RDL REALISATION PLC

(Registered No. 09510201)

Annual Report

For the year ended 31 December 2019

CONTENTS

OVERVIEW

About RDL Realisation Plc

RDL Realisation Plc ("RDL" or the "Company"), was incorporated and registered in England and Wales on 25 March 2015. This annual report for the year ended 31 December 2019 (the "Annual Report") includes the results of RDL Fund Trust (the "Trust") and RDLZ Realisation Plc ("RDLZ") in respect of which further details are set out below.

The Company commenced operations on 1 May 2015 following its admission of GBP 0.01 each Ordinary Shares (the "Ordinary Shares") to the London Stock Exchange Premium segment of the Main Market. The Company has carried on business as an Investment Trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

On 11 June 2018, the Company announced that it would move to realise its assets and proceed with a managed wind-down process in order to best serve the interests of the Company's Shareholders. The Company's Investment Management Agreement ("IMA") with Ranger Alternative Management II, LP ("Ranger") was terminated with effect from 12 February 2019.

The Executive Directors of the Company are managing the orderly realisation of the Company's assets. The Company appointed International Fund Management Limited ("IFM") as its replacement Alternative Investment Fund Manager ("AIFM") with effect from 12 February 2019. Following the appointment of IFM, the Executive Directors of the Company have continued to retain responsibility for the portfolio management. The Executive Directors' Report can be found on pages 9 to 12. Other administrative functions are contracted to external service providers. However, the Directors retain responsibility for exercising overall control and supervision of the external service providers. The Company has no employees.

The Trust

The Company holds a number of its debt instrument investments through the Trust. On establishment of the Trust, the Company was the depositor, managing holder and sole beneficiary of the Trust. The Trust was established on 22 April 2015 in Delaware, pursuant to a declaration of trust and trust agreement entered into between the Company as depositor and managing holder and Delaware Trust Company (a Delaware state-chartered trust company). Under the terms of the declaration of trust and trust agreement, entered into on establishment of the Trust, the Company is the sole beneficiary of the Trust and also has administrative powers in respect of the Trust's assets.

The Trust has no separate legal personality and is wholly transparent for UK tax purposes.

RDLZ (in liquidation)

On 20 June 2019, RDLZ, a public limited company incorporated under the laws of England and Wales as a wholly-owned subsidiary of the Company, was placed into a members' voluntary liquidation following payment of the revised final capital entitlement in relation its Zero Dividend Preference Shares of GBP 0.01 each ("ZDP Shares").

The Company, the Trust and RDLZ are collectively referred to in this report as the "Group".

FORWARD-LOOKING STATEMENTS

This report includes statements that are, or may be considered, "forward-looking statements". The forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

OBJECTIVE AND INVESTMENT POLICY

Investment Objective
The Company will be managed, either by a third party non-EEA investment manager or internally by the Company's Board of Directors, with the intention of realising all remaining assets in the portfolio in a prudent manner consistent with the principles of good investment management, with a view to returning cash to its Shareholders in an orderly manner.

Investment Policy
The Company will pursue its Investment Objective by effecting a managed wind-down with a view to realising all of the investments in a manner that achieves a balance between maximising the value received from investments and making timely returns to Shareholders. The Company may sell its investments either to co-investors in the relevant investment or to third parties, but in all cases with the objective of achieving the best available price in a reasonable time scale.

As part of the realisation process, the Company may also exchange existing debt instruments issued by any direct lending platform for equity securities in such direct lending platform where, in the reasonable opinion of the Board, the Company is unlikely to be able to otherwise realise such debt instruments or will only be able to realise them at a material discount to the outstanding principal balance of that debt instrument.

The following investment restrictions will apply to the Company:

1. the Company will cease to make any new investments or to undertake capital expenditure except, with the prior written consent of the Board and where:

    - the investment is a follow-on investment made in connection with an existing investment made in order to comply with the Company's pre-existing obligations; or
    - failure to make the follow-on investment may result in a breach of contract or applicable law or regulation by the Company; or
    - the investment is considered necessary by the Board to protect or enhance the value of any existing investments or to facilitate orderly disposals.

2. any cash received by the Company as part of the realisation process prior to its distribution to Shareholders will be held by the Company as cash on deposit and/or as cash equivalents.

3. the Company will not undertake new borrowing other than for short-term working capital purposes.

PERFORMANCE SUMMARY

Key Performance Indicators
The Company's Key Performance Indicators ("KPIs") are described in the Analysis of KPIs and Investment Restrictions on page 18.

Highlights

Highlights	**Ordinary Shares**	
	31 Dec 2019	31 Dec 2018
Net Asset Value[1] (Cum Loss/Income) per share	**GBP 2.27[3]/USD 3.01**	GBP 5.88[3]/USD 7.49
Net Asset Value[2] (Ex Loss/Income) per share	**GBP 2.69[3]/USD 3.56**	GBP 7.62[3]/USD 9.71
Total dividends per share	**326.77 pence**	288.21 pence
Share Price[4]	**GBP 1.69[3]/USD 2.24**	GBP 6.70[3]/USD 8.41

[1] Net Asset Value (cum loss/income) includes all current year income, less the value of any dividends paid in respect of the period together with the value of the dividends which have been declared and market ex-dividend but not paid, see page 3.
[2] Net Asset Value (ex-loss/income) is the Net Asset Value cum/income excluding net current year income.
[3] Translated at USD to GBP foreign exchange rate of 1.3263 (31 December 2018: 1.2746).
[4] Share price taken from Bloomberg Professional as at close of business on 31 December 2019.

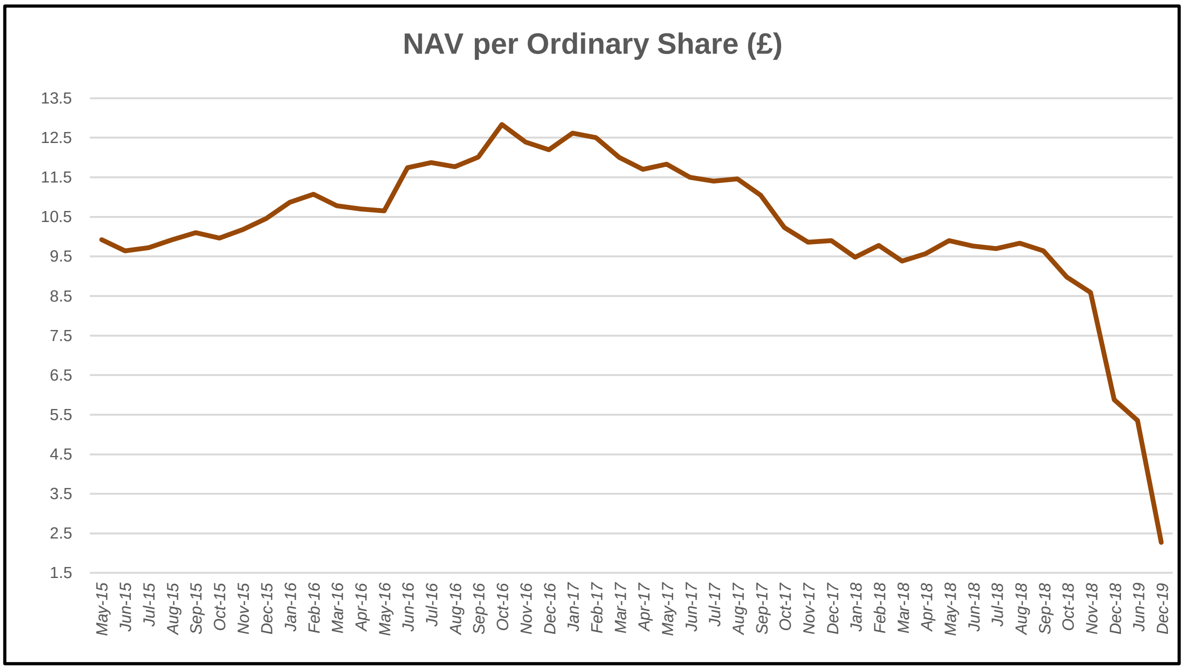
PERFORMANCE SUMMARY (continued)

The Company's market capitalisation as at 31 December 2019 was USD 36,192,155 (GBP 27,288,061 based on a Share Price of GBP 1.69 and based on 16,122,931 issued Ordinary Shares).

The Group's total comprehensive loss for year ended 31 December 2019 amounted to USD 8,004,088 (31 December 2018: USD 35,046,160 loss).

Further details of the Group's performance for the period are included in the Executive Directors' Report on pages 9 to 12 which includes a review of the progress of the asset realisation, impact of applicable regulations and adherence to investment restrictions.

Net Asset Value ("NAV") per share since inception



2015		***2016***		***2017***		***2018***		***2019***	
Month	*NAV per Share (£)*	*Month*	*NAV per Share (£)*	*Month*	*NAV per Share (£)*	*Month*	*NAV per Share (£)*	*Month*	*NAV per Share (£)*
May	9.9	January	10.9	January	12.6	January	9.5	June	5.4
June	9.6	February	11.1	February	12.5	February	9.8	December	2.3
July	9.7	March	10.8	March	12.0	March	9.4		
August	9.9	April	10.7	April	11.7	April	9.6		
September	10.1	May	10.7	May	11.8	May	9.9		
October	10.0	June	11.7	June	11.5	June	9.8		
November	10.2	July	11.9	July	11.4	July	9.7		
December	10.5	August	11.8	August	11.5	August	9.8		
		September	12.0	September	11.1	September	9.6		
		October	12.8	October	10.2	October	9.0		
		November	12.4	November	9.9	November	8.6		
		December	12.2	December	9.9	December	5.9		

Since July 2018 to the date of this Report, GBP 117,731,097 (USD 146,777,313) or dividends per share of GBP 729.84 (USD 910.36) has been paid to Shareholders.

Ongoing Charges Information

	2019	2018
Annualised ongoing charges[5]	**5.88%**	2.97%

[5] Ongoing charges are set out as a percentage of annualised ongoing charge over average reported Net Asset Value. Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future. The annualised ongoing charge is calculated using the Association of Investment Companies recommended methodology.

PERFORMANCE SUMMARY (continued)

Investment Positions

Below is a list of the Company's Investments as at 31 December 2019.

(Shown as aggregate Debt Investments acquired from individual Direct Lending Platforms)

			31 Dec 2019		31 Dec 2018	
Investment/Direct Lending Platform	**Country**	**Principal Activity**	**NAV (USD)**	**% of NAV**	NAV (USD)	% of NAV
SME Loans Platform	United States	Loans/advances to small/medium size businesses	9,055,260	18.67	40,446,802	33.45
Vehicle Services Contract Platform	United States	Vehicle service contract financing	235,000	0.48	39,375,565	32.56
Real Estate Loans Platform	United States	Bridge loans to real estate developers	11,701,548	24.12	36,836,583	30.46
SME Credit Line Platform (Princeton)	United States	Credit lines to finance companies	13,483,500	27.79	15,000,000	12.41
International SME Lending Platform	Canada	Loans to businesses with government grants	2,800,088	5.77	4,974,099	4.11
Equipment Financing	United States	Equipment Financing	235,677	0.49	669,641	0.55
Consumer, improving credit	United States	Consumer, improving credit	-	-	299,655	0.55
Factoring	United States	Factoring	-	-	175,477	0.15
MCA Platform	United States	Loans/advances to small/medium size businesses	-	-	21,296	0.02
Consumer Loans Platform	United States	Loans to consumers with improving credit	-	-	7,587	0.01
Total			**37,511,073**	**77.32**	176,116,663	114.02

CHAIRMAN'S STATEMENT

Key developments

The Company has continued to fulfil its mandate of realising assets and returning capital to Shareholders. Substantial progress has been made since the Annual General Meeting, held on 19 June 2018, after which the Company has returned £5.54 per share in the form of dividend payments. (This figure included dividends paid from June 2018 and throughout 2019). This amounts to approximately 43.43% of the published NAV as of 30 June 2018.

However, in relation to the remaining portfolio, whilst the full impact of the Covid-19 pandemic is yet to be felt by businesses worldwide, it has increased the credit risk associated with the Company's underlying platform loans. As a result, the risk that Company's assets may not be realised at their fair market value, or at any value, has increased. The loans at the highest risk of realisation are those provided to the SME platforms, which contain many small businesses that are reliant on consumer spending for food and retail. The CARES Act passed in the US is providing meaningful support to this economic demographic, but the lasting impact of this government stimulus is yet to be proven. Further, financial reporting has been disrupted making it difficult to assess the financial health of these borrowers. The Canadian SME portfolio is made up of venture loans to small tech-oriented companies. Repayment of these loans is heavily reliant on capital raise and new equity investment support. The capital markets in Canada have been disrupted as well making it difficult to assess the survivability of these borrowers.

Another material exposure is the CRE/real estate loan portfolio. The realisation of these loans relies more on the capital market for refinance and construction loan availability than consumer spending. The refinance and construction loan activity has slowed significantly thus delaying the payment of these loans. These loans are materially backed by hard asset collateral making it more likely to be repaid albeit on a much-delayed basis.

The Company continues to hold discussions with platform managers regarding impact of the issues highlighted above on the portfolio and ensures that the results of these discussions are reflected in portfolio valuations as appropriate.

There were changes to the composition of the Board during the year and, post the year end. On 20 May 2019, the Company's Board was strengthened with the appointment of Nicholas Paris as a non-independent Non-Executive Director. Mr. Paris is a portfolio manager within the LIM Advisors Group, which currently owns approximately 26% of RDL's outstanding shares.

On 12 July 2019, Dominik Dolenec stepped down as Chairman of the Company and I was elected as Chairman by the Board. With the majority of the work required to wind down the activities of the Company completed or well underway, the Board felt it appropriate to transition the role of Chairman to a Non-Executive Director. For the remainder of 2019, Mr. Dolenec remained on the Board with a particular focus on maximising the recovery of the Company's investment in Princeton. The Board expresses their sincere thanks on behalf of all the Company's Shareholders for his executive leadership in the portfolio restructuring and the wind down of the Company.

Separately, the Company was notified that Oaktree Value Equity Holdings, L.P. and LIM Advisors (London) Limited had agreed with each other, subject to certain conditions, not to requisition any addition to or removal from the Company's Board of Directors initially for the period up to 31 December 2019, which was subsequently extended to 31 March 2020. Further to this, Mr Paris resigned from the Board on 31 March 2020 and Mr Dolenec resigned from the Board on 1 April 2020. In view of the significant progress with the wind down of the Company and the subsequent shrinkage of the portfolio, Gregory Share has notified the Board of his intention to step down as a Director of the Company at the Annual General Meeting being held on Tuesday, 30 June 2020.

As announced on 30 July 2019, Deloitte LLP resigned as auditor to the Company with effect from 29 July 2019, due to a perceived weakness in the Company's internal controls relating to the valuation of loan investments. We have addressed this issue by retaining Duff & Phelps to carry out bi-annual valuations of the full portfolio on a fair value basis. The Company will undertake additional valuations in respect of part or all of the portfolio in connection with potential sales or material changes of circumstance of its investments to the extent the Board deems it appropriate to do so.

CHAIRMAN'S STATEMENT (continued)

The Board, on recommendation from the Audit Committee, appointed Crowe U.K. LLP ("Crowe") as auditor to the Company to fill the casual vacancy created by Deloitte LLP's resignation. Crowe have been instrumental in supporting our successful year end processes this year and I will take this opportunity to thank them for their hard work and professionalism.

A key development during the year was the repayment of the Group's outstanding ZDP Shares, which enabled the Company's ability to pay further dividends as it is no longer constrained by the cover ratio covenant that required the Company to maintain 2.75 times asset cover in order to pay dividends. Accordingly, the Company recommenced the payment of dividends as and when it has excess capital as is detailed below. Further details on the repayment of the ZDP Shares can be found in the Executive Director's Report on page 9.

In a further positive development, a significant cash paydown of USD 27.9 million was received in August 2019 for the refinance of the entire secured loan provided to the Vehicle Services Contract Platform as a result of a refinancing with a new lender. A separate USD 4.5 million loan remains outstanding to the manager of the platform and is the subject of re-financing negotiations. This loan is valued at USD 0.2 million.

In January 2019, the Company's exposure to the International MCA Platform was re-financed and its promissory notes paid off. The Company realised USD 38 million (at carrying value) pursuant to this transaction.

The Company made four dividend distributions during the year under review. On 23 May 2019, the Directors approved the payment of a dividend of 17.14 pence per ordinary share (USD 21.71 cents) totalling USD 3.5 million. The dividend was paid on 12 July 2019 and charged to revenue reserves. On 8 August 2019, the Company was pleased to declare a special dividend of 255.00 pence per ordinary share (equivalent US 309.32 cents) in respect of the year ended 31 December 2018, which was paid on 30 August 2019 to Shareholders and totalled USD 49.9 million. The Company elected to designate 13% of this special dividend as an interest distribution to its Shareholders in order to maintain its investment trust status and 87% as a dividend distribution. A further special dividend was declared on 3 October 2019 of 33.00 pence per ordinary share (equivalent USD 0.40 per ordinary share), which was paid to Shareholders on 1 November 2019 and totalled USD 6.45 million. On 26 November 2019, the Directors declared a further special dividend of 22.00 pence per ordinary share (equivalent USD 0.28 per ordinary share), which was paid to Shareholders on 30 December 2019 and totalled USD 4.5 million.

Adjusted for capital returns and dividends the NAV return in the year was -8.24% in USD terms.

Wind-down and Capital Returns

Our investment strategy continues to seek to maximise risk-adjusted IRRs to our Shareholders. To this end, the Company has made significant progress with winding down its portfolio. As we had hoped, the majority of the portfolio has now been repaid and returned to Shareholders. However, some residual positions remain which will only be liquidated once various bankruptcy proceedings are completed.

Portfolio Performance

In accordance with our mandate, no new investments were made during the year. A detailed analysis of the Company's portfolio is provided on pages 10 to 12.

Princeton

The Company announced on 11 February 2019 that it was estimating a potential recovery of approximately USD 15 million from the Princeton Alternative Income Fund ("Princeton" or the "Fund") bankruptcy. This value was further impaired to USD 14 million on 10 January 2020, primarily driven by procedural delays and increased legal costs. I am pleased to report that since the year end this matter has been brought to a conclusion and the Company received a cash payment of USD 13,483,500 on 2 April 2020.

CHAIRMAN'S STATEMENT (continued)

In early 2019, the Company was engaged in active discussions with the Trustee regarding the content of a Chapter 11 Plan of Liquidation (the "Plan") proposed by the Court-appointed Trustee. The Plan was filed on 19 April 2019 and provided for the prompt and orderly liquidation of Fund assets by approved professionals and the pursuit of possible third-party litigation claims under the direction of a liquidating trustee to be appointed under the Plan. The Plan also contemplated the Company being treated in the same way as other Princeton investors. However, in light of the arbitration findings that had previously been announced by the Company, the Company agreed with the Trustee that it would be paid USD 2.5 million out of the liquidation proceeds in priority to other investors. This amount would cover part of the costs of the legal proceedings that were incurred by the Company.

Subsequently, Microbilt Corporation ("MicroBilt") recruited an informal group of minority investors to support its alternative Chapter 11 plan, which was vague in structure and content. Among other things, the Microbilt plan left the Fund in bankruptcy for an indeterminate period of time.

The Board believed that the Microbilt plan was not in the best interest of the Company or other investors. As a result, the Company continued to support the Plan filed by the Chapter 11 Trustee and sought its confirmation before the Bankruptcy Court.

On 29 July 2019, the Princeton Trustee filed an adversary complaint in the Bankruptcy Court against MicroBilt and various related entities and individuals. The complaint alleged 15 separate causes of action on behalf of the bankruptcy estate for alleged wrongdoing by MicroBilt and other defendants.

On 5 and 8 August 2019, Ranger (the former investment manager) participated in a court-ordered settlement conference with a group of minority investors, MicroBilt and the Chapter 11 Trustee. The settlement conference did not result in a settlement of any claims in the bankruptcy proceeding. Soon thereafter, the Trustee filed a motion to affirm his authority to set the relative value of the investors' capital accounts under the terms of the limited partnership agreement governing the Fund. After a hearing on the motion on 10 October 2019, the Bankruptcy Court granted the Trustee's motion.

The MicroBilt Plan was based upon the use of net asset values as determined by Princeton's management as of February 2018, which was the last statement prior to the bankruptcy. The granting of the motion filed by the Trustee allowed the Trustee to discard Princeton's net asset values, since they were deemed unreliable. At the hearing on 10 October 2019, the Bankruptcy Court also rendered a decision on the Trustee's motion to disallow certain claims in the bankruptcy case. Among the disallowed claim was a claim by MicroBilt under its servicing agreement with the fund in excess of USD 4 million. As a result of these developments, the Trustee subsequently filed an amended Chapter 11 Plan that reset the relative values of the investors' capital accounts and moved forward with the liquidation of the fund under a liquidating trust agreement to be administered by a liquidating trustee approved by the Bankruptcy Court.

MicroBilt filed multiple appeals of these decisions made by the Bankruptcy Court and also filed appeals of other decisions made by the Bankruptcy Court approving the Trustee's settlements of the Fund's claims against multiple borrowers of the Fund, which would allow the Fund to be liquidated so that proceeds could be paid to creditors and investors under the Trustee's Plan. MicroBilt also filed a suit directly against the Trustee in the Bankruptcy Court. Moreover, MicroBilt sought to engage in extensive discovery related to the proposed confirmation of the Trustee's Plan, resulting in additional motion practice in the Bankruptcy Court. These litigation developments created additional costs, which could reduce the net distribution to investors, as well as the potential for substantial delay in investors receiving a distribution under the Trustee's Plan.

On 19 February 2020, the Chapter 11 Trustee filed a Fifth Amended Plan of Reorganisation (the "Amended Plan") and related pleadings requesting the Bankruptcy Court to confirm the Amended Plan and approve a settlement agreement incorporated under its terms. The Amended Plan was the result of extensive negotiations between the Trustee, the Company, other investors and MicroBilt and its related entities and persons. As a result of these negotiations, the Amended Plan had the support of all key economic constituents in the Chapter 11 case. The Amended Plan provided a cash payment to the Company on the effective date of the Amended Plan in the amount of USD 13,483,500.

CHAIRMAN'S STATEMENT (continued)

The Bankruptcy Court set a hearing date of 13 March 2020 to rule on the confirmation of the Amended Plan. The effective date of the Amended Plan was expected to occur before the end of March 2020, at which time the Company was expected to receive the cash distribution under the terms of the confirmed Amended Plan and a related confirmation order.

On Friday, 13 March 2020, the United States Bankruptcy Court entered an Order confirming the Fifth Amended Chapter 11 Plan proposed by the Chapter 11 Trustee in the Princeton bankruptcy case. The Plan was negotiated with the Trustee and other parties-in-interest in the bankruptcy case and was actively supported by the Company.

The confirmed plan provided for the distribution of cash to the Company of USD 13,483,500 on or before 30 March 2020, pursuant to the terms of the confirmed plan. Upon the Effective Date of the Plan, all outstanding litigation related to the Princeton Fund was resolved, the bankruptcy case closed and the Company obtained a full release of all claims against it by the Princeton fund, its general partner, MicroBilt and its related entities and all other investors in Princeton. The Company received the cash payment of USD 13,483,500 on 2 April 2020.

Outlook

Your Board's overriding objective is to achieve a balance between delivering maximum value and making timely returns of capital to Shareholders, and we remain focussed on that. Whilst the portfolio is now much smaller, we will continue with our attempts to extract maximum value from the remaining balances whilst conscientiously focussing on cost reductions.

In the first half of 2020, we hope to realise a substantial part of the remaining assets and return the proceeds to our Shareholders. We will also continue to streamline management and other administrative costs and ultimately will look to delist the Company's shares once the remaining assets have been substantively returned to Shareholders.

The Board is fortunate to have the support of an excellent team of advisors whose industriousness, diligence and experience have enabled clarity of debate and comfort in the decisions it has made, and we are grateful for their continuing efforts.

Annual General Meeting

The Company's 2020 Annual General Meeting ("AGM") is due to be held on Tuesday, 30 June 2020. Due to the ongoing Covid-19 situation, the Board has taken into consideration the compulsory 'Stay at Home' measures that were published by the UK Government on 23 March 2020. The Board fully supports these measures to protect public health and safety and in light of these measures, and as our priority is the health, safety and wellbeing of all our stakeholders, the Company therefore wishes to notify its Shareholders that physical attendance in person at the AGM will not be possible. The meeting will take place with the minimum necessary quorum of two Shareholders, which will be facilitated by the Company in line with the Government's strict social distancing advice.

The Board recognises that the AGM is an important event for all Shareholders and is keen to ensure that they are able to exercise their right to participate and vote notwithstanding the current restrictions on attendance in person. If Shareholders wish to participate in the AGM, they are encouraged to vote online or appoint the Chairman of the meeting as their proxy and provide their voting instructions in advance of the meeting.

Details of the AGM will be available on our website at https://rdlrealisationplc.co.uk/ and Shareholders are encouraged to send any questions that would have been raised at the AGM to info@rdlrealisationplc.co.uk in advance of the AGM. Please refer to the Notice of AGM for further details.

Brendan Hawthorne
Chairman
3 June 2020

EXECUTIVE DIRECTORS' REPORT

As a reminder, the Board was entrusted by Shareholders with a mandate to realise assets and return capital to Shareholders. This investment policy was set out in a circular to Shareholders and formally approved by Shareholders at a general meeting in November 2018. During the year, the Directors made good progress in achieving the mandate.

The Executive Directors have spent considerable time in the USA this year, monitoring the portfolio, meeting investee platforms and working with the platforms on realisations. This work is ongoing. To assist in this task Joe Kenary, based in the USA, was appointed a Non-Executive Director in January and assumed executive responsibilities shortly thereafter. Some of the key achievements during the period are:

- in January 2019, the Company's exposure to the International MCA Platform was refinanced and its promissory notes paid off. The Company realised USD 38,007,954 (at carrying value) pursuant to this transaction.
- during the year, the Company reached agreement to repay the Group's outstanding ZDP Shares. As announced by the Company on 20 June 2019, resolutions to place its subsidiary, RDLZ, into a members' voluntary winding up and to amend the amounts payable in respect of the ZDP Shares issued by RDLZ in order that ZDP Shareholders would receive a final capital entitlement of 121.8887 pence per ZDP Share, were passed at the ZDP Class Meeting and the General Meeting of RDLZ held on 20 June 2019. The cost to the Company of repaying the ZDP Shares on 21 June 2019 amounted to approximately USD 70.7 million. Note that this figure does not include associated transaction expenses, which amounted to approximately USD 860,000.
- as a result of the early repayment of the ZDP Shares, the Company's ability to pay further dividends is no longer constrained by the cover ratio covenant that required the Company to keep 2.75 times asset cover. Accordingly, the Company was able to recommence the payment of dividends as and when it had excess capital.
- during the year, a total of USD 64.3 million or 326.77p per Ordinary Share was paid to Shareholders by way of dividends. A further dividend of USD 5.3 million or 33p per Ordinary Share was declared in January 2020 and a dividend of USD 20.0 million or 106p per Ordinary Share was declared in April 2020.

Shareholders should take note that a mandate requiring the active sale or timed liquidation of portfolios presents an inherent risk which does not present itself with the run-off of a portfolio, in that such assets may not be realised at their fair value. Although the Company is not currently considering offers which fall materially below the values referred to on page 83, the inherent risk of attracting opportunistic buyers must be managed with the optionality to run down a short-term portfolio in order to ensure the realisation of appropriate value.

As detailed in the Chairman's Statement, the Company received the sum of USD 13,483,500 on 2 April 2020 following the resolution of the Princeton matter. All outstanding litigation related to the Princeton Fund has been resolved, the bankruptcy case closed, and the Company has obtained a full release of all claims against it by the Princeton Fund, its general partner, MicroBilt and its related entities and all other investors in the Princeton Fund.

Management arrangements

On 12 February 2019, the Investment Management Agreement between the Company and Ranger was terminated. The Company has, during the period, appointed IFM as its replacement Alternative Investment Fund Manager ("AIFM").

Following the appointment of IFM, the Executive Directors continue performing the functions they have been carrying out during the current management arrangements. In particular, any investment or divestment decisions relating to the Company's portfolio will not be implemented without prior Board approval. The Executive Directors are assisted by Steve Bellah, a senior credit professional and a financial controller, of Remuda Credit Advisors, LLC ("Remuda"), based in Dallas, USA, to assist with the management and realisation of the portfolio. A significant amount of time was spent by the Executive Directors in the run up to 12 February 2019 to ensure a smooth transition of management responsibilities and to avert any disruption to the portfolio management role.

EXECUTIVE DIRECTORS' REPORT (continued)

Investment portfolio

No new investments were made during the year.

At 31 December 2019, 100% of the portfolio was invested in secured Debt Instruments (including loans, cash advances, and receivables financing) to mainly SME borrowers, and none of the portfolio consisted of unsecured consumer loans. For this purpose, a secured Debt Instrument is defined by the Company as a payment obligation in which property, financial assets (including receivables), or a payment guarantee has been pledged, mortgaged or sold to the Company as partial or full security with respect to such obligation.

Below is a brief summary of each investment platform/partner which provides:

- net balance at 31 December 2019 (estimated fair value); and
- commentary summarising primary activity and expected disposition of the investments

Please note that all amounts shown below are in USD.

SME/CRE Loans Platform

Net Balance at 31 December 2019	Net Balance at 31 December 2018
9,055,260	40,446,802

Since 31 December 2018, there has been a regular run-off of all performing investments. The Executive Directors have been in regular contact with this platform. All remaining investments will be run off in the normal course within the next 12 months.

Second SME Loans Platform

Net Balance at 31 December 2019	Net Balance at 31 December 2018
235,000	39,375,565

A significant cash paydown of USD 27.9 million was received in August 2019 as a result of a refinancing with a new lender. A separate USD 4.5 million loan remains outstanding to the manager of the platform and was valued at USD 0.2 million. The remaining loan is in the process of restructuring efforts which include the direct involvement of Mr Kenary on behalf of the Board.

Real Estate Lending Partner

Net Balance at 31 December 2019	Net Balance at 31 December 2018
11,701,548	36,836,583

There has been a combination of sales of some investments with help of the platform and regular run-off of all performing investments, particularly during the latter part of the year. The platform will continue to assist with the sale of some investments to its other investors throughout 2020, and the remaining investments will be run-off in the normal course within the next 12 months.

Princeton Alternative Income Fund

Net Balance at 31 December 2019	Net Balance at 31 December 2018
13,483,500	15,000,000

The Bankruptcy Court ruled on 13 March 2020 to confirm the Amended Plan. The settlement of USD13,483,500 was received on 2 April 2020.

EXECUTIVE DIRECTORS' REPORT (continued)

Investment portfolio (continued)

Canadian SME Lending Platform

Net Balance at 31 December 2019	Net Balance at 31 December 2018
2,800,088	4,974,099

This platform portfolio is now serviced directly by the Company. Using the information from the former Investment Manager's direct contact with the borrowers, the Company continued its servicing and re-structuring of payment obligations with individual borrowers whose loans were originated by the platform. These loans are venture loans to mainly small and early stage companies with underdeveloped profit profiles which bear certain risks common to venture lending. The remaining investments are expected to be run off in due course under a variety of collection efforts. Current collection efforts include litigation and realisation of collateral proceeds, restructured pay out terms with longer amortisation, and participation in royalty streams from future company sales to be applied to the outstanding loans.

Equipment Loans Platform

Net Balance at 31 December 2019	Net Balance at 31 December 2018
235,677	669,641

Since 31 December 2018, there has been a regular run-off of all performing investments. The remaining investments are expected to be run-off in the normal course.

Second Consumer Loans Platform

Net Balance at 31 December 2019	Net Balance at 31 December 2018
0.00	299,655

Since 31 December 2018, there has been a regular run-off of all performing investments. All remaining balances were collected or written off in 2019.

Invoice Factoring Platform

Net Balance at 31 December 2019	Net Balance at 31 December 2018
0.00	175,477

Since December 2018, there has been a regular run-off of all performing investments. The remaining balance was written off in 2019.

Third SME Loans Platform

Net Balance at 31 December 2019	Net Balance at 31 December 2018
0.00	21,296

Since December 2018, there has been a regular run-off of all performing investments and there are no remaining investments outstanding.

Consumer Loans Platform

Net Balance at 31 December 2019	Net Balance at 31 December 2018
0.00	7,587

In October 2018, all performing loans were sold to a third party which left the non-performing loans to run-off. All remaining balances were written off in 2019.

EXECUTIVE DIRECTORS' REPORT (continued)

Investment portfolio (continued)

Independent valuation of the portfolio

Duff & Phelps, an independent valuation firm is engaged to perform valuation consulting services on the Company's portfolio. This excludes the investment in Princeton, owing to a lack of available information for this investment and the Canadian SME loans. The consulting services consisted of certain limited procedures that the Company identified and requested the independent valuation firm to perform.

A copy of the report from Duff & Phelps (the "DP Report") as at 31 December 2019 has been delivered to the Board.

The Company is ultimately and solely responsible for determining fair value of the investments in good faith, and following its review of the report, the values at 31 December 2019 were updated based on the Duff & Phelps valuation with the exception of the Canadian SME Lending Platform. The Canadian SME loans are venture loans with little to no scheduled payments. Payments are determined annually and are reliant upon Canadian Government tax rebates and credits. Further, well over 90% of the portfolio is non-performing. Thus, Duff & Phelps has indicated that traditional valuation methods do not apply.

Sector Reporting

As at 31 December 2019, the portfolio (excluding Princeton, cash and cash equivalents) was diversified as follows:

	Allocation		
Sector	**31 December 2019**	31 December 2018	Change
Bridge loans to real estate developers	**79%**	21%	+58%
Credit lines to finance companies	**0%**	9%	-9%
Loans to businesses with government grants	**11%**	3%	+8%
Loans/advances to small/medium size businesses	**9%**	45%	-36%
Vehicle service contract financing	**1%**	22%	-21%
Total (excluding cash and cash equivalents)	**100%**	100%	-

GROUP STRATEGIC REPORT

Cautionary Statement
The Group Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Business Model
The Company is an Investment Trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

Following the Company's announcement on 11 June 2018 that it will move to realise its assets and proceed with the wind-down process, the Company's business model has changed from holding financial assets to collect their contractual cash flows to realising assets, in a prudent manner consistent with the principles of good investment management, with a view to returning cash to its Shareholders in an orderly manner.

The Directors expect that the process of realisation will result in a transition to voluntary liquidation to preserve the Company's Investment Trust status. The timing of such move is uncertain as the Directors progress the orderly realisation of the portfolio as soon as practicable and with regard to cost efficiency and the working capital requirements of the Company.

During the year under review, the Board operated three working committees to provide the necessary oversight of the Company's investments.

The first committee, which comprised of Dominik Dolenec, Brendan Hawthorne, Joe Kenary and Brett Miller is responsible for the wind-down and realisation of the Company's existing portfolio (excluding Princeton) with the specific aim of maximising returns for Shareholders. With effect from 31 March 2020, this committee was disbanded. The Board as a whole maintains full responsibility for the wind-down and realisation of the Company's remaining portfolio

The second committee, which comprises all Board members, is tasked with management of the Princeton proceedings and the strategic decisions associated with those proceedings. In view of the resolution of the Princeton proceedings in March 2020, this committee has been disbanded.

The third committee, which was disbanded in July 2019 following the payment of the revised final capital entitlement in relation to the ZDP Shares issued by RDLZ, was initially formed to consider proposals relating to retiring the ZDP Shares. Brendan Hawthorne and Joe Kenary as Directors of RDLZ were not members of this committee.

Any final decisions regarding the approach to the investment portfolio and any other proposals to be put to Shareholders are decided by the Board as a whole.

In order to focus on the progress of the realisation of assets within the Company's portfolio, the Board delegated set responsibility to certain of its members. During 2019, Mr Dolenec had executive responsibility for the lead on the management of the Princeton proceedings and reported into the Princeton working committee. Mr Kenary is lead for the day-to-day management of the remaining assets in the portfolio, working closely with Steve Bellah of Remuda. Mr Miller has executive responsibility for governance and reporting. Whilst these Directors have been allocated these executive responsibilities, the Board as a whole makes all decisions relating to the realisation of assets and each Director regularly reports to the Board.

IFM is the Alternative Investment Fund Manager of the Company and is subject to the AIFMD only to the limited extent applicable when a non-EEA Alternative Investment Fund Manager (an "AIFM") offers or markets an EEA Alternative Investment Fund (an "AIF") in the EEA. For the purposes of the AIFMD, the Company is the AIF and IFM is the AIFM.

GROUP STRATEGIC REPORT (continued)

Outsourced principal service providers include the following:

Function	*Provider*
Alternative Investment Fund Manager	International Fund Management Limited
English and US (as to Securities Law) Legal Adviser	Travers Smith LLP and Sidley Austin LLP
General Accounting and Administration	Sanne Fiduciary Services Limited
Accounting and Servicing	MCA Financial Group
Company Secretarial	Link Company Matters Limited
Company Registrar	Link Asset Services

Borrowing policy
In accordance with the Company's investment policy, the Company will not undertake new borrowing other than for short-term working capital purposes.

During the year, the Company repaid in full its only loan payable to RDLZ (2018: USD 70,979,233).

Principal Risks and Uncertainties
There are a number of potential risks and uncertainties which could have a material impact on the Group's performance and could cause actual results to differ materially from expected and historical results. The Board of Directors has overall responsibility for risk management and internal control within the context of achieving the Company's new investment objective. The Board agrees the strategy for the Company, approves the Company's risk appetite and monitors the risk profile of the Company.

The Company has a risk map which consists of the key risks and controls in place to mitigate those risks. The risk map, which is reassessed regularly by the Audit Committee, provides a basis for the Audit Committee and the Board to regularly monitor the effective operation of the controls and to update the matrix when new risks are identified. The Board's responsibility for conducting a robust assessment of the principal risks is embedded in the Company's risk map and stress testing. The Board, through delegation to the Audit Committee, undertakes this robust annual assessment and review of the principal risks facing the Company, together with a review of any emerging risks which may have arisen during the year.

The Company's investment management and administration functions have historically been outsourced to external service providers. In February 2019, Ranger's contract expired, and the Company appointed IFM as its AIFM working with the Board. In addition, the Company continues to rely on external service providers for a number of management and administrative functions. Any failure of any external service provider to carry out its obligations could have a materially detrimental impact on the effective operation, reporting and monitoring of the Company's financial position. This is likely to have an effect on the Company's ability to meet its investment objective successfully. The Company receives and reviews internal control reports from its key external service providers on an annual basis from its Administrator, AIFM and Registrar. The Audit Committee has reviewed and considered the guidance supplied by the Financial Reporting Council ("FRC") on Risk Management, Internal Control, and Related Finance and Business Reporting. Information regarding the Company's internal control and risk management procedures can be found in the Corporate Governance Statement on pages 29 to 34.

The Board will continue to keep the Company's system of risk management and internal control under review and will continue to ensure that the principal risks and challenges faced by the Group are fully understood and managed appropriately.

An overview of the principal risks and the main uncertainties that the Board considers to be currently faced by the Company are provided below, together with the mitigating actions being taken.

Risks arising due to Managed Wind-Down
In a managed wind-down, the value of the portfolio will be reduced and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly.

GROUP STRATEGIC REPORT (continued)

Risks arising due to Managed Wind-Down (continued)

The Company might experience increased volatility in its NAV and/or its share price as a result of possible changes to the portfolio structure.

The Company's assets may not be realised at their fair market value, and it is possible that the Company may not be able to realise some assets at any value.

Sales commissions, liquidations cost, taxes and other costs associated with the realisation of the Company's assets will reduce the cash available for distribution to Shareholders.

Due to the time it would typically take to repatriate the proceeds from the sale of assets to the UK, it is expected that there could be potentially significant time lags between sales made by the Company and any subsequent returns of capital to Shareholders.

The timing and ultimate amount of any returns will be impacted by the tax regimes of the countries in which the Company invests.

The liquidity profile of the portfolio is such that Shareholders may have to wait a considerable period of time before receiving all of their distributions pursuant to the managed wind-down. During that time, the concentration of the value of the portfolio in fewer holdings will reduce diversification and the spread of risk. This may adversely affect the portfolio's performance.

The maintenance of the Company as an ongoing listed vehicle will entail administrative, legal and listing costs, which will decrease the amount ultimately distributed to Shareholders. Although the Board intends to maintain the Company's listing for as long as the Directors believe it to be practicable during the managed wind-down period, the Directors shall immediately notify the Financial Conduct Authority ("FCA") and may seek suspension of the listing of the Shares pursuant to the requirements of the Listing Rules (which may include Shareholder approval prior to any suspension or de-listing) if the Company can no longer satisfy the continuing obligations for listing set out therein including, but not limited to, the requirements in respect of Shares held in "public hands" (as such phrase is defined in the Listing Rules) and in relation to spreading investment risk, and consequently the listing of the Shares may be suspended and/or cancelled. Once suspended and/or cancelled, the Shares would no longer be capable of being traded on the London Stock Exchange, which would materially reduce market liquidity in the Shares. The Company would also lose its "Investment Trust" tax status in the UK as a result of such suspension or cancellation which may impact on the returns to Shareholders.

It should also be noted that there may be other matters or factors which affect the availability, amount or timing of receipt of the proceeds of realisation of some or all of the Company's investments. In particular, ongoing redemptions will decrease the size of the Company's assets, thereby increasing the impact of fixed costs incurred by the Company on the remaining assets. In determining the size of any distributions, the Directors will take into account the Company's ongoing running costs. However, should these costs be greater than expected or should cash receipts for the realisations of investments be less than expected, this will reduce the amount available for Shareholders in future distributions.

Declarations of dividends will be made at the Directors' sole discretion, as and when they deem that the Company has sufficient distributable reserves available to make a distribution. Shareholders, therefore, have little certainty as to whether or not the Company will make a declaration of dividend.

Mitigation
The Board have designated a number of its members as "Executive Directors" who are focused on addressing the risks associated with the managed wind-down.

Risks in relation to COVID-19

Whilst the full impact of the global pandemic is yet to be felt by businesses worldwide, it is likely to have a negative impact on the Company's remaining portfolio. As a result, the risk that Company's assets may not be realised at their fair market value, or at any value, has increased.

GROUP STRATEGIC REPORT (continued)

Risks arising due to Managed Wind-Down (continued)

The highest risk of realisation are the SME platforms which contain many small businesses that are reliant on consumer spending for food and retail. The CARES Act passed in the US is providing meaningful support to this economic demographic, but the lasting impact of this government stimulus is yet to be proven. Further, financial reporting has been disrupted making it difficult to assess the financial health of these borrowers. The platform manager has indicated that no permanent impairments have been assessed but material deferments and relaxed payment schedules have been adopted. The Canadian SME portfolio is made up of venture loans to small tech-oriented companies. Repayment of these loans is heavily reliant on capital raise and new equity investment support. The capital markets in Canada have been disrupted as well making it difficult to assess the survivability of these borrowers.

Another material exposure is the CRE/real estate loan portfolio. The realisation of these loans rely more on the capital market for refinance and construction loan availability than consumer spending. The refinance and construction loan activity has slowed significantly thus delaying the payment of these loans. These loans are materially backed by hard asset collateral making it more likely to be repaid albeit on a much-delayed basis.

Mitigation
The Company is holding ongoing discussions with platform managers regarding portfolio impacts and ensuring that the results of these discussions are reflected in future portfolio valuations as appropriate.

Legal and compliance risk
Laws applicable to Debt Instruments may govern the terms of such instruments and subject the Company to legal and regulatory examination or enforcement action.

Further, any proceeding brought by the federal or state regulatory authorities to any of the Direct Lending Platforms could result in cases against the Company itself and could affect whether the Debt Instruments are enforceable in accordance with their terms.

Mitigation
To manage this risk, the Directors take legal advice as and when deemed required. Further, regulatory risk is a standing item at Board meetings.

Investment risk
The Group has residual investments remaining in Debt Instruments and the major risks include market and credit risks.

Link to KPI
Capital returned to Shareholders

Mitigation
The number of investments held, and sector diversity enable the Group to spread the risks with regard to market volatility, currency movements, revenue streams and credit exposure.

Throughout 2019, the Company continued to actively engage with the trustee, who was appointed in relation to the bankruptcy proceedings of Princeton and its other advisers in connection with its investment in Princeton. The Bankruptcy Court ruled on 13 March 2020 to confirm the Amended Plan. The settlement of USD13,483,500 was received by the Company on 2 April 2020.

Taxation risk
As an investment company, the Company needs to comply with sections 1158/1159 of the Corporation Tax Act 2010.

Link to KPI
Total dividends for the year

GROUP STRATEGIC REPORT (continued)

Mitigation
The Administrator prepares management accounts which allow the Board to assess the Company's compliance with Investment Trust conditions. Further, contractual arrangements with third party external service providers are in place, to ensure compliance with tax and regulatory requirements.

Cyber security risk
The Company relies on services provided by its external service providers and is therefore dependent on the effective operation of their systems in place. Likewise, the Company is dependent on the Direct Lending Platforms' ability to effectively manage vulnerabilities to technological failure and cyber-attacks.

Any weakness in their information security could result in a disruption to the dealing procedures, accounting and payment process.

Mitigation
The Company performs a due diligence review before entering into contracts with any external service provider. Subsequently, the Company receives a controls performance report such as ISAE 3402 report on an annual basis from key service providers which is subject to the Audit Committee's review.

Brexit risk
The Company has also considered Brexit's current and potential impact on the Company. The majority of the Group's portfolio is denominated in USD. Therefore, the Board has concluded that this event does not represent a principal risk to the Company.

Viability Statement
Given the change in Investment Policy and in accordance with the AIC Code of Corporate Governance, the Directors have assessed the prospects of the Company over its expected realisation timeframe.

In their assessment of the viability of the Company, the Directors have considered each of the principal risks and uncertainties on pages 14 to 17. The Directors have also reviewed the Company's income and expenditure projections and the fact the Company's investments (including those held through the Trust) do not comprise readily realisable securities which can be sold to meet funding requirements if necessary. The Company maintains a risk register for its stress test to identify, monitor and control risk concentration.

The Company has processes for monitoring operating costs, share price discount, compliance with the investment objective and policy, asset allocation, the portfolio risk profile, counterparty exposure, liquidity risk, financial controls and stress-testing based assessment of the Company's prospects.

The Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the managed wind-down period.

Going Concern
The Board are continuing to progress with the disposal of the Company's assets in an orderly manner and returning Shareholders' capital to them.

Given the intention to wind down the Company, the use of the going concern basis in preparing the financial statements of the Group is not considered to be appropriate. As such the financial statements have been prepared on a basis other than that of a going concern, under which assets are measured at their net realisable value. There were no adjustments made to the carrying values of the assets and liabilities of the Group in the current or prior year as a result of this change in the basis of preparation, because the Directors consider the carrying value of assets to approximate their net realisable value.

No provision has been made for the costs of winding up the Company as these will be charged to the income statement on an accruals basis as they are incurred or as the Company becomes obligated to make such payments in the future.

The Directors believe that the Company and Group have adequate resources to continue in operational existence until the anticipated liquidation of the Company.

GROUP STRATEGIC REPORT (continued)

Performance

The Company's NAV as at 31 December 2019 is below:

	June 2018	Dec 2018	**Dec 2019**
NAV	205,619,046	120,836,621	**48,511,622**
(Discount)/Premium to NAV	-20.03%	12.24%	**-34.04%**
Return on Share Price	0.76%	-3.79%	**-18.54%**

Dividends
The following dividends were declared and paid during the year under review.

Declaration Date	Type	Amount (pence per share)	Payment Date
23 May 2019	Interim Dividend	17.14	12 July 2019
8 August 2019	Special Dividend	255.00	30 August 2019
3 October 2019	Special Dividend	33.00	1 November 2019
26 November 2019	Special Dividend	21.63	30 December 2019

Since the year end, the following dividends have been declared and paid or are payable:

Declaration Date	Type	Amount (pence per share)	Payment Date
9 January 2020	Special Dividend	33.00	10 February 2020
7 April 2020	Special Dividend	106.00	19 May 2020

Please refer to note 11 for further details.

Key Performance Indicators and Investment Restrictions
The Company's investment policy calls for an orderly wind-down of the Company's investments with the aim of maximising risk-adjusted IRRs to Shareholders. New investments are restricted only to existing exposures and are subject to a number of pre-conditions.

Indicator	Criteria	As at 31 Dec 2019
Capital returned to Shareholders	It is the Company's intention to return as much of the Company's remaining NAV to its Shareholders in a timely manner.	Total dividends paid in 2019 amounted to USD 64.3 million
Total dividends for the year	At least 85% of Net Profit	Dividends of 100% of Net Profit

Environmental, Human Rights, Employee, Social and Community Issues
Corporate responsibility covers many different aspects of business. The Group has no direct social or community responsibilities and the Company has no employees. As an Investment Trust, the Company's own direct environmental impact is minimal, and it has no direct impact on the community and as a result does not maintain specific policies in relation to these matters.

The Company falls outside the scope of the Modern Slavery Act 2015 as it does not meet the turnover requirements under that act. The Company operates by outsourcing significant parts of its operations to reputable professional companies, who are required to comply with all relevant laws and regulations and take account of social, environmental, ethical and human rights factors, where appropriate.

GROUP STRATEGIC REPORT (continued)

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 its underlying investment portfolio.

In carrying out the realisation of the portfolio, the Company aims to conduct itself responsibly and ethically.

Board Diversity
The Board consists entirely of male Directors. A description of the Company's Board diversity policy is set out in the Corporate Governance Statement on page 34.

Stakeholders
In accordance with the AIC Code of Corporate Governance (the "AIC Code") and the Companies Act 2006 (the "Law"), the Board is required to understand the views of the Company's key stakeholders and describe in the Annual Report how their interests and the matters set out in section 172 of the Law have been considered in board discussions and decision-making. This section of the Law requires the Directors to have regard to the following matters:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the Company's reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The importance of stakeholder considerations, in particular in the context of decision making, is taken into account at every Board meeting. All discussions involve careful consideration of the consequences of any decisions and their implications for stakeholders.

Our Stakeholders
The Board seeks to understand the needs and priorities of the Company's stakeholders and these are taken into account during all of its discussions and as part of its decision making. The Board has discussed which parties should be considered as stakeholders of the Company, whilst having regard to the Company's position. In view of the Company being in a managed wind-down and realising its remaining investments, the Board believes that the Company's stakeholders during this process are its Shareholders and portfolio companies.

Shareholders
The Board recognises that the Company has certain responsibility to its Shareholders. Continued Shareholder support and engagement are critical to the wind-down and delivery of the Company's Investment Objective.

During 2019, two of the Directors on the Board were representatives of the Company's two largest Shareholders and provided input directly to the Board. The presence of these Directors as members of the Board ensured effective engagement to understand their views on the managed wind down of the Company and encouraged participation from all Shareholders.

The Board is committed to maintaining open channels of communication and to engage with all Shareholders in a manner which they find most meaningful, in order to gain an understanding of the views of Shareholders. These include:

- **Annual General Meeting** – The Company welcomes participation from Shareholders at the AGM and Shareholders are encouraged to vote online prior to the AGM. Shareholders have the opportunity to address questions to the Directors. The Company values any feedback and questions it may receive from Shareholders ahead of the AGM and will take action or make changes, when and as appropriate. In view of the current compulsory 'Stay at Home' measures, Shareholders will not be permitted to attend the AGM in person;

GROUP STRATEGIC REPORT (continued)

- **Publications -** The Annual Report and Half-Year results are made available on the Company's website and the Annual Report is circulated to Shareholders. These reports provide Shareholders with a clear understanding of the Company's progress in manging the wind down of the portfolio and its financial position. Feedback and/or questions the Company receives from Shareholders help the Company evolve its reporting, aiming to render the reports and updates transparent and understandable; and
- **Shareholder concerns -** In the event Shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by emailing the Chairman at info@rdlrealisationplc.co.uk. Other members of the Board are also available to Shareholders if they have concerns that have not been addressed through the normal channels.

Portfolio companies
Day to day engagement with portfolio companies is undertaken by Remuda and Joe Kenary. The Board attends a weekly call to receive detailed updates on the performance and return analyses of the portfolio and progress on the realisation of assets where possible. The Board retains responsibility for making decisions in respect of the realisation of the portfolio.

The Board is committed to engaging with portfolio companies in a manner which they find most meaningful, in order to maximise the return from their realisation but also in a timely manner.

Culture
A company's culture would conventionally be defined as a blend of attributes and behaviours people experience while at work and which inform actions and decision making. While the Company has no employees and is in a managed wind down, the Company recognises the importance of culture in terms of the Board's behaviour and its alignment with the Company's sole purpose of realising its assets and returning capital to Shareholders.

The Board's own culture promotes a desire for strong governance and transparency of debate. The Directors are required to act with integrity, lead by example and promote this culture with its commitment to conducting the managed wind down of the portfolio in a manner to maximise the return to Shareholders.

The Group Strategic Report was approved by the Board of Directors on 3 June 2020 and signed on its behalf by:

Brendan Hawthorne
Chairman

CORPORATE GOVERNANCE

Directors

Biographies of the Directors are set out below and demonstrate the relevant range of skills and experience each brings to the Board to execute an orderly wind-down of the Company that maximises Shareholder value.

The Directors of the Company as at 31 December 2019 and the date of this report unless otherwise noted, are as follows:

Brendan Hawthorne, Independent Non-Executive Director and Chairman
Mr. Hawthorne was appointed at the Company's Annual General Meeting held on 19 June 2018. Brendan has more than 20 years' experience as a specialist in disputes and asset recovery. He has extensive multi-jurisdictional experience including acting as an independent Director of substantial onshore and offshore investment funds. He is a Chartered Accountant and Certified Fraud Examiner.

Mr Hawthorne was appointed to the Audit Committee and the Remuneration and Nomination Committee on 5 July 2018.

Brett Miller, Non-independent, Executive Director
Mr. Miller was appointed as a non-executive director on 6 July 2018 and was further allocated executive duties by the Board on 26 July 2018. Brett currently serves as a Non-Executive Director of a number of listed investment companies and previously served as an executive director of Damille Investments Ltd and Damille Investments II Ltd (both closed end funds listed on the specialist funds segment of the London Stock Exchange). He has considerable experience in corporate finance, corporate governance issues, corporate restructurings and optimising financial capital structures, and has been instrumental in a number of fund realisations in recent years for closed end funds listed on the London Stock Exchange and AIM.

Mr. Miller was appointed to the Remuneration and Nomination Committee on 6 July 2018 and the Audit Committee on 28 August 2019.

Gregory (Greg) Share, Independent Non-Executive Director
Mr. Share was appointed at the Company's Annual General Meeting held on 19 June 2018. He is Managing Partner and Co-Founder of Ambina Partners, LLC, an investment firm focused on investing in software and financial services companies. Greg also has over 20 years of private equity experience in the U.S. and Europe, which included leadership positions at Moelis Capital Partners LLC, Fortress Investment Group LLC and Madison Dearborn Partners, LLC where he focused on the software and financial services sectors.

Mr. Share was appointed to the Remuneration and Nomination Committee on 5 July 2018 and the Audit Committee on 2 April 2019.

Joseph (Joe) Kenary, Non-independent, Executive Director
Mr. Kenary was appointed as Non-Executive Director on 4 December 2018 and was further allocated executive duties by the Board on 15 January 2019. He graduated from Harvard College in 1986 and also holds an MBA from UCLA Anderson School of Management. Joe began his career in private equity investing and subsequently developed significant direct lending experience as the first employee of Capitalsource Inc., a commercial finance business that evolved to become a publicly traded commercial bank with assets in excess of USD 10 billion. He was also a senior executive of Alliance Partners, a US based asset manager and commercial lender that specialised in the acquisition and management of commercial loans for community banks.

Nick Paris, Non-Independent Non-Executive Director – resigned on 31 March 2020
Mr. Paris was appointed as a Non-Independent Non-Executive Director on 20 May 2019. Nick is a Fellow of the Institute of Chartered Accountants in England and Wales, a Member of the Chartered Alternative Investment Analysts Association and a Fellow of the Chartered Institute for Securities & Investment. He has more than 30 years' experience in closed end funds. In his career, he has developed significant expertise in analysing, launching and investing in such funds and he has acted as an independent

CORPORATE GOVERNANCE (continued)

non-executive Director of a number of stock exchange listed funds. He is currently a portfolio manager within the LIM Advisors Group which is one of the largest Shareholders in the Company. Mr. Paris is also Managing Director of Myanmar Investments International Limited, a London listed closed end fund and a Non-Executive Director of ASEANA Properties Limited.

Dominik Dolenec, Non-independent, Executive Director – resigned on 1 April 2020
Mr. Dolenec was appointed as a Non-Executive Director at the Company's Annual General Meeting held on 19 June 2018 and had since assumed executive duties for the Company, as well as being Chairman until 12 July 2019. Dominik is Managing Partner and Founder of Emona Capital LLP, a London-based investment firm focusing on special situation investments. He has over 20 years of international investment and advisory experience, including complex restructurings, turnarounds, financings and other corporate events.

DIRECTORS' REPORT

The Directors are pleased to present their report and the audited consolidated financial statements of the Group and Company for the year ended 31 December 2019.

In accordance with the Listing Rules and the Disclosure Guidance and Transparency Rules, the Directors' Report and the Corporate Governance Statement on pages 23 to 34 should be read in conjunction with one another, and the Strategic Report. As permitted, some of the matters normally included in the Directors' Report have instead been included in the Group Strategic Report (pages 13 to 20) as the Board considers them to be of strategic importance.

Directors
As at 31 December 2019, the Board consisted of six Directors, two of whom were considered by the Board to be independent. Biographies of the Directors are set out on pages 21 to 22. Since the year end, Messrs Dolenec and Paris have resigned from the Board. Further details regarding the retirement, selection and appointment of Directors, including the Company's position on diversity can be found on page 34.

The rules concerning the appointment and replacement of Directors are set out in the Company's Articles of Association (the "Articles"). There are no agreements between the Company and its Directors concerning any compensation for their loss of office. The Articles themselves may be amended by special resolution of the Shareholders.

During the year, no Director had a material interest in a contract to which the Company was a party (other than their own letter of appointment), requiring disclosure under the Companies Act 2006, with the exception of Dominik Dolenec. Please see page 27 for further details.

As at the date of this report, none of the Directors held any Ordinary Shares in the capital of the Company.

Current Share Capital
As at 31 December 2019 and as at the date of this Report, the Company had 16,122,931 Ordinary Shares of GBP 0.01 each in issue, all of which are admitted to the official list maintained by the Financial Conduct Authority and admitted to trading on the London Stock Exchange. No shares were held in treasury during the year or at the year end. During the year, there were no purchases of Ordinary Shares made by the Company.

The rights attaching to the Company's Ordinary Shares are set out in the Company's Articles. Further details are shown in note 14 to the consolidated financial statements.

Substantial Shareholdings
During the year under review, the Company had been informed of the following notifiable interests of 3% or more in the Company's voting rights in accordance with the Disclosure Guidance and Transparency Rule 5:

Shareholders	Number of Ordinary Shares	Percentage holding
Oaktree Capital Management	4,289,522	26.61%
LIM Asia Special Situations Master Fund Limited and LIM Asia Multi-Strategy Fund Inc	4,155,679	25.77%
Almitas Capital LLC	3,118,053	19.34%
Artemis Investment Management LLP	666,881	4.14%

The following changes to these interests have been notified to the Company between 31 December 2019 and the date this report:

Shareholders	Number of Ordinary Shares	Percentage holding
Almitas Capital LLC	2,993,053	18.56%

DIRECTORS' REPORT (continued)

Invesco Limited and City Financial Investment Company Ltd reduced their shareholdings to 0% on 20 June 2019 and 28 March 2019 respectively.

Share Issues and Dis-Application of Pre-Emption Rights
At the Annual General Meeting held on 12 July 2019, the Directors were granted the authority to allot Ordinary Shares up to an aggregate nominal amount of £16,122.93 representing approximately 10% of the issued Ordinary Share Capital as at 17 June 2019 for cash. At the Annual General Meeting held on 12 July 2019, subject to the above overall limit of 10% provided by the above authority, the Directors were also granted the authority to allot Ordinary Shares up to an aggregate nominal amount of £16,122.93 representing approximately 10% of the issued Ordinary Share Capital as at 17 June 2019 for cash on a non-pre-emptive basis. No Ordinary Shares have been issued during the year.

These authorities are due to expire at the Company's Annual General Meeting to be held on Tuesday, 30 June 2020. Proposals for the renewal of these authorities will be put forward at this meeting and if approved by Shareholders will be in place until the following Annual General Meeting in 2021. Details will be contained in the notice of Annual General Meeting.

Purchase of Own Shares
At the Annual General Meeting held on 12 July 2019, the Directors were granted the authority to buy back up to 2,416,827 Ordinary Shares, being 14.99% of the Company's issued share capital. No Ordinary Shares have been brought back under this authority. There are no shares held in treasury.

This authority is due to expire at the Company's Annual General Meeting to be held on Tuesday, 30 June 2020. A proposal for the renewal of the Company's authority to buy back up to 1,612,293 Ordinary Shares, being 10% of the Company's issued share capital will be put forward at this meeting. Details will be contained in the notice of Annual General Meeting.

These authorities to allot new Ordinary Shares, dis-apply pre-emption rights and for the Company to purchase its Ordinary Shares will only be used if the Directors believe it is in the best interests of the Company to do so.

No Shareholders were given management fee rebates during the year (2018: no Shareholders). The Board are committed to ensuring that all Shareholders are treated fairly.

Transfer of Shares
The Company's Ordinary Shares are freely transferable. Under the Company's Articles, all transfers of shares may be effected in any form acceptable to the Board.

The Board may refuse to register any transfer of shares which are not fully paid unless such discretion may prevent dealings in the shares of that class from taking place on an open and proper basis. The Board may also refuse to register any transfer of shares unless:

- the instrument of transfer is in respect of only one class of share;
- the transfer is not in favour of more than four persons jointly; and
- when submitted for registration, the transfer is accompanied by the relevant share certificates and such other evidence as the Board may reasonably require.

There are 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.

If the Board refuse to register a transfer of shares, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

Restrictions on Voting
A member is not entitled to vote unless all calls due from that member have been paid. In addition, a member is also not entitled to attend or vote at meetings of the Company in respect of any Ordinary

DIRECTORS' REPORT (continued)

Shares held in relation to which such member or any other person appearing to be interested in such shares has been duly served with a notice after failure to provide the Company with information concerning the interest in those shares required to be provided under section 793 of the Companies Act 2006. No Ordinary Shares carry any special rights with regard to the control of the Company and there are no restrictions on voting rights for either share class.

The Annual General Meeting
The Company's Annual General Meeting will be on Tuesday, 30 June 2020 and explanations of the business proposed will be contained in the Notice of Meeting.

Dividend Policy
As advised to Shareholders in the Company's circular dated 29 October 2018, the Board does not intend to make quarterly dividends and will instead make payments by way of ad-hoc special dividends, where appropriate, during the course of the managed wind-down process so that the Company is able to return available cash to Shareholders as soon as reasonably practicable after cash becomes available in the portfolio.

Results and Dividends
A summary of the Company's performance in respect of the progress made in realising its investments during the year and the outlook for the forthcoming year is set out on page 8.

The declaration of interim and special dividends can be made at the Directors' sole discretion, as and when they deem that the Company has sufficient distributable reserves available to make a distribution. The Company will also look to structure its dividend payments to maintain its investment trust status for so long as it remains listed. Details of the dividends paid during the year, can be found on page 18 and in note 11 on pages 74 and 75.

Interest Distributions
In accordance with Regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15% of its profit (as calculated for UK tax purposes) in respect of an accounting period.

Financial Risk Management
The principal financial risks and the Company's policies for managing these risks are set out in note 18 to the financial statements.

Charitable and Political Donation
No political or charitable donations were made during the year (2018: none).

Branches outside the UK
The Company's registered office is at 6th Floor, 65 Gresham Street, London EC2V 7NQ. The Company has not established any branches outside the UK.

Board of Directors' Independence and Conflict of Interest
The Company's procedures for dealing with conflicts of interest are set out in the Articles. These provide that the Directors may authorise any actual or potential conflict of interest that may arise, with or without imposing any conditions that they consider appropriate on the Director. Directors are not able to vote in respect of any contract, arrangement or transaction in which they have a material interest, and, in such circumstances, they are not counted in the quorum. A process has been developed to identify any of the Directors' potential or actual conflicts of interest. This includes declaring any interest in the business to be discussed before the start of each Board meeting. The Board are satisfied that the procedures in place are adequate.

Board of Directors' Indemnity
The Company has entered into contractual indemnities with each of the Directors pursuant to the Company's Articles and these remain in force. Alongside these indemnities, the Company also provides Directors' and Officers' liability insurance cover for each Director.

DIRECTORS' REPORT (continued)

Compensation for Loss of Office
The Company does not have arrangements in place with any Director that would provide compensation for loss of office or resulting from a takeover.

Corporate Governance
The Corporate Governance Statement on pages 29 to 34 forms part of the Report of the Directors.

Auditor
As announced on 30 July 2019, Deloitte LLP resigned as the Company's auditor on 29 July 2019 leaving a casual vacancy. The Audit Committee conducted an audit tender and recommended the appointment of Crowe UK LLP to the Board. The Board accepted this recommendation. The Board is satisfied that Crowe UK LLP is independent and that there are adequate safeguards in place to safeguard its objectivity. Resolutions for Crowe's appointment as the Company's auditor and for the audit committee to determine its remuneration will be proposed at the forthcoming Annual General Meeting. Please see page 36 of the Audit Committee Report for more details.

Disclosure of Information to the Auditor
Each of the persons who is a Director at the date of approval of this Report confirm that:

(a) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
(b) he has taken all reasonable steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to ensure that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Law.

Related Party Transactions
Details of related party transactions are given in note 16 to the consolidated financial statements.

Significant Agreements
The Company is not party to any significant agreements which take effect after or terminate upon a change of control of the Company, nor has the Company entered into any agreements with its Directors to provide for compensation for loss of office as a result of a takeover bid.

Closed-ended Investment Company
The Company is a closed-ended investment company. As a closed-ended investment company there are no redemption rights for Shareholders.

Alternative Investment Fund Managers Directive ("AIFMD")
The Company is categorised as an externally managed EEA domiciled Alternative Investment Fund ("AIF") for the purposes of the AIFMD.

Since IFM is a non-EEA Alternative Fund Manager ("AIFM"), it is only subject to the AIFMD to the limited extent that it markets an EEA AIF in the EEA. Accordingly, it is only required to make certain financial and non-financial disclosures and, in particular, is not required to comply with Article 9(7) of the AIFMD which relates to maintenance of professional indemnity insurance or additional capital to cover professional liability risks.

DIRECTORS' REPORT (continued)

Requirements of Listing Rule 9.8.4
These disclosures are made in respect of the financial period to which this annual report relates.

A statement of the amount of interest capitalised by the Company during the period under review with an indication of the amount and treatment of any related tax relief	The Company has not capitalised any interest in the year under review.
Any information required in relation to the publication of unaudited financial information	Not applicable
Details of any long-term incentive schemes	An incentive bonus scheme was introduced for the Company's Board following Shareholder approval on 16 November 2018. Please refer to the Directors' Remuneration Report on pages 40 to 45.
Details of any arrangements under which a Director of the Company has waived or agreed to waive any emoluments from the Company	Mr Hawthorne has agreed to waive his participation in the Company's bonus scheme.
Details of any pre-emptive issues of equity not for cash	Not applicable
Details of parent participation in a placing by a listed subsidiary	Not applicable
Details of any contract of significance with the Company in which a Director is or was materially interested	Not applicable
Details of any contract of significance between the Company (or one of its subsidiaries) and a controlling Shareholder	Not applicable
Details of waiver of dividends by a Shareholder	Not applicable
Board statement in respect of relationship agreement with the controlling Shareholder	Not applicable

Annual General Meeting
The Annual General Meeting of the Company will be held on Tuesday, 30 June 2020 and the Company will send to Shareholders a Notice of Annual General Meeting, alongside this Annual Report, and within the required notice period. In view of the current Covid-19 pandemic, Shareholders will not be able to attend this meeting and should instead vote online or via CREST in advance of the meeting. A hard copy of the proxy is available on request from the Registrar.

Future Developments
In 2020, the Board will continue to realise remaining assets and return the proceeds to its Shareholders. It will also continue to streamline management and other administrative costs. With this in mind, the Board may delist the Company's Ordinary Shares in the future.

DIRECTORS' REPORT (continued)

Subsequent Events
On 9 January 2020, the Board declared a special dividend of 33 pence per Ordinary Share, which was paid on 10 February 2020. On 7 April 2020, the Board declared a further special dividend of 106 pence per Ordinary Share which was paid on 19 May 2020.

On 2 April 2020, the Company received a payment of USD13,483,500 following resolution of the Princeton litigation proceedings.

Whilst the full impact of the Covid-19 pandemic is yet to be felt by businesses worldwide, it has increased the credit risk associated with the Company's underlying platform loans. This continues to be monitored by the Board.

This Report was approved by the Board of Directors on 3 June 2020.

On behalf of the Board
Brendan Hawthorne
Chairman

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement forms part of the Report of the Directors.

The Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA require listed companies to disclose how they have applied the principles and complied with the provisions of the corporate governance code to which the issuer is subject.

The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance (the "AIC Code").

Introduction from the Chairman

In this statement, the Company reports on its compliance with the AIC Code and sets out how the Board has operated during the past year. The revised AIC Code, as published in February 2019, sets out new principles and provisions regarding matters including stakeholder engagement and the culture of the Company, against which the Company has reported in the below Statement. The AIC Code is available on the AIC website (www.theaic.co.uk).

By reporting against the AIC Code, the Company has met the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules.

The Principles of the AIC Code

The AIC Code is made up of 17 principles split into five sections:

- Board leadership and purpose
- Division of responsibilities
- Composition, succession and evaluation
- Audit, risk and internal control
- Remuneration

Compliance with the AIC Code

The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code (the "UK Code") as well as setting out additional provisions on issues that are of specific relevance to the Company as an investment trust. The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC provides more relevant information to Shareholders. A copy of the UK Code can be found at www.frc.org.uk.

Throughout the year, the Board considers that it has managed its affairs in compliance with the AIC Code, except where it has concluded that adherence or compliance with any particular principle or provision of the AIC Code would not have been appropriate to the Company's circumstances. Further details are below. Similar to the UK Code, the AIC Code specifies a "comply or explain" basis and the Board's report under this section explains any deviation from its provisions.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration;
- management performance, remuneration and succession planning;
- workforce policies (including remuneration) and practices; and
- the need for an internal audit function.

For the reasons explained in the AIC Code, the Board considers that these provisions are not relevant to the Company, being an externally managed investment company with no employees. Whilst members of the Board are paid an additional monthly executive fee to reflect their executive director duties, this payment is made in accordance with the term of the non-executive director appointment letters and the Company's remuneration policy. The Company has therefore not reported further in respect of these provisions.

CORPORATE GOVERNANCE STATEMENT (continued)

Non-Compliance with the AIC Code

In view of the Company being in a managed wind-down, the Company has not complied with the following provisions of the AIC Code, as set out below:

1. Provision 1: Long-term success of the Company – The Company is in a managed wind-down and therefore the Board is focussed on achieving a maximised return for Shareholders in a timely manner and not over the long-term.
2. Provision 10: A majority of the Board is not independent of executive management. This is due to the number of Directors that have had to take on and maintain executive responsibilities during the ongoing wind-down of the Company.
3. Provision 14: No Senior Independent Director ("SID") has been appointed. The Board does not therefore maintain a document setting out the responsibilities of the SID. All the Directors have different qualities and areas of expertise on which they lead, and concerns can be conveyed to the Chairman, or another Director if Shareholders do not wish to raise concerns with the Chairman.
4. Provision 16: The Board does not maintain a schedule of matters reserved for the Board as all decisions are made by the Board. The Company does not have an investment manager. The primary focus at all Board meetings is the performance of the residual portfolio and the ongoing wind-down, as well as other associated matters.
5. Provisions 23 and 24: The Board have not set a policy on the tenure of the chair and Directors are not appointed for a specified term. This would be inappropriate in view of the Company being in a managed wind down and the Board feel that the continued contribution to the wind down process is of greater importance than the length of time for which they have served as a Director of the Company. Each director is subject to re-election by Shareholders at the next Annual General Meeting.
6. Provisions 25: The Board did not utilise an external search agency in respect of the appointment of Mr Nick Paris. Mr Paris was appointed to the Board as a representative of a large Shareholder of the Company to provide the Board with the views of Shareholders.
7. Provision 26: A Board evaluation has not been undertaken during the year given the ongoing wind-down and the remaining lifespan of the Company. The Board has separately considered each Director's independence.
8. Provision 29: The Chairman is also the Chairman of the Audit Committee. In view of the Company being in a managed wind down, the Board consider this to be appropriate given the Board's size and Mr Hawthorne's significant financial expertise and independence from the executive management of the Company.
9. Provision 37: As there is not a majority of independent directors and in view that the Company is in the process of a managed wind down, the Board is of the view that there is no longer a requirement for a separate remuneration committee. Directors' fees will be considered by the Board as a whole within the limits approved by Shareholders.
10. Provision 38: As above, the Board will be responsible for determining the remuneration policy and setting the remuneration for the Chairman.

The primary focus of the Board is the progress of the ongoing managed wind-down. The Company has no Investment Manager but has an AIFM for the purposes of the AIFM reporting requirements. All decisions are made at Board level with the Executive Directors taking more of an active role in the day-to-day running of the Company in place of an investment manager. The Board consists of more Executive Directors for this reason. No one individual has unfettered powers of decisions made by the Board.

CORPORATE GOVERNANCE STATEMENT (continued)

The Board and its Committees
The Board has delegated certain responsibilities to its Audit, Management Engagement and Remuneration and Nomination Committees. The roles and responsibilities of the Committees are set out in the appropriate terms of reference available on the Company's website, https://rdlrealisationplc.co.uk/documents.

Since the year end and in view of the significant progress with the managed wind down of the portfolio and changes to the Board composition, the Board made the decision to disband the Management Engagement and Remuneration and Nomination Committees as the Board as a whole will maintain responsibility for these functions.

The Board may also delegate certain functions to other parties. However, the Directors retain ultimate responsibility for exercising overall supervision of the residual portfolio and wind-down of the Company. Approval of the half-yearly report, announcements, dividends and the annual report are also reserved for the Board.

As reported on page 13, the Board operated three Board committees during 2019 to assist with the managed wind-down of the Company, including the Princeton litigation and the repayment of the Group ZDP Shares. Since the year end, these committees have been disbanded and the Board as a whole will retain sole responsibility for the managed wind-down of the Company.

Audit Committee
The Company's Audit Committee, comprising of Brendan Hawthorne, Greg Share and Brett Miller, meets formally twice a year. Mr Hawthorne is the chairman of the Audit Committee.

The Audit Committee:
(1) monitors the integrity of the financial reporting process;
(2) monitors the effectiveness of the Company's internal control and risk management systems;
(3) monitors the annual statutory audit process;
(4) reviews and monitors the scope, cost, results, independence and objectivity of the Company's Auditor; and
(5) considers and makes an appropriate recommendation to the Board in respect of the appointment, re-appointment and removal of the Auditor.

The report from the Audit Committee is set out on pages 35 to 38.

Management Engagement Committee
This committee, which consists of Brendan Hawthorne and Greg Share, is chaired by Mr Share. The primary purpose of the Company's Management Engagement Committee is the annual and ongoing review of the performance of the Company's key service providers. The Committee met once during 2019 and recommended the continued appointment of all of the Company's key service providers, with the exception of the Auditor, to the Board. The Audit Committee reviews the performance of the Auditor.

Since the year end, the Board has assumed responsibility for the ongoing review of the performance of the Company's key service providers, except that of the Auditor as this remains a responsibility of the Audit Committee, in view of current and future Board composition.

Remuneration and Nomination Committee
The purpose of the Company's Remuneration and Nomination Committee, comprising Brendan Hawthorne and Greg Share, amongst other things, is to consider the framework and policy for the remuneration of the Directors pursuant to the Articles and to review the structure, size and composition of the Board. This committee is chaired by Mr Share. The Committee met twice during 2019. Please see the Nomination Report on page 39.

In view of the ongoing managed wind down of the Company, current and future changes to Board composition, since the year end, the Board has assumed responsibility for these functions and this committee has been disbanded.

CORPORATE GOVERNANCE STATEMENT (continued)

Company Secretary
The Board has direct access to the services provided by the Company Secretary, Link Company Matters Limited, which is responsible for ensuring that the Board and Committee procedures are followed. The Company Secretary is also responsible for ensuring timely delivery of information and reports and that certain statutory obligations, such as compliance with the Companies Act 2006, the UKLA Listing Rules and Disclosure Guidance and Transparency Rules, are met. Further, the Company Secretary is responsible for advising the Board on all UK governance related matters. When deemed necessary, the Directors can seek independent professional advice at the expense of the Company.

Administrator
The Board appointed Sanne Fiduciary Services Limited ("Sanne") to provide day-to-day administration and accounting services to the Company. In its capacity as administrator, Sanne maintains accounting records and provides financial reports such as the monthly net asset value statements and the semi-annual and annual financial statements to the Board.

The Board of Directors
The Directors in office as at 31 December 2019 are listed on pages 21 to 22.

Nick Paris was appointed by the Directors on 20 May 2019 following a request from LIM, one of the Company's largest shareholders. No external search consultancy nor open advertising was used in respect of this appointment. The Remuneration and Nomination Committee considered the request from LIM and subsequently recommended the appointment of Mr Paris to the Board for approval. See page 39 for further details.

During the year under review, the Board consisted of six Non-Executive Directors, two of whom are deemed independent by the Board, one deemed non-independent as representative of one the Company's largest Shareholders and three deemed non-independent due to their executive responsibilities. No one individual has unfettered powers of decisions made by the Board.

Letters of appointment and re-election of Directors
The terms and conditions of the appointment of the Directors are formalised in letters of appointment, copies of which are available on request from the Company Secretary. Directors are not entitled to any compensation for loss of office.

All Directors' appointments are subject to election by the Shareholders at the AGM following their appointment by the Board.

Any term renewal is subject to Board review and AGM re-election. The Company's Articles stipulate that all new Directors shall retire and offer themselves for re-appointment at the relevant AGM every three years. However, in line with best practice the Board has decided that all Directors will stand for re-election on an annual basis.

The Board believes that the Directors have the requisite skills, expertise and experience to lead the managed wind-down of the Company and demonstrate commitment to their role. The Board hereby recommends that Shareholders vote in favour of the proposed re-appointments.

Letters of appointment and re-election of Directors
In making any new appointment the Board will consider a number of factors, but principally the skills and experience that will be relevant to the managed wind down and that will complement the existing Board members. The Board has no current intention to appoint any further Directors.

Conflicts of Interest
The Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possible conflict, with the interests of the Company. There is in place a formal system for the Board to consider authorising such conflicts, whereby the Directors who have no interest in the matter decide whether to authorise the conflict and any conditions to be attached to such authorisations.

CORPORATE GOVERNANCE STATEMENT (continued)

Chairman and Senior Independent Director
During the year under review, Mr Dolenec stepped down as Chairman of the Board and Mr Hawthorne was appointed as Chairman by the Board on 12 July 2019. Mr Hawthorne was deemed independent on appointment. He is responsible for leadership of the Board and ensuring its effectiveness. He demonstrates objective judgement and promotes a culture of openness and debate. He further facilitates constructive Board relations and the effective contribution of all Directors.

In view of the Company's size and being in a managed wind-down, the Board do not consider it necessary to appoint a Senior Independent Director.

Board Meeting Attendance for the Year
The Board met regularly during the year with additional meetings and teleconferences arranged as necessary. During the year to 31 December 2019, the number of Board and Committee meetings attended by each Director is detailed below.

	Number of Meetings			
Directors	Scheduled Quarterly Board	Scheduled Audit Committee	Management Engagement Committee	Remuneration and Nomination Committee
Brendan Hawthorne	4/4	2/2	1/1	2/2
Dominik Dolenec	4/4	2/2	-	-
Brett Miller	4/4	1/1**	-	-
Greg Share	4/4	2/2	1/1	2/2
Joe Kenary	4/4	-	-	-
Nick Paris*	2/2	-	-	-

*appointed on 20 May 2019
** appointed on 27 August 2019

Additional meetings were held during the year by those Directors available to attend in respect of strategic planning, investment portfolio reviews and dividend declarations.

Board's Performance Evaluation
In view of the ongoing managed wind down of the Company and the composition of the Board, the Board agreed that a Board evaluation was not required for the year under review. The Board was of the view that the breadth of skills and experience of the Board members was sufficient to lead the Company in its managed wind down. The Board consider that all Directors have sufficient time and do meet their Board responsibilities.

Independence of Directors
In accordance with the AIC Code, the Board has reviewed the independent status of each of the Non-Executive Directors.

The Board considers Brendan Hawthorne to be an Independent Non-Executive Chairman given that he has no connection with any of the Company's Shareholders, holds no shares in the Company and has excluded himself from participating in the Company's bonus scheme.

Whilst the Board recognises that the AIC Code considers relationships within the last three year impair independence, the Board has continued to assess Mr Share's independence and following this review, considers Greg Share to be an Independent Non-Executive Director on the basis that he no longer has a connection with Oaktree, one of the Company's largest Shareholders and holds no shares in the Company.

During the year under review, Nick Paris was considered non-independent due to his connection with LIM and Dominik Dolenec was considered to also be non-independent due to his connection with Oaktree and his executive responsibilities. Brett Miller and Joe Kenary are considered non-independent due to their executive responsibilities.

CORPORATE GOVERNANCE STATEMENT (continued)

Relations with Shareholders
The Company encourages two-way communication with both its institutional and private investors and aims to respond quickly to queries raised. All Shareholders have the opportunity to vote by proxy at the Annual General Meeting. The notice of the Annual General Meeting, which will be circulated to all registered Shareholders with at least twenty-one clear days' notice of the Annual General Meeting, sets out the business of the meeting and an explanation of each proposed resolution. Separate resolutions are proposed in respect of each substantive issue.

The Directors are available to enter into dialogue and correspondence with Shareholders regarding the progress of the managed wind down and performance of the Company. Shareholders may contact the Board by email on info@rdlrealisationplc.co.uk.

The Chairman is in regular communications with the Company's largest Shareholders. Other Directors, where appropriate, communicate with Shareholders.

Voting at the 2019 AGM
At the 2019 AGM, the reappointment of Mr Dolenec as a Director of the Company received 21.18% of shareholder votes against the resolution. The Board engaged with major shareholders prior to the AGM and understood and acknowledged the views and concerns raised by the Shareholders. As a result, Mr Dolenec stepped down as Chairman of the Board.

Risk Management and Internal Control review
The Board, through the Audit Committee has considered the FRC guidance on risk management, internal control and related financial and business reporting. The Board is responsible for ensuring the maintenance of a robust system of internal control and risk management and for reviewing the effectiveness of the Company's overall internal control arrangements and processes following recommendations from the Audit Committee. However, such systems are designed to minimise risk and not entirely eliminate it; they can, therefore, provide only reasonable and not absolute assurance against material misstatement or loss.

Further details on principal risks and internal control can be found in the Group Strategic Report on pages 13 to 20.

Board Diversity Policy
At the end of the financial year, the Company had six male Directors. The Remuneration and Nomination Committee considered the current structure, size and composition of the Board taking into account the challenges and opportunities facing the Company. The Committee and the Board are committed to diversity at Board level 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 and the ongoing wind-down. The policy of the Committee is to consider appointments to the Board of Directors in the context of the requirements of the business, its need to have a balanced and effective Board and succession planning. Gender and diversity are considered by the Committee and are taken into account when evaluating the skills, knowledge and experience desirable to fill each vacancy, but all appointments to the Board are made on merit. The Committee has not set any measurable objectives in respect of this policy. The Board has no current intention to appoint any further Directors to the Board.

Induction and training
On appointment, the Executive Directors and the Company Secretary provides new Directors with induction training as appropriate. The training covers the Company's managed wind down process and practices. The Directors are also given regular briefings on changes in law and regulatory requirements that affect the Company and the Directors.

On behalf of the Board

Brendan Hawthorne
Chairman
3 June 2020

AUDIT COMMITTEE REPORT

(This Audit Committee Report forms part of the Corporate Governance Report)

Membership of the Committee
Following changes to the composition of the Board, as at the date of this report, the Audit Committee comprises of Brendan Hawthorne as Chairman, Brett Miller and Greg Share. Mr Dolenec served a member of the Committee until 27 August 2019. The Committee is made up of the two Independent Non-Executive Directors, who have relevant experience across the sector, and Mr Miller who has executive responsibility for the Company's governance and reporting. Mr Hawthorne is a Chartered Accountant and Certified Fraud Examiner and has significant experience in accounting and corporate financial matters. Representatives of the Auditor also attend and present at meetings of the Committee.

Mr Hawthorne is Chairman of the Board and the Audit Committee. The other Directors consider this to be appropriate, in view of the Company being in a managed wind down, the Board's size and Mr Hawthorne's significant financial expertise and because the Board believe that Brendan Hawthorne continues to be independent from the executive management of the Company.

Role of the Audit Committee
The responsibilities of the Committee are set out in the AIC Code, Disclosure Guidance and Transparency Rule 7.1 and as identified in the Committee terms of reference. These shall include:

- monitoring of the integrity of the consolidated financial statements of the Company, including its annual and half-yearly reports and any other formal announcements relating to its financial performance, and to review significant financial reporting issues and judgements which they contain;
- review and challenge where necessary the consistency or adoption of significant accounting policies both on a year on year basis and (as applicable) across the Company;
- review the content of the Annual Report and consolidated financial statements and decide on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy;
- review annually the adequacy and effectiveness of the Group's financial report and internal control policies and procedures, including related reporting;
- oversee the relationship with the Auditor and assess annually the external Auditor's independence and objectivity and the effectiveness of the audit process taking into account relevant UK law, professional and regulatory requirements and the relationship with the external auditor as a whole, including the provision of any non-audit services; and
- at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary.

Meetings
The Audit Committee meets formally at least twice a year at appropriate intervals in the financial reporting and audit cycle. Further meetings will take place should the Chairman of the Audit Committee or other members require. Only the Audit Committee members have the right to attend and vote at these meetings. However, others may be invited on a regular basis, including the representative of the Auditor. A formal review of the Auditor's performance and objectivity by the Committee was undertaken during the year, further details of which can be found on page 37.

The Audit Committee held two scheduled meeting during the year under review and two additional ad hoc meetings to consider the observations from the outgoing Auditor and recommend the appointment of Crowe UK LLP following the audit tender. It met once following the year end.

AUDIT COMMITTEE REPORT (continued)

Matters considered in the year
The principal activities undertaken by the Audit Committee for the year were as follows:

- reviewed the Company's Interim Statements and Annual Financial Statements;
- reviewed and discussed with Deloitte their findings from the audit of the 2018 Annual Report, including their observations on the Company's internal controls and the effectiveness of the external audit process;
- reviewed the effectiveness of the risk management systems and internal controls of the Company and related reports from third-party providers;
- reviewed the going concern and viability statements;
- conducted a competitive audit tender, and made a recommendation to the Board; and
- agreed the 2019 audit plan, including the principal areas of focus and agreed the audit fee with the Auditor.

Internal Audit
The Audit Committee has determined that there is no need for an internal audit function given the size of the Company and in view that it is in a managed wind-down.

Risk Management and Internal Controls
The Audit Committee is responsible for satisfying itself that the accounting and internal control systems of the Company and other service providers are appropriate and adequate. The Committee has received reports from the AIF and Administrator for the purpose of reviewing the control mechanisms in place and the Committee is satisfied that the relevant legal and regulatory requirements have been met. The Board carries out reviews at least annually of the performance of the Company's service providers.

Risk is inherent in the Group's activities and accordingly, the Company has established a risk map consisting of the key risks and controls in place to mitigate those risks. This provides a basis for the Committee and the Board to monitor the effectiveness of controls and to update the map when new risks are identified. Those Directors with executive responsibility also have regular insight of the performance of the residual portfolio and can identify, evaluate any significant risks to bring to the attention of the Committee. However, such systems are designed to minimise risk rather than eliminate risk; they only provide reasonable and not absolute assurance against material misstatement or loss.

The principal risks are set out on pages 14 to 17.

Auditor Appointment
Deloitte LLP resigned as the Company's auditor on 29 July 2019 leaving a casual vacancy. Deloitte LLP had been auditor to the Company since its inception in 2015. There had been no tender previously undertaken by the Audit Committee.

The Audit Committee conducted an audit tender and following this process, a recommendation was made to the Board and Crowe UK LLP ("Crowe") were appointed as interim Auditor for the financial year 2019. Resolutions for Crowe's appointment as the Company's Auditor and for the Audit Committee to determine its remuneration will be proposed at the forthcoming Annual General Meeting. Deloitte LLP will therefore not be re-appointed at the forthcoming Annual General Meeting.

The Audit Committee approached a selection of audit firms to tender for the audit of the Company and having considered the proposal from Crowe and giving consideration to the level of investment trust experience of the team, the audit fee and its independence it made a recommendation to the Board to appoint Crowe. There were no contractual obligations that acted to restrict the Audit Committee's choice of auditors.

Audit Fees
An audit fee of USD 109,000 has been agreed in respect of the Group audit for the financial year ended 31 December 2019 (2018: USD 202,216).

AUDIT COMMITTEE REPORT (continued)

External Audit and Non-Audit Services
Crowe presented the audit strategy to the Audit Committee and held various discussions with the Chairman of the Audit committee prior to the audit. The plan set out the audit scope, the significant audit risks the Company faces, Crowe's position on audit independence, materiality (as described in the external auditor's report on pages 50 and 51) and audit fees.

The Auditor is invited to attend Committee meetings and meet with the Committee and its Chairman. After the external audit is completed, the Committee obtains feedback on the conduct of the audit.

Certain non-audit services may be provided by the external auditor, subject to the level of fees involved being considered to not impair the external auditor's independence or objectivity. The Audit Committee agreed that the following services are prohibited from being provided by the external auditor: taxation services not directly relevant to the audit, bookkeeping, payroll administration services, management functions, executive recruiting and human resource services, broker-dealer services, expert services unrelated to their audit function, including legal, internal control, valuation and actuarial services. This list may also include any service the Audit Committee determines is not permissible. Crowe have not provided any non-audit services to the Company during the year under review or as at the date of this report.

Significant issues considered by the Committee
The Committee determined that the significant issues considered in the context of the financial statements were:

Significant area	How addressed
Valuation of investments at fair value	Duff & Phelps value the holdings in the portfolio, except for the Canadian SME platform.

Primary areas of judgement in relation to the Annual Report and consolidated financial statements
The Audit Committee has considered the judgements made in the Annual Report and consolidated financial statements and receives reports from the external service providers and the external auditor on those judgements. The Audit Committee pays particular attention to the matters it considers to be important by virtue of size, potential impact, complexity and level of judgement.

Review of performance
As part of 2019 audit process, the Audit Committee reviewed Crowe's effectiveness by:

- discussing the overall risk-based audit process and the audit procedures taken to address the identified significant audit risks;
- considering feedback on the audit provided by the Administrator; and
- considering the experience, involvement of specialists and performance of the audit team, including the audit partner.

The Audit Committee has considered the significant risks identified by the audit team during the audit of the financial statements for the year. The feedback provided by the Administrator regarding the audit team's performance on the audit is positive. The Audit Committee acknowledged that the audit team, including the audit partner comprised staff with appropriate levels of knowledge and experience of the investment Trust sector. Accordingly, the Committee has recommended to the Board that Crowe be appointed as Auditor at the forthcoming Annual General Meeting. Crowe has confirmed its willingness to continue in office.

Independence and objectivity of the Auditor
Having considered the Auditor's independence in respect of the year ended 31 December 2019, the Audit Committee is satisfied with the Auditor's performance, objectivity and independence. The Auditor has provided confirmation that they are independent within the meaning of all regulatory and professional requirements and that objectivity of the audit is not impaired.

AUDIT COMMITTEE REPORT (continued)

Responsibilities
The Audit Committee monitors the integrity of the consolidated financial statements of the Company including its annual and half-yearly reports. It is also responsible for making recommendations to the Board on both the appointment of the external Auditor and monitoring the external auditor's effectiveness and independence. In addition, the Audit Committee shall advise the Board on whether, in its opinion, the Company's Annual Report and consolidated financial statements, taken as a whole, is fair, balanced and understandable.

As the Company has no employees, the Company does not have a whistleblowing policy and procedure in place. Accordingly, the Audit Committee will review the whistleblowing procedures of its external service providers to ensure that the concerns of its staff may be raised in a confidential manner. Based on its review, the Audit Committee is satisfied that representatives of the external service providers have sufficient whistleblowing procedures and no compliance and regulatory findings, or any breaches reported in the Board meetings during the year.

The Audit Committee Report was approved by the Audit Committee on 3 June 2020.

Signed on behalf of the Audit Committee:

Brendan Hawthorne
Chairman of the Audit Committee

REMUNERATION AND NOMINATION COMMITTEE REPORT

Introduction from the Chairman of the Remuneration and Nomination Committee
The current composition of the Remuneration and Nomination Committee meets the requirements of its terms of reference, being two independent non-executive directors; Greg Share and Brendan Hawthorne. Biographies of members are included on page 21 and 22.

Role of the Remuneration and Nomination Committee
The Committee's main responsibilities, as outlined in its terms of reference, are:

- determine and agree with the Board the framework or broad policy for the remuneration of the Company's chairman and non-executive directors pursuant to the Company's articles of association;
- review the ongoing appropriateness and relevance of the remuneration policy
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- keep under review the structure, size and composition (including the skills, knowledge and experience) required of the Board; and
- to review succession planning processes for the Board and other the key roles of Chairman of the Board, Chairman of the Management Engagement Committee, Audit Committee and this Committee.

During the 2019 financial year, the Committee met on two occasions. On one occasion the Committee met to consider remuneration for those members of the Board with executive responsibilities. See the Directors' Remuneration Report on pages 40 to45. On the other occasion the Committee considered the appointment of Mr Nick Paris to the Board.

On 20 May 2019, the Company announced the appointment of Nick Paris to the Board as a non-independent non-executive director with effect from 20 May 2019. There was no external search consultancy used in this appointment. Mr Paris's appointment was proposed to the Board by LIM Advisors Group ("LIM"), the Company's largest shareholder at that time. The Committee considered the skills, attributes and experience that Mr Paris could bring to the Board. Further consideration was given to his standing within the UK Investment Trust sector and it was noted that Mr Paris could facilitate discussions with other Shareholders for their views on the ongoing wind down of the Company.

On the recommendation of the Committee, the Board agreed his appointment. Biographical information for Nick Paris can be found on page 22. Since the year end, Mr Paris has resigned from the Board with effect from 31 March 2020.

In view of the Company being in a managed wind down, the Committee do not consider it appropriate to undertake succession planning or develop a diverse pipeline of successors. The Board has undertaken a review of the composition of the Board and concluded that the breadth of skills and experience of the Board members was sufficient to lead the Company in its managed wind down. All Directors of the Company stand for re-election at the Annual General Meeting annually.

The Directors' Remuneration Report can be found on pages 40 to 45.

Signed on behalf of the Remuneration and Nomination Committee on 3 June 2020:

Greg Share
Chairman of the Remuneration and Nomination Committee

DIRECTORS' REMUNERATION REPORT

Statement from the Chairman of the Remuneration and Nomination Committee
This Directors' Remuneration Report for the year ended 31 December 2019 has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. In addition to the Annual Report on Remuneration, this report includes the Remuneration and Nomination Committee Chairman's Annual Statement.

In principle, the Annual Report on Remuneration explains the payments made to the Directors during the year. This report, including this Annual Statement, is subject to an advisory vote at the Company's forthcoming Annual General Meeting. An ordinary resolution for this vote will be put to Shareholders at the forthcoming Annual General Meeting. Any views expressed by Shareholders on the remuneration being paid to Directors will be taken into consideration by the Committee and the Board. The Directors' Remuneration Policy is forward-looking and was approved by Shareholders at a General Meeting held on 14 November 2018. This current policy governs the remuneration of the directors and will remain in force until the Company is dissolved, or in the event the Company has not been dissolved by the time of the annual general meeting due to be held in June 2021, until June 2021, at which time a further policy will be proposed. Any views expressed by shareholders on the remuneration being paid to Directors will be taken into consideration by the Board.

The Directors' of the Company receive a fee per annum which for the year ended 31 December 2019 was £50,000 for each Director. In addition, those Directors' with executive responsibilities were paid a monthly fee as follows:

from 27 January 2019 to 12 July 2019; £22,500 per month; and
from 12 July 2019 to 31 December 2019: £15,000 per month.

Those Directors' with executive responsibilities were paid a one-off payment of £4,838.71 relating to the period from 7 January 2019 to 26 January 2019 in respect of their executive responsibilities during this time and to reflect the additional work that had been undertaken by them during this period.

In recognition of the additional time commitment and responsibilities that each of Mr Hawthorne and Mr Share has undertaken throughout the year under review relating to additional work transitioning the management of the portfolio from Ranger, Mr Hawthorne and Mr Share were each paid an additional one-off fee of £80k. These one-off fees were not considered by the Remuneration and Nomination Committee and instead approved by the Board as a whole (with Mr Hawthorne and Mr Share abstaining from voting on their own remuneration).

In addition to the annual fees, the Directors are entitled to receive a bonus based on the returns received by the Company on its investments which will be subject to review by the Board if the circumstances of the Company change. This bonus scheme was approved by Shareholders at the General Meeting held on 14 November 2018 and details of the scheme are as set out in the Notice of General Meeting dated 28 October 2018, which can be found on the Company's website.

The Board considers that a scheme which is based on the actual returns achieved by the Company will incentivise the Board and substantially align the interests of the Directors with those of the Company and its Shareholders. Mr Hawthorne has excluded himself from participating in the bonus scheme. Further details on the bonus scheme can be found on page 27.

During the 2019 financial year, the Remuneration and Nomination Committee met and considered a reduction of the monthly fees paid to those Directors' with executive responsibilities. In view of the progress of the realisation of the portfolio and subsequent reduction in the net assets of the Company, the Remuneration and Nomination Committee agreed to reduce the monthly fees from £22,500 to £15,000 with effect from 12 July 2019, in accordance with the Company's Remuneration Policy.

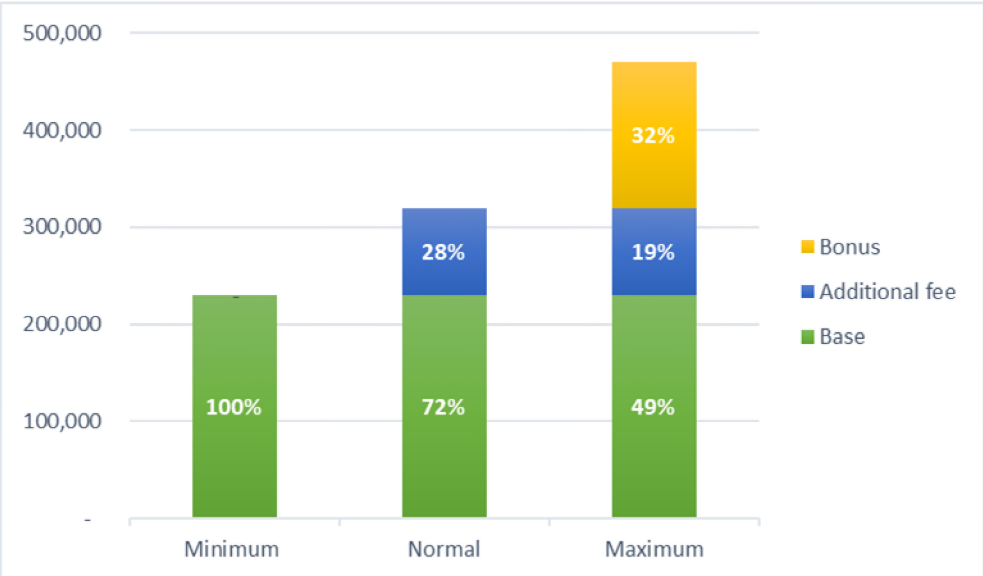
During the year under review, the Board assisted the Remuneration and Nomination Committee and approved additional one-off payments to each of Mr Hawthorne and Mr Share and reviewed the Board's composition to ensure it has an appropriate balance of skills, diversity, experience, knowledge and independence.

DIRECTORS' REMUNERATION REPORT (continued)

Directors' Remuneration Policy
The components of the remuneration package for the Company's Non-Executive Directors, which comprise the Directors' Remuneration Policy, are set out below:

REMUNERATION TYPE	DESCRIPTION AND APPROACH TO DETERMINATION
Fixed fees	Annual fees are set for each of the Directors, taking into account the wider industry and individual skills, time commitment and experience. Directors do not participate in discussions relating to their own fee.
Additional fees	Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Board may decide.
Expenses	The Directors shall also be entitled to be repaid all travelling, hotel and other expenses of attending Board meetings, committee meetings, general meetings, or otherwise incurred while engaged on the business of the Company.
Other	Directors are eligible for a bonus. Directors are not eligible for share options or long-term incentives schemes or other performance-related benefits. There are no pension arrangements in place for the Directors of the Company.

The following chart illustrates the application of the remuneration components under the Remuneration Policy reflecting the maximum possible remuneration based on performance outcomes:



This is based on the following assumptions:

- the maximum shows the total remuneration receivable for maximum performance under the bonus incentive scheme
- the below threshold is based on fixed pay only which includes salary (there are no pension allowances or taxable benefits); and
- the performance measures relate to a one-year period.

The Directors hold their office in accordance with the Articles and their appointment letters. No Director has a service contract with the Company. Each Director's appointment under their respective letter of appointment is terminable by either party (the Company or the Director) giving three months' written

DIRECTORS' REMUNERATION REPORT (continued)

notice. On termination of their appointment, Directors should only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred to that date.

Under the terms of their appointment, each of the Directors are required to retire by rotation and seek re-election at least every three years. However, as outlined in the Corporate Governance Report, in line with good practice the Board has decided that all Directors will stand for re-election on an annual basis.

If the Board considers it appropriate to appoint a new Director, the new Director's remuneration will comply with the remuneration policy in force at the date of their appointment. Fees payable in respect of subsequent periods will be determined following an annual review. The Company has no employees. There are two Directors with executive responsibilities and two Non-Executive Directors. When considering the level of fees, the Board will have regard to the following principles when agreeing the components of a remuneration package upon the recruitment of a new Director:

- in order to facilitate the future success of the Company it is important that the Company is able to recruit Directors of the calibre required to deliver its strategic priorities. Although the Company operates in a highly competitive market for executive talent, the committee remains conscious of the need to avoid paying more than is necessary on recruitment;
- the committee will, so far as practical, seek to align the remuneration package for any incoming executive with the remuneration policy table set out below;
- on recruitment salaries will be set to take into account role and responsibilities. For interim positions a cash supplement may be paid rather than salary (for example a Non-Executive Director taking on an executive function on a short-term basis); and
- the maximum level of variable remuneration which may be granted is in line with the aggregate maximums set out in the policy table.

The Directors are each entitled to serve as Non-Executive Directors on the boards of other companies and to retain any earnings from such appointments. No Director has a service contract with the Company and as such is not entitled to compensation payments upon termination of their appointment or loss of office.

Remuneration Policy

At the General Meeting held on 16 November 2018, the Shareholders approved the Remuneration Policy and it will remain in force until the Company is dissolved, or in the event the Company has not been dissolved by the time of the annual general meeting due to be held in June 2021, until June 2021, at which time a further policy will be proposed.

The Remuneration Policy seeks to align the interests of the Board with those of the Company and to incentivise the Directors to help the Company to achieve its investment objective. The approved policy is available for inspection by Shareholders in the circular dated 29 October 2018, a copy of which can be found on the Company's website at www.rdlrealisationplc.co.uk.

Shareholder voting on Remuneration

At a General Meeting held on 16 November 2018, a resolution was passed by the Company to approve the Directors' Remuneration Policy. At the 2019 AGM held on 19 June 2019, an advisory resolution was proposed by the Company to approve the Directors' Remuneration Report for the year ended 31 December 2018. The votes cast by proxy at the 2018 General Meeting and 2019 Annual General Meeting were as follows:

	Number of votes for	%	Number of votes against	%	Votes withheld
Approval of the Remuneration Policy	10,829,624	94.19	667,670	5.81	1,585
Approval of the Remuneration Report	6,906,384	99.99	321	0.01	325

This Remuneration Report will be subject to an advisory Shareholder vote at the AGM to be held on Tuesday, 30 June 2020.

DIRECTORS' REMUNERATION REPORT (continued)

Consideration of Shareholder views

The Company consulted Shareholders on Remuneration matters when a binding resolution to approve the existing Directors' Remuneration Policy was approved by Shareholders at a General meeting of the Company held on 16 November 2019. The Chairman is in continual discussion with the Company's larger Shareholders regarding remuneration.

Relative Importance of Spend on Pay

The following table shows the audited remuneration of the Directors in relation to dividend distributions to Shareholders:

	1 Jan 2019 to 31 Dec 2019 (GBP)	**1 Jan 2019 to 31 Dec 2019 (USD)**	1 Jan 2018 to 31 Dec 2018 (GBP)	1 Jan 2018 to 31 Dec 2018 (USD)
Total Directors' remuneration	**1,119,504**	**1,415,291**	362,169	472,095
Total dividends in respect of the year	**52,744,556**	**64,320,911**	46,467,742	59,921,119

Directors' Remuneration

The total audited remuneration of the Directors for the year was as follows:

2019 *Director*	*Non-Executive Directors' Fee (GBP)*	*Non-Executive Directors' Fee (USD)*	*Additional payments (GBP)*	*Additional payments (USD)*	*Executive Directors' Fee (GBP)*	*Executive Directors' Fee (USD)*	*Total (GBP)*	*Total (USD)*
Dominik Dolenec^	50,000	63,755	-	-	228,622	290,430	278,622	354,185
Brendan Hawthorne	50,000	63,755	80,000	97,160	-	-	130,000	160,915
Brett Miller	50,000	63,755	-	-	228,622	290,430	278,622	354,185
Greg Share	50,000	63,755	80,000	97,160	-	-	130,000	160,915
Joe Kenary	50,000	63,755	-	-	221,364	280,956	271,364	344,711
Nick Paris*	30,897	40,380	-	-	-	-	30,897	40,380
Total	**280,897**	**359,155**	**160,000**	**194,320**	**678,608**	**861,816**	**1,119,505**	**1,415,291**

^ Of the £228,622 paid to Mr Dolenec, £92,654 was paid to his company, Emona Capital.

2018 *Director*	*Non-Executive Directors' Fee (GBP)*	*Non-Executive Directors' Fee (USD)*	*Executive Directors' Fee (GBP)*	*Executive Directors' Fee (USD)*	*Total Remuneration (GBP)*	*Total Remuneration (USD)*
Dominik Dolenec	40,972	53,112	60,000	76,944	100,972	130,056
Brendan Hawthorne	24,024	30,978	-	-	24,024	30,978
Brett Miller	40,803	52,872	60,000	76,944	100,803	129,816
Greg Share	24,024	30,977	-	-	24,024	30,977
Joe Kenary	3,699	4,714	-	-	3,699	4,714
Christopher Waldron**	34,000	45,826	-	-	34,000	45,826
Dr Matthew Mulford**	28,334	38,188	-	-	28,334	38,188
Jonathan Schneider***	46,313	61,540	-	-	46,313	61,540
K Scott Canon#	-	-	-	-	-	-
Total	**242,169**	**318,207**	**120,000**	**153,888**	**362,169**	**472,095**

Mr Canon, as a Non-Independent Director (until his resignation on 19 June 2018) had agreed to waive any entitlement to an annual fee in respect of his Directorship. The total amount reimbursed to Mr Canon in 2018 was USD nil.

*Appointed 20 May 2019
**Resigned on 19 June 2018
***Resigned on 12 November 2018

DIRECTORS' REMUNERATION REPORT (continued)

Statement of implementation of Remuneration Policy in respect of the financial year ended 31 December 2019 and financial year ending 31 December 2020

For the year ending 31 December 2019
Further to the approved remuneration policy at the Company's General Meeting held on 16 November 2018, all Directors were paid in accordance with the Remuneration Policy. In view of the diminishing portfolio, the monthly fees paid to those Directors with executive responsibilities was reduced in July 2019 from £22,500 to £15,000 per month.

For the year ending 31 December 2020
The Board will review Directors' fees during the financial year with consideration being given to the residual value of the portfolio as the wind down of the Company progresses. Since the year end, the Board, with Messrs Kenary and Miller abstaining, approved the reduction in the monthly executive fees to £10,000 per month with effect from 1 May 2020. The Board, with Messrs Hawthorne and Share abstaining, also approved an additional one-off payment to each of Brendan Hawthorne and Greg Share of £24,000 in May 2020.

Directors' Remuneration and Share Interests
There are no pension arrangements in place for the Directors of the Company. Accordingly, there were no other items in the nature of remuneration, pension entitlements or incentive scheme arrangements which were paid or accrued to the Directors during the year.

Mr Paris had an interest in the Company through his employment with LIM, one of the Company's largest Shareholders. No other current Directors have any interests in the Company's shares, nor is there any requirement under the Company's Articles of Association or letters of appointment for Directors to hold shares in the Company.

The interests of the Directors in the shares of the Company, as at 31 December 2018 and 2019 are as follows:

2019

Director	*Nature of Interest*	*Number of Ordinary Shares of GBP 0.01 each*
Dominik Dolenec	None	None
Brendan Hawthorne	None	None
Brett Miller	None	None
Greg Share	None	None
Joe Kenary	None	None

2018

Director	*Nature of Interest*	*Number of Ordinary Shares of GBP 0.01 each*
Dominik Dolenec	None	None
Brendan Hawthorne	None	None
Brett Miller	None	None
Greg Share	None	None
Joe Kenary	None	None
Christopher Waldron*	Beneficial	3,500
Dr Matthew Mulford*	None	None
Jonathan Schneider *	None	None
K Scott Canon *	Indirect	630

*Up to their respective resignation dates

During the year no remuneration was received by any Director in a form other than cash. Furthermore, no payments were made for loss of office.

Expenses
The Directors are entitled to reimbursement of all reasonable and properly documents expenses directly incurred in the performance of their duties.

DIRECTORS' REMUNERATION REPORT (continued)

Directors' Remuneration and Share Interests (continued)

Performance
The following graph compares the Company's Ordinary Shares total returns with the S&P/LSTA U.S. Leveraged Loan 100 Index ("Index") on a total return basis in US Dollar. The Index was selected for comparison purposes as it is the Company's benchmark used for investment performance monitoring.

The Directors hold their office in accordance with the Articles and their appointment letters. No Director has a service contract with the Company, nor are any such contracts proposed. The Directors have a letter of appointment. The letters of appointment contain no entitlements to termination payments or loss of office. On termination of appointment, a Director is only entitled to such fees as may be accrued to the date of termination.

The Company does not have any employees. As the Company has no employees, the process of consulting with employees on the setting of the Remuneration Policy is not relevant.

Remuneration Advisors
The Board has not sought the advice or service by any outside person in respect of its consideration of the Directors' remuneration.

The Directors' Remuneration Report was approved by the Board of Directors on 3 June 2020 and signed on its behalf by the Remuneration and Nomination Committee Chairman:

Greg Share
Chairman of the Remuneration and Nomination Committee

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and financial statements in accordance with United Kingdom 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 ("IFRS") as adopted by the European Union.

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 Group and the Company and of the profit or loss of the Group and the Company for that period. In preparing these financial statements, the Directors are required to:

- properly select and apply accounting policies consistently;
- make judgement and estimates which are reasonable and prudent;
- 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. As explained in note 2 to the financial statements, the Directors do not believe the going concern basis to be appropriate for the preparation of the financial statements of the Group and accordingly the financial statements of the Group have not been prepared on a going concern basis. No provision has been made for the costs of winding up the Company as these will be charged to the income statement on an accruals basis as they are incurred or as the Company becomes obligated to make such payments in the future.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with relevant laws and regulations, and for ensuring that the Annual Report includes information required by the Disclosure and Transparency Rules of the UK Listing Authority.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's and Stock Exchange websites. Legislation in the UK governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Responsibility Statement

We, the Directors listed on pages 21 to 22, being the persons responsible, hereby confirm to the best of our knowledge that:

- the financial statements, have been prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial positions and profit or loss of the Group and the Company; and
- the Group Strategic Report and the Executive Director's Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties the Company faces.

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's and Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 3 June 2020 and is signed on behalf of the Board.

Brendan Hawthorne
Chairman

INDEPENDENT AUDITOR'S REPORT

Qualified opinion

We have audited the financial statements of RDL Realisation PLC (the 'Parent Company') and its subsidiaries (together the 'Group') for the period ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of affairs of the Group and of the Parent Company as at 31 December 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Basis for qualified opinion

The 2018 audit report prepared by the Company's previous auditors included a qualification in respect of the closing value of investments which was calculated to be understated by $1.8m. As a result of this understatement in the prior year the unrealised capital loss for the current year is understated by $1.8m, there is no impact on the closing net asset position.

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 Group and the Parent 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, 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 qualified opinion.

Emphasis of matter

We draw your attention to note 2 in the financial statements which indicates that the financial statements have been prepared on a basis other than that of a going concern.

The directors have prepared cashflow forecasts for a period of at least 12 months in order to confirm their assessment that the Group and Company are expected to have adequate resources to continue in operational existence until the anticipated liquidation of the Company.

INDEPENDENT AUDITOR'S REPORT (continued)

Given the proximity of the anticipated date of liquidation relative to the date of approving these financial statements we considered the disapplication of going concern as a basis for preparing the financial statements to be a "Key Audit Matter" and our audit response was as follows;

- We obtained the Board's assessment of the resources required to continue in operational existence up to the anticipated date of liquidation. Based on that assessment we:
  - Compared actual performance achieved to previous forecasts prepared by the directors prior years;
  - considered whether the relevance of the period chosen by the directors and the associated disclosures in the financial statements;
  - considered and challenged the appropriateness of the key assumptions used;
  - compared the forecast expenditure to that previously achieved as adjusted by implemented cost savings;
  - compared forecast investment income to actual loan book performance; and,
  - reviewed correspondence with lawyers, Regulators and platform providers to corroborate the assumptions over anticipated realisations.
- We confirmed with the directors that they aren't aware of any other factors which might adversely impact on their assessment of the Group and Parent's Company's ability to continue in operational existence up to the date of the expected liquidation.

We draw to your attention the content of Note 25 highlighting the uncertain impact of the COVID-19 lockdown on the recoverability of the remaining investments.

Our opinion is not modified in respect of these matters.

Conclusions relating to principal risks, going concern and viability statement
Based solely on reading the directors' statements made in the annual report and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the directors' assessment of the Group's and the Company's ability to continue as a going concern, ISAs (UK) require us to report to you whether we have anything material to add or draw attention to in respect of:

- the disclosures in the annual report set out on pages 14 to 17 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 46 in the annual report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 64 in the 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 and the 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 in the annual report as to how they have assessed the prospects of the Group, 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 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.

Other than the matters referred to under *"emphasis of matter"* above, we confirm we have nothing material to report, add or draw attention to in respect of these matters.

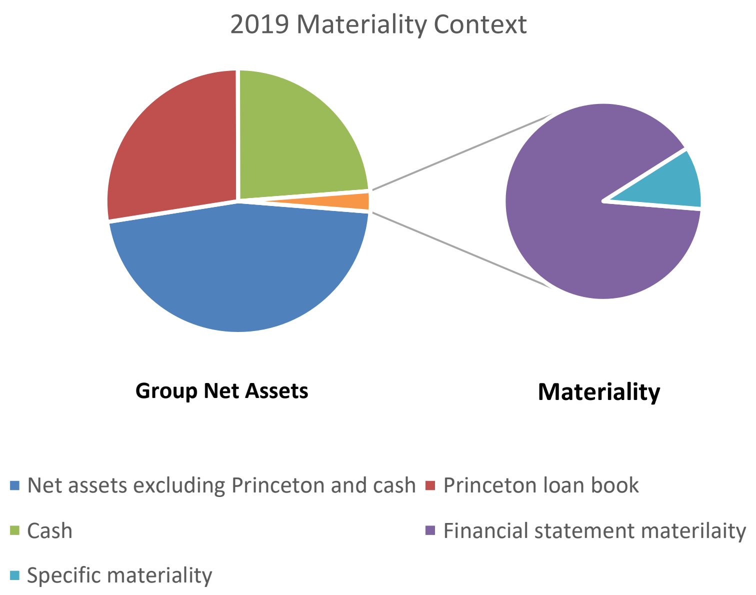
INDEPENDENT AUDITOR'S REPORT (continued)

Overview of our audit approach

Materiality

An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We apply the concept of materiality both in planning and performing our audit to evaluate the results arising from undertaking our planned testing procedures and the impact of any unadjusted misstatements arising therefrom. Importantly, misstatements below the assessed level of materiality will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. The application of these key considerations gives rise to two levels of materiality for the Group, the quantum and purpose of which are tabulated below.

Materiality	Purpose	Basis and benchmark	2019 ($)	2018 ($)
Financial statement	Assessing whether the financial statements as a whole present a true and fair view.	Given the nature of Group's activities which is focused on delivering shareholder return through the management of a loan portfolio we have assessed materiality on 1% of net assets.	$470,000	$1,221,000
Specific materiality – classes of transactions and balances which impact on the realised return	Assessing those classes of transactions, balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	1% Group Revenue	$103,000	Not reported



We have shown the Princeton loan and cash balances as separate components of overall consolidated net assets for the following reasons:

- *The Princetown loan is the subject of an agreed court settlement;*
- *Cash is regarded as not requiring the exercise of considerable judgment by either Management or us as Auditor.*

Substantially all of the residual net assets (blue) relates to non-current and current financial assets held at fair value through profit and loss, the valuation of which is regarded as a "Key audit matter", our response to which is set out on page 53.

INDEPENDENT AUDITOR'S REPORT (continued)

It is appropriate to set financial statement materiality for the parent company at a lower level than Group materiality. In light of the nature of the transactions and balances within the Company, we have set materiality at 75 per cent. of Group materiality, namely $352,500 (2018: $1,209,000).

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the financial statement materiality as adjusted for the judgments made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. On the basis of our risk assessment of the group's overall control environment, our judgment was that Group performance materiality was 75% of our planning materiality, namely $352,500 (2018: not reported). Parent company performance materiality was set at $260,000 (2018: Not reported). Where considered appropriate, performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of $23,500 (2018: $55,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Where comparative materiality figures are referred to, these were set by the previous auditor.

Overview of the scope of our audit
Our audit approach was developed by obtaining an understanding of the Group structure, the activities of each entity, the jurisdiction and regulatory environment in which each entity operates.
Through this understanding we identified the following key audit components:

- RDL Realisation Plc, the parent company;
- RDL Fund Trust LLC, a US LLC which is used to hold a number of the group's investments; and,
- RDLZ Realisation Plc, a subsidiary of RDL Realisation Plc that was incorporated to raise funds for the wider group to realise its investment objectives. Prior the year end capital has been returned to its investors and the entity is in the process of being wound up.

These components account for all of the operations and net assets as represented within the group financial statements. A full scope audit has been performed for both components directly by the audit engagement team.

As is common with investment trusts many of the directors are non-executive and not involved with day to day operations and core operational activities and financial management are outsourced and delegated to professional service providers. We therefore gained an understanding of:

- the nature of the activities outsourced;
- the nature, scale, complexity and level of judgment of the transactions and balances of the Group;
- the experience of the service providers with whom the Group has engaged;
- the terms of the service level agreement in place; and,
- the overall control environment and the level of oversight of the Board in respect of outsourced activities.

Based on this understanding we assessed those aspects of the Group and Parent Company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. Specifically, we identified what we considered to be key audit matters and planned our audit approach accordingly.

Extent to which the audit is capable of detecting irregularities, including fraud
We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

INDEPENDENT AUDITOR’S REPORT (continued)

- enquiring of the Alternative Investment Fund Manager, the Company Secretary, external legal counsel, the administrator and the Audit Committee, including obtaining and reviewing supporting documentation, concerning the group’s policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and,
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- discussing among the engagement team and involving relevant internal specialists, including tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the valuation of investments at fair value through profit or loss.
- obtaining an understanding of the legal and regulatory frameworks that the Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Group. The key laws and regulations we considered in this context included the UK Companies Act, the Listing Rules and the Investment Trust regime within the meaning of Chapter 4 of part 24 of the Corporation Tax Act 2010.

Audit response to risks identified

As a result of performing the above, we identified valuation of investments held at fair value through profit or loss as a key audit matter and our response to this risk is set out on the following page.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of the Alternative Investment Fund Manager, the Company Secretary, external legal counsel, the administrator and the Audit Committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and,
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing Rules, the principles of the UK Corporate Governance Code and IFRS adopted by the European Union.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the Group’s financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of Board meetings throughout the period; and
- considering the effectiveness of control environment in monitoring compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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) that we identified. These matters included 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 disapplication of the going concern as the basis of preparation of the financial statements is regarded as a key audit matter and our response to this is set out in the section "*Emphasis of matter".* The other key audit matters we identified and how the scope of our audit responded to these is set out below. The following table is limited to key audit matters and is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Revenue recognition Revenue for the Group consists primarily of investment income and associated fees earned from the loan portfolio. The performance of the portfolio, which includes advances which are past due, coupled with a dependency by management on the quality of data to allocate remittances between interest income and principal increases the risk that reported income could be materially misstated. Furthermore, judgment needs to be exercised when estimating the level of accrued income.	We gained an understanding of: • the principal terms and conditions relating to each material loan book; • the controls and review procedures applied by the Board and their service providers to identify the right to and recognition of interest income. Based on that understanding we: • evaluated and tested where appropriate the operation of the key controls; • performed analytical review procedures at financial statement and portfolio levels and investigated reasons for any deviations from expectation corroborating explanations provided; • reviewed the basis for recognising accrued income including auditing the movements thereon and its aging; and, • agreed a sample of reported transactions to supporting documentation. We have no adverse findings to report from our testing of revenue.
Carrying value of non-current and current financial instruments designated at fair value through profit and loss The carrying value of financial instruments designated at fair value through profit and loss requires the exercise of considerable judgment. Due to the level of judgment required there is an inherent risk that the key underlying asset values may be subject to material estimation bias and error which impacts on the Group's carrying value of its financial assets.	We reviewed the Board's assessment of the carrying value of the financial instruments held at fair value. We stratified our sample and risk assessment across those portfolios valued by a third party and those valued directly by management. For that part of the portfolio where management instructed a third party valuer we: • considered and evaluated the experience, competency and independence of the valuer to undertake the valuation; • reviewed the terms of their appointment; • considered if the basis used was a recognised valuation basis and one which is compatible for reporting under IFRS; • spoke directly with the valuer to confirm the basis on which they had prepared the valuation, how they had arrived at their key inputs and assumptions and the rationale for any outliers identified during our review. For a sample of loan portfolios valued by both management and the third party valuer we: • compared the data set referred to in the valuation report to that held in the accounting records to gain assurance that a complete data set was being valued;

The identified risk is augmented by the nature of the underlying portfolio and its current financial performance.	• compared the expected performance of the loans to actual performance; • Challenged the basis for key assumptions and, where possible, compared to publicly available benchmark data; • We had regard to any matters referred to in legal correspondence which may impact the carrying value. We appointed an independent valuation expert to conduct a review of the management and third party valuation reports. It was evident from our interaction with management and the valuer, and from our review of the valuation reports, that close attention had been paid to each loan portfolio's individual characteristics, the overall quality, geographic location and desirability of the asset as a whole. We considered the adequacy of disclosures around the sensitivity of the carrying value to changes in reasonable alternative assumptions. We have no adverse findings to report arising from our planned procedures.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

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 of 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.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable –** the statement given by the directors on pages 46 to 47 that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting** on pages 35 to 38 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** on page 29 **–** the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

INDEPENDENT AUDITOR'S REPORT (continued)

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;
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes, given in compliance with rule 7.2.5 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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, or the information about internal control and risk management systems in relation to financial reporting processes given in compliance with rule 7.2.5 and 7.2.6 of the FCA Rules.

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- a corporate governance statement has not been prepared by the parent company.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 46 to 47, 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 Group's and the parent 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 group or the parent 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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.

Other matters which we are required to address
We were appointed by the Audit Committee on 1 May 2019. The period of total uninterrupted engagement is less than a year, covering the year ended 31 December 2019.

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

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

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.

Ian Weekes
(Senior Statutory Auditor)
For and on behalf of
Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

3 June 2020

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	**2019**	2018	**2019**	2018
ASSETS		Group (USD)		Company (USD)	
Non-current assets					
Financial assets at fair value through profit or loss	3	**24,027,573**	137,806,709	**2,800,089**	4,974,099
Loans held at amortised cost	4	**-**	-	**-**	-
Investment in subsidiaries	6	**-**	-	**195,784,147**	195,784,147
Total non–current assets		**24,027,573**	**137,806,709**	**198,584,236**	**200,758,246**
Current assets					
Financial assets at fair value through profit or loss	3	**13,483,500**	38,307,954	**-**	38,307,954
Derivative assets	13	**-**	412,297	**-**	412,297
Amounts owed by subsidiary undertakings	16	**-**	-	**6,436,484**	6,434,803
Receivable from broker		**-**	5,825,498	**-**	5,825,498
Advances to/funds receivable from direct lending platforms	5	**602,463**	908,917	**-**	-
Prepayments and other receivables		**80,651**	790,379	**79,734**	790,383
Cash and cash equivalents	15	**11,691,307**	35,634,844	**1,274,604**	20,809,196
Total current assets		**25,857,921**	**81,879,889**	**7,790,822**	**72,580,130**
TOTAL ASSETS		**49,885,494**	**219,686,598**	**206,375,058**	**273,338,376**
Non-current liabilities					
Zero dividend preference shares	9	**-**	65,180,787	**-**	
Amounts due to subsidiary undertaking	16	**-**	-	**157,694,910**	126,059,851
Total non-current liabilities		**-**	**65,180,787**	**157,694,910**	**126,059,851**
Current liabilities					
Accrued expenses and other liabilities	8	**1,373,872**	32,154,477	**548,475**	30,825,243
Income tax liability		**-**	1,508,612	**-**	1,270,363
Derivative liabilities	13	**-**	6,101	**-**	6,101
Total current liabilities		**1,373,872**	**33,669,190**	**548,475**	**32,101,707**
TOTAL LIABILITIES		**1,373,872**	**98,849,977**	**158,243,385**	**158,161,558**
NET ASSETS		**48,511,622**	**120,836,621**	**48,131,673**	**115,176,818**
SHAREHOLDERS' EQUITY					
Capital and reserves					
Share capital	10	**427,300**	427,300	**427,300**	427,300
Share premium account	10	**40,346,947**	40,346,947	**40,346,947**	40,346,947
Other reserves	10	**156,922,734**	156,922,734	**102,585,400**	156,922,734
Revenue reserves		**(14,377,824)**	1,421,278	**(546,354)**	8,737,669
Realised capital profits		**(133,225,079)**	(76,365,105)	**(90,278,627)**	(72,020,922)
Unrealised capital losses		**(3,091,545)**	(2,475,418)	**(4,402,993)**	(19,236,910)
Foreign currency translation reserves		**1,509,089**	558,885	**-**	-
TOTAL SHAREHOLDERS' EQUITY		**48,511,622**	**120,836,621**	**48,131,673**	**115,176,818**
NAV per Ordinary Share		**3.01**	**7.49**	**2.99**	**7.14**

The accompanying notes on pages 64 to 86 are an integral part of these financial statements.

The financial statements for the year ended 31 December of RDL Realisation Plc, a public listed company limited by shares and incorporated in England and Wales with the registered number 09510201, were approved and authorised for issue by the Board of Directors on 3 June 2020.

Signed on behalf of the Board of Directors:

Brendan Hawthorne
Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	*1 Jan to 31 Dec 19*			1 Jan to 31 Dec 18		
Income		**Revenue (USD)**	**Capital (USD)**	**Total (USD)**	Revenue (USD)	Capital (USD)	Total (USD)
Investment income		**8,690,654**	**-**	**8,690,654**	22,647,763	-	22,647,763
Gain on revaluation of derivative contracts		**-**	**-**	**-**	-	203,869	203,869
Realised gain on financial assets at fair value through profit or loss		**-**	**158,154**	**158,154**	-	-	-
Other income received on financial assets		**-**	**1,376,756**	**1,376,756**	4,844,030	-	4,844,030
Other income		**109,517**	**-**	**109,517**	-	-	-
Bank interest income		**10,519**	**-**	**10,519**	3,765	-	3,765
		8,810,690	**1,534,910**	**10,345,600**	**27.495,558**	**203,869**	**27,699,427**
Operating expenditure							
Net loss on financial assets at fair value through profit or loss		**-**	**4,269,378**	**4,269,378**	-	15,830,398	15,830,398
Loss on sale of RDLZ Preference Shares		**4,063,100**	**-**	**4,063,100**	-	-	-
Loss on revaluation of derivative contracts		**-**	**205,376**	**205,376**	-	-	-
Foreign exchange loss		**-**	**873,104**	**873,104**	-	1,677,065	1,677,065
Investment Management Fees	17	**60,032**	**-**	**60,032**	2,675,643	-	2,675,643
Service and premium fees		**407,369**	**-**	**407,369**	1,980,905	-	1,980,905
Provision for default	7	**-**	**-**	**-**	-	1,002,222	1,002,222
Realised loss on financial assets through profit or loss		**-**	**-**	**-**	-	19,199,453	19,199,453
Loans written off	4, 7	**-**	**-**	**-**	-	7,091,372	7,091,372
Company secretarial, administration and registrar fees		**1,400,043**	**-**	**1,400,043**	421,019	-	421,019
Finance costs	9	**2,723,057**	**-**	**2,723,057**	3,934,484	-	3,934,484
Other expenses	20	**6,438,165**	**-**	**6,438,165**	8,056,722	-	8,056,722
		15,091,766	**5,347,858**	**20,439,624**	**17,068,773**	**44,800,510**	**61,869,283**
(Loss)/profit before tax		**(6,281,076)**	**(3,812,948)**	**(10,094,024)**	**10,426,785**	**(44,596,641)**	**(34,169,856)**
Taxation	12	**465,551**	**674,181**	**1,139,732**	**(872,082)**	**(728,288)**	**(1,600,370)**
(Loss)/profit after tax		**(5,815,525)**	**(3,138,767)**	**(8,954,292)**	**9,554,703**	**(45,324,929)**	**(35,770,226)**
Basic Earnings Per Ordinary Share - USD	14	**(0.36)**	**(0.19)**	**(0.55)**	0.60	(2.81)	(2.21)
Basic Earnings Per Ordinary Share - GBP	14	**(0.27)**	**(0.15)**	**(0.42)**	0.47	(2.21)	(1.74)
Diluted Earnings Per Ordinary Share - USD	14	**(0.36)**	**(0.19)**	**(0.55)**	0.60	(2.81)	(2.21)
Diluted Earnings Per Ordinary Share - GBP	14	**(0.27)**	**(0.15)**	**(0.42)**	0.47	(2.21)	(1,74)
(Loss)/profit for the year		**(5,815,525)**	**(3,138,767)**	**(8,954,292)**	**9,554,703**	**(45,324,929)**	**(35,770,226)**
Other comprehensive income:							
items that may be reclassified subsequently to profit and loss:							
Exchange differences on translation of net assets of subsidiary		**-**	**-**	**950,204**	-	-	724,066
Total comprehensive (loss)/ income for the year		**(5,815,525)**	**(3,138,767)**	**(8,004,088)**	**9,554,703**	**(45,324,929)**	**(35,046,160)**

The accompanying notes on pages 64 to 86 are an integral part of these financial statements.

The total column of this Statement of Comprehensive Income was prepared in accordance with International Financial Reporting Standards ("IFRS"). The supplementary revenue and capital columns are both prepared under the guidance published by the Association of Investment Companies ("AIC"). All items in the above Statement derive from continuing operations.

COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	*1 Jan to 31 Dec 19*			*1 Jan to 31 Dec 18*		
Income		Revenue (USD)	Capital (USD)	Total (USD)	Revenue (USD)	Capital (USD)	Total (USD)
Investment income		**1,109,465**	**-**	**1,109,465**	6,416,459	-	6,416,459
Realised gain on financial assets through profit or loss		**-**	**1,184,580**	**1,184,580**	-	-	-
Net gain on financial assets at fair value through profit or loss		**-**	**374,379**	**374,379**	-	-	-
Gain on revaluation of derivative contracts		**-**	**-**	**-**	-	203,869	203,869
Dividend and other income		**-**	**-**	**-**	3,347	-	3,347
Bank interest income		**10,519**	**-**	**10,519**	419	-	419
		1,119,984	**1,558,959**	**2,678,943**	**6,420,225**	**203,869**	**6,624,094**
Operating expenditure							
Net loss on financial assets at fair value through profit or loss		**-**	**-**	**-**	-	8,299,062	8,299,062
Loss on revaluation of derivative contracts		**-**	**205,376**	**205,376**	-	-	-
Investment Management Fee	17	**60,032**	**-**	**60,032**	2,675,643	-	2,675,643
Foreign exchange loss		**-**	**873,104**	**873,104**	-	1,233,184	1,233,184
Service and premium fees		**-**	**-**	**-**	143,674	-	143,674
Provision for default		**-**	**-**	**-**	-	68,311	68,311
Realised loss on financial assets through profit or loss		**-**	**-**	**-**		1,827,807	1,827,807
Loans written off		**-**	**-**	**-**	-	1,145,493	1,145,493
Company secretarial, administration and registrar fees		**655,200**	**-**	**655,200**	320,414	-	320,414
Impairment loss on investment in subsidiaries		**-**	**285,022**	**285,022**	-	11,077,198	11,077,198
Finance costs		**661,643**	**-**	**661,643**	1,451,834	-	1,451,834
Other expenses		**3,914,176**	**-**	**3,914,176**	2,549,269	119,945	2,669,214
		5,291,051	**1,363,502**	**6,654,553**	**7,140,834**	**23,771,000**	**30,911,834**
Operating loss		**(4,171,067)**	**195,457**	**(3,975,610)**	**(720,609)**	**(23,567,131)**	**(24,287,740)**
Income from shares in group undertaking		**4,294,142**	**(4,293,427)**	**715**	**14,051,791**	**(31,782,770)**	**(17,730,979)**
Profit/(loss) before tax		**123,075**	**(4,097,970)**	**(3,974,895)**	**13,331,182**	**(55,349,901)**	**(42,018,719)**
Taxation		**576,480**	**674,181**	**1,250,661**	**(622,745)**	**(728,287)**	**(1,351,032)**
Profit/(loss) after tax and total comprehensive income/(loss) for the system		**699,555**	**(3,423,789)**	**(2,724,234)**	**12,708,437**	**(56,078,188)**	**(43,369,751)**
Basic Earnings Per Ordinary Share - USD	14	0.04	(0.21)	**(0.17)**	0.79	(3.48)	(2.69)
Basic Earnings Per Ordinary Share - GBP	14	0.03	(0.16)	**(0.13)**	0.62	(2.73)	(2.11)
Diluted Earnings Per Ordinary Share - USD	14	0.04	(0.21)	**(0.17)**	0.79	(3.48)	(2.69)
Diluted Earnings Per Ordinary Share - GBP	14	0.03	(0.16)	**(0.13)**	0.62	(2.73)	(2.11)

The accompanying notes on pages 64 to 86 are an integral part of these financial statements.

The total column of this Statement of Comprehensive Income was prepared in accordance with International Financial Reporting Standards ("IFRS"). The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies ("AIC"). All items in the above Statement derive from continuing operations.

Other comprehensive income
There were no items of other comprehensive income in the current year or prior year.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share Capital	Share Premium	Other Reserves	Realised Capital Profits/(Losses)	Unrealised Capital Profits/(Losses)	Revenue Reserves	Foreign currency translation reserves	Total
Balance at 1 January 2018		427,300	40,346,947	204,225,570	(30,035,108)	(3,480,486)	4,484,858	(165,181)	215,803,900
Dividends	11	-	-	(47,302,836)	-	-	(12,618,283)	-	(59,921,119)
Reclassification of capital losses		-	-	-	(3,480,486)	3,480,486	-	-	-
(Loss)/profit for the year		-	-	-	(42,849,511)	(2,475,418)	9,554,703	-	(35,770,226)
Other comprehensive income for the year		-	-	-	-	-	-	724,066	724,066
Balance at 31 December 2018		**427,300**	**40,346,947**	**156,922,734**	**(76,365,105)**	**(2,475,418)**	**1,421,278**	**558,885**	**120,836,621**
Balance at 1 January 2019		**427,300**	**40,346,947**	**156,922,734**	**(76,365,105)**	**(2,475,418)**	**1,421,278**	**558,885**	**120,836,621**
Dividends	11	**-**	**-**	**-**	**(54,337,334)**	**-**	**(9,983,577)**	**-**	**(64,320,911)**
Reclassification of capital losses		**-**	**-**	**-**	**(2,475,418)**	**2,475,418**	**-**	**-**	**-**
Loss for the year		**-**	**-**	**-**	**(47,222)**	**(3,091,545)**	**(5,815,525)**	**-**	**(8,954,292)**
Other comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**950,204**	**950,204**
Balance at 31 December 2019		**427,300**	**40,346,947**	**156,922,734**	**(133,225,079)**	**(3,091,545)**	**(14,377,824)**	**1,509,089**	**48,511,622**

The accompanying notes on pages 64 to 86 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share Capital	Share Premium	Other Reserves	Realised Capital Profits/(Losses)	Unrealised Capital Profits/(Losses)	Revenue Reserves	Total
Balance at 1 January 2018		427,300	40,346,947	204,225,570	(36,982,537)	1,802,893	8,647,515	218,467,688
Dividends	11	-	-	(47,302,836)	-	-	(12,816,283)	(59,921,119)
Reclassification of capital losses		-	-	-	1,802,893	(1,802,893)	-	-
Total comprehensive (loss)/ income for the year		-	-	-	(36,841,278)	(19,236,910)	12,708,437	(43,369,751)
Balance at 31 December 2018		**427,300**	**40,346,947**	**156,922,734**	**(72,020,922)**	**(19,236,910)**	**8,737,669**	**115,176,818**

	Notes	Share Capital	Share Premium	Other Reserves	Realised Capital Profits/(Losses)	Unrealised Capital Profits/(Losses)	Revenue Reserves	Total
Balance at 1 January 2019		**427,300**	**40,346,947**	**156,922,734**	**(72,020,922)**	**(19,236,910)**	**8,737,669**	**115,176,818**
Dividends	11	**-**	**-**	**(54,337,334)**	**-**	**-**	**(9,983,577)**	**(64,320,911)**
Reclassification of capital losses		**-**	**-**	**-**	**(19,236,910)**	**19,236,910**	**-**	**-**
Total comprehensive income/(loss) for the year		**-**	**-**	**-**	**979,205**	**(4,402,993)**	**699,554**	**(2,724,234)**
Balance at 31 December 2019		**427,300**	**40,346,947**	**102,585,400**	**(90,278,627)**	**(4,402,993)**	**(546,354)**	**48,131,673**

The accompanying notes on pages 64 to 86 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	1 Jan to 31 Dec 2019 (USD)	1 Jan to 31 Dec 2018 (USD)
Loss for the year		**(8,954,292)**	(35,770,226)
Adjustments for:			
Provision for income tax expense		**(1,139,733)**	1,600,370
Tax paid		**(346,912)**	(280,094)
Net loss on financial assets at fair value through profit or loss		**(5,527,515)**	11,714,842
Impairment		**-**	13,534,657
Interest impairment		**-**	465,284
Investment income		**(8,690,654)**	(22,647,763)
Interest expense on ZDP Shares	9	**2,251,140**	3,770,242
Amortisation of transaction fees – net		**1,076,763**	23,209
(Accretion)/amortisation of issue costs	9	**(632,737)**	164,242
Foreign exchange (gain)/loss		**(507,775)**	971,835
Loss/(gain) on revaluation of derivative financial instruments		**205,376**	(203,869)
Loss on RDLZ Preference Shares		**4,116,612**	-
Loans written off	4,7	**-**	7,091,372
Reversal of default		**-**	(719,736)
Operating cash flows before movements in working capital		**(18,149,727)**	**(20,285,635)**
Increase)/decrease in other current assets and prepaid expenses		**6,535,226**	(6,423,242)
(Decrease) in accrued expenses and other liabilities		**(30,780,605)**	(111,068)
Decrease in funds receivable from direct lending platforms – net		**306,454**	2,873,999
Net cash flows (used in) by operating activities		**(42,088,652)**	**(23,945,946)**
Investing activities			
Acquisition of financial assets at fair value through profit or loss	3	**-**	(6,222,775)
Acquisition of loans	4	**-**	(91,163,256)
Principal repayments	4	**-**	85,852,639
Proceeds from partial redemption of financial assets at fair value through profit or loss	3	**144,131,103**	68,349,705
Investment income received		**8,690,654**	24,076,643
Net settlement on derivative positions		**200,819**	362,877
Net cash flows generated by investing activities		**153,022,576**	**81,255,833**
Financing activities			
Payment of ZDP shares to Preference Shareholders		**(70,790,110)**	-
Dividends paid	11	**(64,320,911)**	(30,275,160)
Net cash flows used in financing activities		**(135,111,021)**	**(30,275,160)**
Net change in cash and cash equivalents		**(24,177,097)**	27,034,727
Effect of foreign exchanges		**233,560**	(1,099,682)
Cash and cash equivalents at the beginning of the year		**35,634,844**	9,699,799
Cash and cash equivalents at the end of the year		**11,691,307**	35,634,844

The accompanying notes on pages 64 to 86 are an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	**1 Jan to 31 Dec 2019 (USD)**	1 Jan to 31 Dec 2018 (USD)
Loss for the year		**(2,724,234)**	(43,369,751)
Adjustments for:			
Dividend income/income from shares in group undertaking		**(715)**	17,730,980
Investment income		**(1,109,465)**	(6,416,459)
Foreign exchange loss		**(566,544)**	1,229,392
Impairment loss on investment in subsidiaries	6	**285,022**	11,077,198
Net (gain)/loss on financial assets at fair value through profit or loss		**(1,495,568)**	8,299,062
Realised (gain)/loss on financial asset at fair value through profit or loss		**(2,118,249)**	3,028,981
Interest expense on loan with subsidiary undertaking		**661,641**	1,451,834
Loss/(gain) on revaluation of derivative contracts		**205,376**	(203,869)
Provision for income tax expense		**(1,250,661)**	1,351,032
Provision for default	4,7	**-**	68,311
Operating cash flows before movements in working capital		**(8,113,397)**	**(5,753,289)**
Decrease/(increase) in other current assets and prepaid expenses		**6,536,146**	(6,514,392)
Increase in amounts owed by subsidiary undertakings		**-**	(1,200,000)
Decrease)/ increase in accrued expenses and other liabilities		**(30,276,768)**	(155,872)
Net cash flows (used in)/generated from operating activities		**(31,854,019)**	**(13,623,553)**
Investing activities			
Acquisition of financial assets at fair value through profit or loss	4	**-**	(7,706,752)
Proceeds from partial redemption of financial assets at fair value through profit or loss	4	**44,095,782**	1,276,943
Investments in subsidiary undertakings		**(798,449)**	(10,804,162)
Investment income received	6	**1,109,465**	4,756,408
Dividend income received		**102,509,050**	76,618,000
Net settlement on derivative positions		**200,819**	362,877
Net cash flows generated from investing activities		**147,116,667**	**64,503,314**
Financing activities			
Payment of ZDP Shares to Preference Shareholders		**(70,709,889)**	-
Dividends paid	11	**(64,320,911)**	(30,275,160)
Net cash flows used in financing activities		**(135,030,800)**	**(30,275,160))**
Net change in cash and cash equivalents		**(19,768,152)**	20,604,601
Effect of foreign exchanges		**233,560**	(1,099,682)
Cash and cash equivalents at the beginning of the year		**20,809,196**	1,304,277
Cash and cash equivalents at the end of the year	15	**1,274,604**	**20,809,196**

The accompanying notes on pages 64 to 86 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

The Company was incorporated and registered in England and Wales on 25 March 2015 and commenced operations on 1 May 2015 following its admission to the London Stock Exchange Main Market. The registered office of the Company is 6th Floor, 65 Gresham Street, London, EC2V 7NQ.

The consolidated financial statements ("financial statements") include the results of the Trust and RDLZ. The Company will be managed, either by a third party non-EEA investment manager or internally, by the Company's Board of Directors with the intention of realising all remaining assets in the portfolio in a prudent manner consistent with the principles of good investment management, with a view to returning cash to its Shareholders in an orderly manner.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Basis of accounting and preparation
These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The financial statements were also prepared in accordance with the Statement of Recommended Practice ("SORP") for Investment Trusts issued by the AIC (as issued in November 2014 and updated in January 2017), where this guidance is consistent with IFRS.

Basis of measurement and consolidation
The financial statements have been prepared on a historical cost basis as modified for the revaluation of certain financial assets. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Trust is fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

Going concern
As the Company is in a managed wind down, the use of the going concern basis in preparing these financial statements of the Group is not appropriate. As such the financial statements have been prepared on a basis other than that of a going concern, which require assets to be measured at their net realisable value. There were no adjustments made to the carrying values of the assets and liabilities of the Group as the Directors' consider the carrying value of assets to approximate the net realisable value. The Directors believe that the Company and Group have adequate resources to continue in operational existence until the anticipated liquidation of the Company.

Viability statement
In line with the Investment Policy and in accordance with the AIC Code of Corporate Governance, the Directors have assessed the prospects of the Company over its expected realisation timeframe.

In their assessment of the viability of the Company, the Directors have considered each of the principal risks and uncertainties on pages 14 to 17. The Directors have also reviewed the Company's income and expenditure projections and the fact the Company's investments (including those held through the Trust) do not comprise readily realisable securities which can be sold to meet funding requirements if necessary. The Company maintains a risk register for its stress test to identify, monitor and control risk concentration.

The Company has processes for monitoring operating costs, share price discount, compliance with the investment objective and policy, asset allocation, the portfolio risk profile, counterparty exposure, liquidity risk, financial controls and stress-testing based assessment of the Company's prospects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the Managed Wind-Down period.

New Accounting Standards, amendments to existing Accounting Standards and/or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") adopted during the current year
The Directors have assessed the impact, or potential impact, of all New Accounting Requirements. In the opinion of the Directors, there are no mandatory New Accounting Requirements applicable in the current period that are relevant and/or material to the Company. Consequently, no such mandatory New Accounting Requirements are listed. The Company has not early adopted any New Accounting Requirements that are not mandatory.

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, 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 Group and consequently have neither been adopted nor listed.

Use of estimates, judgements and assumptions
The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The following are areas of particular significance to the Group's financial statements and include the use of estimates and the application of judgement.

Key source of estimation uncertainty – fair value of financial assets at fair value through profit or loss
The determination of fair values based on available market data requires significant credit judgement by the Group.

Management has applied certain estimated potential impairments to these financial instruments as of 31 December 2019. For the material financial instrument positions at 31 December 2019, a combination of factors was taken into consideration, see note 18 and the Principal Risks and Uncertainties in Group Strategic Report.

In addition to the credit judgement of management related to the reserves for potential impairment, third party valuations and analysis were also employed for the material financial instruments for comparison and consideration. For these third-party valuations, a weighted average IRR for each platform was used. Included in the discount analysis by third parties were increased discount rates for individual non-performing loans. Such valuations considered actual and market default rate comparisons for the discount rate.

Functional and presentation currency
The financial statements are presented in US Dollars ("USD"), 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. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments
IFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

- Classification – Financial assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") and Fair Value through Profit or Loss ("FVTPL").

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

The Group has designated its investments as financial assets at FVTPL.

- Impairment - Financial assets and contract assets

IFRS 9 utilises a forward-looking 'expected credit loss' ("ECL") model which requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The impairment model applies to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:
- 12-month ECL: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECL: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date.

The Group believes that impairment losses are likely to become more volatile for assets in the scope of the IFRS 9 impairment model.

Under IFRS 9, the Group has to classify all financial instruments in scope for impairment into 3 Stages – stage 1, stage 2 or 3, depending on the change in credit quality since initial recognition.

Investments in equity instruments and financial assets at FVTPL are out of scope of the impairment requirement.

Stage 1
This includes loans where there is no significant increase in credit risk since initial recognition or loans that have low credit risk on reporting date. For loans in stage 1, interest is accrued on the gross carrying amount of the loans and a 12-month ECL is factored in the profit and loss calculations.

Stage 2
This consists of loans with significant increase in credit risk since initial recognition but not credit impaired. Interest for loans in stage 2 is accrued on the gross carrying amount. However, a lifetime ECL is factored into the profit and loss calculations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 Financial Instruments (continued)

Stage 3
This includes loans which demonstrate evidence of impairment on the reporting date. Interest is accrued on the net carrying amount of the loans and a lifetime ECL is factored into the profit and loss calculations.

For the Group's loan investments, the assessment is performed on a collective basis per platform as the underlying loans have shared risk characteristics. However, individual assessment may be performed depending on the magnitude and available information from the platform providers.

For short-term receivables and cash and cash equivalents, the ECL model is not likely to result in a material change of the balance due to their short-term nature therefore the Group will apply the simplified approach for contracts that have a maturity of one year or less.

- Classification – Financial liabilities

IFRS 9 allows financial liabilities to be designated at amortised cost or fair value, under IFRS 9 these fair value changes are generally presented as follows:

- the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in the OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

The Group has not designated any financial liabilities at FVTPL, and it has no current intention to do so.

Financial assets held at fair value through profit or loss
The Group's financial assets consist of loans at fair value through profit or loss and equity investments in funds. The Group designates its investment as financial assets at fair value through profit or loss in accordance with IFRS 9: Financial Instruments as the fund is managed and its performance is evaluated on a fair value basis and the Group now holds the investments with the intention to sell rather than to collect contractual cash flows.

Purchases and sales of financial assets are recognised on the trade date, the date which the Group commits to purchase or sell the assets and are derecognised when the rights to receive cash flows from the financial assets have expired or the Group has transferred substantially all risks and rewards of ownership. Financial instruments are initially recognised at fair value, and transaction costs for financial assets carried at fair value through profit or loss are expensed. Gains and losses arising from changes in the fair value of the Group's financial instruments are included in the Statement of Comprehensive Income in the period which they arise.

Financial liabilities at amortised cost – Zero Dividend Preference Shares
These are initially recognised at cost, being the fair value of the consideration received associated with the borrowing net of direct issue costs. Zero Dividend Preference Shares are subsequently measured at amortised cost using the effective interest method. Direct issue costs are amortised using the effective interest method and are added to the carrying amount of the Zero Dividend Preference Shares.

Derivative financial instruments
Derivative financial instruments, including short-term forward currency and swap contracts are classified as held at fair value through profit or loss, and are classified in current assets or current liabilities in the Statement of Financial Position. Derivatives are entered into to reduce the exposure on the foreign currency loans. Changes in the fair value of derivative financial instruments are recognised in the Statement of Comprehensive Income as a capital item. The Group's derivatives are not used for speculative purposes and hedge accounting is not applied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Investment trusts which have approval as such under section 1158 of the Corporation Taxes Act 2010 are not liable for taxation on capital gains. The Company has taken advantage of modified UK tax treatment in respect of its qualifying interest income for an accounting period and has chosen to designate as an "interest distribution" all or part of any amount it distributes to the Shareholders as dividends, to the extent that it has qualifying interest income for the accounting period. As such, the Company is able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. It is expected that the Company will have material amounts of qualifying interest income and therefore may decide to designate some or all of the dividends payable as interest distributions.

The current tax payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years 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 Statement of Financial Position 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 period when the liability is settled, or the asset is realised based on tax rates that have been enacted or substantively enacted at the Statement of Financial Position date.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position 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.

Investment and other income

Investment income and other income are recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Income for all interest bearing financial instruments is accrued on a time 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.

Dividend income

Dividend income from investments is recognised when the Shareholders' rights to receive payment have been established.

Dividends payable

Dividends payable on ordinary shares are recognised in the Statement of Changes in Equity when approved by the Directors in respect of interim dividends and by the Shareholders if declared as a final dividend by the Directors at an AGM. As advised to Shareholders in the Company's circular dated 29 October 2018, the Board does not intend to make quarterly dividends and will instead make payments by way of ad-hoc special dividends, where appropriate, during the course of the managed wind-down process so that the Company is able to return available cash to Shareholders as soon as reasonably practicable after cash becomes available in the portfolio.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Segmental reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. The Directors perform regular reviews of the operating results of the Group and make decisions using financial information at the Group level only. Accordingly, the Directors believe that the Group has only one reportable operating segment.

The Directors are responsible for ensuring that the Group carries out business activities in line with the transaction documents. They may delegate some or all of the day-to-day management of the business, including the decisions to purchase and sell securities, to other parties both internal and external to the Group. The decisions of such parties are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Directors; therefore, the Directors retain full responsibility as to the major allocation decisions of the Group.

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.

Share capital and share premium
Ordinary Shares are not redeemable and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Expenses (including finance costs)
Expenses are accounted for on an accruals basis and are recognised in the Statement of Comprehensive Income. Investment management fee is 100% allocated to revenue, along with all other expenses which are also charged through revenue.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial asset at fair value through profit or loss represents all its loan investments.

	31 Dec 19 (Group) USD	31 Dec 18 (Group) USD	**31 Dec 19 (Company) USD**	31 Dec 18 (Company) USD
Opening fair value	**176,114,663**	29,621,483	**43,282,053**	300,000
Transfer in from Loans held at amortised cost arising from reclassification on 1 July 2018	**-**	248,386,018	**-**	54,673,978
Purchases	**-**	6,222,775	**-**	510,168
Repayments	**(144,131,104)**	(68,349,705)	**(44,095,782)**	(790,841)
Gain/(loss) on financial assets through profit and loss	**5,527,514**	(39,765,908)	**3,613,817**	(11,411,252)
Closing balance	**37,511,073**	176,114,663	**2,800,088**	43,282,053

The financial assets amounting to USD 13,483,500 represents assets realised subsequent to the year-end and therefore, are classified as current assets. The remaining assets are classified as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Following the Company's announcement on 11 June 2018, that it will move to realise its assets and proceed with the wind-down process, the Company's business model has changed from holding financial assets to collect their contractual cash flows to realising assets, in a prudent manner consistent with the principles of good investment management with a view to returning cash to its Shareholders in an orderly manner. In the prior year, all loans which were previously held at amortised cost have been reclassified as at fair value through profit or loss.

Fair value estimation
Please refer to the Executive Directors' Report for Princeton update, the Audit Committee Report and note 18 for the valuation of financial assets at fair value through profit or loss.

4. LOANS HELD AT AMORTISED COST

	31 Dec 19 (Group) USD	31 Dec 18 (Group) USD	**31 Dec 19 (Company) USD**	31 Dec 18 (Company) USD
Opening balance	**-**	250,993,296	**-**	50,793,341
Purchases	**-**	91,163,256	**-**	7,706,752
Principal repayments	**-**	(85,852,639)	**-**	(1,276,943)
Amortisation of transaction fees	**-**	(23,209)	**-**	-
Accrued interest	**-**	643,065	**-**	855,865
Interest impaired	**-**	-	**-**	(218,854)
Loans written-off	**-**	(7,091,372)	**-**	(1,145,493)
Effect of foreign exchange	**-**	(2,166,115)	**-**	(2,055,538)
	-	247,666,282	**-**	54,659,130
(Provision for) / utilisation of default allowance – net	**-**	719,736	**-**	14,848
Transfer out to financial assets at fair value through profit or loss arising from reclassification on 1 July 2018	**-**	(248,386,018)	**-**	(54,673,978)
Closing balance	**-**	-	**-**	-

Up to 1 July 2018, the Group's loans were accounted for using the effective interest method and held at amortised cost. The carrying value of such instruments includes assumptions that are based on market conditions existing at each statement of financial position date. Such assumptions include application of default rate and identification of effective interest rate taking into account the credit standing of each borrower as assessed by each direct lending platform.

5. ADVANCES TO/FUNDS RECEIVABLE FROM DIRECT LENDING PLATFORMS

	31 Dec 19 (Group) USD	31 Dec 18 (Group) USD	**31 Dec 19 (Company) USD**	31 Dec 18 (Company) USD
Other direct lending platforms	**602,463**	908,917	**-**	-
	602,463	908,917	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

6. INVESTMENT IN SUBSIDIARIES

Investment in RDLZ	**31 Dec 19 (Company) USD**	31 Dec 18 (Company) USD
Balance at beginning of the year	**-**	-
Investment made during the year	**285,022**	11,077,198
Amount written-off during the year	**(285,022)**	(11,077,198)
Balance at end of the year	**-**	-

Investment in RDL Trust	**31 Dec 19 (Company) USD**	31 Dec 18 (Company) USD
Balance at beginning of the year	**195,784,147**	195,780,355
Additions made the year	**-**	3,792
Balance at end of the year	**195,784,147**	195,784,147

Subsidiary name	**Effective ownership %**	**County of Incorporation and Place of Business**	**Principal activity**
RDL Fund Trust	100%	USA	Invests in a portfolio of Debt Instruments through Direct Lending Platforms
RDLZ Realisation Plc	100%	United Kingdom	Issuance of Zero Dividend Preference Shares

In the Company's Statement of Comprehensive Income, an impairment loss of USD 285,022 (2018: USD 11,077,198) was recognised relating to the Company's investment in RDLZ, in respect of expenses paid on behalf of RDLZ for USD nil (2018: USD 662,066) and in relation to the Company's investment on RDLZ's Ordinary Shares amounting to USD 285,022 (2018: USD 10,804,162 relating to the Company's investment in RDLZ's Preference Shares, whose repayment was waived during 2018). The Company's investment in RDLZ was fully impaired due to RDLZ's Shareholders' deficit position as at reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	31 Dec 19 (Group) USD	31 Dec 18 (Group) USD	**31 Dec 19 (Company) USD**	31 Dec 18 (Company) USD
Provision for default	**-**	1,002,222	**-**	-
Revaluation gain/(loss) on financial assets through profit or loss	**4,296,378**	(39,765,908)	**374,379**	(14,848)
Loans written-off	**-**	7,091,372	**-**	-
Foreign exchange loss/(gain) - net	**873,104**	1,667,065	**873,104**	1,233,184
	5,142,482	29,995,249	**1,247,483**	(14,848)

	31 Dec 19 (Group) USD	31 Dec 18 (Group) USD
Audit fees for annual financial statements:		
-RDL	**90,000**	165,739
-RDLZ	**-**	36,477
Fee for review of half-yearly financial reporting - RDL	**-**	30,494
	90,000	232,710

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 Dec 19 (Group) USD	31 Dec 18 (Group) USD	**31 Dec 19 (Company) USD**	31 Dec 18 (Company) USD
Investment Management fees payable (note 17)	**7,737**	639,005	**7,737**	639,005
Dividend payable	**-**	29,797,917	**-**	29,797,917
Legal fee payable	**104,702**	137,540	**104,702**	23,208
Interest received in advance	**69,042**	228,037	**-**	-
Service and premium fee payable	**547,820**	439,471	**-**	-
Audit fee payable	**90,000**	184,988	**90,000**	152,689
Administration fee payable	**63,861**	82,429	**63,861**	57,128
Registrar and Secretarial fees payable	**9,794**	10,625	**9,794**	7,966
Payable to London Stock Exchange	**105,373**	3,606	**105,373**	-
Directors' fees payable (note 16)	**151,158**	128,577	**151,158**	128,577
Other payables	**224,385**	502,282	**15,850**	18,753
	1,373,872	32,154,477	**548,475**	30,825,243

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

9. ZERO DIVIDEND PREFERENCE SHARES

	31 Dec 19 (Group) USD	31 Dec 18 (Group) USD
Opening balance	**65,180,787**	76,222,019
Amortisation of issue costs during the year	**1,076,763**	371,437
Amortisation of premium during the year	**(632,737)**	(207,195)
Interest expense during the year	**2,251,140**	3,770,242
Purchased by Company	**-**	(10,415,132)
Effect of foreign exchange	**(1,202,455)**	(4,560,584)
Redemption of RDLZ Preference Shares	**(66,673,498)**	-
Closing balance	**-**	65,180,787

Under RDLZ's Articles of Association, the Directors were authorised to issue up to 55 million Zero Dividend Preference shares ("ZDP Shares") for a period of five years from 25 July 2016. RDLZ issued 53 million ZDP Shares at GBP 0.01 each (the "ZDP Shares") in 2016. On 1 November 2016, RDLZ passed a resolution to authorise Directors to issue up to 75 million ZDP Shares, such authority to expire on 26 July 2021, unless revoked sooner or varied by the Company in general meeting. The ZDP Shares had a term of five years and a final capital entitlement of GBP 127.63 pence per ZDP share on 31 July 2021 being the ZDP Repayment Date.

As part of the Board's assets realisation process and in meeting the obligations of the Company to RDLZ, it purchased ZDP Shares to reduce those obligations in advance of the final date for repayment on the ZDP Shares. As at 14 December 2018, the Company held 7,278,193 ZDP Shares. The Board of the Company has passed a resolution to waive the Company's entitlement to the acquired principal and accrued interest on its ZDP holdings up to 14 December 2018.

The ZDP Shares do not carry the right to vote at general meetings of the Company, although they 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[7] ratio of not less than 2.75 times asset cover immediately following such issue.

As announced by the Company on 20 June 2019, resolutions to place its subsidiary RDLZ into a members' voluntary winding up and to amend the amounts payable in respect of the ZDP Shares issued by RDLZ in order that the ZDP Shareholders would receive a revised final capital entitlement of 121.8887 pence per ZDP Share, were passed at the ZDP Class Meeting and General Meeting of RDLZ held on 20 June 2019.

On 21 June 2019, the Company paid USD 70,709,889 to the third party holders of ZDP Shares. The Group incurred a realised loss on the early repayment of the ZDP Shares of USD 4,116,612.

The Company did not receive any payment for the ZDP shares it owned.

[7] Cover represents a fraction where the numerator is equal to the NAV of the Group on a consolidated basis adjusted to: (i) add back any liability to ZDP Shareholders; and (ii) deduct the estimated liquidation costs of the RDLZ, and the denominator is equal to the amount which would be paid on the ZDP Shares as a class and (iii) deduct the ZDP Shares held by the Company from the outstanding ZDP Shares to determine the ZDP redemption amount due in July 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

10.SHARE CAPITAL AND SHARE PREMIUM

The table below shows the total issued share capital as at 31 December 2019 and 31 December 2018.

	Nominal value GBP	Nominal value USD	Number of shares
Ordinary Shares	309,591	427,300	16,122,931

Voting Rights
Subject to any rights or restrictions attached to any shares, on a show of hands every 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.

No Shareholder shall be entitled to vote at any general meeting or at any separate general meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

Variation of Rights and Distribution on Winding Up
If at any time, the share capital of the Company is divided into different classes of shares, the rights attached to any class may, unless otherwise provided by the terms of issue of the shares of that class, be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of not less than three-quarters in nominal value amount of the issued shares of the affected class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class (but not otherwise).

At every such separate general meeting the necessary quorum, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question, and at an adjourned meeting one person holding shares of the class in questions or his proxy; any holder of shares of the class in question present in person or by proxy may demand a poll and the holder of shares of the class in question shall, on a poll, have one vote in respect of every share of such class held by him. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

There was no movement in shares, or no shares converted during the year or the prior year.

11. DIVIDENDS

The Company intends to distribute at least 85% of its distributable income earned in each financial year by way of dividends, in order to maintain its investment trust status.

As advised to Shareholders in the Company's circular dated 29 October 2018, the Board does not intend to make quarterly dividends and will instead make payments by way of ad-hoc special dividends. As a result of the early repayment of the ZDP Shares, the Company's ability to pay further dividends is no longer constrained by the cover ratio covenant that required the Company to keep 2.75 of asset cover. Accordingly, where appropriate, during the course of the managed wind-down process the Company is now able to return available cash to Shareholders as soon as reasonably practicable.

During the year, a total of USD 64.3 million or 326.77p per Ordinary Share was paid to Shareholders by way of dividends. A further dividend of USD 5.3 million or 33p per Ordinary Share was declared in

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

11. DIVIDENDS (continued)

January 2020 and a dividend of USD 20.0 million or 106p per Ordinary Share was declared in April 2020.

Set out below is the total dividend paid in respect of the financial year:

	Pence Per share	**1 Jan to 31 Dec 19 (Group)**	1 Jan to 31 Dec 18 (Group)
Ordinary Shares dividends declared and paid:			
Special dividends on 21 December 2018	145	**-**	29,645,959
Special dividends on 24 October 2018	85	**-**	17,656,877
Interim dividends in 2018 (in respect of 30 Jun 2018 results)	14.28	**-**	3,018,181
Interim dividends in 2018 (in respect of 31 Mar 2018 results)	19.79	**-**	4,180,676
Interim dividends in 2018 (in respect of 31 Dec 2017 results)	24.14	**-**	5,419,426
Interim dividend in 2018 (in respect of 31 Dec 2018 results)	17.14	**3,500,288**	-
Special dividend on 8 August 2019	255	**49,871,450**	-
Special dividend on 3 October 2019	33	**6,449,173**	-
Special dividend on 26 November 2019	21.63	**4,500,000**	-
Total dividends paid during the year		**64,320,911**	59,921,119

12.TAXATION

In May 2015, the Company received confirmation from HM Revenue & Customs as an approved Investment Trust in the UK for accounting periods commencing on or after 1 May 2015, subject to the Company continuing to meet the eligibility conditions at Section 1158 Corporation Tax Act 2010 and the ongoing requirements for approved Investment Trust companies in Chapter 3 of Part 2 Investment Trust (Approved Company) Tax Regulations 2011 (Statutory Instrument 2011/2999). The Company intends to retain this approval and self-assesses compliance with the relevant conditions and requirements.

As an Investment Trust, the Company is exempt from UK corporation tax on its chargeable gains. The Company's revenue income from loans is taxable in the hands of the Company. However, to the extent that interest distributions are paid to Shareholders, the Company may treat that amount as deductible from its taxable profits.

	31 Dec 19 Revenue USD	31 Dec 19 Capital USD	**31 Dec 19 Total USD**
Corporation tax			
Current year	(465,551)	(674,181)	**(1,139,732)**
Tax expense for the year	(465,551)	(674,181)	**(1,139,732)**

	31 Dec 18 Revenue USD	31 Dec 18 Capital USD	31 Dec 18 Total USD
Corporation tax			
Current year	791,413	728,288	1,519,701
Deferred tax expense	80,669	-	80,669
Tax expense for the year	872,082	728,288	1,600,370

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

12.TAXATION (continued)

The tax reconciliation is as follows:

	31 Dec 19 *Revenue* *USD*	31 Dec 19 *Capital* *USD*	**31 Dec 19 Total USD**
Loss before tax	(6,281,076)	(3,812,948)	**(10,094,024)**
Tax at the standard UK corporation tax rate of 19%	(1,193,404)	(724,460)	**(1,917,864)**
Effects of:			
– Non-deductible expenses	1,498,114	-	**1,498,114**
– Interest distributions	(193,782)	-	**(193,782)**
– Adjustment for current tax of prior period	(576,479)	(674,181)	**(1,250,660)**
- Capital gains/loan relationships	-	724,460	**724,460**
Tax expense	(465,551)	(674,181)	**(1,139,732)**

	31 Dec 18 *Revenue* *USD*	*31 Dec 18* *Capital* *USD*	**31 Dec 18 Total USD**
Profit/(loss) before tax	10,426,785	(44,596,641)	**(34,169,856)**
Tax at the standard UK corporation tax rate of 19.25%	1,981,089	(8,473,362)	**(6,299,273)**
Effects of:			
– Non-deductible expenses	763,277	818,446	**1,581,723**
– Interest distributions	(1,981,858)	-	**(1,981,858)**
– Loss brought forward	(80,669)	-	**(80,669)**
– Marginal relief	90,160	(90,160)	**-**
– Foreign exchange difference on consolidation	28,905	-	**28,905**
– Non-taxable fair value adjustments	-	8,473,364	**8,473,364**
Tax expense	791,413	728,288	**1,519,701**

As at 31 December 2019, a corporation tax income of USD 1,139,732 (2018: tax charge of USD 1,519,700) was provided for in respect of the net loss of the Company for the year. This amount is due to an adjustment of the current tax in the prior period. The Board has taken into account the Group's and Company's financial obligations and it is the intention of the Board to distribute interest distributions in the foreseeable future.

As of 31 December 2019, the Company had recognised a deferred tax asset of USD nil (2018: USD nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

13. DERIVATIVE FINANCIAL INSTRUMENTS

	31 Dec 19 *(Group and Company)* *USD*	31 Dec 18 *(Group and Company)* *USD*
Derivative assets	-	412,297
Derivative liabilities	-	(6,101)
	-	406,196

	Notional Amount	**31 Dec 19 *(Group and Company)* *USD***	31 Dec 18 *(Group and Company)* *USD*
Derivative assets/(liabilities)			
Forward foreign currency contracts	-	-	87,449
Forward currency swap contracts	-	-	318,747
	-	-	406,196

The Company entered into various swap and forward contracts to manage exposure to foreign currency on assets. The notional amounts provided in the table above reflect the aggregate of individual derivative positions on a gross basis. As at 31 December 2019, the Company no longer held any derivative financial instruments.

14. BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per Ordinary Share is based on the profit after tax and on 16,122,931 Ordinary Shares, being the weighted average number of ordinary shares in issue throughout the year. (31 December 2018: 16,122,931 Ordinary Shares for basic earnings per share and diluted earnings per share).

15. CASH AND CASH EQUIVALENTS

The components of the Group's cash and cash equivalents are:

	31 Dec 19 *(Group)* *USD*	31 Dec 18 *(Group)* *USD*	31 Dec 19 *(Company)* *USD*	31 Dec 18 *(Company)* *USD*
Cash at bank	11,624,992	35,571,114	1,208,289	20,745,466
Cash equivalents	66,315	63,730	66,315	63,730
	11,691,307	35,634,844	**1,274,604**	20,809,196

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

16. RELATED PARTIES

Transactions between the Group and its related parties are disclosed below.

The Directors, who are the key management personnel of the Group, are remunerated per annum as follows:

	31 Dec 19	31 Dec 18
	(Group)	*(Group)*
	USD	USD
Chairman	**354,185**	130,056
Other Directors	**1,061,105**	342,039
Total	**1,415,290**	472,095

As at 30 December 2019, USD 151,158 (31 December 2018: USD 128,577) was accrued for Directors' remuneration.

The Company has not made any contribution, to any Directors' pension scheme and no retirement benefits are otherwise accruing to any of the Directors under any defined benefit or monthly purchase scheme for which the Company is liable.

The Group does not have any employees.

The Board had delegated responsibility for day-to-day management of the loans held by Direct Lending Platforms to Ranger (until 12 February 2019). Under the terms of the Investment Management Agreement, Ranger was entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. Total Investment Management fees to Ranger for the year amounted to USD nil (31 December 2018: USD 2,675,643). As at 31 December 2019, the Investment Management fees payable was USD nil (31 December 2018: USD 639,005).

During the period, Ranger received a reimbursement amount of USD nil for expenses (31 December 2018: USD 209,812). Performance fee for the year amounted to USD nil (31 December 2018: USD nil). As at 31 December 2019, performance fee payable was USD nil (31 December 2018: USD nil).

As at 31 December 2019, Ranger held 4,639 Ordinary Shares representing 0.03% of the total interest in voting rights of the Company (31 December 2018: 0.03%).

Following the resignation of Ranger as Investment Manager and Alternative Investment Fund Manager on 12 February 2019, the Company appointed IFM as its replacement Alternative Investment Fund Manager. Under the terms of the AIFM agreement, the Company shall reimburse the Manager for all documented expenses incurred in the proper performance of its duties and IFM is entitled to a fixed fee of GBP 70,000 per annum. Total fees to IFM for the year amount to USD 60,032. As at 31 December 2019, the fee payable to IFM was USD 7,737.

The Company entered into a Trust Agreement with the Trust on 22 April 2015. The Company, being the sole unitholder, has sole discretion to declare distributions from the Trust. As at 31 December 2019, amounts owed by undertaking relating to the Trust's net income was USD 715 (31 December 2018: negative income USD 6,434,803).

The Company incorporated RDLZ on 23 June 2016 as a public limited company with limited life and granted an undertaking to (among other things) subscribe for such number of ordinary shares in the capital of RDLZ as may be necessary or to otherwise ensure that RDLZ has sufficient assets to satisfy its obligations to the ZDP Shareholders and pay any operational costs incurred by RDLZ. During the year, the Company paid RDLZ's expenses amounting to USD 540,059 (2018: USD 416,971 representing RDLZ's expenses and Share issue costs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

16. RELATED PARTIES (continued)

On 25 July 2016, the Company entered into a Loan Agreement with the RDLZ. Pursuant to the Loan Agreement, RDLZ immediately following the admission of its ZDP Shares, on-lent the proceeds to the Company which the latter have applied towards making investments in accordance with its investment policy and working capital purposes. On 18 June 2019, the Loan between the Company and RDLZ was repaid in full.

During the prior year, the Company purchased a total of 7,278,193 ZDP Shares, to which its rights to interest income and accrued capital entitlement have been waived, no further ZDP Shares were purchased in the current period.

On 20 June 2019, the ZDP Shareholders received a Revised Final Capital Entitlement of 121.8887 pence per ZDP share and the Company repaid its loan to RDLZ in order to meet this liability to ZDP shareholders, following this, RDLZ, was placed into a members' voluntary liquidation. The Company did not receive the Final Capital Entitlement for the ZDP Shares it held.

The amounts payable to RDLZ that are eliminated upon consolidation are USD 338,422 and payable to the Trust is USD 157,694,910 (2018: USD 71,212,412 payable to RDL and USD 54,847,439 payable to the Trust). The amounts payable to RDLZ as at 31 December 2019 relate to the remaining loan amount held in order to cover any further outstanding expenses of RDLZ.

17. FEES AND EXPENSES

Management fee
The management fees were payable monthly in arrears and at the rate of 1/12 of 1.0% per month of NAV (the "Management Fee"). For the period from Admission until the date on which 80% of the Net Proceeds have been invested or committed for investment, directly or indirectly, in Debt Instruments or Direct Lending Company Equity, the value attributable to any assets of the Group other than Debt Instruments or in investments in Direct Lending Company Equity held for investment purposes (including any cash) will be excluded from the calculation of NAV for the purposes of determining the Management Fee.

Ranger may have charged a fee based on a percentage of gross assets (such percentage not to exceed 1.0% and provided that the aggregate Management Fee payable by the Group shall not exceed an amount equal to 1.0% of the gross assets of the Company or its group in aggregate (as applicable) to any entity which is within the Company's group (including the Company), provided that such entity employs leverage for the purpose of its investment policy or strategy.

Performance fee
Ranger was also entitled to a performance fee calculated by reference to the movements in the Adjusted NAV since the end of the Calculation Period (as defined below) in respect of which a performance fee was last earned or Admission if no performance fee has yet been earned (the Adjusted NAV at such earlier date being the "High Water Mark").

The performance fee was a sum equal to 10% of the amount by which the Adjusted Net Asset Value at the end of a Calculation Period exceeds the High-Water Mark.

The performance fee would have been calculated in respect of each twelve month period starting on 1 January and ending on 31 December in each calendar year (a "Calculation Period"), save that the first Calculation Period was the period commencing on Admission and ending on 31 December 2015 and the last Calculation Period shall end on the date that the Investment Management Agreement is terminated or, where the Investment Management Agreement (the "IMA") has not previously been terminated, the Business Day prior to the date on which the Company enters into liquidation, and provided further that if at the end of what would otherwise be a Calculation Period no performance fee has been earned in

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

17. FEES AND EXPENSES (continued)

respect of that period, the Calculation Period shall carry on for the next 12-month period and shall be deemed to be the same Calculation Period and this process shall continue until a performance fee is next earned at the end of the relevant period.

The Management fee and Performance fee payable to the Investment Manager were calculated and paid in US Dollars.

Termination Arrangements
The IMA was terminated on 12 February 2019. Accordingly, the Board will manage the activities of the Company and the wind-down process. On the same day, IFM replaced the Investment Manager as the Alternative Investment Fund Manager.

18. FINANCIAL RISK MANAGEMENT

Financial risk factors
The Company has an established management process to identify the principal risks that it faces as a business. The risk management process relies on the Board of Directors' assessment of the risk likelihood and impact and also developing and monitoring appropriate controls. The table below sets out the key financial risks and examples of relevant controls and mitigating factors. The Board considers these to be the most significant risks faced by the Company that may impact the achievement of the Company's investment objectives. They do not comprise all of the risks associated with the Company's strategy and are not set out in priority order.

Currency risk	**Key controls and mitigating factors**
The risk that exchange rate volatility may have an adverse impact to the Company's financial position and result.	Remuda monitors the Company's exposure to foreign currencies on a monthly basis and reports to the Board at each Board meeting. The Board of Directors measure the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and total return of a movement in the exchange rate to which the Company's assets, liabilities, income and expenses are exposed. The Company did not have any derivative contracts as at 31 December 2019 (see note 13). The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The currency risk of the Group's monetary financial assets and (liabilities) was:

	31 Dec 19 (Group) USD	*31 Dec 18 (Group) USD*
United States Dollars	**44,736,620**	125,763,235
Great British Pounds	**440,724**	(26,624,529)
Canadian Dollars	**3,334,278**	3,506,705
Australian Dollars	**-**	18,191,210
	48,511,622	120,836,621

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

18. FINANCIAL RISK MANAGEMENT (continued)

Currency risk continued

Sensitivity analysis

	31 Dec 19 (Group) USD	31 Dec 18 (Group) USD
Great British Pounds	**22,036**	(1,331,226)
Canadian Dollars	**166,714**	175,335
Australian Dollars	**-**	909,561
Effect on Revenue return after taxation	**188,750**	(246,330)

A 5% weakening of USD against the above currencies would have resulted in an equal and opposite effect on the above amounts, on the basis that all other variables remain constant. The Group's exposure has been calculated as at the year end and may not be representative of the year as a whole.

It is assumed that all exchange rates move by +/- 5% against the US Dollar.

This percentage is deemed reasonable based on the average market volatility in exchange rates during the period. The sensitivity analysis is based on the Group's foreign currency financial assets and financial liabilities held at the Statement of Financial Position date.

Funding and liquidity risk	**Key controls and mitigating factors**
The risk of being unable to continue to fund the Company's lending operation on an ongoing basis.	The Company finances its operations mainly from the issuance of Ordinary Shares. There are no redemption rights for the Shareholders since the Company is closed-ended investment company. As a result of the early repayment of the ZDP shares, the Company is no longer constrained by the cover ratio covenant that required the Company to keep 2.75 times asset cover, the Board reviews the liquidity before paying any dividend to Shareholders. In managing the Company's financial assets, the Board of Directors ensure that the Company holds at all times a portfolio of assets to enable the Company to discharge its payment obligations. The Group does not have any overdraft or other borrowing facilities.

Maturity of financial assets and liabilities:

The maturity profile of the Group's financial assets and liabilities is as follows:

	31 Dec 19 Financial Assets USD	***31 Dec 19 Financial Liabilities USD***	*31 Dec 18 Financial Assets USD*	*31 Dec 18 Financial Liabilities USD*
Within one year	**25,857,921**	**1,373,872**	86,853,988	33,669,190
In more than one year but not more than five years	**24,027,573**	**-**	132,832,610	65,180,787
	49,885,494	**1,373,872**	219,686,598	98,849,977

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

18. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk	Key controls and mitigating factors
The Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.	In the event that interest rate movements lower the level of income receivable on loan portfolios or cash deposits the dividend required to be paid by the Company to the Shareholders will also be reduced. Interest rate risk is monitored by the Board. The Company may also invest in other investment funds that employ leverage with the aim of enhancing returns to investors.

IFRS 7 requires disclosure of a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date.

The sensitivity to a reasonably possible 50 bps decrease/increase in the interest rates, with all other variables held constant, would have decreased/increased the Group's returns after tax by the following:

	31 Dec 19	31 Dec 18
	USD	USD
Effect on Revenue return	**174,859**	202,891

The above changes are considered by the Directors to be reasonable given the observation of prevailing market conditions in the period. The average effective interest income rate during the year is 6% (31 December 2018: 9.5%).

Credit and counterparty risk	Key controls and mitigating factors
Credit risk is the risk of financial loss to the Group if the borrower fails to meet its contractual obligations. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.	The Group seeks to mitigate the credit risk by actively monitoring the Group's loan direct lending platform portfolio and the underlying credit quality of the borrowers. Further, cash is held at banks that are considered to be reputable and high quality. Cash balances are spread across a range of banks to reduce concentration risk.

The maximum exposure to credit risk was as follows:

	31 Dec 19 (Group)	31 Dec 18 (Group)
	USD	USD
Financial assets at fair value through profit or loss	**37,511,073**	176,114,663
Derivative assets	**-**	412,297
Advances to/funds receivable from direct lending platforms	**602,463**	908,917
Prepayments and other receivables	**80,651**	790,379
Receivable from broker	**-**	5,825,498
Cash and cash equivalents	**11,691,307**	35,634,844
	49,885,494	219,686,598

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

18. FINANCIAL RISK MANAGEMENT (continued)

Credit and counterparty risk continued
The majority of the Group's cash and cash equivalents is with SunTrust Bank as at 31 December 2019. SunTrust Bank has a long-term deposit credit rating of AA- from Standard & Poor and Moody's has rated SunTrust A3. Given this rating, the Directors do not expect this counterparty to fail to meet its obligations.

Fair value of groups of financial assets that are measured at fair value on a recurring basis
Some of the Group's financial assets are measured at fair value as at 31 December 2019. The following table gives information about how the fair values of the material financial assets are determined, in particular the valuation techniques and inputs used.

Loan platform	Valuation technique	Significant unobservable input	Relationship and sensitivity of unobservable inputs to fair value
SME Loans Platform	In estimating the fair value of certain platform loans receivable, RDL used market-observable data to the extent it is available. RDL engaged third party qualified valuers to perform the valuation. Remuda and the Board worked closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.	Discount rate determined by reference to the SME platform, ranging from 8.82% to 16.35%.	If the discount rate was 2% higher/lower while all other variables were held constant, the carrying amount for the SME Platform loan would decrease/increase by USD 77,500 approximately.
Real Estate Loans Platform	In estimating the fair value of certain platform loans receivable, RDL used market-observable data to the extent it is available. RDL engaged third party qualified valuers to perform the valuation. Remuda and the Board worked closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.	Discount rate by reference to Real Estate Loans platform is 9.22%.	If the discount rate was 2% higher/lower while all other variables were held constant, the carrying amount for the Real Estate Platform loan would decrease/increase by USD 88,400 approximately.

Fair value hierarchy
The fair values of the financial assets held at fair value through profit and loss were derived from:

a) Loan Investments – A valuation report by third-party valuer or proceeds received from sale post year-end or amount estimated to be recoverable by the Board; and
b) Princeton – estimated potential recovery from the investment;

The fair values of the derivative financial instruments were provided to the Directors by the counterparty, BNP Paribas S.A. and RBC Capital Markets, on whom the Directors rely as expert providers of such valuations.

The fair values of cash and cash equivalents, funds receivable from/payable to Direct Lending Platforms, prepayments and other receivables, and accrued expenses and other liabilities are estimated to be approximately equal to their carrying values due to their short-term nature.

IFRS 13 "Fair Value Measurement" ("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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

18. FINANCIAL RISK MANAGEMENT (continued)

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.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. The main input parameters for this model are the default rate (the value rises when the default rate is lower, and decreases when the default rate is higher), the interest rate (the value rises when the interest rate is higher, and drops when the interest rate is lower), and the discount rate (the value rises when the discount rate is lower, and drops when discount rate is higher). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

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 Group's perceived risk inherent in such financial instruments.

The following tables include the fair value hierarchy of the Group's financial assets and liabilities designated at fair value through profit or loss:

31 December 2019	Level 1 (USD)	Level 2 (USD)	Level 3 (USD)	Total (USD)
Financial assets	**-**	**13,483,500**	**24,027,573**	**37,511,073**
Financial liabilities	**-**	**-**	**-**	**-**

31 December 2018	Level 1 (USD)	Level 2 (USD)	Level 3 (USD)	Total (USD)
Financial assets	-	38,720,251	137,806,709	176,526,960
Financial liabilities	-	6,101	-	6,101

A reconciliation of financial instruments in Level 3 is set out below:

	31 Dec 19 (Group) (USD)	31 Dec 18 (Group) (USD)
Opening Balance	**137,806,709**	29,621,483
Purchases / Additions	**-**	6,222,775
Disposals / Redemptions	**(105,823,149)**	(68,349,705)
Transfer out of Level 3	**(13,483,500)**	(38,307,954)
Transfer into Level 3	**-**	248,386,018
Loss on financial assets	**5,527,513**	(39,765,908)
Closing balance	**24,027,573**	137,806,709

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

19. OTHER INCOME

	31 Dec 19 (Group) USD	31 Dec 18 (Group) USD
Factor income	-	4,054,443
Fee income	-	715,365
Late fee income	-	72,970
Other income	**109,517**	1,252
	109,517	4,844,030

20. OTHER EXPENSES

	31 Dec 19 (Group) USD	31 Dec 18 (Group) USD
Legal fees	**3,465,916**	5,089,097
Auditor remuneration	**233,202**	189,368
Amortisation of origination fee	**-**	28,351
Directors' fees	**1,609,849**	557,147
Regulatory fees	**45,679**	61,035
Consultancy fees	**578,335**	670,518
Other expenses	**505,184**	1,461,206
	6,438,165	8,056,722

21. OPERATING SEGMENTS

Geographical information
The Group is managed as a single asset management business, being the investment of the Group's capital in financial assets comprising Debt Instruments and loans originated by Direct Lending Platforms.

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

Revenues
The Group's revenues are currently generated from the United States of America ("USA"), United Kingdom ("UK") and Canada. The total investment income generated from the USA, UK and Canada amounted to USD 7,583,881 USD 77,559 and USD 1,029,214 respectively (2018: USA, UK and Canada amounted to USD 16,266,025, USD 4,637,666 and USD 1,744,072 respectively).

Non-current assets
The Group does not have non-current assets other than the financial assets at fair value through profit or loss.

22. CAPITAL MANAGEMENT

The Company's capital is represented by the Ordinary Shares, share premium account and retained earnings. The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

Capital Management (continued)

The Company is subject to externally imposed capital requirements in relation to its statutory requirement relating to interest/dividend distributions to Shareholders. The Company has complied with its capital requirements during the year.

Leverage
During 2016, the Company incorporated RDLZ which issued ZDP Shares for trading on the London Stock Exchange's main market for listed securities. The proceeds from the issuance of the ZDP Shares were on-lent to the Company by way of an intercompany loan agreement. During the year, the intercompany loan was fully repaid.

The Company's leverage limit under its Prospectus is 1.5. The Company has not breached this limit anytime during the year, nor has the Company made any changes to this maximum limit. The Company's borrowing policy does not grant the Company any right to reuse collateral.

Liquidity
As a closed ended investment company in which Shareholders have no right of redemption, there are no assets of the Company which are subject to special arrangements due to their illiquid nature, nor have any new arrangements been implemented for managing the liquidity of the Company.

23. COMMITMENTS

As at 31 December 2019, the Company had no outstanding commitments (2018: none).

24. ULTIMATE CONTROLLING PARTY

It is the opinion of the Directors that there is no ultimate controlling party.

25. SUBSEQUENT EVENTS

Whilst the full impact of the Covid-19 pandemic is yet to be felt by businesses worldwide, it has increased the credit risk associated with the Company's underlying platform loans.

On 9 January 2020, the Board declared a special dividend of 33 pence per Ordinary Share, which was paid on 10 February 2020. On 7 April 2020, the Board declared a further special dividend of 106 pence per Ordinary Share which will be paid on 19 May 2020.

On 2 April 2020, the Company received a payment of USD13,483,500 following resolution of the Princeton litigation proceedings.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE DISCLOSURES (UNAUDITED)

Ranger was appointed as the Investment Manager following the Company's Admission. The Investment Management Agreement with the Investment Manager was terminated on 12 February 2019. Since this date, IFM replaced the Investment Manager as the Alternative Investment Fund Manager (the "AIFM").

The AIFM and Company are required in accordance with Alternative Investment Fund Managers Directive ("AIFMD") to make certain periodic disclosures as follows:

Changes to AIFMD disclosure schedule
The prospectus issued by the Company in connection with IPO contained a schedule of disclosures prepared by the Investment Manager for the purposes of AIFMD. In addition, the AIFMD requires the Company's annual report to include details of any material changes to the information contained in that Schedule. The AIFM confirms that the schedule has been updated and is available on the Company website.

The AIFM has had regard to the current risk profile of the Company which outlines the relevant measures to assess actual and potential exposure to those risks set out in the prospectus and with taking in to account the revised investment strategy of the Company as voted on by the Shareholders. As required by the Listing Rules, the investment policy of the Company was updated with the approval of Shareholders.

Liquidity Risk Profile and Management
As identified in the Company's prospectus in respect of IPO, the Company identified that there is a risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, debt) of the Company as they fall due. The current investment strategy is to realise the portfolio at the best value possible. To assist with this Board members have taken on executive functions.

Based on the Company's current strategy to realise its investments, as opposed to invest, the investment limits set forth in the prospectus are waived with the focus being on the realisation of assets at the best possible valuation for the shareholders. As a closed-ended investment company, Shareholders of the Company have no right of redemption. Therefore, in managing the Company's financial assets, the AIFM ensures that the Company holds at all times a sufficiently liquid portfolio of assets to enable the Company to discharge its payment obligations.

AIFM Remuneration
From 12 February 2019, IFM is responsible for fulfilling the role of the AIFM and ensuring the Company complies with the AIFMD requirements. Details of the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and the number of beneficiaries, may be made available to Shareholders on request to the Company.

COMPANY INFORMATION

Directors
Brendan Hawthorne
Brett Miller
Gregory (Greg) Share
Joseph (Joe) Kenary
Dominik Dolenec (resigned on 1 April 2020)
Nicholas (Nick) Paris (appointed 20 May 2019 and resigned on 31 March 2020)

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