RDL REALISATION PLC

(Registered No. 09510201)

HALF-YEARLY FINANCIAL REPORT (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

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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.

INFORMATION REQUIRED, TO THE EXTENT APPLICABLE, FOR DISTRIBUTION TO QUALIFIED INVESTORS IN SWITZERLAND:

The Prospectus, the Articles of Association as well as the annual and half-year reports of the Company are available only to qualified investors (as defined in the Collective Investment Schemes of 23 June 2006, as amended, and its implementing ordinance) ("Qualified Investors") free of charge from the Swiss Representative. In respect of shares distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Swiss Representative.

Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich.

Swiss Paying Agent: Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.

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 half-yearly financial report for the period ended 30 June 2019 (the "Half Yearly Report") includes the results of RDL Fund Trust (the "Trust") and RDLZ Realisation Plc (In Liquidation) ("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 "Admission"). 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 has appointed International Fund Management Limited ("IFM") as its replacement Alternative Investment Fund Manager 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 7 to 11. 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 is a Delaware trust established on 22 April 2015 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 that was 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

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 payment in relation its Zero Dividend Preference Shares of GBP 0.01 each (the "ZDP Shares").

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

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:

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.

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, generally in US Dollars.

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

FINANCIAL SUMMARY

This Report covers the six months between 1 January 2019 and 30 June 2019.

Highlights	Ordinary Shares		
	30 June 2019	31 Dec 2018	30 June 2018
Net Asset Value[1] (Cum Loss/Income) per share	**GBP 5.35[3]/USD 6.80**	GBP 5.88[3]/USD 7.49	GBP 9.67[3]/USD 12.75
Net Asset Value[2] (Ex Loss/Income) per share	**GBP 5.78[3]/USD 7.34**	GBP 7.62[3]/USD 9.71	GBP 9.70[3]/USD 12.79
Total dividends per share	**17.14 pence**	288.21 pence	43.93 pence
Share Price[4]	**GBP 4.35[3]/USD 5.52**	GBP 6.70[3]/USD 8.41	GBP 8.00[3]/USD 10.56
Premium/(discount) to NAV at end of each month[5]	**(18.69%)**	(11.79%)	(18.03%)
Return on Share Price	**(35.10%)**	(6.82%)	0.76%

The Company's market capitalisation as at 30 June 2019 was USD 88,933,725 (GBP 70,054,135 based on a Share Price of GBP 4.35 and based on 16,122,931 outstanding Ordinary Shares).

The Group's total comprehensive loss for period ended 30 June 2019 amounted to USD 7,748,852 (30 June 2018: USD 586,429) (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 7 to 11 which includes a review of the progress of the Company's asset realisation.

[1] Net Asset Value ("NAV") (cum income) includes all current year income/(loss), less the value of any dividends paid on respect of the period together with the value of the dividends which have been declared and market ex-dividend but not paid, see page 13.
[2] Net Asset Value (ex income) is the Net Asset Value cum income excluding net current year income/(loss).
[3] Translated at USD to GBP foreign exchange rate of 1.2695 (31 December 2018: 1.2746, 30 June 2018: 1.3194).
[4] Share price taken from Bloomberg Professional.
[5] The Board monitors the price of the Company's Ordinary Shares in relation to their NAV and the premium/discount at which the shares trade.

CHAIRMAN'S STATEMENT

Key developments

It has been an eventful period for the Company as we continue to fulfil our mandate of realising assets and returning capital to Shareholders. This work is ongoing and whilst considerable progress has been made there is still a lot to do.

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 Brendan Hawthorne 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 as Chairman to a Non-Executive Director. Mr. Dolenec will remain an Executive Director 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 has also been notified that Oaktree Value Equity Holdings, L.P. and LIM Advisors (London) Limited have agreed with each other, subject to certain conditions, not to requisition any addition to or removal from the Company's Board of Directors for the period up to 31 December 2019.

The Company completed its transition away from Ranger in the first half of the year which proved to be a complex exercise. Difficulties were experienced with our year end audit process which caused a delay in the Company's audit sign off, resulting in the suspension of the Company's shares. The Board have taken concrete steps around strengthening our financial reporting processes and valuation methodologies to ensure that there will be no reoccurrence of this regretful episode in future years.

As announced on 30 July 2019, Deloitte LLP resigned as auditor for the Company with effect from 29 July 2019, due to a perceived weakness in internal control 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 it deems it appropriate to do so. The Board, on recommendation from the Audit Committee, appointed Crowe U.K. LLP as auditor to the Company to fill the casual vacancy created by Deloitte LLP's resignation.

A key development during the period was the retirement of 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 so that ZDP Shareholders would receive a revised 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 excluding transaction expenses of USD 860,000. As a result of the early retirement 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 can recommence the payment of dividends as and when it has excess capital and indeed has done so as is detailed below.

In a further positive development, a significant cash paydown of USD 27.9 million was received in August 2019 for the sale of the entire 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.

The Company has made two dividend distributions since the start of the year, on 22 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 US309.32 cents) in respect of the year ended 31 December 2018 (the "Special Dividend"). The Special Dividend was paid on 30 August 2019 to Shareholders and totalled USD 49.9 million. The Company elected to designate 13% of the Special Dividend as an interest distribution to its Shareholders in order to maintain its investment trust status and 87% as a dividend distribution.

CHAIRMAN'S STATEMENT (continued)

Key developments (continued)
Adjusted for capital returns and dividends the NAV return in the period was -6.39% in USD terms.

Wind-down and Capital Returns
Since the Annual General Meeting held on 19 June 2018 (the "AGM"), the Company has returned £5.36 per share in the form of dividend payments. This amounts to approximately 55.45% of the published NAV as of 30 June 2018, following Board changes at the AGM. Our investment strategy continues to seek to maximise risk-adjusted IRRs to our Shareholders. To this end, the Company has made significant progress with its three-pronged approach to winding down its portfolio. The first category consisted of portfolios that could be sold outright. Having run a sale process, only three portfolios and a small equity position could be exited in this way without accepting a material discount. The second category consisted of two sizeable positions where the Company was the sole platform capital provider. One was successfully refinanced at par in December 2018 and as previously mentioned, a significant cash paydown of USD 27.9 million was received in relation to the second. The third category consisted of portfolios that are best run off. There is a reasonable prospect that the majority of this category will be repaid by mid 2020. However, there can be no guarantee that the Company will be successful in accomplishing this objective. Some residual positions will only be liquidated once various bankruptcy proceedings are completed, with Princeton being the most notable, and it is expected that these will take longer.

Portfolio Performance
At 30 June 2019, 100% of the portfolio was invested in secured Debt Instruments (including loans, cash advances, and receivables financing) to mainly SME borrowers. In accordance with our mandate, no new investments were made during the period. A detailed analysis of the Company's portfolio is provided in the Executive Directors' Report.

Princeton
A Chapter 11 Plan of Liquidation (the "Plan") was filed by the Trustee on 19 April 2019 and provides 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 contemplates that the Company's investment interests will be treated in the same way as other Princeton investors. In addition, in light of the arbitration award that was previously announced by the Company and was later reduced to a final judgment in the Delaware courts, the Company has agreed with the Trustee that it will also be paid USD 2.5 million as an unsecured claim under the Plan, in addition to its investment distribution. This amount will cover part of the costs of the legal proceedings that were incurred by the Company.

Recently, MicroBilt Corporation recruited an informal group of minority investors, who had been solicited to invest in Princeton after the Company made its redemption demand in 2016, to support its alternative Chapter 11 plan (the "MicroBilt Plan"). The MicroBilt Plan is vague in structure and content and utilises asset values which the Trustee has asserted are unreliable. In addition, the MicroBilt plan leaves the fund in bankruptcy for an indeterminate period. The Company believes that the MicroBilt plan is not in the best interest of the Company or other investors. The Company will support the Plan filed by the Chapter 11 Trustee and will join the Trustee in seeking its confirmation before the Bankruptcy Court.

On 29 July 2019, the Trustee filed an adversary complaint in the Bankruptcy Court against MicroBilt Corporation ("MicroBilt") and various related entities and individuals. The Complaint alleges 15 separate causes of action on behalf of the bankruptcy estate for breach of contract, breach of fiduciary duty, fraudulent conveyance, engaging in racketeering activity and other wrongdoing by MicroBilt and other defendants. On 5 and 8 August 2019, Ranger 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. At the conclusion of the settlement conference, the Bankruptcy Court set a schedule to decide a motion that the Trustee filed in 26 August 2019 to set the relative value of the investors' capital accounts based on a restatement of the value of the fund's investments. An evidentiary hearing on the motion is presently scheduled on 10 October 2019. The MicroBilt Plan is based upon the use of NAVs as determined by Princeton's management as of February 2018, which was the last statement prior to the bankruptcy. The motion to be filed by the Trustee proposes to discard Princeton's NAV values, since they are deemed unreliable. Under the Plan filed by the Trustee, all investors' ownership percentages will be determined through a "net equity method", based upon the actual amount invested minus actual amounts paid to each investor, as either distributions or income.

CHAIRMAN'S STATEMENT (continued)

Outlook

Your Board's overriding objective is to achieve a balance between delivering maximum value and making timely returns of capital to Shareholders, consistent with the mandate given to it by Shareholders in 2018, and we are focussed on that. 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.

By the middle 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 further and ultimately will look to delist the Company's shares once the remaining assets have been substantively returned to Shareholders.

Brendan Hawthorne
Chairman

30 September 2019

EXECUTIVE DIRECTORS' REPORT

On 20 May 2019, Nicholas Paris was appointed to the Board as a Non-Executive Director. Mr Paris is a portfolio manager within the LIM Advisors Group, which currently owns approximately 26% of RDL's outstanding shares. Subsequent to the period end, Dominik Dolenec stepped down as Chairman of the Company and Brendan Hawthorne has been elected as Chairman by the Directors. Mr. Dolenec will remain an Executive Director with a particular focus on maximising the recovery of the Company's investment in Princeton.

As a reminder, the Board was entrusted by Shareholders with a mandate to realise assets and return capital to Shareholders. The investment policy was set out in a circular to Shareholders and formally approved by Shareholders at a general meeting held in November 2018.

The Executive Directors have continued to spend considerable time in the USA, monitoring the portfolio, meeting investee platforms and working with the platforms on realisations. This work is ongoing and whilst considerable headway has been achieved there remains much to do. Some of the key achievements during the period are:

- In January 2019, the Company's exposure to the International MCA Platform was refinanced and our promissory notes paid off. We realised USD 38,007,954 (at carrying value) pursuant to this transaction, the entirety of which has been paid to the Company; and
- The Company has continued to work with the Real Estate platform to offer individual performing loans to the platform's existing and new investors. The investment balance for this platform at 1 January 2019 was USD 36.8 million. As at 30 June 2019, the net exposure to this platform was USD 16.2 million.

Perhaps the key achievement during the period was the retirement of the Company'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 zero dividend preference shares ("ZDP Shares") issued by RDLZ so that ZDP Shareholders would receive a revised final capital entitlement of 121.8887 pence per ZDP Share were passed at the RDLZ Class Meeting and the General Meeting of RDLZ held on 20 June 2019. The cost to the Company of repaying the ZDP Shares on 20 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 retirement 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 can recommence the payment of dividends as and when it has excess capital. Pursuant to this, a further special dividend of 255.00 pence per ordinary share (equivalent US 309.32 cents) was paid on 30 August 2019, subsequent to the period end. This is in addition to the 17.14 pence per share special dividend (USD 21.71 cents) that was paid on 12 July 2019.

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 in this Executive Directors' Report, 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. It is also important for Shareholders to recognise that a material amount of the future value for the Company will be tied to current claims in litigation.

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. Following the appointment of IFM, the Executive Directors have and will continue to perform their Executive responsibilities. In particular, any investment or divestment decisions relating to the Company's portfolio will not be implemented without prior Board approval.

Steve Bellah, a senior credit professional and a financial controller, both of Remuda Credit Advisors, LLC, based in Dallas, have been engaged to assist the Executive Directors with the management and realisation of the portfolio. A huge 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. It was also a considerable task transitioning over the accounting function to the new service provider.

EXECUTIVE DIRECTORS' REPORT (continued)

Investment portfolio

In accordance with the Board's instructions, Ranger, in June 2018 discontinued making investments through normal course of business with the following exceptions:

- 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.

No new investments were made during the period.

At 30 June 2019, the entire portfolio was invested in secured Debt Instruments (including loans, cash advances, and receivables financing) to mainly Small to Medium Enterprise ("SME") borrowers, and the portfolio no longer includes any 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 guaranty 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 30 June 2019 (estimated fair value); and
- Commentary summarising primary activity and expected disposition of the investments.

Note: all amounts shown below are in USD.

<u>SME/CRE Loans Platform</u>

Net Balance at 31 December 2018	Net Balance at 30 June 2019
USD 40,446,802	USD 26,375,106

Since 31 December 2018, there has been a regular run-off of all performing investments. The Executive Directors are in weekly contact with this platform, who are trying to assist in the sale of some investments to its other investors throughout 2019, and remaining investments will be run off.

<u>Vehicle Services Contract Platform</u>

Net Balance at 31 December 2018	Net Balance at 30 June 2019
USD 39,375,565	USD 28,168,672

A significant cash paydown of USD 27.9 million was received in August 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.

<u>Real Estate Lending Partner</u>

Net Balance at 31 December 2018	Net Balance at 30 June 2019
USD 36,836,583	USD 16,192,844

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 2019, and the remaining investments will be run-off.

EXECUTIVE DIRECTORS' REPORT (continued)

Investment portfolio (continued)

Princeton Alternative Income Fund

Net Balance at 31 December 2018	Net Balance at 30 June 2019
USD 15,000,000	USD 15,000,000

As announced on 11 February 2019, the Company is currently estimating a potential recovery of approximately USD 15 million from the Princeton bankruptcy. A further update is provided below.

Canadian SME Lending Platform

Net Balance at 31 December 2018	Net Balance at 30 June 2019
USD 4,974,099	USD 3,868,137

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 2018	Net Balance at 30 June 2019
USD 669,641	USD 479,592

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

Second Consumer Loans Platform

Net Balance at 31 December 2018	Net Balance at 30 June 2019
USD 299,655	USD nil

Since 31 December 2018, there has been a regular run-off of all performing investments.

Invoice Factoring Platform

Net Balance at 31 December 2018	Net Balance at 30 June 2019
USD 175,477	USD nil

Since December 2018, there has been a regular run-off of all performing investments.

EXECUTIVE DIRECTORS' REPORT (continued)

Investment portfolio (continued)

Third SME Loans Platform

Net Balance at 31 December 2018	Net Balance at 30 June 2019
USD 21,296	USD nil

Since December 2018, there has been a regular run-off of all performing investments.

Consumer Loans Platform

Net Balance at 31 December 2018	Net Balance at 30 June 2019
USD 7,587	USD nil

In October 2018, all performing loans were sold to a third party which left the non-performing loans to run-off.

Independent valuation of the portfolio

Duff & Phelps, an independent valuation firm, is engaged to value all of the platforms making up the Company's main portfolio, with the exception of the Canadian SME Lending Platform and the investment in Princeton.

A copy of the report from Duff & Phelps (the "D&P Report") as at 30 June 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 30 June 2019 were updated based on the Duff & Phelps valuation with the exception of i) the Vehicle Service Contract (VSC) platform (this is the Second SME Loan Platform), which was not valued as the platform was refinanced and our outstanding position was completely paid off prior to Duff & Phelps completing their analysis, and ii) the Canadian SME Lending Platform.

These loans are venture loans with little to or no fixed repayment dates. Payments are determined annually and are reliant upon Canadian Government tax rebates and credits. Further, well over half of the portfolio is non-performing. Thus, Duff & Phelps indicated that it is unable to apply traditional valuation methods.

Princeton Update

The Company announced on 11 February 2019 that it was currently estimating a potential recovery of approximately USD 15 million from the Princeton bankruptcy. Prior to this, it had attributed a value of approximately USD 28.5 million to the Company's investment in Princeton in calculating the Net Asset Value ("NAV"). Accordingly, the Company resolved to impair the carrying value of its investment in Princeton by a further USD 13.5 million in the 31 December 2018 financial statements.

The Company emphasises that this remains an unverified estimate and is subject to a number of potential variables; in particular the amount that the Company will recover will be dependent upon the final structure of the creditor and investor waterfall and distribution scheme and the actual net amount available for distribution. A final determination of these issues is not expected for a number of months and it is not possible to predict the precise structure of the distribution scheme which will be approved by the bankruptcy court. In addition, other factors that will impact the Company's ultimate recovery amount include (but are not limited to): the actual recoveries in respect of both performing and delinquent payday loans in the Princeton portfolio - currently these recovery rates are based on assumptions using historic sector benchmarks which may not prove to be accurate in respect of the actual portfolio performance; certain restricted cash balances in the Princeton portfolio may not be released to the Company; no valuation on potential litigation claims has currently been made; and other, unforeseen factors or information may subsequently occur or be discovered. As such, no reliance can be placed on the estimated potential recovery amount and it is likely that such estimate will change in the future as additional information is received from the Trustee.

The Company engaged in active discussions with the Trustee regarding the content of a Chapter 11 Plan of Liquidation (the "Plan") proposed by the Trustee. The Plan was filed by the Trustee on 19 April 2019 and provides for the prompt and orderly liquidation of fund assets by approved professionals and the pursuit of

EXECUTIVE DIRECTORS' REPORT (continued)

possible third-party litigation claims under the direction of a liquidating trustee to be appointed under the Plan. The Plan also contemplates that the Company's investment interests will be treated in the same way as other Princeton investors.

In addition, in light of the arbitration award that was previously been announced by the Company and was later reduced to a final judgment in the Delaware courts, the Company has agreed with the Trustee that it will also be paid USD 2.5 million as an unsecured claim under the Plan, in addition to its investment distribution. This amount will cover part of the costs of the legal proceedings that were incurred by the Company.

Recently, MicroBilt Corporation recruited an informal group of minority investors, who had been solicited to invest in Princeton after the Company made its redemption demand in 2016, to support its alternative Chapter 11 plan (the "MicroBilt Plan"). The MicroBilt Plan is vague in structure and content and utilises asset values which the Trustee has asserted are unreliable. In addition, the MicroBilt plan leaves the fund in bankruptcy for an indeterminate period of time. The Company believes that the MicroBilt plan is not in the best interest of the Company or other investors. The Company will support the Plan filed by the Chapter 11 Trustee and will join the Trustee in seeking its confirmation before the Bankruptcy Court.

On 29 July 2019, the Trustee for Princeton filed an adversary complaint in the Bankruptcy Court against MicroBilt Corporation ("MicroBilt") and various related entities and individuals. The Complaint alleges 15 separate causes of action on behalf of the bankruptcy estate for breach of contract, breach of fiduciary duty, fraudulent conveyance, engaging in racketeering activity and other wrongdoing by MicroBilt and other defendants. On 5 and 8 August 2019, Ranger 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. At the conclusion of the settlement conference, the Bankruptcy Court set a schedule to decide a motion that the Trustee filed 26 August 2019 to set the relative value of the investors' capital accounts based on a restatement of the value of the fund's investments. An evidentiary hearing on the motion is presently scheduled on 10 October 2019. The MicroBilt Chapter 11 plan is based upon the use of NAVs as determined by Princeton's management as of February 2018, which was the last statement prior to the bankruptcy. The motion to be filed by the Trustee proposes to discard Princeton's NAV values, since they are deemed unreliable. Under the Plan filed by the Trustee, all investors' ownership percentages will be determined through a "net equity method", based upon the actual amount invested minus actual amounts paid to each investor, as either distributions or income.

Sector Reporting

As at 30 June 2019, the portfolio (excluding cash and cash equivalents) was diversified across five different sectors as follows:

	Allocation		
Sector	*30 Jun 2019*	*31 Dec 2018*	*Change*
Bridge loans to real estate developers	18%	21%	81%
Credit lines to finance companies	18%	9%	78%
Loans to businesses with government grants	4%	3%	33%
Loans/advances to small/medium size businesses	29%	45%	(67%)
Vehicle service contract financing	31%	22%	23%
Total (excluding cash and cash equivalents)	100%	100%	-

INTERIM MANAGEMENT REPORT

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal risks and uncertainties for the remaining six months of the financial year are set out in the Chairman's Statement on pages 4 to 6 and the Executive Directors' Report on pages 7 to 11.

The principal risks and uncertainties the Group faces are substantially unchanged since the date of the Annual Report and Accounts and continue to be as set out in that report on pages 19 to 22.

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.

GOING CONCERN

The Board are in the process of disposing of the Company's assets in an orderly manner and returning Shareholders' capital to them.

Given these developments and 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 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.

DIRECTORS' RESPONSIBILITY STATEMENT
For the period 1 January 2019 to 30 June 2019

The Directors confirm that to the best of their knowledge:

- The condensed consolidated financial statements ("condensed financial statements") have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union; and gives a true and fair view of the assets, liabilities and financial position of the Group; and

- This Half-Yearly Report includes a fair review of the information required by:

a) the Disclosure Guidance and Transparency Rules ("DTR") 4.2.7R (being an indication of important events during the first six months of the current financial year and their impact on the condensed financial statements; and a description of principal risks and uncertainties for the remaining six months of the year); and

b) DTR 4.2.8R (being disclosure of related parties' transactions and any changes in the related party transactions described in the last annual report that could do so).

This Half-Yearly Financial Report was approved by the Board of Directors on 30 September 2019 and the above responsibility statement was signed on its behalf by Brendan Hawthorne, Chairman.

Brendan Hawthorne
Chairman
30 September 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

ASSETS	Notes	(Unaudited) Jun 2019 USD	(Audited) Dec 2018 USD
Non-current assets			
Financial assets at fair value through profit or loss	3	**62,150,679**	137,806,709
Total non–current assets		**62,150,679**	**137,806,709**
Current assets			
Financial assets at fair value through profit or loss	3	**27,933,672**	38,307,954
Derivative assets	9	**-**	412,297
Receivable from broker		**1,060**	5,825,498
Advances to/funds receivable from direct lending platforms		**1,010,366**	908,917
Prepayments and other receivables		**253,802**	790,379
Cash and cash equivalents	11	**25,591,883**	35,634,844
Total current assets		**54,790,783**	**81,879,889**
TOTAL ASSETS		**116,941,462**	**219,686,598**
Non-current liabilities			
Zero dividend preference shares	6	**-**	65,180,787
Total non-current liabilities		**-**	**65,180,787**
Current liabilities			
Accrued expenses and other liabilities	5	**6,145,215**	32,154,477
Income tax liability		**1,208,766**	1,508,612
Derivative liabilities	9	**-**	6,101
Total current liabilities		**7,353,981**	**33,669,190**
TOTAL LIABILITIES		**7,353,981**	**98,849,977**
NET ASSETS		**109,587,481**	**120,836,621**
SHAREHOLDERS' EQUITY			
Capital and reserves			
Share capital	7	**427,300**	427,300
Share premium account		**40,346,947**	40,346,947
Other reserves		**156,922,734**	156,922,734
Revenue reserves		**(3,624,671)**	1,421,278
Realised capital losses		**(82,973,460)**	(76,365,105)
Unrealised capital losses		**(3,110,629)**	(2,475,418)
Foreign currency translation reserves		**1,599,260**	558,885
TOTAL SHAREHOLDERS' EQUITY		**109,587,481**	**120,836,621**
NAV per Ordinary Share		**6.80**	**7.49**

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

The financial statements for the period ended 30 June 2019 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 30 September 2019.

Signed on behalf of the Board of Directors:
Brendan Hawthorne
Chairman

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

		(Unaudited) 1 Jan to 30 Jun 19			(Unaudited) 1 Jan to 30 Jun 18			(Audited) 1 Jan to 31 Dec 18		
	Notes	*Revenue (USD)*	*Capital (USD)*	*Total (USD)*	*Revenue (USD)*	*Capital (USD)*	*Total (USD)*	*Revenue (USD)*	*Capital (USD)*	*Total (USD)*
Income										
Investment income	3	**5,403,920**	**-**	**5,403,920**	12,593,352	-	**12,593,352**	22,647,763	-	**22,647,763**
Other income		**721,475**	**-**	**721,475**	2,817,392	-	**2,817,392**	4,844,030	-	**4,844,030**
Gain on revaluation of derivative contracts		**-**	**-**	**-**	-	-	**-**	-	203,869	**203,869**
Bank interest income		**7,446**	**-**	**7,446**	3,350	-	**3,350**	3,765	-	**3,765**
Realised gains on financial assets at fair value through profit or loss		**-**	**189,051**	**189,051**	-	-	**-**	-	-	**-**
		6,132,841	**189,051**	**6,321,892**	**15,414,094**	**-**	**15,414,094**	**27,495,558**	**203,869**	**27,699,427**
Operating expenditure										
Realised losses on financial assets at fair value through profit or loss		**-**	**-**	**-**	-	-	**-**	-	19,199,453	**19,199,453**
Unrealised losses on financial assets at fair value through profit or loss		**-**	**3,098,879**	**3,098,879**	-	759,589	**759,589**	-	15,830,398	**15,830,398**
Investment Management Fees	12	**56,907**	**-**	**56,907**	1,413,428	-	**1,413,428**	2,675,643	-	**2,675,643**
Service and premium fees		**191,815**	**-**	**191,815**	1,220,822	-	**1,220,822**	1,980,905	-	**1,980,905**
Provision for / (Reversal of) default		**-**	**-**	**-**	-	(1,002,222)	**(1,002,222)**	-	1,002,222	**1,002,222**
Loans written off	4	**-**	**-**	**-**	-	7,091,372	**7,091,372**	-	7,091,372	**7,091,372**
Company Secretarial, administration and registrar fees		**859,685**	**-**	**859,685**	181,583	-	**181,583**	421,019	-	**421,019**
Finance costs		**2,758,921**	**-**	**2,758,921**	1,984,050	-	**1,984,050**	3,934,484	-	**3,934,484**
Foreign exchange loss		**-**	**11,750**	**11,750**	-	315,594	**315,594**	-	1,677,065	**1,677,065**
Other expenses		**3,669,712**	**-**	**3,669,712**	3,981,717	-	**3,981,717**	8,056,722	-	**8,056,722**
Loss on sale of ZDP Preference Shares		**-**	**4,116,612**	**4,116,612**	-	-	**-**	-	-	**-**
Loss on revaluation of derivative contracts		**-**	**205,376**	**205,376**	-	6,887	**6,887**	-	-	**-**
		7,537,040	**7,432,617**	**14,969,657**	**8,781,600**	**7,171,220**	**15,952,820**	**17,068,773**	**44,800,510**	**61,869,283**
(Loss)/profit before tax		**(1,404,199)**	**(7,243,566)**	**(8,647,765)**	**6,632,494**	**(7,171,220)**	**(538,726)**	**10,426,785**	**(44,596,641)**	**(34,169,856)**
Taxation		**(141,462)**	**-**	**(141,462)**	(128,872)	-	**(128,872)**	(872,082)	(728,288)	**(1,600,370)**
(Loss)/Profit after tax for the period/year		**(1,545,661)**	**(7,243,566)**	**(8,789,227)**	**6,503,622**	**(7,171,220)**	**(667,598)**	**9,554,703**	**(45,324,929)**	**(35,770,226)**

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

		(Unaudited) 1 Jan to 30 Jun 19			(Unaudited) 1 Jan to 30 Jun 18			(Audited) 1 Jan to 31 Dec 18		
	Notes	*Revenue (USD)*	*Capital (USD)*	*Total (USD)*	*Revenue (USD)*	*Capital (USD)*	*Total (USD)*	*Revenue (USD)*	*Capital (USD)*	*Total (USD)*
Basic Earnings Per Ordinary Share - USD	10	**(0.10)**	**(0.45)**	**(0.55)**	0.40	(0.44)	(0.04)	0.60	(2.81)	(2.21)
Basic Earnings Per Ordinary Share - GBP	10	**(0.07)**	**(0.34)**	**(0.41)**	0.31	(0.34)	(0.03)	0.47	(2.21)	(1.74)
Diluted Earnings Per Ordinary Share - USD	10	**(0.10)**	**(0.45)**	**(0.55)**	0.40	(0.44)	(0.04)	0.60	(2.81)	(2.21)
Diluted Earnings Per Ordinary Share - GBP	10	**(0.07)**	**(0.34)**	**(0.41)**	0.31	(0.34)	(0.03)	0.47	(2.21)	(1.74)
Profit/(loss) for the period/year		**(1,545,661)**	**(7,243,566)**	**(8,789,227)**	**6,503,622**	**(7,171,220)**	**(667,598)**	**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		**-**	**-**	**1,040,375**	-	-	81,169	-	-	724,066
Total comprehensive income/(loss) for the period/year		**(1,545,661)**	**(7,243,566)**	**(7,748,852)**	**6,503,622**	**(7,171,220)**	**(586,429)**	**9,554,703**	**(45,324,929)**	**(35,046,160)**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

(Unaudited)

	Notes	**Share Capital** (USD)	**Share Premium** (USD)	**Other Reserves** (USD)	**Realised Capital (Losses)** (USD)	**Unrealised Capital Profits/ (Losses)** (USD)	**Revenue Reserves** (USD)	**Foreign currency translation reserves** (USD)	**Total** (USD)
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	8	**-**	**-**	**-**	**-**	**-**	**(3,500,288)**	**-**	**(3,500,288)**
Reclassification of capital losses		**-**	**-**	**-**	**(2,475,418)**	**2,475,418**	**-**	**-**	**-**
Loss for the period		**-**	**-**	**-**	**(4,132,937)**	**(3,110,629)**	**(1,545,661)**	**-**	**(8,789,227)**
Other comprehensive income for the period		**-**	**-**	**-**	**-**	**-**	**-**	**1,040,375**	**1,040,375**
Balance at 30 June 2019		**427,300**	**40,346,947**	**156,922,734**	**(82,973,460)**	**(3,110,629)**	**(3,624,671)**	**1,599,260**	**109,587,481**

(Audited)

	Share Capital (USD)	**Share Premium** (USD)	**Other Reserves** (USD)	**Realised Capital (Losses)** (USD)	**Unrealised Capital Profits/ (Losses)** (USD)	**Revenue Reserves** (USD)	**Foreign currency translation reserves** (USD)	**Total** (USD)
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	-	-	(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 as 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**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

		(Unaudited)							
	Notes	**Share Capital**	**Share Premium**	**Other Reserves**	**Realised Capital Profits (Losses)**	**Unrealised Capital Profits/ (Losses)**	**Revenue Reserves**	**Foreign currency Translation reserves**	**Total**
		(USD)	(USD)	(USD)	(USD)	(USD)	(USD)	(USD)	(USD)
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	8	-	-	-	-	-	(9,600,155)	-	**(9,600,155)**
Reclassification of capital losses		-	-	-	(3,480,486)	3,480,486	-	-	**-**
Profit/(loss) for the period		-	-	-	(7,091,372)	(79,848)	6,503,622		**(667,598)**
Other comprehensive income for the period		-	-	-	-	-	-	81,169	**81,169**
Balance as at 30 June 2018		**427,300**	**40,346,947**	**204,225,570**	**(40,606,966)**	**(79,848)**	**1,388,325**	**(84,012)**	**205,617,316**

The accompanying notes are an integral part of these condensed financial statement.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

	Notes	(Unaudited) 1 Jan to 30 Jun 19 (USD)	(Unaudited) 1 Jan to 30 Jun 18 (USD)	(Audited) 1 Jan to 31 Dec 18 (USD)
Loss for the period/year		**(8,789,227)**	(667,598)	(35,770,226)
Adjustments for:				
Provision for income tax expense		**141,462**	128,872	1,600,370
Tax paid		**(346,914)**	-	(280,094)
Net loss on financial assets at fair value through profit or loss	3	**2,969,239**	759,589	11,714,842
Impairment		**-**	-	13,534,657
Interest impairment		**-**	-	465,284
Investment income	3	**(5,403,920)**	(12,593,352)	(22,647,763)
Interest expense on ZDP Shares	6	**2,280,788**	1,899,670	3,770,242
Amortisation of transaction fees – net		**-**	23,209	23,209
Amortisation of issue costs	6	**449,875**	84,379	164,242
Foreign exchange loss		**(326,123)**	229,796	971,835
Loss on RDLZ Preference Shares	6	**4,116,612**	-	-
Loss/(gain) on revaluation of derivative financial instruments		**205,376**	6,887	(203,869)
Loans written off	4	**-**	7,091,372	7,091,372
Reversal of provision for default	4	**-**	(719,736)	(719,736)
Operating cash flows before movements in working capital		**(4,702,832)**	**(3,756,912)**	**(20,285,635)**
Decrease/(increase) in other current assets and prepaid expenses		**6,361,015**	(885,102)	(6,423,242)
Increase in accrued expenses and other liabilities		**280,429**	3,758,446	29,534,891
(Increase)/decrease in funds receivable from direct lending platforms – net		**(101,449)**	(1,225,756)	2,873,999
Net cash flows generated from (used in) operating activities		**1,837,163**	**(2,109,324)**	**5,700,013**
Investing activities				
Acquisition of financial assets at fair value through profit or loss	3	**-**	-	(6,222,775)
Acquisition of loans	4	**-**	(91,163,256)	(91,163,256)
Principal repayments	4	**-**	85,852,639	85,852,639
Proceeds from partial redemption of financial assets at fair value through profit or loss	3	**83,422,646**	27,237	68,349,705
Investment income received	3	**5,042,346**	11,950,287	24,076,643
Net settlement on derivative positions		**200,820**	854,348	362,877
Net cash flows generated from investing activities		**88,665,812**	**7,521,255**	**81,255,833**
Financing activities				
Payment of ZDP shares to Preference Shareholders		**(70,790,110)**	-	-
Dividends paid		**(29,797,917)**	(9,600,155)	(59,921,119)
Net cash used in financing activities		**(100,588,027)**	**(9,600,155)**	**(59,921,119)**
Net change in cash and cash equivalents		**(10,085,052)**	(4,188,224)	27,034,727
Effect of foreign exchange		**42,091**	62,475	(1,099,682)
Cash and cash equivalents at the beginning of the period/year		**35,634,844**	9,699,799	9,699,799
Cash and cash equivalents at the end of the period/year	11	**25,591,883**	**5,574,050**	**35,634,844**

The accompanying notes are an integral part of these condensed financial statement.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 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 6 Floor, 65 Gresham Street, London, EC2V 7NQ.

The condensed financial statements ("condensed financial statements") include the results of the Trust and RDLZ (in liquidation). The investment objective of the Group is the realisation of 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.

The half year results for the six months ended 30 June 2019 have not been either audited or reviewed by the Company's Auditor. The comparative figures for the year ended 31 December 2018 have been extracted from the Group's latest published Annual Report and Accounts and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. This Annual Report and Accounts have been delivered to the Registrar of Companies. The Report of the Auditor on those financial statements was qualified. The Auditor considered there to be insufficient appropriate audit evidence, as described in note 3, which relates to the valuation of Princeton and a disagreement in respect of the estimation of fair value of non-current loan investments held at fair value through profit or loss. The Auditor drew attention to an emphasis of a matter paragraph in relation to the preparation of the financial statements on a basis other than a going concern and did not contain a statement under section 498(2) of the Companies Act 2006. The comparative figures for the period ended 30 June 2018 have been extracted from the Group's 30 June 2018 half-yearly financial report which were reviewed by the Auditor.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and preparation
These condensed financial statements have been prepared in compliance with IAS 34 'Interim Financial Reporting' as adopted by the European Union ("EU"). The annual financial statements were prepared with International Financial Reporting Standards ("IFRS") as adopted by the EU. The financial statements were also prepared in accordance with the Statement of Recommended Practice ("SORP") for investment trusts issued by the AIC, where this guidance is consistent with IFRS.

Basis of measurement and consolidation
The condensed 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 and viability statements
As previously announced on 6 July 2018, the Board established two new committees that both aim to quickly and efficiently wind down the Company in an orderly manner. These committees are focusing on the Princeton proceedings and the associated strategic decisions and the wind-down and realisation of the Company's existing portfolio with the specific aim of maximising returns for stakeholders.

Given these developments and the intention to wind down the Company, 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 a result of this change in the basis of preparation, because 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 period

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.

IFRS 9 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.

Based on its assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for loans held at amortised cost and investments in equity securities that are managed on a fair value basis.

- Impairment - Financial assets and contract assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 Financial Instruments (continued)
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 expected credit loss ("ECL") is factored in the profit and loss ("P&L") 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.

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 largely retains the requirements in IAS 39 for the classification of financial liabilities. However, under IAS 39 all fair value changes of liabilities designated as at FVTPL are recognised in profit or loss, whereas 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.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates, judgements and assumptions (continued)
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 30 June 2019. For the material financial instrument positions at 30 June 2019, a combination of factors was taken into consideration.

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. The key estimation uncertainty is considered to be the discount rate applied in estimating the fair value of financial assets at fair value through profit or loss; further details are shown in note 14 to the consolidated financial statements.

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 date of the Statement of Financial Position.

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 designated its investment as financial assets at fair value through profit or loss in accordance with IFRS 9, 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 were 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 were subsequently measured at amortised cost using the effective interest method. Direct issue costs were amortised using the effective interest method and were added to the carrying amount of the Zero Dividend Preference Shares.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments

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

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. Except for provision of default and performance fee associated with financial assets at fair value through profit or loss, which are allocated into capital and revenue in accordance with SORP, all other expenses are charged through revenue.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

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.

	(Unaudited) 30 Jun 19 (Group) USD	(Audited) 31 Dec 18 (Group) USD
Opening fair value	**176,114,663**	29,621,483
Transfer in from Loans held at amortised cost arising from reclassification on 1 July 2018	**-**	248,386,018
Purchases	**-**	6,222,775
Repayments	**(88,464,992)**	(68,349,705)
Net gain/(loss) on financial assets through profit or loss	**2,434,680**	(39,765,908)
Closing balance	**90,084,351**	**176,114,663**

The financial assets amounting to USD 27,933,672 (31 December 2018: USD 38,307,954) represents assets sold subsequent to the period-end and therefore, are classified as current assets. The remaining assets are classified as non-current.

The net gain/(loss) on financial assets at fair value through profit or loss includes investment income of USD 5,403,920 (31 December 2018: USD 22,647,763).

Following the Company's announcement on 11 June 2018 that it will move to realise its assets and proceed with an orderly 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 on orderly manner. Consequently, 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 and note 14 for the valuation of financial assets at fair value through profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

4. LOANS HELD AT AMORTISED COST

	(Unaudited) 30 Jun 19 (Group) USD	(Audited) 31 Dec 18 (Group) USD
Opening balance	-	250,993,296
Purchases	-	91,163,256
Principal repayments	-	(85,852,639)
Amortisation of transaction fees	-	(23,209)
Accrued interest	-	643,065
Loans written-off	-	(7,091,372)
Effect of foreign exchange		(2,166,115)
	-	247,666,282
(Provision for) / utilisation of default allowance-net	-	719,736
Transfer out to financial assets at fair value through profit or loss arising from reclassification on 1 July 2018	-	(248,386,018)
Closing balance	-	-

5. ACCRUED EXPENSES AND OTHER LIABILITIES

	(Unaudited) 30 Jun 19 (Group) USD	(Audited) 31 Dec 18 (Group) USD
Investment Management fees payable - note 13	**7,405**	639,005
Dividend payable	**3,508,226**	29,797,917
Other payables	**2,629,584**	1,717,555
Legal fee payable	**655,138**	137,540
Interest received in advance	**409,022**	228,037
Service and premium fee payable	**455,494**	439,471
Audit fee payable	**412,817**	184,988
Administration fee payable	**104,401**	82,429
Registrar fee and Secretary fee payable	**76,087**	10,625
Payable to London Stock Exchange	**-**	3,606
Directors' fees payable (note 12)	**101,408**	128,577
Other payables	**415,217**	502,282
	6,145,215	**32,154,477**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

6. ZERO DIVIDEND PREFERENCE SHARES

	(Unaudited) 30 Jun 19 (Group) USD	(Audited) 31 Dec 18 (Group) USD
Opening balance	**65,180,787**	76,222,019
Amortisation of issue costs during the period/year	**1,090,945**	371,437
Amortisation of premium during the period/year	**(641,070)**	(207,195)
Interest expense during the period/year	**2,280,788**	3,770,242
Purchased by Company	**-**	(10,415,132)
Effect of foreign exchange	**(1,237,952)**	(4,560,584)
Redemption of ZDP 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. 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, this being the ZDP Repayment Date.

As part of the Board’s asset 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 ZDP Repayment Date. As at 14 December 2018, the Company held 7,278,193 ZDP Shares. The Board passed a resolution to waive the Company’s entitlement to the acquired principal and accrued interest on the ZDP Shares held by the Company up to 14 December 2018.

The ZDP Shares did not carry the right to vote at general meetings of ZDP, although they carried 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 separate class approval of the ZDP Shareholders provided that the Directors determine that the ZDP Shares would have a cover of not less than 2.75 times immediately following such issue.

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 so that ZDP Shareholders would receive a revised final capital entitlement of 121.8887 pence per ZDP Share. These resolutions were passed at the ZDP Class Meeting and General Meeting of RDLZ held respectively on 20 June 2019.

On 21 June 2019, the Company paid USD 70,709,889 to third-party holders of the 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. SHARE CAPITAL AND SHARE PREMIUM

The table below shows the total issued share capital as at 30 June 2019 and 31 December 2018.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

7. SHARE CAPITAL AND SHARE PREMIUM (continued)

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.

The Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Company will be proposed at the AGM of the Company to be held in 2020 and, if passed, every five years thereafter. Upon any such resolution not being passed, proposals will be put forward within three months after the date of the resolution to the effect that the Company be wound up, liquidated, reorganised or unitised. If the Company is wound up, the liquidator may divide among the Shareholders in specie the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders.

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

8. DIVIDENDS

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

Ordinary Shares dividends declared and paid:	*Per Share GBP pence / USD cents*	(Unaudited) 1 Jan to 30 Jun 19 (Group) USD	(Unaudited) 1 Jan to 30 Jun 18 (Group) USD
Interim dividends in 2019 (in respect of 31 Dec 2018 results)	17.14 / 21.70	**3,500,288**	-
Interim dividends in 2018 (in respect of 31 Mar 2018 results)	19.79 / 25.93	**-**	4,180,676
Interim dividends in 2018 (in respect of 31 Dec 2017 results)	24.14 / 33.61	**-**	5,419,426
Total dividends paid during the period/year		**3,500,288**	**9,600,155**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

8. DIVIDENDS (continued)

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 retirement 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 to 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.

9. DERIVATIVE FINANCIAL INSTRUMENTS

	(Unaudited) 30 Jun 19 (Group) USD	(Audited) 31 Dec 18 (Group) USD
Derivative assets	-	412,297
Derivative liabilities	-	(6,101)
	-	**406,196**

	Notional Amount	(Unaudited) 30 Jun 19 (Group) USD	(Audited) 31 Dec 18 (Group) USD
Derivative assets/(liabilities)			
Forward foreign currency contracts	-	-	87,449
Forward currency swap contracts	-	-	318,747
	-	-	**406,196**

The Company has entered into various swap and forward contracts to manage exposure to foreign currency on existing assets. The notional amounts provided in the table above reflect the aggregate of individual derivative positions on a gross basis. As at 30 June 2019, the Company no longer held any derivative financial instruments.

10. 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 period. (31 December 2018: 16,122,931 Ordinary Shares for basic earnings per share and diluted earnings per share).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

11. CASH AND CASH EQUIVALENTS

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

	(Unaudited) 30 Jun 19 (Group)	(Audited) 31 Dec 18 (Group)
	USD	USD
Cash at bank	**25,528,408**	35,571,114
Cash equivalents	**63,475**	63,730
	25,591,883	**35,634,844**

12. 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:

	(Unaudited) 30 Jun 19 (Group)	(Unaudited) 30 Jun 18 (Group)	(Audited) 31 Dec 18 (Group)
	USD	USD	USD
Chairman	**74,208**	48,630	130,056
Other Directors'	**274,769**	83,967	342,039
	348,977	**132,597**	**472,095**

As at 30 June 2019, USD 101,408 (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. There have been no changes to the aforementioned holding between 31 December 2018 and the date of this report.

The Group does not have any employees.

The Board delegated responsibility for day-to-day management of the loans held by the 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 period amounted to USD nil (31 December 2018: USD 2,675,643). As at 30 June 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 period amounted to USD nil (31 December 2018: USD nil). As at 30 June 2019, the performance fee payable was USD nil (31 December 2018: USD nil).

As at 30 June 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%).

On 12 February 2019, the Company appointed IFM as its replacement Alternative Investment Fund Manager ("AIFM"). Under the terms of the AIFM agreement, the Company shall reimburse IFM 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 period amounted to USD 56,907. As at 30 June 2019, the fee payable to IFM was USD 7,405.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

12. RELATED PARTIES (continued)

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 30 June 2019, amounts owed by undertakings relating to the Trust's net income was 3,387,066 (31 December 2018: USD 6,434,803).

The Company incorporated RDLZ (in liquidation) 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 period, the Company paid RDLZ's expenses amounting to 739,326 (2018: USD 416,971 representing RDLZ's expenses and Share issue costs).

On 25 July 2016, the Company entered into a loan agreement with RDLZ. Pursuant to this loan agreement, RDLZ, immediately following the admission of its ZDP Shares, on-lent the proceeds to the Company. The Company applied these funds towards making investments in accordance with its investment policy and working capital purposes.

In 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, 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 revised final capital entitlement for the ZDP Shares it held.

The amount payable to RDLZ that is eliminated upon consolidation is USD 358,777 and payable to the Trust is USD 94,935,175 (2018: USD 71,212,412 payable to RDLZ and USD 54,847,439 payable to the Trust). The amounts payable to RDLZ as at 30 June 2019 relates to the remaining loan amount held in order to cover any further outstanding expenses of RDLZ.

13. 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 Net Asset Value 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 be 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

13. FEES AND EXPENSES (continued)

Performance fee (continued)
The Management and Performance fees payable to Ranger were calculated and paid in US Dollars.

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

14. FINANCIAL RISK MANAGEMENT

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 30 June 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
Vehicle Services Contract Platform (VSC)	The VSC platform, was not valued as the platform was refinanced and our outstanding position was completely paid off prior to Duff & Phelps completing their analysis.	This platform was refinanced in August 2019 and received USD 27.9 million. The remaining NAV will be reduced to USD 235,000. However, there are continuing efforts to collect previously reserved debt of USD 4.5 million.	No sensitivity can be presented as the residual value of USD 235,000 was not derived with the DCS method. Duff & Phelps supported this value as a residual value in the event of a sale of the underperforming unit with no measurable collateral value.
SME Loans Platform	RDL engaged third party qualified valuers to perform the valuation, primarily applying the Discounted Cash Flow Method. Management worked closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The valuers were allowed direct contact with the platform to validate the data used in the valuation.	Discount rate determined by reference to the SME Platform loan was dependent on loan status and remaining term. The weighted average discount rate ranged from 8% to 18%.	The higher the discount rate, the lower fair value. If the discount rate was 2 percent higher/lower while all other variables were held constant, the carrying amount for the SME platform would decrease/ increase by USD 285,890 approximately.
Real Estate Loans Platform	RDL engaged third party qualified valuers to perform the valuation, primarily applying the Discounted Cash Flow Method. Management worked closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The valuers were allowed direct contact with the platform to validate the data used in the valuation.	Discount rate determined by reference to the Real Estate Loans Platform loan was dependent on loan status and remaining term. The weighted average discount rate ranged from 8% to 10%.	If the discount rate was 2 percent higher/lower while all other variables were held constant, the carrying amount for the Real Estate Loans platform would decrease/ increase by USD 68,281 approximately.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

14. FINANCIAL RISK MANAGEMENT (continued)

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 a third party valuer or proceeds received from sale post period-end or amount estimated to be recoverable by the Board; and
b) Princeton – estimated potential recovery from the investment.

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). 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

14. FINANCIAL RISK MANAGEMENT (continued)

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

	Level 1	**Level 2**	**Level 3**	**Total**
30 Jun 19				
(unaudited)	(USD)	(USD)	(USD)	(USD)
Financial assets	**-**	**27,933,672**	**62,150,679**	**90,084,351**
Financial liabilities	**-**	**-**	**-**	**-**

	Level 1	**Level 2**	**Level 3**	**Total**
31 Dec 18				
(audited)	(USD)	(USD)	(USD)	(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:

	30 Jun 19 (Group)	**31 Dec 18 (Group)**
	USD	USD
Opening balance	**137,806,709**	29,624,483
Purchases / Additions	**-**	6,222,775
Disposals / Redemptions	**(50,079,986)**	(68,349,705)
Transfer out of Level 3	**(27,933,672)**	(38,307,954)
Transfer into Level 3	**-**	248,386,018
Net gain on financial assets	**2,357,628**	(39,765,908)
Closing balance	**62,150,679**	**137,806,709**

15. 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 4,798,750, USD 77,558 and USD 527,612, 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

16. SUBSEQUENT EVENTS

On 5 August 2019, following the restructuring efforts, the Company received USD 27.9 million for the sale of the entire 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 ongoing re-financing negotiations.

On 8 August 2019, the Directors approved the payment of Special Dividend on the ordinary shares of USD 309.32 cents (GBP 255.00 pence) per Ordinary Share at a total amount of USD 49,871,466. The Special Dividend was paid on the 30 August 2019 and 13% of the Special Dividend was designated as an interest distribution to its Shareholders in order to maintain its investment trust status, and 87% was designated as a dividend distribution.

COMPANY INFORMATION

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Brendan Hawthorne
Dominik Dolenec
Brett Miller
Gregory Share
Joseph (Joe) Kenary
Nicholas (Nick) Paris (appointed 20 May 2019)

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