RDL REALISATION PLC

(Registered No. 09510201)

Annual Report

For the year ended 31 December 2020

CONTENTS

OVERVIEW

About RDL Realisation Plc

RDL Realisation Plc (“RDL” or the “Company”), which is in a managed wind down, was incorporated and registered in England and Wales on 25 March 2015. This annual report for the year ended 31 December 2020 (the “Annual Report”) includes the results of RDL Fund Trust (the “Trust”) and RDLZ Realisation Plc (“RDLZ” liquidated) in respect of which further details are set out below.

The Company commenced operations on 1 May 2015 following its admission of GBP 0.01 each Ordinary Shares (the “Ordinary Shares”) to the London Stock Exchange Premium segment of the Main Market. The Company carried on business as an Investment Trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010, however it has since ceased to be treated as an Investment Trust with effect from the accounting period commencing on 1 January 2021.

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. Furthermore, on 12 January 2021 at the Company’s General Meeting, Shareholders voted in favour to cancel the listing of the Company's ordinary shares from the premium segment of the Official List of the Financial Conduct Authority and from trading on the Main Market of the London Stock Exchange. The shares were cancelled with effect from 8:00am on 10 February 2021 and therefore all reporting requirements applicable to main market premium listed Companies are no longer required. These include but are not limited to the AIC Code of Corporate Governance, the Disclosure and Transparency Rules and the Listing Rules.

The Executive Directors of the Company are managing the orderly realisation of the Company’s assets. The Company served notice on International Fund Management Limited ("IFM"), the Alternative Investment Fund Manager (“AIFM”) on 24 November 2020 with the agreement ceasing on 24 February 2021. On 24 February 2021, the Company became a small registered AIFM which is self-managed, thereby saving the Company external management fees. Further information can be found in the Executive Directors’ Report on pages 8 to 10. 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 its debt instrument investments through the Trust. On establishment of the Trust, the Company was the depositor, managing holder and sole beneficiary of the Trust. The Trust was established on 22 April 2015 in Delaware, pursuant to a declaration of trust and trust agreement entered into between the Company as depositor and managing holder and Delaware Trust Company (a Delaware state-chartered trust company). Under the terms of the declaration of trust and trust agreement, entered into on establishment of the Trust, the Company is the sole beneficiary of the Trust and also has administrative powers in respect of the Trust’s assets.

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

RDLZ (liquidated)

Following the payment of the revised final capital entitlement in relation to RDLZ’s Zero Dividend Preference Shares on 20 June 2019, RDLZ, a wholly owned subsidiary of the Company, was placed into a members’ voluntary liquidation and on 17 November 2020 RDLZ was dissolved.

The Company and the Trust are collectively referred to in this Annual Report as the “Group”.

FORWARD-LOOKING STATEMENTS

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

OBJECTIVE AND INVESTMENT POLICY

Investment Objective
The Company is managed 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 USD.

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

PERFORMANCE SUMMARY

Key Performance Indicators
The Company's Key Performance Indicators ("KPIs") are described in the Analysis of KPIs and Investment Restrictions on page 15.

Highlights

Highlights	**Ordinary Shares**	
	31 Dec 2020	31 Dec 2019
Net Asset Value[1] (Cum Loss/Income) per share	**GBP 1.383/USD 1.01**	GBP 2.27[3]/USD 3.01
Net Asset Value[2] (Ex Loss/Income) per share	**GBP 1.423/USD 1.04**	GBP 2.69[3]/USD 3.56
Total dividends per share	**155.00 pence**	326.77 pence
Share Price[4]	**GBP 0.48/USD 0.65**	GBP 1.69[3]/USD 2.24

[1] Net Asset Value (cum loss/income) includes all current year income, less the value of any dividends paid in respect of the period together with the value of the dividends which have been declared and market ex-dividend but not paid, see page 3.
[2] Net Asset Value (ex-loss/income) is the Net Asset Value cum/income excluding net current year income.
[3] Translated at USD to GBP foreign exchange rate of 1.3651(31 December 2019: 1.3263).
[4] Share price taken from Bloomberg Professional as at close of business on 31 December 2020 and 31 December 2019, respectively.

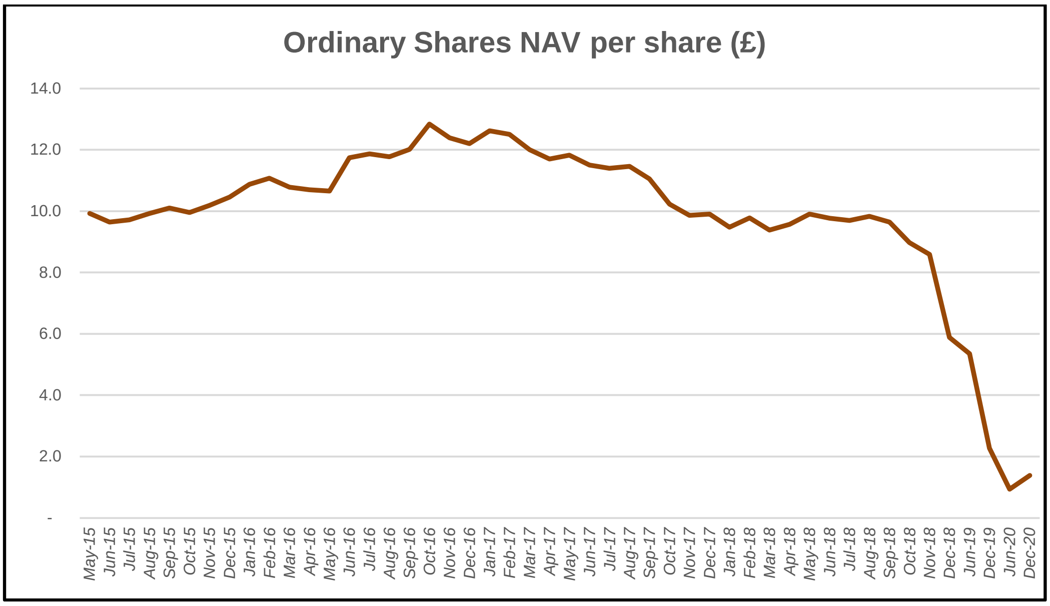
PERFORMANCE SUMMARY (continued)

The Company's market capitalisation as at 31 December 2020 was USD 10,465,476 (GBP 7,666,454 based on a Share Price of GBP 0.48 and based on 16,122,931 issued Ordinary Shares).

The Group's total comprehensive loss for year ended 31 December 2020 amounted to USD 543,206 (31 December 2019: USD 8,004,088 loss).

Further details of the Group's performance for the period are included in the Executive Directors' Report on pages 8 to 10 which includes a review of the progress of the asset realisation, impact of applicable regulations and adherence to investment restrictions.

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



2015		*2016*		*2017*		*2018*		*2019*	
Month	*NAV per Share (£)*	*Month*	*NAV per Share (£)*	*Month*	*NAV per Share (£)*	*Month*	*NAV per Share (£)*	*Month*	*NAV per Share (£)*
May	9.9	January	10.9	January	12.6	January	9.5	June	5.4
June	9.6	February	11.1	February	12.5	February	9.8	December	2.3
July	9.7	March	10.8	March	12.0	March	9.4		
August	9.9	April	10.7	April	11.7	April	9.6	***2020***	
September	10.1	May	10.7	May	11.8	May	9.9	*Month*	*NAV per Share (£)*
October	10.0	June	11.7	June	11.5	June	9.8	June	0.9
November	10.2	July	11.9	July	11.4	July	9.7	December	1.4
December	10.5	August	11.8	August	11.5	August	9.8		
		September	12.0	September	11.1	September	9.6		
		October	12.8	October	10.2	October	9.0		
		November	12.4	November	9.9	November	8.6		
		December	12.2	December	9.9	December	5.9		

Since July 2018 to the date of this Report, GBP 119,135,404 (USD 148,942,236) or dividends per share of GBP 7.39 (USD 9.24) has been paid to Shareholders.

Ongoing Charges Information

	2020	2019
Annualised ongoing charges[5]	12.44%	5.88%

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

PERFORMANCE SUMMARY (continued)

Investment Positions

Below is a list of the Company's Investments as at 31 December 2020.

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

			31 Dec 2020		31 Dec 2019	
Investment/Direct Lending Platform	**Country**	**Principal Activity**	**NAV (USD)**	**% of NAV**	NAV (USD)	% of NAV
SME Loans Platform	United States	Loans/advances to small/medium size businesses	2,154,243	13.21	9,055,260	18.67
Vehicle Services Contract Platform	United States	Vehicle service contract financing	3,760,591	23.06	235,000	0.48
Real Estate Loans Platform	United States	Bridge loans to real estate developers	7,503,442	46.01	11,701,548	24.12
SME Credit Line Platform (Princeton)	United States	Credit lines to finance companies	-	0.00	13,483,500	27.79
International SME Lending Platform	Canada	Loans to businesses with government grants	151,831	0.93	2,800,088	5.77
Equipment Financing	United States	Equipment Financing	32,040	0.20	235,677	0.49
Total			13,602,147	83.41	37,511,073	77.32

* Debt Investments are the loans acquired from the Direct Lending Platforms. The Direct Lending Platforms are borrowers.

CHAIRMAN’S STATEMENT

Introduction

Since our last report, the Company has continued to fulfil its mandate of realising assets and returning capital to Shareholders. This work is ongoing and considerable progress has been made.

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

In November 2020, in connection with the Board's efforts to minimise the running costs of the Company, it served notice on the Company's Alternative Investment Fund Manager ("AIFM"), International Fund Management Limited ("IFM"), and notified the Financial Conduct Authority that it intended to become a small registered AIFM which is self-managed, thereby saving the Company external management fees going forward. These changes came into effect on 24 February 2021, subsequent to the year end.

Post the year end, at a General Meeting of the Company held on 12 January 2021, shareholders approved a resolution to apply for the cancellation of the listing of the Shares to the premium segment of the Official List and to trading on the Main Market for listed securities. Accordingly, the listing of the shares on the London Stock Exchange was cancelled on 10 February 2021.

Board Changes

As part of our ongoing efforts to reduce costs as the portfolio is realised, the Board has reduced to three Directors during the year.

In accordance with the terms of the standstill agreement between Oaktree Value Equity Holdings, L.P. and LIM Advisors (London) Limited, Mr Dominik Dolenec resigned as a Director of the Company with effect from 1 April 2020 and Mr Nick Paris resigned as a Director of the Company with effect from 31 March 2020. Subsequently, and in view of the significant progress with the wind down of the Company and the resultant shrinkage of the portfolio, Mr Gregory Share resigned as a Director of the Company following completion of the Annual General Meeting which was held on 30 June 2020. We are grateful to each of them for their significant efforts in progressing the wind-down of the Company.

Dividends

During the year ended 31 December 2020, a total of USD 31,398,180 or 155 pence or 195 cents per Ordinary Share was paid to Shareholders by way of dividends.

Subsequent to the year end a further USD 2,902,128 or 125 pence per Ordinary Share was paid to Shareholders.

During our audit process, it has come to the Board's attention that the dividends paid by the Company on 9 January, 7 April and 10 December 2020 were declared other than in accordance with the Companies Act 2006 (the "Act"). This occurred as a result of a failure to file the accounts by reference to which these dividends were justified at Companies House. The relevant accounts justifying the dividends declared on 9 January, 7 April and 10 December 2020 have now been filed at Companies House and the Company intends to take the necessary steps to ensure this issue is not repeated.

CHAIRMAN'S STATEMENT (continued)

In addition, the dividend declared by the Company on 1 March 2021, following the end of the period to which this annual report relates, was also declared other than in accordance with the Act. While the Company at all times had sufficient profits and other distributable reserves available to make this distribution, the Company did not satisfy the additional requirement for public companies, namely that its net assets must not be less than the total of its called up share capital and undistributable reserves. The Company therefore intends to propose a resolution at its annual general meeting to cancel its share premium account (thereby reducing the value of the Company's undistributable reserves and correspondingly increasing the value of its distributable reserves) to ensure that the Company can continue to pay dividends to shareholders in accordance with the Company's stated investment objective.

Key developments

The Princeton litigation was finally settled and concluded during the period. On 13 March 2020, the United States Bankruptcy Court entered an Order confirming the Fifth Amended Chapter 11 Plan proposed by the Chapter 11 Trustee in the Princeton Alternative Income Fund (the "Princeton Fund") bankruptcy case. The plan was negotiated with the Trustee and other parties-in-interest in the bankruptcy case and was actively supported by the Company. The confirmed plan provided for the distribution of cash to the Company of USD 13,483,500, which was received on 2 April 2020. The effective date of the plan occurred on 30 March 2020, pursuant to the terms of the confirmed plan. Upon the effective date of the plan, all outstanding litigation related to the Princeton Fund was resolved, the bankruptcy case closed and the Company obtained a full release of all claims against it by the Princeton Fund, its general partner, MicroBilt and its related entities and all other investors in the Princeton Fund.

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 as at 1 January 2020 was USD 11,701,548. At the year end, the Company had a net balance exposure to this platform of USD 7,503,442.

At the Canadian SME Lending Platform, the investment balance as at 1 January 2020 was USD 2,800,088. At the year end, the Company had a net balance exposure to this platform of USD 151,831.

The Vehicle Services Contract Platform experienced financial improvement during the year. As a result of this improvement, the valuation of this exposure, as determined by an independent third-party valuer, was increased to USD 3.7 million as of 11 December 2020, representing a gain of approximately US 3.5 million. Subsequent to the year end, this position was realised for USD 3.7 million plus accrued interest.

Portfolio Performance

Adjusted for capital returns and dividends, the NAV return in the period was -1.59% in USD terms.

At 31 December 2020, the entire 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.

Outlook

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

We are constantly re-assessing the potential realisation values of the assets in the portfolio against the costs of running the Company and it is this analysis that guides our wind-down decisions. Whilst it is difficult to predict the timing of the remaining investments, the board is working to realise them during the coming year. As and when realisations are made, the proceeds will be distributed to Shareholders as far as possible.

Brendan Hawthorne
Chairman
27 September 2021

EXECUTIVE DIRECTORS' REPORT

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

Notable events during the period were:

- Settlement and conclusion of the Princeton litigation: On 13 March 2020, the United States Bankruptcy Court entered an order confirming the Fifth Amended Chapter 11 Plan proposed by the Chapter 11 Trustee in the Princeton Fund bankruptcy case. The plan was negotiated with the Trustee and other parties-in-interest in the bankruptcy case and was actively supported by the Company. The confirmed plan provided for the distribution of cash to the Company of USD 13,483,500, which was received on 2 April 2020. The effective date of the plan occurred on 30 March 2020, pursuant to the terms of the confirmed plan. Upon the effective date of the plan, all outstanding litigation related to the Princeton Fund was resolved, the bankruptcy case closed and the Company obtained a full release of all claims against it by the Princeton Fund, its general partner, MicroBilt and its related entities and all other investors in the Princeton Fund.

- 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 2020 was USD 11,701,548. At the period end, the Company reports a net balance exposure to this platform of USD 7,503,442.

- At the Canadian SME Lending Platform, the investment balance as at 1 January 2020 was USD 2,800,088. At the period end, the Company reports a net balance exposure to this platform of USD 151,831, having collected USD 4,513,247 during the year and representing a substantial gain. Post the year end, the Company received 215,000 shares in Liquid Media Group Limited, one of the platform companies by way of a debt for equity swap.

- The Vehicle Services Contract Platform experienced financial improvement during the year. As a result of this improvement, the valuation of this exposure, as determined by an independent third-party valuer, was increased to USD 3.7 million as of 11 December 2020, representing a gain of approximately USD 3.5 million. Subsequent to the year end, this position was realised for USD 3.7million plus accrued interest.

- During the financial year ended 31 December 2020, a total of USD 31,398,180 or 155 pence or 195 cents per Ordinary Share was paid to shareholders by way of dividends.

- In November 2020, in connection with the Board's efforts to minimise the running costs of the Company, it served notice on the Company's AIFM , and notified the FCA that it intended for the Company to become a small registered AIFM which is self-managed, thereby saving the Company external management fees going forward. These changes came into effect on 24 February 2021, subsequent to the year-end.

- Post the year end, at a General Meeting of the Company held on 12 January 2021, shareholders approved a resolution to apply for the cancellation of the listing of the Shares to the premium segment of the Official List and to trading on the Main Market for listed securities. Accordingly, the listing of the Company's shares on the London Stock Exchange was cancelled on 10 February 2021.

Shareholders should note that a mandate requiring the active sale or timed liquidation of portfolios presents an inherent risk which does not present itself with the run-off of a portfolio, in that such assets may not be realised at their fair value. Although the Company is not currently considering offers which fall materially below the values referred to on page 53, the inherent risk of attracting opportunistic buyers

EXECUTIVE DIRECTORS' REPORT (continued)

must be managed with the optionality to run down a short-term portfolio in order to ensure the realisation of appropriate value.

Investment portfolio

No new investments were made during the year.

At 31 December 2020, the entirety of the portfolio was invested in secured Debt Instruments (including loans, cash advances, and receivables financing) to mainly SME borrowers, and none of the portfolio consisted of unsecured consumer loans. For this purpose, a secured Debt Instrument is defined by the Company as a payment obligation in which property, financial assets (including receivables), or a payment guarantee has been pledged, mortgaged or sold to the Company as partial or full security with respect to such obligation.

Below is a brief summary of each investment platform/partner where there is an outstanding balance at 31 December 2020, which provides:

- net balance at 31 December 2020 (estimated fair value); and
- commentary summarising primary activity and expected disposal of the investments.

Please note that all amounts shown below are in USD.

SME/CRE Loans Platform

Net Balance at 31 December 2020	Net Balance at 31 December 2019
2,154,243	9,055,260

Since 31 December 2019, there has been a regular run-off of all performing investments. The Executive Directors have been in regular contact with this platform. Many of the underlying exposures are to businesses in the retail, food services, restaurants, hotels and hospitality sectors, all of which have been severely impacted by restrictions related to the COVID-19 pandemic. Accordingly, the Board estimate that the run off of the remaining loans from this platform is 12-18 months behind schedule.

Second SME Loans Platform

Net Balance at 31 December 2020	Net Balance at 31 December 2019
3,760,591	235,000

Due to improved financial performance, this loan was increased in value to USD 3,760,591 following an independent assessment in December by Duff & Phelps. Subsequent to the year end the loan was paid back in full.

Real Estate Lending Partner

Net Balance at 31 December 2020	Net Balance at 31 December 2019
7,503,442	11,701,548

There are five remaining loans through this platform. Whilst all the loans are in default and at various stages of recovery, the collateral should be sufficient to result in repayments in accordance with the carrying value. Once again, enforcement procedures have been delayed due to COVID-19 related restrictions and a slowed down court system. The platform will continue to assist with the recovery of the remaining investments.

Canadian SME Lending Platform

Net Balance at 31 December 2020	Net Balance at 31 December 2019
151,831	2,800,088

EXECUTIVE DIRECTORS' REPORT (continued)

The loans from this platform have now all been collected or written off. In a number of instances, the Company converted its debt into equity and/or warrants.. In particular, post the year end the Company received 215,000 shares in Liquid Media Group Limited, one of the platform companies by way of debt for equity swap. Whilst these instruments have zero carrying value, it is hoped there will be some value realised during the next 12 months

Equipment Loans Platform

Net Balance at 31 December 2020	Net Balance at 31 December 2019
32,040	235,677

Since 31 December 2019, there have been regular collections of scheduled payments. This platform is expected to pay off completely in the normal course by the end of the Company's current financial year.

Independent valuation of the portfolio

Duff & Phelps, an independent valuation firm was engaged to perform valuation consulting services on the two largest platforms for the Company's portfolio at 31 December 2020. Duff & Phelps also separately valued the Second SME Loans Platform in December 2020 at USD 3.7 million which was paid at full value subsequent to year end. Together the aggregate value appraised by Duff & Phelps represented 99% of the portfolio value at 31 December 2020.The consulting services consisted of certain limited procedures that the Company identified and requested the independent valuation firm to perform.

A copy of the report from Duff & Phelps (the "DP Report") as at 31 December 2020 has been delivered to the Board as well as the supplemental report on the Second SME Loans Platform.

The Company is ultimately and solely responsible for determining fair value of the investments in good faith, and following its review of the report, the values at 31 December 2020 were updated based on the Duff & Phelps valuation.

Outlook

Whilst it is difficult to predict the timing of the run-off or disposal of the remaining investments, the Board is working to realise them during the coming year. Subject to the passing of a resolution at the forthcoming annual general meeting to cancel the Company's share premium account, as and when realisations are made, the proceeds will be distributed to shareholders.

For and on behalf of the Board

Brett Miller
Director
27 September 2021

Joe Kenary
Director
27 September 2021

GROUP STRATEGIC REPORT

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

Business Model
Following the Company's announcement on 11 June 2018 that it will move to realise its assets and proceed with the wind-down process, the Company's business model continues to realise assets, in a prudent manner consistent with the principles of good investment management, with a view to returning cash to its Shareholders in an orderly manner. Following the cancellation of the Company's ordinary shares from trading on the Main Market of the London Stock Exchange and the termination of the appointment of its external AIFM, the Company is now a small registered self-managed AIFM.

In order to focus on the progress of the realisation of assets within the Company's portfolio, the Board delegated set executive responsibility to certain of its members. Mr Kenary is lead for the day-to-day management of the remaining assets in the portfolio, working closely with Steve Bellah of Remuda Credit Advisors LLC ("Remuda"). Mr Miller has executive responsibility for governance and reporting. Whilst these Directors have been allocated these executive responsibilities, the Board as a whole makes all decisions relating to the realisation of assets and each Executive Director regularly reports to the Board. Any final decisions regarding the approach to the investment portfolio and any other proposals to be put to Shareholders are decided by the Board as a whole.

Outsourced principal service providers include the following:

Function	*Provider*
English and US (as to Securities Law) Legal Adviser	Travers Smith LLP
General Accounting and Administration	Sanne Fiduciary Services Limited
Accounting and Servicing	MCA Financial Group
Company Secretarial	Link Company Matters Limited
Company Registrar	Link Group
Credit and Portfolio Management	Remuda Credit Advisors LLC

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

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

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

The Company's investment management and administration functions have historically been outsourced to external service providers. The Company continues to rely on external service providers for a number of management and administrative functions. Any failure of any external service provider to carry out its obligations could have a materially detrimental impact on the effective operation, reporting and monitoring of the Company's financial position. This is likely to have an effect on the Company's ability to meet its investment objective successfully. The Company receives and reviews an internal control report from its Administrator and Registrar on an annual basis.

GROUP STRATEGIC REPORT (continued)

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

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

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

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

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

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

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

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

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

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

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

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

Risks arising due to Covid-19
In March 2020, the World Health Organisation ("WHO") declared COVID-19 a global pandemic and it is likely to continue to have a negative impact on the Company's remaining portfolio. As a result, the risk that the Company's assets may not be realised at their fair market value, or at any value, has increased.

The highest risk of below-fair market value realisation are the SME platforms which contain many small businesses that are reliant on consumer spending for food and retail. The CARES Act passed in the US is providing meaningful support to this economic demographic, but the lasting impact of this government stimulus is yet to be proven. Further, financial reporting has been disrupted making it

GROUP STRATEGIC REPORT (continued)

Risks arising due to Covid-19 (continued)

difficult to assess the financial health of these borrowers. The platform manager has indicated that no permanent impairments have been assessed but material deferments and relaxed payment schedules have been adopted. The Canadian SME portfolio is made up of venture loans to small tech-oriented companies. Repayment of these loans is heavily reliant on capital raise and new equity investment support. The capital markets in Canada have also been disrupted, making it difficult to assess the survivability of these borrowers.

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

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

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

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

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

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

Link to KPI
Amounts returned to Shareholders.

Mitigation
The Board is conducting an orderly wind-down of the portfolio in order to best serve the interests of the Company’s shareholders.

Link to KPI
Total dividends for the year.

Mitigation
Contractual arrangements with third party external service providers are in place, to ensure compliance with tax and regulatory requirements.

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

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

GROUP STRATEGIC REPORT (continued)

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

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

Viability Statement
The Directors have assessed the prospects of the Company over its expected realisation timeframe. In their assessment of the viability of the Company, the Directors have considered each of the principal risks and uncertainties on pages 11 to 14. The Directors have also reviewed the Company's income and expenditure projections and the fact the Company's investments (including those held through the Trust) do not comprise readily realisable securities which can be sold to meet funding requirements if necessary. The Company maintains a risk register for its stress test to identify, monitor and control risk concentration.

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

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

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

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

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

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

Performance
The Company's NAV as at 31 December 2020 is below:

	Dec 2018	Dec 2019	**Dec 2020**
NAV	120,836,621	48,511,622	16,570,237
(Discount)/Premium to NAV	12.24%	-34.04%	52.99%
Return on Share Price	-3.79%	-18.54%	-16.29%

GROUP STRATEGIC REPORT (continued)

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

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

The following dividend was declared during the year under review. However, it was paid post year-end.

Declaration Date	Type	Amount (£ pence per share)	Payment Date
10 December 2020	Special Dividend	16.00	15 January 2021

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

Declaration Date	Type	Amount (£ pence per share)	Payment Date
1 March 2021	Special Dividend	12.5	30 March 2021

Please refer to notes 2 and 10 for further details.

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

Indicator	Criteria	As at 31 Dec 2020
Amounts returned to Shareholders	It is the Company's intention to return as much of the Company's remaining NAV to its Shareholders in a timely manner.	Total dividends paid in 2020 amounted to USD 31.4 million
Total dividends for the year	At least 85% of Net Profit*	Dividends of 100% of Net Profit

***The Company ceased to be treated as an Investment Trust with effect from the accounting period commencing on 1 January 2021. The Company is no longer required to comply with Section 1158/1159 of the Corporation Tax Act 2010 or the Investment Trust Regulations 2011.

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

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

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

Stakeholders

In accordance with the Companies Act 2006 (the "Act"), the Board is required to understand the views of the Company's key stakeholders and describe in the Annual Report how their interests and the matters

GROUP STRATEGIC REPORT (continued)

set out in section 172 of the Law have been considered in board discussions and decision-making. This section of the Law requires the Directors to have regard to the following matters:

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

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

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

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

During the first half of 2020, two of the Directors on the Board were representatives of the Company's two largest Shareholders and provided input directly to the Board. The presence of these Directors as members of the Board ensured effective engagement to understand their views on the managed wind down of the Company and encouraged participation from all Shareholders. Since the resignation of these two Directors, the Board has maintained their relationships with these Shareholders and continues to seek to understand their views.

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

- **Annual General Meeting** – The Company welcomes participation from Shareholders at the AGM and Shareholders are encouraged to vote online prior to the AGM. Shareholders have the opportunity to address questions to the Directors. The Company values any feedback and questions it may receive from Shareholders ahead of the AGM and will take action or make changes, when and as appropriate.
- **Publications** - The Annual Report and Half-Year results are made available on the Company's website and the Annual Report is circulated to Shareholders. These reports provide Shareholders with a clear understanding of the Company's progress in managing the wind down of the portfolio and its financial position. Feedback and/or questions the Company receives from Shareholders help the Company evolve its reporting, aiming to render the reports and updates transparent and understandable; and
- **Shareholder concerns** - In the event Shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by emailing the Chairman at info@rdlrealisationplc.co.uk. Other members of the Board are also available to Shareholders if they have concerns that have not been addressed through the normal channels.

Direct Lending Platforms/Partners
Day to day engagement with Direct Lending Platforms and partners is undertaken by Steve Bellah of Remuda and Joe Kenary. The Board attends a weekly call to receive detailed updates on the

GROUP STRATEGIC REPORT (continued)

performance and return analyses of the portfolio and progress on the realisation of assets where possible. The Board retains responsibility for making decisions in respect of the realisation of the portfolio.

The Board is committed to engaging with Direct Lending Platforms and partners in a manner which they find most meaningful, in order to maximise the return from the Company's remaining investments in a timely manner.

Board decision-making

The major decisions taken by the Board during 2020 are summarised below and show how the Board had regard to its stakeholders:

Principal decision – cancellation of the Company's shares from trading on the Main Market
On 21 December 2020, the Board issued a circular to Shareholders with the proposal to cancel the listing of the Company's ordinary shares from the premium segment of the Official List of the Financial Conduct Authority and from trading on the Main Market of the London Stock Exchange plc ("**De-listing**"). At the General Meeting held on 12 January 2021, Shareholders voted in favour of the De-listing and subsequently on 10 February 2021 the Company's shares were cancelled from trading on the Main Market of the London Stock Exchange.

In reaching the decision to propose the De-listing, the Board carefully analysed the existing portfolio and remaining loan assets and took the view that the highest returns for Shareholders would be achieved by holding the outstanding loans until such time as they were repaid or enforcement proceedings had taken place. In this context, the Board was of the view that the De-listing was the most cost-effective approach, due to the relatively significant ongoing annual costs associated with maintaining admission to the Official List and trading on the Main Market. The costs of maintaining the Company's listed company status were increasingly disproportionate to the value of the Company's portfolio. It was agreed that by delisting from the Main Market, the Company would achieve identifiable cost savings and this was in the best interests of the Shareholders.

The Board also believes that the Company will benefit from the simpler administration and regulatory requirements following the De-listing which are now more appropriate to the Company's size.

Principal decision – termination of the AIFM
In connection with the Board's efforts to minimise the running costs of the Company, the Board agreed that it was in the best interests of the Company and its Shareholders for the realisation of the Company's holdings to be achieved by the Company's Board, rather than by the Company's AIFM or a liquidator. Accordingly, the Board terminated the appointment of International Fund Management Limited as the Company's AIFM and registered the Company with the Financial Conduct Authority as a small registered UK AIFM with effect from 24 February 2021.

Culture

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

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

The Group Strategic Report was approved by the Board of Directors on 27 September 2021 and signed on its behalf by:

Brendan Hawthorne
Chairman

DIRECTORS' REPORT

The Directors are pleased to present their report and the audited consolidated financial statements of the Group and Company for the year ended 31 December 2020.

Directors
As at 31 December 2020 and up to the date of this report, the Board consisted of three Directors. The Directors who held office during the year are given below:

Brendan Hawthorne, Independent Non-Executive Director and Chairman
Brett Miller, Non-Independent, Executive Director
Joe Kenary, Non-Independent, Executive Director
Greg Share Independent Non-Executive Director (resigned 30 June 2020)
Nick Paris, Non-Independent Non-Executive Director (resigned on 31 March 2020)
Dominik Dolenec, Non-independent, Executive Director (resigned on 1 April 2020)

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

During the year, no Director had a material interest in a contract to which the Company was a party (other than their own letter of appointment), requiring disclosure under the Companies Act 2006, except for Mr Dolenec who had an interest in the deed of agreement relating to the provision of consultancy services between the Company and Emona Capital LLP.

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

Current Share Capital
As at 31 December 2020 and as at the date of this Report, the Company had 16,122,931 Ordinary Shares of GBP 0.01 each in issue. No shares were held in treasury during the year or at the year end. During the year, there were no purchases of Ordinary Shares made by the Company.

The rights attaching to the Company's Ordinary Shares are set out in the Company's Articles. Further details are shown in note 9 to the consolidated financial statements.

Share Issues and Dis-Application of Pre-Emption Rights
At the Annual General Meeting held on 30 June 2020, the Directors were granted the authority to allot Ordinary Shares up to an aggregate nominal amount of £16,123 representing approximately 10% of the issued Ordinary Share Capital as at 17 June 2019 for cash. At the Annual General Meeting held on 30 June 2020, subject to the above overall limit of 10% provided by the above authority, the Directors were also granted the authority to allot Ordinary Shares up to an aggregate nominal amount of £16,123 representing approximately 10% of the issued Ordinary Share Capital as at 2 June 2020 for cash on a non-pre-emptive basis. No Ordinary Shares have been issued during the year.

These authorities are due to expire at the Company's Annual General Meeting to be held on Wednesday, 3 November 2021. Proposals for the renewal of these authorities will not be sought.

Purchase of Own Shares
At the Annual General Meeting held on 30 June 2020, the Directors were granted the authority to buy back up to 1,612,293 Ordinary Shares, being 10% of the Company's issued share capital. No Ordinary Shares have been brought back under this authority. There are no shares held in treasury.

This authority is due to expire at the Company's Annual General Meeting to be held on Wednesday, 3 November 2021. Renewal of these authorities will not be put to Shareholders.

No Shareholders were given management fee rebates during the year (2019: no Shareholders). The Board are committed to ensuring that all Shareholders are treated fairly.

DIRECTORS' REPORT (continued)

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

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

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

There are no agreements between holders of securities regarding their transfer known to the Company and no agreements which the Company is party to that might affect its control following a successful takeover bid.

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

Restrictions on Voting
A member is not entitled to vote unless all calls due from that member have been paid. In addition, a member is also not entitled to attend or vote at meetings of the Company in respect of any Ordinary Shares held in relation to which such member or any other person appearing to be interested in such shares has been duly served with a notice after failure to provide the Company with information concerning the interest in those shares required to be provided under section 793 of the Companies Act 2006. No Ordinary Shares carry any special rights with regard to the control of the Company and there are no restrictions on voting rights for either share class.

Dividend Policy
As advised to Shareholders in the Company's circular dated 29 October 2018, the Board continues to make payments by way of ad-hoc special dividends, where appropriate, during the course of the managed wind-down process so that the Company is able to return available cash to Shareholders as soon as reasonably practicable after cash becomes available in the portfolio.

Results and Dividends
A summary of the Company's performance in respect of the progress made in realising its investments during the year and the outlook for the forthcoming year is set out on pages 5 and 6.

The declaration of interim and special dividends can be made at the Directors' sole discretion, as and when they deem that the Company has sufficient distributable reserves available to make a distribution in accordance with the Act.

Details of the dividends paid during the year, can be found on page 46 and in notes 2 and 10 on pages 35 and 45 respectively.

Financial Risk Management
The principal financial risks and the Company's policies for managing these risks are set out in note 16 to the financial statements.

Charitable and Political Donations
No political or charitable donations were made during the year (2019: none).

DIRECTORS' REPORT (continued)

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

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

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

Auditor
At the Company's AGM held on 30 June 2020, Shareholders unanimously voted in favour of the appointment of Crowe U.K. LLP as the Company's auditor for the year ended 31 December 2020. The Board is satisfied that Crowe U.K. LLP is independent and that there are adequate safeguards in place to safeguard its objectivity. Resolutions for Crowe's appointment as the Company's auditor and for the Audit Committee to determine its remuneration will be proposed at the forthcoming Annual General Meeting.

As at 31 December 2020, the audit fees for the Company were $99,000. See Note 6 to the Financial Statements on page 43 for more details.

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

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

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

Related Party Transactions
Details of related party transactions are given in note 14 to the consolidated financial statements.

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

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

Alternative Investment Fund Managers Directive ("AIFMD")
During the reporting period and up until 24 February 2021, the Company was categorised as an externally managed EEA domiciled Alternative Investment Fund ("AIF") for the purposes of the AIFMD.

DIRECTORS' REPORT (continued)

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

The Company served notice on the AIFM on 24 November 2020 with the agreement ceasing on 24 February 2021. On 24 February 2021 the Company became a small, self-managed registered AIFM.

Annual General Meeting
The Annual General Meeting of the Company will be held on Wednesday, 3 November 2021 and the Company will send to Shareholders a Notice of Annual General Meeting, alongside this Annual Report, and within the required notice period. At the date of this report, there are no UK Government imposed restrictions in connection with the Covid-19 pandemic on the holding of public gatherings that would affect the holding of the Annual General Meeting. However, the situation relating to Covid-19 is constantly evolving and the UK Government may re-impose restrictions in connection with Covid-19 and/or implement further measures that affect the holding of shareholder meetings. Accordingly, it is possible that at the date of the Annual General Meeting measures may be in place that would restrict attendance at the Annual General Meeting.

Future Developments
During 2021, the Board will continue to realise remaining assets and return the proceeds to its Shareholders. It will also continue to seek to streamline management and other administrative costs.

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

Directors' Remuneration
The Directors of the Company receive a fee per annum which, for the year ended 31 December 2020 was £50,000 for each Director. In addition, those Directors with executive responsibilities were paid a monthly fee of £10,000 per month.

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

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

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

2020	*Non-Executive Directors' Fee*	*Non-Executive Directors' Fee*	*Additional payments*	*Additional payments*	*Executive Directors' Fee*	*Executive Directors' Fee*	*Total*	*Total*
Director	*(GBP)*	*(USD)*	*(GBP)*	*(USD)*	*(GBP)*	*(USD)*	*(GBP)*	*(USD)*
Dominik Dolenec^	12,500	15,497	-	-	45,192	57,559	57,692	73,056
Brendan Hawthorne	50,000	64,046	44,000	50,010	-	-	94,000	114,056
Brett Miller	50,000	64,046	-	-	140,000	177,572	190,000	241,618
Greg Share**	25,000	30,971	44,000	50,010	-	-	69,000	80,981
Joe Kenary	50,000	64,046	-	-	140,000	177,572	190,000	241,618
Nick Paris*	12,500	15,497	-	-	-	-	12,500	15,497
Total	200,000	287,178	88,000	100,020	325,192	412,703	613,192	766,828

DIRECTORS' REPORT (continued)

^ Of the £57,692 paid to Mr Dolenec, £45,000 was paid to his company, Emona Capital LLP. Resigned on 1 April 2020
* Resigned on 31 March 2020
** Resigned on 30 June 2020

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

^ Of the £228,622 paid to Mr Dolenec, £92,654 was paid to his company, Emona Capital LLP.
*Appointed 20 May 2019

This Report was approved by the Board of Directors on 27 September 2021.

On behalf of the Board

Brendan Hawthorne
Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing a Strategic Report, Directors' Report and financial statements in accordance with United Kingdom applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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

- properly select and apply accounting policies consistently;
- make judgement and estimates which are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. As explained in note 2 to the financial statements, the Directors do not believe the going concern basis to be appropriate for the preparation of the financial statements of the Group and accordingly the financial statements of the Group have not been prepared on a going concern basis. No provision has been made for the costs of winding up the Company as these will be charged to the income statement on an accruals basis as they are incurred or as the Company becomes obligated to make such payments in the future.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities.

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

Responsibility Statement

We, the Directors listed on page 18, being the persons responsible, hereby confirm to the best of our knowledge that:

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

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

This responsibility statement was approved by the Board of Directors on 27 September 2021 and is signed on behalf of the Board.

Brendan Hawthorne
Chairman

Independent Auditor’s Report to the Members of RDL Realisation Plc

Opinion

We have audited the financial statements of RDL Realisation Plc (the “Company”) and its subsidiaries (together, the “Group”) for the year ended 31 December 2020 which comprise the consolidated and company statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated and company cash flow statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and of the company’s affairs as at 31 December 2020 and of the group’s and company’s loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

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

Emphasis of Matter – non-going concern basis of preparation

We draw attention to the disclosure made in Note 2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Independent Auditor’s Report to the Members of RDL Realisation Plc (continued)

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors’ report.

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

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

Responsibilities of directors

As explained more fully in the Directors’ responsibilities statement set out on page 23, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Independent Auditor's Report to the Members of RDL Realisation Plc (continued)

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and valuation of the investments.

Our audit procedures to address the risk of material misstatement of valuation of investments held at fair value through profit or loss included:

Reviewing the Board's assessment of the carrying value of the financial instruments held at fair value. We stratified our sample and risk assessment across those portfolios valued by a third party and those valued directly by management.

For that part of the portfolio where management instructed a third party valuer we:

- considered and evaluated the experience, competency and independence of the valuer to undertake the valuation;
- reviewed the terms of their appointment;
- considered if the basis used was a recognised valuation basis and one which is compatible for reporting under IFRS; and
- spoke directly with the valuer to confirm the basis on which they had prepared the valuation, how they had arrived at their key inputs and assumptions and the rationale for any outliers identified during our review.

For a sample of loan portfolios valued by both management and the third party valuer we:

- compared the data set referred to in the valuation report to that held in the accounting records to gain assurance that a complete data set was being valued;
- compared the expected performance of the loans to actual performance;
- challenged the basis for key assumptions and, where possible, compared to publicly available benchmark data; and
- we had regard to any matters referred to in legal correspondence which may impact the carrying value.

We appointed an independent valuation expert to conduct a review of the management and third party valuation reports. It was evident from our interaction with management and the valuer, and from our review of the valuation reports, that close attention had been paid to each loan portfolio's individual characteristics, the overall quality, geographic location and desirability of the asset as a whole.
We considered the adequacy of disclosures around the sensitivity of the carrying value to changes in reasonable alternative assumptions.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessing whether the judgments made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of the Alternative Investment Fund Manager, the Company Secretary, external legal counsel, the administrator and the Audit Committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor's Report to the Members of RDL Realisation Plc (continued)

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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

Ian Weekes

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

27 September 2021

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	2020	2019	2020	2019
ASSETS		Group (USD)		Company (USD)	
Non-current assets					
Financial assets at fair value through profit or loss	3	**9,841,556**	24,027,573	**151,830**	2,800,089
Investment in subsidiaries	5	**-**	-	**15,604,526**	44,839,358
Total non–current assets		**9,841,556**	**24,027,573**	**15,756,356**	**46,369,447**
Current assets					
Financial assets at fair value through profit or loss	3	**3,760,591**	13,483,500	**-**	-
Amounts owed by subsidiary undertakings	14	**-**	-	**-**	24,785
Advances to/funds receivable from direct lending platforms	4	**48,543**	602,463	**-**	-
Prepayments and other receivables		**77,595**	80,651	**73,929**	79,734
Cash and cash equivalents	13	**7,083,772**	11,691,307	**4,358,969**	1,274,604
Total current assets		**10,970,501**	**25,857,921**	**4,432,898**	**1,379,123**
TOTAL ASSETS		**20,812,057**	**49,885,494**	**20,189,254**	**49,018,570**
Non-current liabilities					
Amounts due to subsidiary undertaking	14	**-**	-	**-**	338,422
Total non-current liabilities		**-**	**-**	**-**	**338,422**
Current liabilities					
Accrued expenses and other liabilities	7	**4,504,241**	1,373,872	**3,881,432**	548,475
Income tax liability		**-**	-	**-**	-
Total current liabilities		**4,504,241**	**1,373,872**	**3,881,432**	**548,475**
TOTAL LIABILITIES		**4,504,241**	**1,373,872**	**3,881,432**	**886,897**
NET ASSETS		**16,307,816**	**48,511,622**	**16,307,822**	**48,131,673**
SHAREHOLDERS' EQUITY					
Capital and reserves					
Share capital	9	**427,300**	427,300	**427,300**	427,300
Share premium account	9	**40,346,947**	40,346,947	**40,346,947**	40,346,947
Other reserves	9	**72,141,929**	102,585,400	**72,141,929**	102,585,400
Revenue reserves		**(15,409,603)**	(14,377,824)	**(2,707,269)**	(546,354)
Realised capital profits		**(82,080,273)**	(78,887,745)	**(95,264,703)**	(90,278,627)
Unrealised capital losses		**881,516**	(3,091,545)	**1,363,618**	(4,402,993)
Foreign currency translation reserves		**-**	1,509,089	**-**	-
TOTAL SHAREHOLDERS' EQUITY		**16,307,816**	**48,511,622**	**16,307,822**	**48,131,673**
NAV per Ordinary Share		**1.01**	**3.01**	**1.01**	**2.99**

The accompanying notes on pages 35 to 55 are an integral part of these financial statements.

The financial statements for the year ended 31 December 2020 of RDL Realisation PLC, a public 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 27 September 2021.

Signed on behalf of the Board of Directors:

Brendan Hawthorne
Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	*1 Jan to 31 Dec 20*			*1 Jan to 31 Dec 19*		
Income		**Revenue (USD)**	**Capital (USD)**	**Total (USD)**	Revenue (USD)	Capital (USD)	Total (USD)
Investment income		**1,828,326**	**-**	**1,828,326**	8,690,654	-	8,690,654
Realised gain on financial assets at fair value through profit or loss		**-**	**57,048**	**57,048**	-	158,154	158,154
Net gain on financial assets at fair value through profit or loss		**-**	**962,622**	**962,622**	-	-	-
Other income received on financial assets		**-**	**291,854**	**291,854**	-	1,376,756	1,376,756
Other income		**27,242**	**-**	**27,242**	109,517	-	109,517
Bank interest income		**50**	**-**	**50**	10,519	-	10,519
		1,855,618	**1,311,524**	**3,167,142**	**8,810,690**	**1,534,910**	**10,345,600**
Operating expenditure							
Net loss on financial assets at fair value through profit or loss		**-**	**-**	**-**	-	4,269,378	4,269,378
Loss on sale of RDLZ Preference Shares		**-**	**-**	**-**	4,063,100	-	4,063,100
Loss on revaluation of derivative contracts		**-**	**-**	**-**	-	205,376	205,376
Foreign exchange loss		**-**	**372,960**	**372,960**	-	873,104	873,104
Investment Management Fees	14	**488,191**	**-**	**488,191**	60,032	-	60,032
Service and premium fees		**27,433**	**-**	**27,433**	407,369	-	407,369
Company secretarial, administration and registrar fees		**389,958**	**-**	**389,958**	1,400,043	-	1,400,043
Finance costs	8	**-**	**-**	**-**	2,723,057	-	2,723,057
Other expenses	17	**2,348,215**	**-**	**2,348,215**	6,438,165	-	6,438,165
		3,253,797	**372,960**	**3,626,757**	15,091,766	5,347,858	20,439,624
(Loss)/profit before tax		**(1,398,179)**	**938,564**	**(459,615)**	(6,281,076)	(3,812,948)	(10,094,024)
Taxation	11	**-**	**-**	**-**	465,551	674,181	1,139,732
(Loss)/profit after tax		**(1,398,179)**	**938,564**	**(459,615)**	(5,815,525)	(3,138,767)	(8,954,292)
Basic Earnings Per Ordinary Share - USD	12	**(0.09)**	**0.06**	**(0.03)**	(0.36)	(0.19)	(0.55)
Basic Earnings Per Ordinary Share - GBP	12	**(0.06)**	**0.04**	**(0.02)**	(0.27)	(0.15)	(0.42)
Diluted Earnings Per Ordinary Share - USD	12	**(0.09)**	**0.06**	**(0.03)**	(0.36)	(0.19)	(0.55)
Diluted Earnings Per Ordinary Share - GBP	12	**(0.06)**	**0.04**	**(0.02)**	(0.27)	(0.15)	(0.42)
(Loss)/profit for the year		**(1,398,179)**	**938,564**	**(459,615)**	**(5,815,525)**	**(3,138,767)**	**(8,954,292)**
Other comprehensive income:							
items that may be reclassified subsequently to profit and loss:							
Exchange differences on translation of net assets of subsidiary		**-**	**-**	**(346,011)**	-	-	950,204
Total comprehensive (loss)/income for the year		**(1,398,179)**	**938,564**	**(805,626)**	**(5,815,525)**	**(3,138,767)**	**(8,004,088)**

The accompanying notes on pages 35 to 55 are an integral part of these financial statements.

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	*1 Jan to 31 Dec 20*			*1 Jan to 31 Dec 19*		
Income		Revenue (USD)	Capital (USD)	Total (USD)	Revenue (USD)	Capital (USD)	Total (USD)
Investment income		**374,485**	**-**	**374,485**	1,109,465	-	1,109,465
Realised gain on financial assets through profit or loss		**-**	**-**	**-**	-	1,184,580	1,184,580
Net gain on financial assets at fair value through profit or loss		**-**	**1,591,545**	**1,591,545**	-	374,379	374,379
Dividend from Trust		**-**	**29,250,000**	**29,250,000**	-	102,509,051	102,509,051
Bank interest income		**50**	**-**	**50**	10,519	-	10,519
		374,535	**30,841,545**	**31,216,080**	**1,119,984**	**104,068,010**	**105,187,994**
Operating expenditure							
Realised loss on financial assets at fair value through profit or loss		**-**	**199,270**	**199,270**	-	-	-
Trust Impairment		**-**	**29,250,000**	**29,250,000**	-	102,509,051	102,509,051
Loss on revaluation of derivative contracts		**-**	**-**	**-**	-	205,376	205,376
Investment Management Fee	14	**90,604**	**-**	**90,604**	60,032	-	60,032
Foreign exchange loss		**-**	**372,960**	**372,960**	-	873,104	873,104
Company secretarial, administration and registrar fees		**375,720**	**-**	**375,720**	655,200	-	655,200
Impairment (gain)/loss on investment in subsidiaries		**-**	**(344,303)**	**(344,303)**	-	285,022	285,022
Finance costs		**-**	**-**	**-**	661,643	-	661,643
Other expenses		**1,712,668**	**-**	**1,712,668**	3,914,176	-	3,914,176
		2,178,992	**29,477,927**	**31,656,919**	**5,291,051**	**103,872,553**	**109,163,604**
Operating loss		**(1,804,457)**	**1,363,618**	**(440,839)**	**(4,171,067)**	**195,457**	**(3,975,610)**
Income from shares in group undertaking		**440,220**	**(425,052)**	**15,168**	**4,294,142**	**(4,293,427)**	**715**
Profit/(loss) before tax		**(1,364,237)**	**938,566**	**(425,671)**	**123,075**	**(4,097,970)**	**(3,974,895)**
Taxation		**-**	**-**	**-**	**576,480**	**674,181**	**1,250,661**
Profit/(loss) after tax and total comprehensive income/(loss) for the system		**(1,364,237)**	**938,566**	**(425,671)**	**699,555**	**(3,423,789)**	**(2,724,234)**
Basic Earnings Per Ordinary Share - USD	12	**(0.08)**	**0.06**	**(0.02)**	0.04	(0.21)	(0.17)
Basic Earnings Per Ordinary Share - GBP	12	**(0.06)**	**0.04**	**(0.02)**	0.03	(0.16)	(0.13)
Diluted Earnings Per Ordinary Share - USD	12	**(0.08)**	**0.06**	**(0.02)**	0.04	(0.21)	(0.17)
Diluted Earnings Per Ordinary Share - GBP	12	**(0.06)**	**0.04**	**(0.02)**	0.03	(0.16)	(0.13)

The accompanying notes on pages 35 to 55 are an integral part of these financial statements.

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

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share Capital	Share Premium	Other Reserves	Realised Capital Profits/(Losses)	Unrealised Capital Profits/(Losses)	Revenue Reserves	Foreign currency translation reserves	Total
Balance at 1 January 2019		427,300	40,346,947	156,922,734	(76,365,105)	(2,475,418)	1,421,278	558,885	120,836,621
Dividends	10	-	-	(54,337,334)	-	-	(9,983,577)	-	(64,320,911)
Reclassification of capital losses		-	-	-	(2,475,418)	2,475,418	-	-	-
Loss for the year		-	-	-	(47,222)	(3,091,545)	(5,815,525)	-	(8,954,292)
Other comprehensive income for the year		-	-	-	-	-	-	950,204	950,204
Balance at 31 December 2019		**427,300**	**40,346,947**	**102,585,400**	**(78,887,745)**	**(3,091,545)**	**(14,377,824)**	**1,509,089**	**48,511,622**
Balance at 1 January 2020		**427,300**	**40,346,947**	**102,585,400**	**(78,887,745)**	**(3,091,545)**	**(14,377,824)**	**1,509,089**	**48,511,622**
Dividends	10	**-**	**-**	**(30,443,471)**	**(158,031)**	**-**	**(796,678)**	**-**	**(31,398,180)**
Reclassification of capital losses		**-**	**-**	**-**	**(3,091,545)**	**3,091,545**	**-**	**-**	**-**
Loss for the year		**-**	**-**	**-**	**57,048**	**881,516**	**(1,398,179)**	**-**	**(459,615)**
Other comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**(346,011)**	**(346,011)**
Reclassification of foreign currency translation reserves		**-**	**-**	**-**	**-**	**-**	**1,163,078**	**(1,163,078)**	**-**
Balance at 31 December 2020		**427,300**	**40,346,947**	**72,141,929**	**(82,080,273)**	**881,516**	**(15,409,603)**	**-**	**16,307,816**

The accompanying notes on pages 35 to 55 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share Capital	Share Premium	Other Reserves	Realised Capital Profits/(Losses)	Unrealised Capital Profits/(Losses)	Revenue Reserves	Total
Balance at 1 January 2019		427,300	40,346,947	156,922,734	(72,020,922)	(19,236,910)	8,737,669	115,176,818
Dividends	10	-	-	(54,337,334)	-	-	(9,983,577)	(64,320,911)
Reclassification of capital losses		-	-	-	(19,236,910)	19,236,910	-	-
Total comprehensive income/(loss) for the year		-	-	-	979,205	(4,402,993)	699,554	(2,724,234)
Balance at 31 December 2019		**427,300**	**40,346,947**	**102,585,400**	**(90,278,627)**	**(4,402,993)**	**(546,354)**	**48,131,673**
Balance at 1 January 2020		**427,300**	**40,346,947**	**102,585,400**	**(90,278,627)**	**(4,402,993)**	**(546,354)**	**48,131,673**
Dividends	10	**-**	**-**	**(30,443,471)**	**(158,031)**	**-**	**(796,678)**	**(31,398,180)**
Reclassification of capital losses		**-**	**-**	**-**	**(4,402,993)**	**4,402,993**	**-**	**-**
Total comprehensive income/(loss) for the year		**-**	**-**	**-**	**(425,052)**	**1,363,618**	**(1,364,237)**	**(425,671)**
Balance at 31 December 2020		**427,300**	**40,346,947**	**72,141,929**	**(95,264,703)**	**1,363,618**	**(2,707,269)**	**16,307,822**

The accompanying notes on pages 35 to 55 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	1 Jan to 31 Dec 2020 (USD)	1 Jan to 31 Dec 2019 (USD)
Loss for the year		**(459,615)**	(8,954,292)
Adjustments for:			
Provision for income tax expense		**-**	(1,139,733)
Tax paid		**-**	(346,912)
Net loss on financial assets at fair value through profit or loss		**(2,388,798)**	(5,527,515)
Investment income		**(1,828,326)**	(8,690,654)
Interest expense on ZDP Shares	8	**-**	2,251,140
Amortisation of transaction fees – net		**-**	1,076,763
Accretion of issue costs	8	**-**	(632,737)
Foreign exchange loss		**(346,011)**	(507,775)
Loss on revaluation of derivative financial instruments		**-**	205,376
Loss on RDLZ Preference Shares		**-**	4,116,612
Operating cash flows before movements in working capital		**(5,022,750)**	(18,149,727)
Decrease in other current assets and prepaid expenses		**3,056**	6,535,226
Increase/(decrease) in accrued expenses and other liabilities		**3,130,369**	(30,780,605)
Decrease in funds receivable from direct lending platforms – net		**553,920**	306,454
Net cash flows (used in) by operating activities		**(1,335,405)**	(42,088,652)
Investing activities			
Proceeds from partial redemption of financial assets at fair value through profit or loss	3	**26,297,724**	144,131,103
Investment income received		**1,828,326**	8,690,654
Net settlement on derivative positions		**-**	200,819
Net cash flows generated by investing activities		**28,126,050**	153,022,576
Financing activities			
Payment of ZDP shares to Preference Shareholders		**-**	(70,790,110)
Dividends paid	10	**(31,398,180)**	(64,320,911)
Net cash flows used in financing activities		**(31,398,180)**	(135,111,021)
Net change in cash and cash equivalents		**(4,607,535)**	(24,177,097)
Effect of foreign exchanges		**-**	233,560
Cash and cash equivalents at the beginning of the year		**11,691,307**	35,634,844
Cash and cash equivalents at the end of the year		**7,083,772**	11,691,307

The accompanying notes on pages 35 to 55 are an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	**1 Jan to 31 Dec 2020 (USD)**	1 Jan to 31 Dec 2019 (USD)
Loss for the year		**(425,671)**	(2,724,234)
Adjustments for:			
Dividend income/income from shares in group undertaking		**(29,265,168)**	(102,509,766)
Investment income		**(374,485)**	(1,109,465)
Foreign exchange loss		**(3,078)**	(566,544)
Impairment loss on investment in subsidiaries	6	**29,250,000**	102,794,073
Net gain on financial assets at fair value through profit or loss		**(1,812,349)**	(1,495,568)
Realised gain on financial asset at fair value through profit or loss		**(124,451)**	(2,118,249)
Interest expense on loan with subsidiary undertaking		**-**	661,641
Loss on revaluation of derivative contracts		**-**	205,376
Provision for income tax expense		**-**	(1,250,661)
Operating cash flows before movements in working capital		**(2,755,202)**	(8,113,397)
Decrease in other current assets and prepaid expenses		**5,805**	6,536,146
(Decrease)/ increase in accrued expenses and other liabilities		**3,332,957**	(30,276,768)
Net cash flows (used in)/generated from operating activities		**583,560**	(31,854,019)
Investing activities			
Proceeds from partial redemption of financial assets at fair value through profit or loss	4	**4,306,966**	44,095,782
Investments in subsidiary undertakings		**(32,466)**	(798,449)
Investment income received	6	**374,485**	1,109,465
Dividend income received		**29,250,000**	102,509,050
Net settlement on derivative positions		**-**	200,819
Net cash flows generated from investing activities		**33,898,985**	147,116,667
Financing activities			
Payment of ZDP Shares to Preference Shareholders		**-**	(70,709,889)
Dividends paid	10	**(31,398,180)**	(64,320,911)
Net cash flows used in financing activities		**(31,398,180)**	(135,030,800)
Net change in cash and cash equivalents		**3,084,365**	(19,768,152)
Effect of foreign exchanges		**-**	233,560
Cash and cash equivalents at the beginning of the year		**1,274,604**	20,809,196
Cash and cash equivalents at the end of the year	15	**4,358,969**	1,274,604

The accompanying notes on pages 35 to 55 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of accounting and preparation
These financial statements have been prepared in compliance with in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements were also prepared in accordance with the Statement of Recommended Practice ("SORP") for Investment Trusts issued by the AIC (as issued in November 2014 and updated in January 2017), where this guidance is consistent with IFRS.

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

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

Viability statement
In line with the Investment Policy the Directors have assessed the prospects of the Company over its expected realisation timeframe.

In their assessment of the viability of the Company, the Directors have considered each of the principal risks and uncertainties on pages 11 to 14. The Directors have also reviewed the Company's income and expenditure projections and the fact the Company's investments (including those held through the Trust) do not comprise readily realisable securities which can be sold to meet funding requirements if necessary. The Company maintains a risk register for its stress test to identify, monitor and control risk concentration.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

New Accounting Standards, amendments to existing Accounting Standards and/or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") not yet adopted
In the Directors' opinion, all non-mandatory New Accounting Requirements are either not yet permitted to be adopted or would have no material effect on the reported performance, financial position or disclosures of the Group and consequently have neither been adopted nor listed.

Presentation change and amendment of comparative balances
In the Company only financial statements for the year ended 31 December 2019, the balances relating to the RDL Trust, including the investment and amounts both receivable and payable to the Trust from the Company were presented on a gross basis. It was noted during the 2020 audit, as the Company now only has one wholly-owned subsidiary that all the Trust balances should be presented on a net basis on the Statement of Financial Position. Consequently the current period presentation and comparative period presentation for subsidiaries have been changed to be presented on a net basis. The remaining balances in the amounts due to subsidiary undertaking or amounts owed to subsidiary undertaking relate to the remaining balances relating to RDLZ held in the prior year. The amended presentation has no effect on either the financial position of the Company or its reported performance. Accordingly, in the Directors opinion the amended presentation has no material impact on these financial statements.

		31st December 2019	
	As previously presented	**Effect of amendment**	**As presented**
Investment in subsidiaries	195,784,147	(150,944,789)	44,839,358
Amounts owed by subsidiary undertaking	6,436,484	(6,411,699)	24,785
Amounts due to subsidiary undertaking	(157,694,910)	157,356,488	(338,422)
Statement of Financial Position balance	44,525,721	-	44,525,721

On 9 January 2020, 7 April 2020 and 10 December 2020, the Directors of the Company declared special dividends of GBP 0.33 per ordinary share (equivalent to USD 0.43 per ordinary share), 1.06 per ordinary share (equivalent to USD 1.30 per ordinary share) and GBP 0.16 per ordinary share (equivalent to USD 0.21 ordinary share), respectively, which were paid on 10 February 2020 to shareholders on the register on 16 January 2020, 19 May 2020 to shareholders on the register as of 17 April 2020 and on 15 January 2021 to shareholders on the register as of 18 December 2020, respectively. As per s832 (3) of the Companies Act 2006, a company may make such a distribution only if a) the amounts of its assets as per the relevant accounts is at least equal to one and a half times the aggregate of its liabilities to creditors, and if, b) and to the extent that, the distribution does not reduce that amount to less than one and a half times that aggregate. The two aforementioned dividends were not supported by the requirements of s832 (3). The relevant accounts relating to these two distributions were the financial

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

statements filed in the Registrar of Companies for the financial year ended 31 December 2019. With reference to these relevant accounts, the two distributions did not meet the requirement of s832 at the time of payment. However, including the effect of the prior period adjustment discussed above, the requirement in relation to the asset:liability ratio would have been met and the Company has subsequently filed interim accounts at Companies House which demonstrate that the requirements of s.832 (3) were met at the time these dividends were declared

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

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

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

Management has applied certain estimated potential impairments to these financial instruments as of 31 December 2020. For the material financial instrument positions at 31 December 2020, a combination of factors was taken into consideration, see note 16 and the Principal Risks and Uncertainties in Group Strategic Report.

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

Functional and presentation currency
The financial statements are presented in US Dollars ("USD"), the currency of the primary economic environment in which the Company operates, the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

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").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

- Impairment - Financial assets and contract assets

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 Financial Instruments (continued)

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

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

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

- Classification – Financial liabilities

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

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 make quarterly dividends and makes payments by way of ad-hoc special dividends, where appropriate, during the course of the managed wind-down process so that the Company is able to return available cash to Shareholders as soon as reasonably practicable after cash becomes available in the portfolio.

Cash and cash equivalents

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Earnings per share
The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary Shareholders by the weighted average number of ordinary shares outstanding during the period.

The diluted EPS is the same as the basic EPS as there is currently no arrangement which could have a dilutive effect on the Company's ordinary shares.

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

Capital reserves
Capital reserves are created from profits and losses accumulated by the Group that are capital in nature and generated from the Groups non-operating activities. These are split in the statement of changes in equity between realised and unrealised profits or losses based on the nature of the profit or loss generated.

Revenue reserves
Revenue reserves is the reserve accumulated from any profits or losses generated by the Group from its operating activities net of interest distributions to Shareholders during the year.

Foreign currency translation reserves
Exchange differences arising on translation of a foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to revenue reserves when the net investment is disposed of.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	31 Dec 20 (Group) USD	31 Dec 19 (Group) USD	**31 Dec 20 (Company) USD**	31 Dec 19 (Company) USD
Opening fair value	**37,511,073**	176,114,663	**2,800,088**	43,282,053
Repayments	**(26,297,724)**	(144,131,104)	**(4,306,965)**	(44,095,782)
Gain on financial assets through profit and loss	**2,388,798**	5,527,514	**1,658,707**	3,613,817
Closing balance	**13,602,147**	37,511,073	**151,830**	2,800,088

The financial assets amounting to USD 3,760,591 represent assets realised subsequent to the year end and therefore, are classified as current assets. The remaining assets are classified as non-current.

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

Fair value estimation
Please refer to note 18 for the valuation of financial assets at fair value through profit or loss.

4. ADVANCES TO/FUNDS RECEIVABLE FROM DIRECT LENDING PLATFORMS

	31 Dec 20 (Group) USD	31 Dec 19 (Group) USD	**31 Dec 20 (Company) USD**	31 Dec 19 (Company) USD
Other direct lending platforms	**48,543**	602,463	**-**	-
	48,543	602,463	**-**	-

5. INVESTMENT IN SUBSIDIARIES

Investment in RDLZ	**31 Dec 20 (Company) USD**	31 Dec 19 (Company) USD
Balance at beginning of the year	**-**	-
Investment made during the year	**-**	285,022
Amount written-off during the year	-	(285,022)
Balance at end of the year	**-**	-

Investment in RDL Trust	**31 Dec 20 (Company) USD**	31 Dec 19 (Company) USD
Balance at beginning of the year	**44,839,358**	147,347,694
Profit made during the year by the Trust	**15,168**	715
Distributions paid from the Trust	**(29,250,000)**	(102,509,051)
Balance at end of the year	**15,604,526**	44,839,358

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

5. INVESTMENT SUBSIDIARIES (continued)

Subsidiary name	Effective ownership %	County of Incorporation and Place of Business	Principal activity
RDL Fund Trust	100%	USA	Invests in a portfolio of Debt Instruments through Direct Lending Platforms
RDLZ Realisation Plc (dissolved on 17 November 2020)	100%	United Kingdom	Issuance of Zero Dividend Preference Shares

In the Company's Statement of Comprehensive Income, an impairment loss of USD nil (2019: USD 285,022) was recognised relating to the Company's investment in RDLZ, in respect of expenses paid on behalf of RDLZ for USD nil (2019: USD nil) and in relation to the Company's investment in RDLZ's Ordinary Shares amounting to USD nil (2019: USD 285,022 relating to the Company's investment in RDLZ's Preference Shares, whose repayment was waived during 2019). The Company's investment in RDLZ was fully impaired due to RDLZ's Shareholders' deficit position as at reporting date.

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	31 Dec 20 (Group) USD	31 Dec 19 (Group) USD	**31 Dec 20 (Company) USD**	31 Dec 19 (Company) USD
Revaluation gain/(loss) on financial assets through profit or loss	**962,622**	4,296,378	**1,591,545**	374,379
Foreign exchange loss - net	**(372,960)**	873,104	**372,960**	873,104
	(589,662)	5,142,482	**1,964,505**	1,247,483

	31 Dec 20 (Group) USD	31 Dec 19 (Group) USD
Audit fees for annual financial statements:		
-RDL	**99,000**	90,000
	99,000	90,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	31 Dec 20 (Group) USD	31 Dec 19 (Group) USD	**31 Dec 20 (Company) USD**	31 Dec 19 (Company) USD
Investment Management fees payable (note 15)	**7,963**	7,737	**7,963**	7,737
Dividend payable	**3,521,506**	-	**3,521,506**	-
Legal fee payable	**55,696**	104,702	**55,696**	104,702
Interest received in advance	**20,947**	69,042	**-**	-
Service and premium fee payable	**551,545**	547,820	**-**	-
Audit fee payable	**110,000**	90,000	**110,000**	90,000
Administration fee payable	**60,747**	63,861	**60,747**	63,861
Registrar and Secretarial fees payable	**8,238**	9,794	**8,238**	9,794
Consultancy fees payable	**20,000**	105,373	**20,000**	105,373
Directors’ fees payable (note 17)	**85,087**	151,158	**85,087**	151,158
Other payables	**62,512**	224,385	**12,195**	15,850
	4,504,241	1,373,872	**3,881,432**	548,475

8. ZERO DIVIDEND PREFERENCE SHARES

	31 Dec 20 (Group) USD	31 Dec 19 (Group) USD
Opening balance	**-**	65,180,787
Amortisation of issue costs during the year	**-**	1,076,763
Amortisation of premium during the year	**-**	(632,737)
Interest expense during the year	**-**	2,251,140
Effect of foreign exchange	**-**	(1,202,455)
Redemption of RDLZ Preference Shares	**-**	(66,673,498)
Closing balance	**-**	-

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 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 date for repayment on the ZDP Shares. As at 14 December 2018, the Company held 7,278,193 ZDP Shares. The Board waived the Company’s entitlement to the acquired principal and accrued interest on its ZDP holdings up to 14 December 2018.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

8. ZERO DIVIDEND PREFERENCE SHARES (continued)

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

On 21 June 2019, the Company paid USD 70,709,889 to the third party holders of 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 the final capital entitlement for the ZDP shares it owned.

RDLZ was dissolved on 17 November 2020.

9. SHARE CAPITAL AND SHARE PREMIUM

The table below shows the total issued share capital as at 31 December 2020 and 31 December 2019.

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

9. SHARE CAPITAL AND SHARE PREMIUM (continued)

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

10. DIVIDENDS

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

During the year, a total of USD 31.4 million or 155.00p (USD 195.00 cents) per Ordinary Share was paid to Shareholders by way of dividends.

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

	Pence Per share	**1 Jan to 31 Dec 20 (Group)**	1 Jan to 31 Dec 19 (Group)
Ordinary Shares dividends declared and paid:			
Interim dividend in 2018 (in respect of 31 Dec 2018 results)	17.14	**-**	3,500,288
Special dividend on 8 August 2019	255	**-**	49,871,450
Special dividend on 3 October 2019	33	**-**	6,449,173
Special dividend on 26 November 2019	21.63	**-**	4,500,000
Special dividend on 8 January 2020	33	**7,000,000**	-
Special dividend and Interim dividends in 2019 (in respect of 2019 results) on 7 April 2020	106	**20,954,709**	-
Special dividend on 10 December 2020	16	**3,443,471**	-
Total dividends paid during the year		**31,398,180**	64,320,911

11. TAXATION

In May 2015, the Company received confirmation from HM Revenue & Customs as an approved Investment Trust in the UK for accounting periods commencing on or after 1 May 2015, subject to the Company continuing to meet the eligibility conditions at Section 1158 Corporation Tax Act 2010 and the ongoing requirements for approved Investment Trust companies in Chapter 3 of Part 2 Investment Trust (Approved Company) Tax Regulations 2011 (Statutory Instrument 2011/2999). The Company ceased to be treated as an Investment Trust with effect from 11 January 2021.intends to retain this approval and self-assesses compliance with the relevant conditions and requirements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

11. TAXATION (continued)

	31 Dec 20 *Revenue* *USD*	31 Dec 20 *Capital* *USD*	**31 Dec 20** **Total** **USD**
Corporation tax			
Current year	-	-	**-**
Tax credit for the year	-	-	**-**

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

The tax reconciliation is as follows:

	31 Dec 20 *Revenue* *USD*	31 Dec 20 *Capital* *USD*	**31 Dec 20** **Total** **USD**
Loss before tax	(1,364,237)	938,566	(425,671)
Tax at the standard UK corporation tax rate of 19%	(259,205)	178,327	(80,878)
Effects of:			
– Non-deductible expenses	2,850	-	2,850
– Adjustment for current tax of prior period	(6,066)	-	(6,066)
– Non-taxable fair value adjustments	-	(65,417)	(65,417)
– Capital gains/loan relationships	-	(112,910)	(112,910)
– Unrecognised deferred tax asset	262,421	-	262,421
Tax credit	-	-	-

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

As at 31 December 2020, tax credit of USD nil (2019: tax expense of USD 1,139,732) was provided for in respect of the net loss of the Company for the year.

A deferred tax asset of USD 262,421 (2019: USD nil) related to taxable operating losses has not been recognised during the year. This is on the basis that the Company is unlikely to generate future taxable profits to utilise this asset against.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

12. BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per Ordinary Share is based on the profit after tax and on 16,122,931 Ordinary Shares, being the weighted average number of ordinary shares in issue throughout the year. (2019: 16,122,931 Ordinary Shares for basic earnings per share and diluted earnings per share).

13. CASH AND CASH EQUIVALENTS

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

	31 Dec 20 *(Group)* *USD*	31 Dec 19 *(Group)* *USD*	31 Dec 20 *(Company)* *USD*	31 Dec 19 *(Company)* *USD*
Cash at bank	**7,083,772**	11,624,992	**4,358,969**	1,208,289
Cash equivalents	**-**	66,315	**-**	66,315
	7,083,772	11,691,307	**4,358,969**	1,274,604

14. RELATED PARTIES

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

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

	31 Dec 20 ***(Group)*** **USD**	31 Dec 19 *(Group)* USD
Chairman	**114,056**	354,185
Other Directors	**685,847**	1,061,105
Total	**799,903**	1,415,290

As at 31 December 2020, USD 85,087 (2019: USD 151,158) was accrued for Directors' remuneration.

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

Under the terms of the AIFM agreement, the Company shall reimburse the AIFM for all documented expenses incurred in the proper performance of its duties. Fees to IFM for the year amount to USD 90,604 (2019: USD 60,032). As at 31 December 2020, the fee payable to IFM was USD 7,963 (2019: USD 7,737).

The Company entered into a Trust Agreement with the Trust on 22 April 2015. The Company, being the sole unitholder, has sole discretion to declare distributions from the Trust. As at 31 December 2020, amounts owed by undertaking relating to the Trust's net income was USD 15,168 (2019: USD 715).

The Company incorporated RDLZ on 23 June 2016 as a public limited company with limited life and granted an undertaking to (among other things) subscribe for such number of ordinary shares in the capital of RDLZ as may be necessary or to otherwise ensure that RDLZ has sufficient assets to satisfy its obligations to the ZDP Shareholders and pay any operational costs incurred by RDLZ. During the year, the Company paid RDLZ's expenses amounting to USD 32,467 (2019: USD 540,059).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

14. RELATED PARTIES (continued)

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

On 20 June 2019, the ZDP Shareholders received a Revised Final Capital Entitlement of GBP 121.8887 pence per ZDP share and the Company repaid its loan to RDLZ in order to meet this liability to the 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 amounts payable to RDLZ that are eliminated upon consolidation are USD nil (2019: USD 338,422). The amounts payable to RDLZ as at 31 December 2019 related to the remaining loan amount held in order to cover any expenses of RDLZ.

15. FEES AND EXPENSES

Termination Arrangements
The IMA with Ranger Alternative Management II LP was terminated on 12 February 2019. Accordingly, the Board has since managed the activities of the Company and the wind-down process.

16. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

16. FINANCIAL RISK MANAGEMENT (continued)

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

	31 Dec 20 (Group) USD	*31 Dec 19 (Group) USD*
United States Dollars	**11,964,395**	44,736,620
Great British Pounds	**4,080,708**	440,724
Canadian Dollars	**262,713**	3,334,278
	16,307,816	48,511,622

Sensitivity analysis

	31 Dec 20 (Group) USD	31 Dec 19 (Group) USD
Great British Pounds	**204,035**	22,036
Canadian Dollars	**13,136**	166,714
Effect on Revenue return after taxation	**217,171**	188,750

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

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

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

Maturity of financial assets and liabilities:

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

	31 Dec 20 **Financial Assets USD**	***31 Dec 20*** **Financial Liabilities USD**	*31 Dec 19* Financial Assets USD	*31 Dec 19* Financial Liabilities USD
Within one year	**7,209,910**	**4,504,241**	25,857,921	1,373,872
In more than one year but not more than five years	**13,602,147**	**-**	24,027,573	-
	20,812,057	**4,504,241**	49,885,494	1,373,872

Interest rate risk	**Key controls and mitigating factors**
The Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.	In the event that interest rate movements lower the level of income receivable on loan portfolios or cash deposits, the Company will have less income available to pay a dividend. Interest rate risk is monitored by the Board.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

16. FINANCIAL RISK MANAGEMENT (continued)

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

	31 Dec 20	31 Dec 19
	USD	USD
Effect on Revenue return	**260,361**	174,859

The above changes are considered by the Directors to be reasonable given the observation of prevailing market conditions in the period. The average effective interest income rate during the year is 18% (2019: 6%).

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

The maximum exposure to credit risk was as follows:

	31 Dec 20 (Group) USD	31 Dec 19 (Group) USD
Financial assets at fair value through profit or loss	**13,602,147**	37,511,073
Advances to/funds receivable from direct lending platforms	**48,543**	602,463
Prepayments and other receivables	**77,595**	80,651
Cash and cash equivalents	**7,083,772**	11,691,307
	20,812,057	49,885,494

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

16. FINANCIAL RISK MANAGEMENT (continued)

Credit and counterparty risk continued
The majority of the Group's cash and cash equivalents is with SunTrust Bank as at 31 December 2020. SunTrust Bank has a long-term deposit credit rating of AA- from Standard & Poor and Moody's has rated SunTrust A3. Given this rating, the Directors do not expect this counterparty to fail to meet its obligations.

Credit risk management – write off policy

When dealing with the platform managers, we have ongoing discussions with the platform managers regarding collection efforts and outlook for collection. If payments have ceased and the platform manager has designated the loan as uncollectible, the balance is written off at the platform level. This write off action at the platform is taken into account by Duff & Phelps when deriving their valuation.

Our accounts are then adjusted to mark to market based the Duff & Phelps valuation by creating a reserve reflecting the revised outlook for collection. The reserves are posted to adjust the cost balances to mark to market in accordance with IFRS9. Write-offs against the reserves are posted upon final resolution when collection efforts cease.

When dealing directly with the international SME loan platform accounts, if payments have ceased for an extended period of time and the financial performance of the borrower indicate unlikely collection in the future, the payment schedule is removed from the discounted cash flow model used to derive the market value for the international SME loan platform portfolio.

Further, the status of the portfolio and collection efforts are discussed with the Board at least twice monthly or more frequently as needed.

Fair value of groups of financial assets that are measured at fair value on a recurring basis
Some of the Group's financial assets are measured at fair value as at 31 December 2020. The following table gives information about how the fair values of the material financial assets are determined, in particular the valuation techniques and inputs used.

Loan platform	Valuation technique	Significant unobservable input	Relationship and sensitivity of unobservable inputs to fair value
SME Loans Platform	In estimating the fair value of certain platform loans receivable, RDL used market-observable data to the extent it is available. RDL engaged third party qualified valuers to perform the valuation. Remuda and the Board worked closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.	Discount rate determined by reference to the SME platform is 12.0%.	If the discount rate was 2% higher/lower while all other variables were held constant, the carrying amount for the SME Platform loan would decrease/increase by USD 37,500 approximately.
Real Estate Loans Platform	In estimating the fair value of certain platform loans receivable, RDL used market-observable data to the extent it is available. RDL engaged third party qualified valuers to perform the valuation. Remuda and the Board worked closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.	Discount rate by reference to Real Estate Loans platform is 10.00%.	If the discount rate was 2% higher/lower while all other variables were held constant, the carrying amount for the Real Estate Platform loan would decrease/increase by USD 174,000 approximately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

The fair values of 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 CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

16. 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:

31 December 2020	Level 1 (USD)	Level 2 (USD)	Level 3 (USD)	Total (USD)
Financial assets	-	-	13,602,147	13,602,147
Financial liabilities	-	-	-	-

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

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

	31 Dec 20 (Group) (USD)	31 Dec 19 (Group) (USD)
Opening Balance	**24,027,573**	137,806,709
Disposals / Redemptions	**(12,814,224)**	(105,823,149)
Transfer out of Level 3	**-**	(13,483,500)
Gain on financial assets	**2,388,798**	5,527,513
Closing balance	**13,602,147**	24,027,573

17. OTHER EXPENSES

	31 Dec 20 (Group) USD	31 Dec 19 (Group) USD
Legal fees	**807,166**	3,465,916
Auditor remuneration	**160,093**	233,202
Directors' fees	**791,184**	1,609,849
Regulatory fees	**41,368**	45,679
Consultancy fees	**318,593**	578,335
Other expenses	**229,811**	505,184
	2,348,215	6,438,165

18. 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 1,453,841, USD nil and USD 374,485 respectively (2019: USA, UK and Canada amounted to USD 7,583,881, USD 77,559 and USD 1,029,214 respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

18. OPERATING SEGMENTS (continued)

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

19. CAPITAL MANAGEMENT

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

During the year, the Company was subject to externally imposed capital requirements in relation to its statutory requirement relating to interest/dividend distributions to Shareholders. The Company complied with its capital requirements during the year and on 1 January 2021, the Company ceased to be subject to these requirements.

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

The Company's leverage limit is 1.5 as set out in the prospectus dated 14 April 2015. The Company has not breached this limit anytime during the year, nor has the Company made any changes to this maximum limit. The Company's borrowing policy does not grant the Company any right to reuse collateral.

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

20. COMMITMENTS

As at 31 December 2020, the Company had no outstanding commitments (2019: none).

21. ULTIMATE CONTROLLING PARTY

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

22. SUBSEQUENT EVENTS

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

At the General Meeting held on 12 January 2021, Shareholders voted in favour of the De-listing and subsequently on 10 February 2021 the Company's shares were cancelled from trading on the Main Market of the London Stock Exchange.

On 1 March 2021, the Board declared a special dividend of 12.5 pence per Ordinary Share (USD 18.0 cents) which was paid on 30 March 2021.

COMPANY INFORMATION

Directors
Brendan Hawthorne
Brett Miller
Joseph (Joe) Kenary
Nicholas (Nick) Paris (resigned on 31 March 2020)
Dominik Dolenec (resigned on 1 April 2020)
Gregory (Greg) Share (resigned on 30 June 2020)

Company Secretary and Registered Office
Link Company Matters Limited
6th Floor, 65 Gresham Street
London
EC2V 7NQ
United Kingdom

Auditor
Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Registrar
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Administrator
Sanne Fiduciary Services Limited
IFC 5
St Helier, Jersey
JE1 1ST
Channel Islands

English and US Securities Law Legal Adviser
Travers Smith LLP
10 Snow Hill
London
EC1A 2AL
United Kingdom

Credit and Portfolio Manager
Remuda Credit Advisors LLC
743 W Main St
Coppell,
TX 75019,
USA

Website Address
https://rdlrealisationplc.co.uk/