ANNUAL FINANCIAL REPORT ANNOUNCEMENT

(Registered No. 10247619)

RANGER DIRECT LENDING ZDP PLC

FOR THE YEAR ENDED 31ST DECEMBER 2017

Ranger Direct Lending ZDP Plc (the "Company") announces that it has published its Annual Report and Accounts 2017. Copies of the Annual Report and Accounts 2017 and the Notice of the 2018 Annual General Meeting are available to view on the Company's website at http://www.rangerdirectlending.uk/. They have also been submitted to the National Storage Mechanism and will shortly be available for inspection at www.morningstar.co.uk/NSM.

Copies of those documents, together with a form of proxy for use in connection with the 2017 Annual General Meeting, will be posted or made available to the Company's shareholders shortly.

The Company also announces that it will hold its Annual General Meeting at 4.00 pm on 19 June 2018 at Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL.

The financial information set out below does not constitute the Company's statutory accounts for the year ended 31 December 2017 but is derived from those accounts. Statutory accounts for 31 December 2017 will be delivered to the Companies House following the Company's annual general meeting.

The unedited full text of those parts of the annual report and accounts for the year ended 31 December 2017, which require to be published are set out below.

CHAIRMAN'S STATEMENT

I am pleased to present the Company's Annual Report and accounts for the year ended 31 December 2017 for Ranger Direct Lending ZDP plc (the "Company").

The Company is a wholly owned subsidiary of Ranger Direct Lending Fund plc ("RDLF") and was established solely for the purpose of issuing zero dividend preference shares of GBP 0.01 each in the capital of the Company ("ZDP Shares").

Since incorporation, the Company has carried out two placings of ZDP Shares, issuing a total of 53 million ZDP Shares for aggregate gross proceeds of GBP 53.8 million. The entirety of these gross proceeds were lent to RDLF pursuant to the terms of a loan agreement between the Company and RDLF dated 25 July 2016 (the "Loan" and the "Loan Agreement"). The proceeds of the Loan are required to be utilised in accordance with RDLF's investment policy and for working capital purposes.

The current year loss is GBP 2,037,983 (2016: GBP 655,441).

As a condition of the Loan Agreement, RDLF was required to grant an undertaking in favour of the Company dated 25 July 2016 (the "Undertaking") pursuant to which RDLF undertook to subscribe for such number of ordinary shares of GBP 1.00 each in the capital of the Company ("Ordinary Shares") as would be necessary (or to otherwise ensure) so that the Company has sufficient funds to pay the final capital entitlement of GBP 1.2763 per ZDP Share (the "Final Capital Entitlement") to the ZDP Shareholders on 31 July 2021 (the "ZDP Repayment Date"), giving a redemption yield of 5%, on an issue price of £1.00 per ZDP Shares (the "Redemption Yield")[1].

The key performance indicators against which the Board has reviewed the Company's performance are set out below. Most significantly, the Cover (defined below) as at 31 December 2017 was 3.19 times.

From the perspective of the Directors, the Company's activities are integrated with the RDLF Group (the "Group"), for which the Annual Report can be found on the Company's website http://www.rangerdirectlending.uk.

[1] The Redemption Yield is not and should not be taken as a forecast of profits and there can be no assurance that the Final Capital Entitlement of the ZDP Shares will be repaid in full on the ZDP Repayment Date.

Christopher Waldron
Chairman

BOARD OF DIRECTORS

Christopher Waldron (Chairman) (independent) appointed on 23 June 2016

Mr Waldron has more than thirty years' experience as an asset manager. He is Chairman of UK Mortgages Limited, which is also on the Main Market of the London Stock Exchange and Chairman of Crystal Amber Fund Limited, which is AIM traded. He is a director of JZ Capital Partners Limited, which trades on the Specialist Fund Segment of the London Stock Exchange, as well as a number of unlisted companies. He began his career with James Capel and subsequently held investment management positions with Bank of Bermuda, the Jardine Matheson Group and Fortis prior to joining the Edmond de Rothschild Group in Guernsey as Investment Director in 1999. He was appointed Managing Director of the Edmond de Rothschild companies in Guernsey in 2008, a position he held until 2013, when he stepped down to concentrate on non-executive work and investment consultancy. He is a member of the States of Guernsey's Investment and Bond Management Sub-Committee and a Fellow of the Chartered Institute for Securities and Investment.

Dr Matthew Mulford (independent) appointed on 23 June 2016

Dr Mulford is a Senior Research Fellow at the London School of Economics, an Adjunct Professor at école des Hautes Etudes Commerciales de Paris (HEC-Paris) and a Visiting Faculty at the European School of Management and Technology (ESMT) in Berlin. He is formerly a founding Dean of the TRIUM Global Executive MBA (EMBA) programme which is currently ranked as one of the top EMBA programmes in the world. Dr Mulford has extensive research and senior executive training experience in negotiation analysis, psychology of judgement and decision making, quantitative methods and game theory. Dr Mulford has designed, directed and/or taught executive training courses in 20 countries for a variety of clients, including: Boehringer Ingelheim, Bosch, Deutsche Bank, EADS, Ericsson, Gallup, Gold Fields, Indian National Railroad, King Faisal Specialist Hospital, Linklaters, Munich Re, Siemens, Standard Chartered Bank, Syngenta, ThyssenKrupp, Total, the UK's National Audit Office and Home Office and the United Nations Development Programme.

Jonathan Schneider (independent) appointed on 23 June 2016

Mr Schneider is a Chartered Accountant and an active entrepreneur and investor. From 2006 to 2012, he was the co-founder and managing partner of the Novator Credit Opportunities Fund, a UK based credit special situations hedge fund. He is the Executive Chairman of Capital Step a UK based mid-market lender. Mr Schneider currently has a portfolio of alternative lending interests which he actively supports and manages, the majority of which he conceived and co-founded. Some of these include Jumo, a pan African consumer finance business, Iwoca.com an SME lender (of which he is Chairman) and Mode, an emerging market airtime credit provider. Mr Schneider has held numerous previous directorships, including serving as on the Board of publicly listed Talon Metals Inc. and Aqua Online Limited.

STRATEGIC REPORT AND OTHER STATUTORY INFORMATION

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 Ranger Direct Lending ZDP plc (the "Company") and help them understand how the Directors have performed their duty under Section 172 of the Act.

The Company was incorporated and registered in England and Wales on 23 June 2016 as a wholly owned subsidiary of RDLF. On 1 August 2016, the Company placed 30 million ZDP Shares at a placing price of GBP 1.00 per ZDP Share. The Company was admitted to the standard segment of the Official List of the

UK Listing Authority and the entirety of the Company's issued ZDP Share capital was admitted to trading on the London Stock Exchange's main market for listed securities (the "Admission").

A further 23 million ZDP Shares were issued at a placing price of GBP 1.035 per Share and admitted to trading on 4 November 2016 ("Subsequent Admission").

Pursuant to the terms of the Loan Agreement, the Company loaned the entirety of the gross proceeds of the issue of ZDP Shares to RDLF upon Admission and Subsequent Admission (as applicable). As a condition of entering into the Loan Agreement, RDLF was required to grant the Company the Undertaking. In accordance with the terms of the Undertaking, RDLF is required to (among other things) subscribe for such number of Ordinary Shares in the Company as may be necessary to ensure (or to otherwise ensure) that the Company has sufficient assets to pay the Final Capital Entitlement to the ZDP Shareholders on the ZDP Repayment Date and to pay any operational costs incurred by the Company.

From the perspective of the Directors, the Company's activities are integrated with the Group as explained in the Chairman's Statement.

Principal activities

The Company is a wholly owned subsidiary of RDLF and was incorporated by RDLF for the sole purpose of issuing the ZDP Shares. The Company's only material financial obligations are in respect of the ZDP Shares. The proceeds from the issuance of the ZDP Shares were on-lent to RDLF pursuant to the Loan Agreement. These proceeds along with the obligation of RDLF, pursuant to an undertaking granted in favour of the Company to put the Company in a position to meet its obligations in respect of the ZDP Shares, form the Company's only material assets.

Objective

The objective of the Company is to provide the final capital entitlement of the ZDP Shares to the ZDP holders at the ZDP Repayment Date of 31 July 2021. The funds are managed in accordance with the investment policy of RDLF.

Important events and financial performance

The current year loss is GBP 2,037,983 (2016: GBP 655,441).

The Board reviews the performance of the Company by reference to a number of key performance indicators ("KPIs") and considers that the most relevant KPIs in assessing the Company's success towards achieving its objective are as follows:

- Accrued capital entitlement – represents the Company's liability per ZDP share. As at 31 December 2017, the total accrued capital entitlement is £56,360,557 (see below).
- Cover[2] – measures the ability of RDLF to meet the Company's final capital entitlement based on RDLFs net asset value.
- Share Price of ZDP Shares[3] – the price at which each preference share can be sold in the London Stock Exchange.

The ZDP Shares' Cover as at 31 December 2017 was 3.19 times (31 December 2016: 3.70 times).

As at 31 December 2017, the capital entitlement which had accrued on the ZDP Shares was GBP 1.0634 per ZDP Share (31 December 2016: GBP 1.0106 per ZDP Share). The Final Capital Entitlement is GBP 1.2763 per ZDP Share (payable on the ZDP Repayment Date).[4]

The ZDP Shares carry no right to income and the whole of their return, therefore takes the form of capital. The Redemption Yield of the ZDP Shares is 5% per annum based on an issue price of GBP 1.00 per ZDP Share and is deemed to accrue daily and is compounded annually from 1 August 2016 up to (but excluding) the ZDP Repayment Date. The Final Capital Entitlement will rank in priority to the capital entitlement of

RDLF's ordinary shares, however, the Loan made by the Company to RDLF is unsecured and therefore the Company will rank behind any secured creditors of RDLF. As such, there can be no guarantee that the Final Capital Entitlement will be paid.

Date	Share Price of ZDP Shares[2]
IPO	1.000
31/08/2016	1.063
30/09/2016	1.071
31/10/2016	1.070
30/11/2016	1.068
29/12/2016	1.045
31/01/2017	1.055
28/02/2017	1.050
31/03/2017	1.043
28/04/2017	1.035
31/05/2017	1.010
30/06/2017	1.005
31/07/2017	1.013
31/08/2017	1.018
29/09/2017	1.048
31/10/2017	1.041
30/11/2017	1.020
29/12/2017	1.019

[2] Cover of the ZDP Shares shall represent a fraction where the numerator is equal to the Net Asset Value of RDLF and its Group on a consolidated basis adjusted to: (i) add back any liability to ZDP Shareholders; and (ii) deduct the estimated liquidation costs of the Company, and the denominator is equal to the amount which would be paid on the ZDP Shares as a class (and on all ZDP Shares ranking as to capital in priority thereto or *pari passu* therewith, save to the extent already taken into account in the calculation of the Net Asset Value) in a winding up of the Company on the ZDP Repayment Date.[3] Share Price taken from Bloomberg Professional.
[4] There can be no assurance that the Final Capital Entitlement of the ZDP Shares will be repaid in full on the ZDP Repayment Date.

Further KPIs for the parent company can be found in RDLF's annual report.
The Company's market capitalisation as of 31 December 2017 was GBP 53.994 million (31 December 2016: GBP 55.385 million) based on 53,000,000 ZDP Shares at a Share Price of 101.875 pence (31 December 2016: 104.5 pence) per ZDP share.

Current and future developments

The current and future developments of the Company are set out in the Chairman's Statement above and can also be reviewed as part of the Group's activities by reference to RDLF's Annual Report and Accounts.

External service providers

Administrative functions are contracted to external service providers. However, the Directors retain responsibility for exercising overall control and supervision of these external service providers.

Principal risks and uncertainties

Due to the Company's dependence on RDLF to repay the loan and provide any contribution to meet the final capital entitlement of the ZDP Shareholders, the principal risk faced by the Company is the credit risk posed by the Loan Agreement and RDLF's ability to perform its obligations under the Undertaking. The Board has carried out a robust assessment of this risk. The specific risks faced by RDLF are described in its annual report, which include: macroeconomic risks, legal and compliance risks, investment risks, taxation risks, cyber security risks and an update on any effect of Brexit.

In addition, the Company is also focused on the following principal risk:

Principal risk	*Mitigation*	*Link to KPI*
Final capital entitlement		
RDLF's debt to the Company pursuant to the Loan Agreement and RDLF's obligations under the Undertaking will rank behind any secured creditors of RDLF therefore it is not guaranteed that the final capital entitlement will be paid.	To protect the interests of ZDP Shareholders, the Undertaking contains the following restrictions: • *Group incurring any bank borrowings which would exceed an amount equal to the sum of:* (a) . 20% of the prevailing Net Asset Value attributable to the RDLF Ordinary Shares in issue as at 1 August 2016; plus (b) an amount equal to 50% of the net proceeds of any issue of RDLF C Shares. • *RDLF making any distribution of capital or income, other than any such distribution which:* (a) is required to maintain RDLF's status as an investment trust; or (b) would not reduce the Cover of the ZDP Shares below 2.75 times immediately after the distribution has been made.	Cover

Employees, environmental, human rights and community issues

The Board recognises the requirement under Section 414C of the Act to detail information about employees, 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 greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, including those within RDLF's underlying investment portfolio.

The Company has no employees and the Board is comprised entirely of non-executive Directors who are also directors of RDLF. The Company itself has no environmental, human rights or community policies. However in carrying out its activities in relation with its suppliers, by way of RDLF, the Company aims to conduct itself responsibly, ethically and fairly.

Gender Diversity

At the end of the financial period, the Company had three male directors. The Board considers the current structure, size and composition required of the Board taking into account the challenges and opportunities facing the Company. The Directors are committed to diversity and are supportive of increased gender diversity but recognise that it may not always be in the best interest of Shareholders to prioritise this above

other factors. In considering future candidates, appointments will be made with regard to a number of different criteria, including diversity of gender, background and personal attributes, alongside the appropriate skills, experience and expertise.

The Directors are satisfied that the Board currently contains members with an appropriate breadth of skills and experience. No new appointments to the Board have been made or are contemplated at present.

On behalf of the Board

Christopher Waldron
Chairman

The following disclosures are extracted from the Directors' Report of the Annual Report and are repeated here solely for the purpose of complying with DTR 6.3.5.

Capital Structure

As at 31 December 2017, the issued share capital of the Company comprised 50,000 Ordinary Shares of GBP 1.00 each (representing 8.6% of the Company's issued share capital), and 53,000,000 ZDP Shares of GBP 0.01 each (representing 91.4% of the Company's issued share capital), all of which are fully paid. The Ordinary Shares of the Company are not admitted to trading on a regulated market. The Company's Articles permit the Board to issue or buy back shares, however, no authority to buy back shares has yet been sought from Shareholders. The Company has therefore not bought back any shares during the year.

Corporate Governance

As set out in the Company's prospectus dated 26 July 2016, the Company has a Standard Listing on the London Stock Exchange so is not obliged to comply with the UK Corporate Governance Code (the "UK Corporate Governance Code"), nor does the Company intend to comply with the Governance Code on a voluntary basis. In the opinion of the Board, the interests of the Company and the Shareholders will be protected by the governance procedures adopted by RDLF, which are set out in the corporate governance section of RDLF's annual report (which can be found here http://www.rangerdirectlending.uk/documents/ and which includes compliance with the Association of Investment Companies ('AIC') Code).

It is the responsibility of the Board to ensure that there is effective stewardship of the Company's affairs. As such, the Board meets quarterly to consider RDLF's compliance with the terms of the Loan and the Undertaking, based on reports from RDLF's investment manager. The Board also considers the Company's interim and annual reports. The Board met quarterly during the year and all Directors attended each meeting. In addition the Board met and established committees where necessary, including to approve a supplementary prospectus to the prospectus issued on 24 October 2016 in connection with the twelve month placing programme of up to 75 million zero dividend preference shares of GBP0.01 each in the capital of the Company. All Directors attended each meeting.

The Directors believe that the Board has an appropriate balance of skills and experience to enable it to provide effective leadership and proper governance of the Company. Information on each of the Directors, including their relevant experience is set out above.

Given the nature of the Company's business and the number of Directors, the Board has not established separate committees and instead deals with all business as a full Board.

Since the Company has no actual business (in terms of transactions or cash flows), it is not considered necessary for the Board to include any independent directors and all matters relevant for consideration by the Board will be addressed by the non-independent Board who will have due regard to the interests of the ZDP Shareholders.

Main features of the Company's internal control and risk management systems in relation to the financial reporting process

The Board of Directors is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has contracted with the Administrator to put procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual financial statements. The annual financial statements of the Company are required to be approved by the Board of Directors of the Company and audited by the independent auditor who report annually to the Board on their findings. The Board of Directors evaluates and discusses significant accounting and reporting issues as the need arises.

Going concern

In order to be able to continue as a going concern, the Company relies on RDLF in its capacity: as the parent company; to repay the Loan; and as counterparty to the Deed of Undertaking dated 25 July 2016 as described in note 3 to the financial statements. The Directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Viability statement

The Directors have assessed the prospects of the Company over the three year period up to the ZDP Repayment Date of 31 July 2021. The Directors believe this period to be appropriate as they will be required by the Articles to pass a special resolution in a general meeting and at a class meeting of ZDP Shareholders.

The Board has reviewed the viability statement of RDLF, which can be found in the Strategic Report of RDLF's annual report, and has assessed that RDLF has sufficient resources to fulfil its obligations to the Company. The key assumptions taken include having adequate Cover for the final capital entitlement and cash flow forecast for the Company's general and administrative costs. Based on the Directors' evaluation of these factors, they concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to the final repayment date.

The following responsibility statement is extracted from the Annual Report and is repeated here solely for the purpose of complying with DTR 6.3.5. This statement does not relate to the extracted information presented in the annual financial report announcement.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity'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 financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Responsibility statement

We confirm to the best of our knowledge that:

- the financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report, taken as a whole, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties.

This responsibility statement was approved by the Board of Directors on 30 April 2018 and is signed on behalf of the Board.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANGER DIRECT LENDING ZDP PLC

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- **give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;**
- **have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and**
- **have been prepared in accordance with the requirements of the Companies Act 2006.**

We have audited the financial statements of Ranger Direct Lending ZDP plc (the 'company') which comprise:

- the statement of comprehensive income;
- the company balance sheet;
- the company statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of audit approach

Key audit matters	The key audit matter that was identified in the current year was the accuracy of the calculation of interest income on the loan instrument provided to Ranger Direct Lending Fund Plc. Within this report, the key audit matter is the same as the prior year.
Materiality	The materiality that we used for the company financial statements was £185,000 which was determined on the basis of 10% of the loss before taxation.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	The prior period was the first period of account following incorporation. We have changed the basis of our materiality from a judgemental measure to be based upon a percentage of loss before taxation. In the prior period we identified a key audit matter relating to the appropriateness of the effective interest rate applied to the intercompany loan held with the parent company; in the current period our key audit matter relates to the calculation of the interest income on the loan.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where: • the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or • the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.	**We have nothing to report in respect of these matters.**

Key audit matter

The key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period and includes the most significant assessed risk of material misstatement (whether or not due to fraud) that we identified. This matter was that 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.

This matter was 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 this matter.

Accuracy of the EIR calculation	
Key audit matter description	Investment income of £1 million has been recognised for the year ended 31 December 2017. This is the sole source of income for the company, which acts to provide financing for the parent company, Ranger Direct Lending Fund Plc. Refer to note 2 to the financial statements for the investment income accounting policy and for details of the critical accounting policy judgement made by the directors in relation to the determination of the interest rate. We presume a risk of material misstatement due to fraud related to revenue recognition. We have identified that this risk relates specifically to the accuracy of the calculation of interest income on the loan instrument provided to Ranger Direct Lending Fund Plc.
How the scope of our audit responded to the key audit matter	Our procedures included: **Assessing related controls:** We performed a detailed walkthrough of the process, assessing the design and implementation of key controls around the recognition of interest income. We assessed the design and implementation of key controls around related party transactions. **Tests of detail:** We reperformed the interest income calculation, by agreeing the calculation to governing documents and source documentation, verifying the calculation methodology and the accuracy of the inputs used in the calculation.
Key observations	Based on our work, we concluded that investment income is not materially misstated in the context of the audit of the company's financial statements.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£185,000 (2016: £5,729)
Basis for determining materiality	10% of pre-tax loss
Rationale for the benchmark applied	Profit or loss before tax is a relevant benchmark as it is a key figure used by analysts in assessing the performance of the business. The change in the basis for materiality is because the prior period was the period of incorporation and initial listing.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £9,250 (2016: £206) 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 when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

A full scope audit has been performed for the company's financial statements. Audit work to respond to the risk of material misstatement was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon.

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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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.

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. This description forms part of our auditor's report.

Use of our 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 auditor's 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.

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.

Legal and regulatory requirements

Report on other legal and regulatory requirements

Opinions on other matters prescribed by 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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records Under the Companies Act 2006 we are required to report to you if, in our opinion: • we have not received all the information and explanations we require for our audit; or • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or the financial statements are not in agreement with the accounting records and returns.	***We have nothing to report in respect of these matters.***
Directors' remuneration Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.	***We have nothing to report in respect of this matter.***

Other matters

Auditor tenure

Following the recommendation of the audit committee we were appointed by the directors of the Company on 22 July 2016 to audit the financial statements of the Company for the period ending 31 December 2016 and subsequent financial periods. Our total uninterrupted period of engagement is 2 years, covering periods from our appointment through to the period ending 31 December 2017.

Consistency of the audit report with the additional report to the audit committee
Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

Garrath Marshall, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
30 April 2018

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	31 Dec 2017 (GBP)	31 Dec 2016 (GBP)
ASSETS			
Non-current assets			
Loan and receivables	3	**54,595,547**	53,525,047
Total non-current assets		**54,595,547**	53,525,047
Current assets			
Prepayments		**170**	1,758
Cash and cash equivalents		**50,000**	50,000
Total current assets		**50,170**	51,758
TOTAL ASSETS		**54,645,717**	53,576,805
Non-current liabilities			
Zero Dividend Preference Shares	4	**56,360,557**	53,563,069
Total non-current liabilities		**56,360,557**	53,563,069
Current liabilities			
Income tax liability		**214,799**	44,026
Accrued expenses and other liabilities		**42,839**	45,744
Total current liabilities		**257,638**	89,770
TOTAL LIABILITIES		**56,618,195**	53,652,839
NET LIABILITIES		**(1,972,478)**	(76,034)
SHAREHOLDER'S EQUITY			
Capital and reserves			
Called-up share capital	5	**50,000**	50,000
Capital contribution	3	**670,946**	529,407
Accumulated losses		**(2,693,424)**	(655,441)
TOTAL SHAREHOLDER'S DEFICIT		**(1,972,478)**	(76,034)

Christopher Waldron
Chairman

The accompanying notes below are an integral part of these financial statements.

The financial statements below for the year ended 31 December 2017 of Ranger Direct Lending ZDP Plc, a public company limited by shares and incorporated in England and Wales with registered number 10247619, were approved and authorised for issue by the Board of Directors on 30 April 2018.

Signed on behalf of the Board of Directors

Christopher Waldron
Chairman

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	**1 Jan to 31 Dec 2017**	23 Jun to 31 Dec 2016
		(GBP)	*(GBP)*
Income			
Investment income	**3**	**1,070,500**	318,599
		1,070,500	318,599
Expenses			
Company secretarial, administration and registrar		**(81,833)**	(52,204)
Audit fees	**12**	**(37,760)**	(24,000)
Legal fees		**(1,500)**	(19,148)
VAT and tax fees		**(2,530)**	-
Other operating expenses		**(6,314)**	(3,118)
Total expenses		**(129,937)**	(98,470)
Result from operating activities		**940,563**	220,129
Finance costs		**(2,797,488)**	(831,544)
Total finance costs		**(2,797,488)**	(831,544)
Loss before tax		**(1,856,925)**	(611,415)
Tax	**6**	**(181,058)**	(44,026)
Loss after tax and total comprehensive loss for the year/period		**(2,037,983)**	(655,441)
Basic and Diluted Loss Per Ordinary Share	**9**	**(40.76)**	(13.11)

The accompanying notes are an integral part of these financial statements.

Other comprehensive income

There were no items of other comprehensive income in the current year and prior period therefore the loss for the year and prior period are also the total comprehensive loss for the year and prior period.

STATEMENT OF CHANGES IN SHAREHOLDER'S DEFICIT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Called-up share capital (GBP)	Capital contribution (GBP)	Accumulated losses (GBP)	Total (GBP)
Balance at 23 June 2016		-	-	-	-
Issue of ordinary shares	**5**	50,000	-	-	50,000
Capital contribution during the period	**3**	-	529,407	-	529,407
Loss after tax and total comprehensive loss for the period		-	-	(655,441)	(655,441)
Balance at 31 December 2016		50,000	529,407	(655,441)	(76,034)

	Notes	**Called-up share capital** (GBP)	**Capital contribution** (GBP)	**Accumulated losses** (GBP)	**Total** (GBP)
Balance at 1 January 2017		50,000	529,407	(655,441)	(76,034)
Capital contribution during the year	**3**	-	175,280	-	175,280
Tax relating to capital contribution		-	(33,741)	-	(33,741)
Loss after tax and total comprehensive loss for the year		-	-	(2,037,983)	(2,037,983)
Balance at 31 December 2017		**50,000**	**670,946**	**(2,693,424)**	**(1,972,478)**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	**1 Jan to 31 Dec 2017** *(GBP)*	23 Jun to 31 Dec 2016 *(GBP)*
Cash flows from operating activities			
Loss before tax		**(1,856,925)**	(611,415)
Adjustments for:			
Investment income		**(1,070,500)**	(318,599)
Finance costs		**2,797,488**	831,544
Income tax paid		**(44,026)**	-
Operating cash flows before movements in working capital		**(173,963)**	(98,470)
Decrease/(Increase) in prepayments		**1,588**	(1,758)
(Decrease)/Increase in accrued expenses and other liabilities		**(2,905)**	45,744
Net cash flows used in operating activities		**(175,280)**	(54,484)
Financing activities			
Capital contributions		**175,280**	54,484
Proceeds on issue of Ordinary Shares	**5**	**-**	50,000
Net cash flows from financing activities		**175,280**	104,484
Net change in cash and cash equivalents		**-**	50,000
Cash and cash equivalents at the beginning of the year/period		**50,000**	-
Cash and cash equivalents at the end of the year/period		**50,000**	50,000

The proceeds from the ZDP Shares issued by the Company during the prior period (see note 4) and capital contribution by RDLF were credited directly to RDLF under the Loan Agreement (see note 3) and as a result neither transaction resulted in cash flows within the Company.

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

Ranger Direct Lending ZDP plc ("ZDP" or the "Company") was incorporated and registered in England and Wales on 23 June 2016 as a wholly owned subsidiary of Ranger Direct Lending Fund Plc ("RDLF") and with a limited life of up to 31 July 2021, unless extended by the passing of a special resolution of the Company. On 1 August 2016, the Company was subsequently admitted to the standard segment of the Official List of the UK Listing Authority and its zero dividend preference shares of GBP 0.01 each (the "ZDP Shares") were admitted to trading on the London Stock Exchange's main market for listed securities.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and preparation

These financial statements have been prepared in compliance with applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have been prepared on a historical cost basis. There are no new standards or amendments to standards effective for the period presented that have a material impact on the Company.

Going concern

In order to be able to continue as a going concern, the Company relies on RDLF in its capacity: as the parent company; to repay the Loan; and as counterparty to the Deed of Undertaking ("Undertaking") dated 25 July 2016 as disclosed in more detail in note 3. The Directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

New Accounting Standards, amendments to existing Accounting Standards and/or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") not yet adopted

In the Directors' opinion, except for the application of the New Accounting Requirements referred to below, all non-mandatory New Accounting Requirements are either not yet permitted to be adopted, or would have no material effect on the reported performance, financial position or disclosures of the Company and consequently have neither been adopted.

New Accounting Requirements not yet effective

IFRS 9 – "Financial Instruments" (Replacement of IAS 39 – "Financial Instruments: Recognition and Measurement")

IFRS 9 addresses the recognition, classification and measurement of financial assets and financial liabilities and may be adopted to replace IAS 39.

IFRS 9 requires financial assets to be classified into the following measurement categories: (i) those measured at fair value through profit or loss; (ii) those measured at fair value through other comprehensive income; and, (iii) those measured at amortised cost.

The determination is made at initial recognition. Unless the option to designate a financial asset as measured at fair value through profit or loss is applicable, the classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. IFRS 9 also replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model for the measurement of impairment loss. The new model applies to financial assets that are not measured at fair value through profit or loss. IFRS 9 also introduces a new hedge accounting model.

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The mandatory effective date for application of IFRS 9 is for accounting periods beginning on or after 1 January 2018. Upon adoption of IFRS 9, the loan and receivables and zero dividend preference shares will continue to be classified and accounted for at amortised cost. Therefore, the Directors believe that the adoption of IFRS 9 will result in re-evaluation of the impairment model for financial assets and liabilities measured at amortised cost. This will include estimation of an expected credit loss on those financial instruments. The Directors believe that the 12 month credit risk of ZDP is minimal or effectively zero given the level of cover.

Use of estimates, judgements and assumptions

The following are the areas of particular significance to the Company's financial statements and include the use of estimates and the application of judgement, which is fundamental to the preparation of these financial statements. Actual results could differ from those estimates.

Critical judgements in applying the accounting policies – loan and borrowings at amortised cost

The Company accounts for the Loan and ZDP Shares at amortised cost on the basis that they have fixed or determinable payments. The effective interest rate method has been applied in calculating the income and expense during the year.

Critical judgements in applying the accounting policies – interest rate on Intercompany Loan

The Company entered into a Loan Agreement with its parent company which is subject to an interest rate of 2% compounded annually as disclosed in note 3. This interest rate compared to the ZDP Shares' interest rate of 5% compounded annually could result in a potential transfer pricing issue which is often complex and requires significant judgement.

RDLF has engaged a third party advisor to provide transfer pricing advice concerning the arm's length interest rate payable on the Loan Agreement between the Company and RDLF. The 2% interest rate has been determined to be reasonable by demonstrating the commercial effect for the RDLF group over the 5-year period; identifying comparable transactions; performing interest rate benchmarking analysis; and reviewing third party commitment lending interest at a rate lower than the 5%. Therefore in preparing these financial statements, the Directors considered using a 2% interest rate on the intercompany loan to be a reasonable estimate of an arm's length rate of interest.

Functional and presentation currency

The financial statements are presented in Pounds Sterling ("GBP"), the currency of the primary economic environment in which the Company operates, the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing at the reporting date.

Financial instruments at amortised cost – Loan and receivables and Zero Dividend Preference Shares

These are initially recognised at cost, being the fair value of the consideration received or paid associated with the loan or borrowing net of direct issue costs. Loan and receivables and ZDP Shares are subsequently measured at amortised cost using the effective interest method. The effective interest method calculates

the amortised cost by allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate) through the expected life of the loan or borrowing to the net carrying amount on initial recognition.

Direct issue costs are deducted from the carrying amount and amortised using the effective interest method.

Impairment of assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where objective evidence exists that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been negatively impacted.

Taxation

The current tax payable is based on the taxable profit for the period. Taxable profit differs from net profit or loss as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Organisation costs

Organisation costs are expensed as incurred.

Capital contribution

Capital contributions from the parent company to meet current and future obligations of the Company are recognised directly in equity based on the value of expenses paid for by the parent company, in accordance with the Undertaking.

Investment income

Investment income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Income for interest bearing financial instruments is recognised on an accruals basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Segmental reporting

The Directors perform regular reviews of the operating results of the Group as a whole and make decisions using financial information at the Group level. The Board of Directors is of the view that the Company is only engaged in one business segment.

Expenses

All operating expenses of the Company are paid by RDLF pursuant to the Undertaking.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with original maturities of three months or less from the date of acquisition.

Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to Ordinary Shareholders by the weighted average number of ordinary shares outstanding during the period. The diluted EPS is the same as the Basic EPS as there is currently no arrangement which could have a dilutive effect on the Company's Ordinary Shares.

3. LOAN AND RECEIVABLES

	(Audited)	(Audited)
	31 Dec 2017	31 Dec 2016
	(GBP)	*(GBP)*
Beginning balance	**53,525,047**	**-**
Amount advanced to Ranger Direct Lending Fund plc	**-**	53,206,448
Investment income during the year/period	**1,070,500**	318,599
Closing balance	**54,595,547**	53,525,047

Intercompany Loan Agreement

On 25 July 2016, the Company entered into a Loan Agreement with its parent company. Pursuant to the Loan Agreement, the Company immediately following the Admission and Subsequent Admission lent the entirety of the gross proceeds of each issue of ZDP Shares to its parent company, RDLF, which RDLF has applied towards making investments in accordance with its investment policy and working capital purposes. The costs associated with the issue of the ZDP Shares amounted to GBP 598,552, and were paid by RDLF.

The loan is subject to an interest rate of 2% per annum, compounding on each anniversary of the date of Admission on 1 August 2016 and repayable on the earlier of: the date falling three business days before the ZDP Repayment Date (see note 4); or in an event of default; or on demand by the Company. The Directors of the Company have no intention to demand repayment of the Loan in the next 12 months.

Deed of Undertaking

The Company also entered into the Undertaking on 25 July 2016 pursuant to which RDLF undertook to (among other things) subscribe for such number of Ordinary Shares in the capital of the Company as may be necessary or to otherwise ensure that the Company has sufficient assets to pay the Final Capital Entitlement to the ZDP Shareholders on the ZDP Repayment Date and to pay any operational costs incurred by the Company.

During the year, the parent company contributed GBP 175,280 (23 June 2016 to 31 December 2016: GBP 529,407) to the Company. The total capital contribution by the parent company as at 31 December 2017 amounted to GBP 704,687 (31 December 2016: GBP 529,407).

4. ZERO DIVIDEND PREFERENCE SHARES

	31 Dec 2017	31 Dec 2016
	(GBP)	*(GBP)*
Opening balance	**53,563,069**	-
Issuance of ZDP Shares	**-**	53,805,000
Issue costs	**-**	(1,073,474)

Amortisation of issue costs during the year/period	**91,718**	45,482
Amortisation of premium during the year/period	**-**	(20,175)
Accrued interest during the year/period	**2,705,770**	806,236
Closing balance	**56,360,557**	53,563,069

Under the Company's Articles of Association, the Directors are authorised to issue up to 55,000,000 ZDP Shares for a period of 5 years from 25 July 2016. On 1 November 2016, the Company passed a resolution to authorise the Directors to issue up to 75,000,000 ZDP Shares, such authority to expire on 26 July 2021, unless revoked sooner or varied by the Company in a general meeting.

On 1 August 2016, the Company issued 30,000,000 ZDP Shares at GBP 0.01 each at a placing price of GBP 1.00 per ZDP Share. Subsequently on 4 November 2016, the Company issued a further 23,000,000 ZDP Shares at a placing price of GBP 1.035 each.

The ZDP Shares will have a final capital entitlement of GBP 1.2763 per ZDP share on 31 July 2021, being the ZDP Repayment Date. Accordingly, the aggregate Final Capital Entitlement payable to the holders of all the ZDP Shares currently in issue on the ZDP Repayment Date is GBP 67,643,900.[5]

[5] There can be no assurance that the Final Capital Entitlement of the ZDP Shares will be repaid in full on the ZDP Repayment Date.

Rights Attaching to the ZDP Shares

The ZDP Shares carry no right to receive dividends or other distributions out of revenue or any other profits of the Company.

The ZDP Shares carry the right to vote as a class on certain proposals which would be likely to materially affect their position. Further ZDP Shares (or any shares or securities which rank in priority to or *pari passu* with the ZDP Shares) may be issued without the separate class approval of the ZDP Shareholders provided that the Directors determine that the ZDP Shares would have a Cover of not less than 2.75 times immediately following such issue.

Voting Rights of ZDP Shares

The ZDP Shares carry no right to attend or vote at general meetings of the Company.

On a vote on a resolution on a show of hands at a class meeting of the holders of ZDP Shares (other than in respect of a ZDP Recommended Resolution or a ZDP Reconstruction Resolution (in each case as defined in the Company's Articles), each member present in person (and every proxy present who has been duly appointed by one or more members entitled to vote on the resolution) has one vote. A proxy has one vote for and one vote against the resolution if the proxy has been duly appointed by more than one member entitled to vote on the resolution, and the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against. On a vote on a resolution on a poll taken at a class meeting, every member has one vote in respect of each share held by him. All or any of the voting rights of a member may be exercised by one or more duly appointed proxies but where a member appoints more than one proxy, this does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

Any vote on any ZDP Reconstruction Resolution or ZDP Recommended Resolution shall be by means of a poll. At a class meeting of the holders of the ZDP Shares in respect of a ZDP Recommended Resolution or a ZDP Reconstruction Resolution, each holder of ZDP Shares present in person or by proxy shall, on a poll, have such number of votes in respect of each ZDP Share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of votes cast against the resolution. Each member present in person or by proxy and entitled to vote, who votes against such resolution shall on a poll have one vote for each ZDP Share held by him; provided that, if any term of any offer or arrangement to which the resolution relates shall (as regards any one or more members) have been breached in any material respect of which the chairman of the relevant meeting has written notice prior to the commencement of such meeting then, notwithstanding anything in the Articles to the contrary,

each member shall, at any such meeting at which such shareholder is present in person or by proxy, and entitled to vote, on a poll have one vote for every such ZDP Share held by him.

Variation of Rights and Distribution on Winding Up

On a return of capital, whether on a winding up or otherwise, the holders of ZDP Shares shall be entitled to receive, in priority to any amounts paid to the holders of Ordinary Shares, an amount equal to the initial capital entitlement of GBP 100 pence per share as increased at such rate as accrues daily and compounds annually to give an entitlement to GBP 1.2763 on 31 July 2021, the first such increase to be deemed to have occurred on 1 August 2016 and the last to occur on 30 July 2021.

5. SHARE CAPITAL

AUTHORISED:

Limited number of Ordinary Shares	**10,000,000 Ordinary Shares**

ISSUED AND FULLY PAID:

	31 Dec 2017	31 Dec 2016
	(GBP)	*(GBP)*
50,000 Ordinary Shares at GBP 1.00 each	**50,000**	50,000

The Company's 50,000 Ordinary Shares were issued to its parent company on 23 June 2016.

It is not intended that any dividend will be paid to the holders of Ordinary Shares prior to the ZDP Repayment Date.

Voting Rights of Ordinary Shares

Subject to any rights or restrictions attached to any shares, on a show of hands every ordinary shareholder present in person has one vote and every proxy present who has been duly appointed by a shareholder entitled to vote has one vote, and on a poll every shareholder (whether present in person or by proxy) has one vote for every share of which he is the holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register.

Variation of Rights and Distribution on Winding Up for Ordinary Shares

On a return of capital, whether on a winding up or otherwise, after the amounts payable to the holders of ZDP Shares have been satisfied in full, each Ordinary Share carries the right to a repayment of capital of up to GBP 1.00 paid up capital and the Ordinary Shares all rank pari passu as respects distributions of any surplus remaining after all such capital has been repaid.

6. TAX

	31 Dec 2017	23 Jun to 31 Dec 2016
	(GBP)	*(GBP)*
Corporation tax:		
Current	**181,058**	44,026
Deferred tax	**-**	-

Total tax expense for the year/period	**181,058**	44,026

The Company's tax charge for the year can be reconciled to the loss in the statement of comprehensive income as follows:

	31 Dec 2017	23 Jun to 31 Dec 2016
	(GBP)	*(GBP)*
Loss before tax on continuing operations	**(1,856,925)**	(611,415)
Tax effect at the UK corporation tax rate of 19.25%	**(357,485)**	(122,283)
Tax effect of expenses that are not deductible in determining taxable profit	**538,516**	166,309
Tax expense for the year/period	**181,058**	**44,026**

The UK Corporation tax rate has changed from 20% to 19% effective 19 April 2017. The Company applied a weighted average corporation tax of 19.25% for 2017.

7. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence. The Company's capital is represented by the ordinary shares and capital contribution from the parent company. Pursuant to the Undertaking granted by RLDF in favour of the Company, RDLF undertook to (among other things) subscribe for such number of Ordinary Shares in the capital of the Company as may be necessary or to otherwise ensure that the Company has sufficient assets to pay the total amount repayable to the ZDP Shareholders and pay any operational costs incurred by the Company.

The Company is not subject to externally imposed capital requirements.

8. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the oversight of the Company's risk management framework. The objective of the Company is to provide the Final Capital Entitlement of the ZDP Shares to the ZDP holders at the redemption date. Due to the Company's dependence on RDLF to repay the loan and provide contribution to meet the final capital entitlement of the ZDP Shareholders, the risks faced by the Company are considered to be the same as for RDLF.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

All short-term financial instruments have been excluded from the following disclosures.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Loan Agreement and the obligation of RDLF under the Undertaking to subscribe for such number of Ordinary Shares or otherwise ensure that the Company is able to pay the Final Capital Entitlement to ZDP Shareholders on the ZDP Repayment Date. RDLF's credit risk is the risk of financial loss if a counterparty to a debt instrument fails to meet its contractual obligations. RDLF and its investment manager seek to mitigate RDLF's credit risk by actively monitoring RDLF's portfolio of debt instruments and the credit quality of the underlying borrowers. RDLF's investment strategy allows it

to potentially reduce risk through investment diversification while also potentially achieving higher returns by investing in high yielding direct lending asset classes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The most significant cash outflow consists of the payment of the Final Capital Entitlement to the ZDP holders at the ZDP Repayment Date of 31 July 2021. The Company's exposure to liquidity risk depends upon RDLF's ability to meet all current and future obligations of the Company. The Directors consider RDLF's compliance with the Undertaking and the capital contributions received as sufficient.

The contractual undiscounted maturity profile of the Company's financial assets and liabilities is as follows:

	31 Dec 2017	31 Dec 2016
	(GBP)	*(GBP)*
In more than one year but not more than five years:		
Loan and receivables	**58,610,638**	58,610,638
Zero Dividend Preference Shares	**(67,643,347)**	(67,643,347)

Interest rate risk

Interest rate risk occurs when there is a mismatch between the interest rates of the Company's assets and liabilities. The interest rate applied on the Loan Agreement is fixed at 2% whereas the interest rate applied on the ZDP Shares is fixed at 5%. The net exposure to interest risk is reduced as a result of the Undertaking by RDLF whereby at any time up to or immediately prior to the ZDP Repayment Date, RDLF will subscribe for such number of ordinary shares in the Company as is necessary to provide the Company (after taking into account the repayment of the loan) with sufficient funds to meet the repayment obligations in respect of the ZDP Shares. Assuming the interest rate applied on the Loan Agreement is 5%, the investment income for the year would have been higher by GBP 898,163 (31 December 2016: GBP 554,125).

Fair value estimation

The fair values of cash and cash equivalents, prepayments, and accrued expenses and other liabilities are estimated to be approximately equal to their carrying values due to their short-term nature. The fair values for the loan and receivables and ZDP Shares are disclosed in this note for disclosure purposes only under IFRS 13 "Fair Value Measurement" ("IFRS 13").

The Directors based the fair value of the ZDP Shares on the traded price of GBP 101.875 pence (31 December 2016: GBP 104.5 pence) per share which was observed on the London Stock Exchange on 29 December 2017 (31 December 2016: 29 December 2016) being the last observable traded price before the year end. The Loan Agreement and Undertaking expire on the same date as the ZDP Repayment Date. Due to the dependence on RDLF to repay the Loan and provide the support to meet the Company's obligation to the ZDP holders, the fair value of the Loan (including the amount receivable under the Undertaking) is estimated to be equal and opposite to the fair value of the ZDP Shares.

Fair value hierarchy

IFRS 13 defines a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy under IFRS 13 are as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets and liabilities at the valuation date;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets or liability either directly (as prices) or indirectly (derived from prices), including inputs from markets that are not considered to be active; and

Level 3: Inputs that are not based upon observable market data.

However, the determination of what constitutes "observable" requires significant judgement by the Directors. The Directors consider observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple independent sources that are actively involved in the relevant market.

The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the financial instruments and does not necessarily correspond to the Company's perceived risk inherent in such financial instruments.

The ZDP Shares are classified within Level 1 of the fair value hierarchy on the basis that the fair value was derived from an observable traded price. The Loan and receivables is classified within Level 2 of the fair value hierarchy on the basis that the fair value of the Loan has been determined directly from the fair value of the ZDP Shares.

The following tables include the fair value hierarchy of the Company's financial assets and liabilities not measured at fair value but for which fair value is disclosed:

As at 31 December 2017:

Fair value	***(GBP)*** **Level 1**	***(GBP)*** **Level 2**	***(GBP)*** **Level 3**	***(GBP)*** **Total**
Loan and receivable	**-**	**53,993,750**	**-**	**53,993,750**
Zero Dividend Preference Shares	**53,993,750**	**-**	**-**	**53,993,750**

As at 31 December 2016:

Fair value	***(GBP)*** **Level 1**	***(GBP)*** **Level 2**	***(GBP)*** **Level 3**	***(GBP)*** **Total**
Loan and receivable	**-**	**55,385,000**	**-**	**55,385,000**
Zero Dividend Preference Shares	**55,385,000**	**-**	**-**	**55,385,000**

9. BASIC AND DILUTED LOSS PER ORDINARY SHARE

The calculation of loss per share is based on the net loss for the year of GBP 2,037,983 (23 June 2016 to 31 December 2016: GBP 655,441) and on a weighted average number of shares of 50,000 Ordinary Shares.

10. ULTIMATE CONTROLLING PARTY

The voting rights in the Company are wholly owned by Ranger Direct Lending Fund Plc, a company incorporated and registered in England and Wales, and is therefore the immediate and ultimate controlling party.

11. RELATED PARTIES

During the year and pursuant to the Deed of Undertaking, the parent company contributed GBP 175,280 (23 June 2016 to 31 December 2016: GBP 529,407) to the Company.

On 25 July 2016, the Company entered into a Loan Agreement and Undertaking with its parent company which are disclosed in more detail above.

The Company had no employees for the year ended 31 December 2017 (23 June 2016 to 31 December 2016: none).

The Directors received no remuneration for their services to the Company during the year and prior period.

12. AUDITOR'S REMUNERATION

The analysis of the auditor's remuneration is as follows:

	31 Dec 2017	23 Jun to 31 Dec 2016
	(GBP)	*(GBP)*
Audit fees for the audit of the Company's financial statements	**24,960**	24,000
Non-audit fees related to corporate financial services charged to Zero Dividend Preference Shares	**12,800**	123,600
	37,760	147,600

13. OPERATING SEGMENTS

Geographical information

The Company is managed as a single asset management business, being the provision of a loan to RDLF from the Company's ZDP Shares proceeds.

The chief operating decision maker is the Board of Directors. Under IFRS 8 the Company is required to disclose the geographical location of revenue and amounts of non-current assets other than financial instruments.

Revenues

All of the Company's revenue is generated from the UK.

Non-current assets

The Company does not have non-current assets other than its loans and receivables.

14. SUBSEQUENT EVENTS

There are no subsequent events that require disclosure in these financial statements.

COMPANY INFORMATION

Directors

Christopher Waldron
Jonathan Schneider
Matthew Mulford

Company Secretary

Link Company Matters Limited

The Registry

34 Beckenham Road

Beckenham

Kent BR3 4TU

United Kingdom

Registrar

Link Asset Services

The Registry

34 Beckenham Road

Beckenham

Kent BR3 4TU

United Kingdom

Auditor

Deloitte LLP

Chartered Accountants and Statutory Auditor

2 New Street Square

London EC4A 3BZ

United Kingdom

Company website

www.rangerdirectlending.uk/ranger-direct-lending-zdp-plc/

Registered Office
6th Floor,
65 Gresham Street,
London, United Kingdom
EC2V 7NQ

Broker

Liberum Capital Limited

Level 12, Ropemaker Place

25 Ropemaker Street

London EC2Y 9LY

United Kingdom

Administrator

Sanne Fiduciary Services Limited

13 Castle Street

St Helier

Jersey JE4 5UT

Channel Islands

English and US Securities Law Legal Adviser

Travers Smith LLP

10 Snow Hill

London EC1A 2AL
United Kingdom