2023

### 4. Return per share

#### ZDP shares

The capital return per ZDP share is based on appropriations of £680,000 (2022: £654,000) and on 14,500,000 shares (2022: 14,500,000), being the weighted average number of ZDP shares in issue during the year.

### 5. Loans and receivables

The Company has entered into a contribution agreement with SDV whereby the Company loaned SDV the gross proceeds of £12,782,000 raised from the conversion of SVC ZDP shares of 10,977,747 and the placing on 8 January 2018 of 1,802,336 ZDP shares at 100p.

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

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

On 15 May 2018, the Company loaned SDV the gross proceeds of £208,500 raised from the additional placing of 200,000 ZDP shares at 105p each.

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

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

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Loan opening book value	<b>17,186</b>	16,532
Amount receivable from SDV under the contribution agreement	<b>680</b>	654
	<hr/>	<hr/>
Loans and receivables	<b>17,866</b>	17,186

**Notes to the Financial Statements (continued)**  
as at 30 April 2023

**6. Trade and other receivables**

	<b>2023</b> <b>£'000</b>	2022 £'000
Intercompany account	<b>13</b>	13

**7. Share capital**

Allotted, issued:

	<b>2023</b> <b>Number of</b> <b>shares</b>	<b>2023</b> <b>£'000</b>	2022 Number of shares	2022 £'000
Ordinary shares of 100p each – issued and partly paid as to 25p each	<b>50,000</b>	<b>13</b>	50,000	13
ZDP shares of 100p each	<b>14,500,000</b>	<b>14,557</b>	14,500,000	14,557

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

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

On 11 April 2018, 1,149,917 additional ZDP shares were issued at 103p each. The share costs were borne by SDV.

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

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

**As to dividends**

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

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

**As to capital on a winding up**

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

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

## Notes to the Financial Statements (continued)

as at 30 April 2023

### As to voting

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

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

### Commitment to contribute to the capital entitlement of the ZDP shares

The Company has entered a contribution agreement with its parent company, SDV, pursuant to which SDV will undertake to contribute such funds as would ensure that the Company will have in aggregate sufficient assets on 30 April 2025 to satisfy the final capital entitlement of the ZDP shares or, if required by the Company, the accrued capital entitlement at any time prior to that date. This assumes that SDV has sufficient assets to repay the capital entitlement of the ZDP shares. As at 30 April 2023, the Group had total assets less current liabilities available for repayment of the ZDP shares of £53,429,000 (2022: £58,568,000). The value of the Group's assets would have to fall at a rate of 63.9% (2022: 67.0%) for it to be unable to meet the full capital repayment entitlement of the ZDP shares on the scheduled repayment date of 30 April 2025.

### Duration

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

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

## 8. Net asset value per share

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

	<b>Net asset value per share 2023 pence</b>	<b>Net assets attributable 2023 £'000</b>	<b>Net asset value per share 2022 pence</b>	<b>Net assets attributable 2022 £'000</b>
ZDP shares	<b>123.21</b>	<b>17,866</b>	118.52	17,186

## 9. Ultimate parent undertaking

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

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

as at 30 April 2023

### **10. Financial instruments**

#### **Investment objective and investment policy**

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

The Company will fulfil its investment objective through the contribution agreement it has with SDV, as detailed in notes 5 and 7. The contribution from SDV will provide the capital entitlement of the ZDP shareholders. The principal risk the Company faces is therefore, that SDV would not have sufficient assets to repay the loan and to make a contribution to fulfil the amount of the capital entitlement due to the ZDP shareholders. Covenants are in place between SDV and the Company that ensure that SDV will not undertake certain actions in relation to both itself and the Company.

Due to the Company's dependence on SDV to repay the loan and provide a contribution to meet the capital entitlement of the ZDP shareholders other risks faced by the Company are considered to be the same as for SDV and these are defined in note 21 of SDV's Annual Report.

SDV has considerable financial resources and therefore the Directors believe that the Company is well placed to manage its business risks and also believe that SDV will have sufficient resources to continue in operational existence for the foreseeable future.

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

## Directors and Advisers

<b>Directors</b>	Howard Myles (Chairman) Andrew Watkins Denise Hadgill (appointed on 1 May 2022)
<b>Investment Manager</b>	Chelverton Asset Management Limited 11 Laura Place Bath BA2 4BL Tel: 01225 483030
<b>Secretary and Registered Office</b>	Apex Fund Administration Services (UK) Limited (formerly Maitland Administration services Limited) Hamilton Centre Rodney Way Chelmsford CM1 3BY Tel: 01245 398950
<b>Registrar and Transfer Office for the ZDP shares</b>	Share Registrars Limited 3 Millennium Centre Crosby Way Farnham Surrey GU9 7XX Tel: 01252 821390 <a href="http://www.shareregistrars.uk.com">www.shareregistrars.uk.com</a>
<b>Auditors</b>	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

## **Shareholder Information**

### **Sources of further information**

The Company's ZDP shares are listed on the London Stock Exchange.

The Company's ZDP NAV is released to the London Stock Exchange on a daily basis and published monthly via the AIC.

Information about the Company and SDV can be obtained on the Manager's website: [www.chelvertonam.com](http://www.chelvertonam.com). Any enquiries can also be emailed to [cam@chelvertonam.com](mailto:cam@chelvertonam.com).

### **Share registrar enquiries**

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

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

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will take place at 11.30am (or as soon thereafter as the Annual General Meeting of the parent company, Chelverton UK Dividend Trust PLC has concluded) on 7 September 2023 at the offices of Chelverton Asset Management, Basildon House, 7 Moorgate, London, EC2R 6AF for the following purposes:

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

1. To receive the Report of the Directors and the audited financial statements for the year ended 30 April 2023
2. To receive and approve the Directors' Remuneration Policy, as set out in the Directors' Remuneration Report
3. To receive and approve the Directors' Remuneration Report for the year ended 30 April 2023
4. To re-elect Mr Myles as a Director
5. To re-elect Mr Watkins as a Director
6. To re-elect Ms Hadgill as a Director
7. To re-appoint Hazlewoods LLP as Auditor
8. To authorise the Directors to determine the remuneration of the Auditor

### **Special Business**

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

9. THAT the Directors be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 ('the Act') to exercise all the powers of the Company to allot shares and to grant rights to subscribe for, or to convert any security into, shares in the Company ('the Rights') up to an aggregate nominal value equal to £4,833,333, being one-third of the issued ZDP share capital as at 28 June 2023, during the period commencing on the date of the passing of this resolution and expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2024, or fifteen months from the passing of this resolution, whichever is earlier (the 'Period of Authority').

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

By order of the Board

Registered office:

### **Apex Fund Administration Services (UK) Limited**

Secretary  
29 June 2023

Hamilton Centre  
Rodney Way  
Chelmsford  
Essex  
CM1 3BY



## Explanatory Notes to the Notice of Annual General Meeting

1. *The holders of the Ordinary shares have the right to receive notice, attend, speak and vote at the Annual General Meeting. Holders of ZDP shares have the right to receive notice of general meetings of the Company but do not have any right to attend, speak and vote at any general meeting of the Company unless the business of the meeting includes any resolution to vary, modify or abrogate any of the special rights attached to the ZDP shares.*
2. *A member entitled to attend, vote and speak at the meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. To be effective, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company Secretary, Apex Fund Administration Services (UK) Limited, Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY not later than 48 hours before the time of the meeting. The appointment of a proxy will not prevent a member from attending the meeting and voting and speaking in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and, on a poll, shall have one vote for every Ordinary share of which he/she is the holder.*
3. *A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Note 2 above do not apply to a Nominated Person. The rights described in that note can only be exercised by registered members of the Company.*
4. *As at 28 June 2023 (being the last business day prior to the publication of this notice) the Company's issued voting share capital and total voting rights amounted to 50,000 Ordinary shares of 100p, partly paid as to 25p each, all of which are held by the parent company. In addition, there are 14,500,000 ZDP shares of 100p each in issue with no voting rights attached.*
5. *The Company specifies that only those Ordinary shareholders registered on the Register of Members of the Company as at 11.30am on 5 September 2023 (or in the event that the meeting is adjourned, only those shareholders registered on the Register of Member of the Company as at 11.30am on the day which is 48 hours prior to the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.*
6. *Any question relevant to the business of the business of the Annual General Meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your questions in advance by letter addressed to the Company Secretary at the registered office or by email to: cosec@maitlandgroup.com.*
7. *In accordance with Section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:*
  - a. *to do so would:*
    - i. *Interfere unduly with the preparation for the meeting, or*
    - ii. *involve the disclosure of confidential information;*
  - b. *the answer has already been given on a website in the form of an answer to a question;*  
*or*
  - c. *it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.*

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