

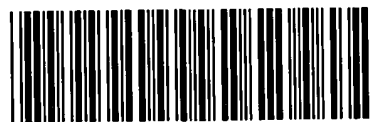
RDL REALISATION PLC

(Registered No. 09510201)

Annual Report

For the year ended 31 December 2021

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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 2021 (the "Annual Report") includes the results of RDL Fund Trust (the "Trust") 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 is a small registered AIFM which is self-managed, saving the Company external management fees. 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.

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 2021	31 Dec 2020
Net Asset Value ¹ (Cum Loss/Income) per share	GBP 0.57 ³ /USD 0.77	GBP 0.74 ³ /USD 1.01
Net Asset Value ² (Ex Loss/Income) per share	GBP 0.63 ³ /USD 0.86	GBP 0.77 ³ /USD 1.04
Total dividends per share	27.50 pence	155.00 pence
Share Price ⁴	-	GBP 0.48 ³ /USD 0.65

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 15.

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 1.3535 (31 December 2020: 1.3651).

⁴ Share price taken from Bloomberg Professional as at close of business on 31 December 2020. The Company's shares were cancelled from the Main Market of the London Stock Exchange on 10 February 2021 therefore no share price is available since the cancellation of shares.

PERFORMANCE SUMMARY (continued)*Investment Positions*

Below is a list of the Company's Investments as at 31 December 2021.

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

Investment/Direct Lending Platform	Country	Principal Activity	31 Dec 2021		31 Dec 2020	
			NAV (USD)	% of NAV	NAV (USD)	% of NAV
SME Loans Platform	United States	Loans/advances to small/medium size businesses	379,728	4.12	2,154,243	13.21
Vehicle Services Contract Platform	United States	Vehicle service contract financing	-	-	3,760,591	23.06
Real Estate Loans Platform	United States	Bridge loans to real estate developers	7,248,938	78.58	7,503,442	46.01
International SME Lending Platform	Canada	Loans to businesses with government grants	-	-	151,831	0.93
Equipment Financing	United States	Equipment Financing	31,588	0.34	32,040	0.20
Total			7,660,253	83.04	13,602,147	83.41

* 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, the COVID-19 pandemic 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.

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.

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.

Dividends

During the year, a total of GBP 4.4 million (USD 6.1 million) or 28.00p (USD 38.00 cents) per Ordinary Share was paid to shareholders by way of dividends.

During the audit process in respect of the Company's Annual Report for 2020, it came to the Board's attention that the dividend declared by the Company on 1 March 2021 was declared other than in accordance with the Companies Act 2006 ("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 cancelled 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 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 2021 was USD 7,503,442. At the period end, the Company reports a net balance exposure to this platform of USD 7,248,938. No payments have been received to reduce principal during 2021.

At the Canadian SME Lending Platform, the investment balance as at 1 January 2021 was USD 151,831. At the period end, the Company reports a net balance exposure to this platform of zero. The Company still holds 110,000 shares in Liquid Media Group Limited, one of the platform companies by way of a debt for equity swap. The Company also holds 458,351 shares of GameOn Entertainment. These are probably the last remaining holdings with any value and the intention is to exit these within the next few months.

The Vehicle Services Contract Platform value 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 1 January 2021, representing a gain of approximately USD 3.5 million. During the year, this position was realised for USD 3.7 million plus accrued interest.

CHAIRMAN'S STATEMENT (continued)

Portfolio Performance

Adjusted for capital returns and dividends, the NAV return in the period was -7.13% in USD terms.

At 31 December 2021, 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.

Collection Risk and Key Remaining Assets in the Portfolio

All the remaining loans in the portfolio are in default.

The three largest real estate loans in the Real Estate Lending Platform account for 71.18% of the remaining NAV and are Hotel Heights, Nevins, and Hamilton Ave. All are secured by first lien positions backed by appraisals supporting the carrying value. However, all three are in default with no payments received in over a year. Collection of these loans will involve litigation which will have legal costs and could be a lengthy process in the courts.

Hotel Heights' (Clearfield, PA) unpaid principal balance is USD 1.6 million and with a carrying value of USD 1.1 million or 12.89% of NAV at 31 December 2021. This is an abandoned hotel property with significant deterioration. We have been awarded the judgement in court and now have the deed. This property has been marketed for over a year with no offers and hence there is increased risk around the recoverability and uncertainty as to timing.

The Nevins (Brooklyn, NY) property has an unpaid principal balance of USD 2.8 million with a carrying value of USD 2.1 million or 22.83% of NAV at 31 December 2021. This site consists of approximately 1,365 square feet of vacant commercial land with approximately 21 feet of road frontage. This property is in litigation, but the courts are backlogged therefore time to realisation is difficult to anticipate.

The Hamilton (Paterson, NJ) property has an unpaid principal balance of USD 4.3 million with a carrying value of USD 3.3 million or 35.45% NAV at 31 December 2021. This undeveloped property is approximately 45k square feet located in an urban area in Paterson, NJ with permits for multi-use development. It is presently occupied by a commercial parking lot. This property has been marketed for over a year with no acceptable offers. This loan is in forbearance which expires in September 2022. If payment has not been received by then, litigation will commence which could take up to a year for realisation.

We are continually reviewing methods of realisation such as note sales in order to accelerate collection.

Outlook

The 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 over the coming year. As and when realisations are made, the proceeds will be distributed to shareholders as much as possible.



Brendan Hawthorne
Chairman

8 June 2022

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:

- The Company has continued to work with the Real Estate platform to recover its outstanding loans, all of which are in default. The investment balance for this platform at 1 January 2021 was USD 7,503,442. At the period end, the Company reports a net balance exposure to this platform of USD 7,248,938. No payments have been received to reduce principal during 2021.
- At the Canadian SME Lending Platform, the investment balance as at 1 January 2021 was USD 151,831. At the period end, the Company reports a net balance exposure to this platform of zero. The Company still holds 110,000 shares in Liquid Media Group Limited, one of the platform companies by way of a debt for equity swap. The Company also holds 458,351 shares of GameOn Entertainment. These are probably the last remaining holdings with any value and the intention is to exit these within the next few months.
- The Vehicle Services Contract Platform exposure was realised for USD 3.7 million plus accrued interest during the year.
- During the year, a total of GBP 4.4 million (USD 6.1 million) or 28.00p (USD 38.00 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.
- 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 4, the inherent risk of attracting opportunistic buyers must be managed with the optionality to run down a short-term portfolio in order to ensure the realisation of appropriate value.

Investment portfolio

No new investments were made during the year.

EXECUTIVE DIRECTORS' REPORT (continued)

During the year, two debt for equity swaps were completed with Canadian SME Lending Platform borrowers. All restrictions for sale of these securities will be lifted in 2022. These securities will be monitored and sold when it is determined to be the best price within a reasonable time period.

All the remaining loans in the Real Estate Loans Platform (which number five loans) and which make up 78.58per cent of the remaining exposures are in default and the borrowers have not been able to pay when the loans matured. However, these are at various stages of recovery and enforcement, and we are advised are sufficiently well collateralised and secured that the recoveries should approximately equate the carrying values. Shareholders should be aware though that there is risk in timing of recovery and in additional legal costs in seeking enforcement of our security.

Below is a brief summary of each investment platform/partner where there is an outstanding balance at 31 December 2021, which provides:

- net balance at 31 December 2021 (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 2021	Net Balance at 31 December 2020
379,728	2,154,243

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.

Second SME Loans Platform

Net Balance at 31 December 2021	Net Balance at 31 December 2020
Nil	3,760,591

During the year this loan was repaid in full.

Real Estate Lending Partner

Net Balance at 31 December 2021	Net Balance at 31 December 2020
7,248,938	7,503,442

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. Estimated runoff for these remaining loans is 9 to 12 months.

Canadian SME Lending Platform

Net Balance at 31 December 2021	Net Balance at 31 December 2020
Nil	151,831

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, the Company holds 110,000 shares in Liquid Media Group Limited, one of the platform companies by way of debt for equity swap. The Company also holds 458,351 shares of GameOn Entertainment. These are probably the last remaining holdings with any value.

Equipment Loans Platform

Net Balance at 31 December 2021	Net Balance at 31 December 2020
31,587	32,040

Collection Risk and Key Remaining Assets in the Portfolio

All the remaining loans in the portfolio are in default.

The three largest real estate loans in the Real Estate Lending Platform account for 71.18% of the remaining NAV and are Hotel Heights, Nevins, and Hamilton Ave. All are secured by first lien position backed by appraisals supporting the carrying value. However, all three are in default with no payments received in over a year. Collection of these loans will involve litigation which will have legal costs and could be a lengthy process in the courts.

Hotel Heights' (Clearfield, PA) unpaid principal balance is USD 1.6 million and with a carrying value of USD 1.1 million or 12.89% of NAV at 31 December 2021. This is an abandoned hotel property with significant deterioration. We have been awarded the judgement in court and now have the deed. This property has been marketed for over a year with no offers and hence there is increased risk around the recoverability and uncertainty as to timing.

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The Hamilton (Paterson, NJ) property has an unpaid principal balance of USD 4.3 million with a carrying value of USD 3.3 million or 35.45% NAV at 31 December 2021. This undeveloped property is approximately 45k square feet located in an urban area in Paterson, NJ with permits for multi-use development. It is presently occupied by a commercial parking lot. This property has been marketed for over a year with no acceptable offers. This loan is in forbearance which expires in September 2022. If payment has not been received by then, litigation will commence which could take up to a year for realisation.

We are continually reviewing methods of realisation such as note sales in order to accelerate collection.

Independent valuation of the portfolio

Kroll (formally known as 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 2021. Together the aggregate value appraised by Kroll represented 100% of the portfolio value at 31 December 2021. 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 Kroll as at 31 December 2021 (the "Kroll Report") has been delivered to the Board.

The Company is ultimately and solely responsible for determining fair value of the investments in good faith, and following its review of the report, the values at 31 December 2021 were updated based on the Kroll valuation.

EXECUTIVE DIRECTORS' REPORT (continued)

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.

For and on behalf of the Board



Brett Miller
Director
8 June 2022



Joe Kenary
Director
8 June 2022

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:

<i>Function</i>	<i>Provider</i>
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 two 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 key material exposure is the CRE/real estate loan portfolio. The realisation of these loans rely on the capital market for refinance and construction loan availability. The refinance and construction loan activity has slowed significantly thus delaying the payment of these loans. Whilst these loans are all in

GROUP STRATEGIC REPORT (continued)

Risks arising due to Covid-19 (continued)

default, these loans are materially backed by hard asset collateral making it more likely to be repaid albeit on a much-delayed basis, but the risk of collection in full as time elapses clearly increases.

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.

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.

GROUP STRATEGIC REPORT (continued)**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 13. 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 2021 is below:

	Dec 2019	Dec 2020	Dec 2021
NAV	48,511,622	16,570,237	9,224,598
(Discount)/Premium to NAV	-34.04%	52.99%	-
Return on Share Price	-18.54%	-16.29%	-

*The Company de-listed on 10 February 2021 and as a result there is no share price information available for 31 December 2021.

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
1 March 2021	Special Dividend	12.5	30 March 2021

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
16 December 2021	Special Dividend	15.00	17 January 2022

Please refer to notes 2 and 9 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 2021
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 2021 amounted to USD 6.1 million

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 as set out in section 172 of the Act have been considered in Board discussions and decision-making. This section of the Act 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.

GROUP STRATEGIC REPORT (continued)**Stakeholders (continued)**

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 is made available on the Company's website and circulated to Shareholders. This report provides 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 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.

GROUP STRATEGIC REPORT (continued)

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 decision taken by the Board during 2021 are summarised below and evidences how the Board had regard to its stakeholders:

Principal decision – cancellation of the Company's share premium account

At the Company's AGM held on 3 November 2021, shareholders unanimously voted in favour of the cancellation of the Company's share premium account. The Board considered the best interests of the Company's stakeholders and agreed that converting the share premium account from an undistributable capital reserve to a realised profit would enable the Company to continue to pay dividends to shareholders and return cash in an orderly manner in line with its investment objective.

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 9 June 2022 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 2021.

Directors

As at 31 December 2021 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

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.

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 2021 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 its 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.

No Shareholders were given management fee rebates during the year (2020: no Shareholders). The Board are committed to ensuring that all Shareholders are treated fairly.

Transfer of Shares

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

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

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

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

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

Restrictions on Voting

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

DIRECTORS' REPORT (continued)

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

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 2 and 4.

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 5 and in notes 2 and 9 on pages 38 and 43 respectively.

Financial Risk Management

The principal financial risks and the Company's policies for managing these risks are set out in note 13 to the financial statements.

Charitable and Political Donations

No political or charitable donations were made during the year (2020: none).

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 3 November 2021, Shareholders unanimously voted in favour of the re-appointment of Crowe U.K. LLP as the Company's auditor for the year ended 31 December 2021. 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.

DIRECTORS' REPORT (continued)

As at 31 December 2021, the audit fees for the Company were \$100,000. See note 6 to the Financial Statements on page 41 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 12 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.

Annual General Meeting

The Annual General Meeting of the Company will be held on Wednesday, 13 July 2022 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 2022, 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 2021 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.

DIRECTORS' REPORT (continued)

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:

2021	<i>Non-Executive Directors' Fee</i>	<i>Non-Executive Directors' Fee</i>	<i>Additional payments</i>	<i>Additional payments</i>	<i>Executive Directors' Fee</i>	<i>Executive Directors' Fee</i>	<i>Total</i>	<i>Total</i>
	<i>(GBP)</i>	<i>(USD)</i>	<i>(GBP)</i>	<i>(USD)</i>	<i>(GBP)</i>	<i>(USD)</i>	<i>(GBP)</i>	<i>(USD)</i>
Director Brendan Hawthorne	50,000	68,412	-	-	-	-	50,000	68,412
Brett Miller	50,000	68,412	-	-	120,000	164,619	170,000	233,031
Joe Kenary	50,000	68,412	-	-	120,000	164,619	170,000	233,031
Total	150,000	205,236	-	-	240,000	329,239	390,000	534,474

2020	<i>Non-Executive Directors' Fee</i>	<i>Non-Executive Directors' Fee</i>	<i>Additional payments</i>	<i>Additional payments</i>	<i>Executive Directors' Fee</i>	<i>Executive Directors' Fee</i>	<i>Total</i>	<i>Total</i>
	<i>(GBP)</i>	<i>(USD)</i>	<i>(GBP)</i>	<i>(USD)</i>	<i>(GBP)</i>	<i>(USD)</i>	<i>(GBP)</i>	<i>(USD)</i>
Director 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	254,103	88,000	100,020	325,192	412,703	613,192	766,826

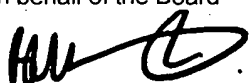
[^] Of the £57,692 paid to Mr Dolenec, £45,000 was paid to his company, Emona Capital LLP. Resigned on 1 April 2020

^{*} Resigned on 31 March 2020

^{**} Resigned on 30 June 2020

This Report was approved by the Board of Directors on 8 June 2022.

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 International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom (UK) 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

This responsibility statement was approved by the Board of Directors on 8 June 2022 and is signed on behalf of the Board.

A handwritten signature in black ink, appearing to be 'BH' followed by a stylized flourish.

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 2021 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 and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom (UK).

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 2021 and of the group's and company's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom;
- 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 22, 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 Company Secretary, the administrator and the Audit Committee concerning actual and potential litigation and claims; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

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.

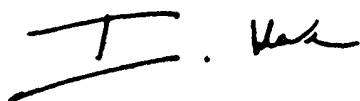
Independent Auditor's Report to the Members of RDL Realisation Plc (continued)

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

13 June 2022

**CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Notes	2021 Group (USD)	2020	2021 Company (USD)	2020
ASSETS					
Non-current assets					
Financial assets at fair value through profit or loss	3	7,660,253	9,841,556	-	151,830
Investment in subsidiaries	5	-	-	8,597,100	15,604,526
Total non-current assets		7,660,253	9,841,556	8,597,100	15,756,356
Current assets					
Financial assets at fair value through profit or loss	3	-	3,760,591	-	-
Advances to/funds receivable from direct lending platforms	4	(6,249)	48,543	-	-
Prepayments and other receivables		49,411	77,595	48,494	73,929
Cash and cash equivalents	11	5,844,440	7,083,772	4,095,972	4,358,969
Total current assets		5,887,602	10,970,501	4,144,466	4,432,898
TOTAL ASSETS		13,547,855	20,812,057	12,741,566	20,189,254
Current liabilities					
Accrued expenses and other liabilities	7	4,323,257	4,504,241	3,516,961	3,881,432
Income tax liability	10	-	-	-	-
Total current liabilities		4,323,257	4,504,241	3,516,961	3,881,432
TOTAL LIABILITIES		4,223,257	4,504,241	3,516,961	3,881,432
NET ASSETS		9,224,598	16,307,816	9,224,605	16,307,822
SHAREHOLDERS' EQUITY					
Capital and reserves					
Share capital	8	427,300	427,300	427,300	427,300
Share premium account	8	-	40,346,947	-	40,346,947
Other reserves	8	106,380,780	72,141,929	106,380,780	72,141,929
Revenue reserves		(16,269,655)	(15,409,603)	(3,838,471)	(2,707,269)
Realised capital profits		(81,219,221)	(82,080,273)	(93,904,825)	(95,264,703)
Unrealised capital losses		(94,606)	881,516	159,821	1,363,618
TOTAL SHAREHOLDERS' EQUITY		9,224,598	16,307,816	9,224,605	16,307,822
NAV per Ordinary Share		0.57	1.01	0.57	1.01

The accompanying notes on pages 35 to 52 are an integral part of these financial statements.

The financial statements for the year ended 31 December 2021 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 8 June 2022.

Signed on behalf of the Board of Directors:



Brendan Hawthorne
Chairman

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

Income	Notes	1 Jan to 31 Dec 21			1 Jan to 31 Dec 20		
		Revenue (USD)	Capital (USD)	Total (USD)	Revenue (USD)	Capital (USD)	Total (USD)
Investment income		1,072,075	-	1,072,075	1,828,326	-	1,828,326
Realised gain on financial assets at fair value through profit or loss		-	-	-	-	57,048	57,048
Foreign exchange gain		-	60,551	60,551	-	-	-
Net gain on financial assets at fair value through profit or loss		-	-	-	-	962,622	962,622
Other income received on loans		-	996,250	996,250	-	291,854	291,854
Other income		13,557	-	13,557	27,242	-	27,242
Bank interest income		-	-	-	50	-	50
		1,085,632	1,056,801	2,142,433	1,855,618	1,311,524	3,167,142
Operating expenditure							
Realised loss on financial assets at fair value through profit or loss		-	20,464	20,464	-	-	-
Net loss on financial assets at fair value through profit or loss		-	1,151,407	1,151,407	-	-	-
Foreign exchange loss		-	-	-	-	372,960	372,960
Investment Management Fees		112,649	-	112,649	488,191	-	488,191
Service and premium fees		72,183	-	72,183	27,433	-	27,433
Company secretarial, administration and registrar fees		347,731	-	347,731	389,958	-	389,958
Other expenses	14	1,413,121	-	1,413,121	2,348,215	-	2,348,215
		1,945,684	1,171,871	3,117,555	3,253,797	372,960	3,626,757
Profit/(loss) before taxation		(860,052)	(115,070)	(975,122)	(1,398,179)	938,564	(459,615)
Taxation	10	-	-	-	-	-	-
(Loss)/profit after tax		(860,052)	(115,070)	(975,122)	(1,398,179)	938,564	(459,615)
(Loss)/profit for the year		(860,052)	(115,070)	(975,122)	(1,398,179)	938,564	(459,615)
Other comprehensive income: items that may be reclassified subsequently to profit and loss:							
Exchange differences on translation of net assets of subsidiary		-	-	-	-	-	(346,011)
Total comprehensive (loss)/income for the year		(860,052)	(115,070)	(975,122)	(1,398,179)	938,564	(805,626)

The accompanying notes on pages 35 to 52 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") as adopted by the United Kingdom ("UK"). 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 2021**

	Notes	1 Jan to 31 Dec 21			1 Jan to 31 Dec 20		
		Revenue (USD)	Capital (USD)	Total (USD)	Revenue (USD)	Capital (USD)	Total (USD)
Income							
Investment income		72,631	-	72,631	374,485	-	374,485
Foreign exchange gain		-	60,551	60,551	-	-	-
Net gain on financial assets at fair value through profit or loss		-	99,270	99,270	-	1,591,545	1,591,545
Dividend from Trust		-	7,370,000	7,370,000	-	29,250,000	29,250,000
Bank interest income		-	-	-	50	-	50
		72,631	7,529,821	7,602,452	374,535	30,841,545	31,216,080
Operating expenditure							
Realised loss on financial assets at fair value through profit or loss		-	3,740	3,740	-	199,270	199,270
Trust Impairment		-	7,370,000	7,370,000	-	29,250,000	29,250,000
Investment Management Fee		14,375	-	14,375	90,604	-	90,604
Foreign exchange loss		-	-	-	-	372,960	372,960
Company secretarial, administration and registrar fees		347,731	-	347,731	375,720	-	375,720
Impairment gain on investment in subsidiaries		-	-	-	-	(344,303)	(344,303)
Other expenses		1,204,301	-	1,204,301	1,712,668	-	1,712,668
		1,566,407	7,373,740	8,940,147	2,178,992	29,477,927	31,656,919
Operating loss		(1,493,776)	156,081	(1,337,695)	(1,804,457)	1,363,618	(440,839)
Income from shares in group undertaking		633,724	(271,150)	362,574	440,220	(425,052)	15,168
Loss/(profit) before tax		(860,052)	(115,069)	(975,121)	(1,364,237)	938,566	(425,671)
Taxation		-	-	-	-	-	-
(Loss)/profit after tax and total comprehensive (loss)/income for the year		(860,052)	(115,069)	(975,121)	(1,364,237)	938,566	(425,671)

The accompanying notes on pages 35 to 52 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") as adopted by the United Kingdom (UK). 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 2021**

	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 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	9	-	-	(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
Balance at 1 January 2021		427,300	40,346,947	72,141,929	(82,080,273)	881,516	(15,409,603)	-	16,307,816
Cancellation of share premium		-	(40,346,947)	40,346,947	-	-	-	-	-
Dividends	9	-	-	(6,108,096)	-	-	-	-	(6,108,096)
Reclassification of capital profits		-	-	-	881,516	(881,516)	-	-	-
Loss for the year		-	-	-	(20,464)	(94,606)	(860,052)	-	(975,122)
Balance at 31 December 2021		427,300	-	106,380,780	(81,219,221)	(94,606)	(16,269,655)	-	9,224,598

The accompanying notes on pages 35 to 52 are an integral part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Share Capital	Share Premium	Other Reserves	Realised Capital Profits/(Losses)	Unrealised Capital Profits/(Losses)	Revenue Reserves	Total
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	9	-	-	(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
Balance at 1 January 2021		427,300	40,346,947	72,141,929	(95,264,703)	1,363,618	(2,707,269)	16,307,822
Cancellation of share premium		-	(40,346,947)	40,346,947	-	-	-	-
Reclassification of capital profits		-	-	-	1,363,618	(1,363,618)	-	-
Dividends	9	-	-	(6,108,096)	-	-	-	(6,108,096)
Total comprehensive income/(loss) for the year		-	-	-	(3,740)	159,821	(1,131,202)	(975,121)
Balance at 31 December 2021		427,300	-	106,380,780	(93,904,825)	159,821	(3,838,471)	9,224,605

The accompanying notes on pages 35 to 52 are an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	1 Jan to 31 Dec 2021 (USD)	1 Jan to 31 Dec 2020 (USD)
Loss for the year		(975,122)	(459,615)
Adjustments for:			
Net loss on financial assets at fair value through profit or loss		(88,137)	(2,388,798)
Investment income		(1,072,075)	(1,828,326)
Foreign exchange loss		-	(346,011)
Operating cash flows before movements in working capital		(2,135,334)	(5,022,750)
Decrease in other current assets and prepaid expenses		28,184	3,056
(Decrease)/increase in accrued expenses and other liabilities		(180,984)	3,130,369
Decrease in funds receivable from direct lending platforms – net		54,792	553,920
Net cash flows used in by operating activities		(2,233,342)	(1,335,405)
Investing activities			
Proceeds from partial redemption of financial assets at fair value through profit or loss	3	6,030,031	26,297,724
Investment income received		1,072,075	1,828,326
Net cash flows generated from investing activities		7,102,106	28,126,050
Financing activities			
Dividends paid	9	(6,108,096)	(31,398,180)
Net cash flows used in financing activities		(6,108,096)	(31,398,180)
Net change in cash and cash equivalents		(1,239,332)	(4,607,535)
Cash and cash equivalents at the beginning of the year		7,083,772	11,691,307
Cash and cash equivalents at the end of the year	11	5,844,440	7,083,772

The accompanying notes on pages 35 to 52 are an integral part of these financial statements.

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

		1 Jan to 31 Dec 2021 (USD)	1 Jan to 31 Dec 2020 (USD)
Loss for the year		(975,121)	(425,671)
Adjustments for:			
Dividend income/income from shares in group undertaking		(7,732,574)	(29,265,168)
Investment income		(72,631)	(374,485)
Foreign exchange loss		-	(3,078)
Impairment loss on investment in subsidiaries	5	7,370,000	29,250,000
Net gain on financial assets at fair value through profit or loss		(526,007)	(1,812,349)
Realised loss/(gain) on financial asset at fair value through profit or loss		173,041	(124,451)
Operating cash flows before movements in working capital		(1,763,292)	(2,755,202)
Decrease in other current assets and prepaid expenses and receivable from broker excluding receivable from issuance of management shares		25,435	-
Decrease in other current assets and prepaid expenses		-	5,805
(Decrease)/increase in accrued expenses and other liabilities		(364,471)	3,332,957
Net cash flows (used in)/generated from operating activities		(2,102,328)	583,560
Investing activities			
Proceeds from partial redemption of financial assets at fair value through profit or loss	3	504,796	4,306,966
Investments in subsidiary undertakings		-	(32,466)
Investment income received		72,631	374,485
Dividend income received		7,370,000	29,250,000
Net cash flows generated from investing activities		7,947,427	33,898,985
Financing activities			
Dividends paid	9	(6,108,096)	(31,398,180)
Net cash flows used in financing activities		(6,108,096)	(31,398,180)
Net change in cash and cash equivalents		(262,997)	3,084,365
Cash and cash equivalents at the beginning of the year		4,358,969	1,274,604
Cash and cash equivalents at the end of the year	11	4,095,972	4,358,969

The accompanying notes on pages 35 to 52 are an integral part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****1. GENERAL INFORMATION**

The Company was incorporated and registered in England and Wales on 25 March 2015 and commenced operations on 1 May 2015. 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. 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.

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 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 13. 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 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

New Accounting Standards, amendments to existing Accounting Standards and/or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") adopted during the current year

The Directors have assessed the impact, or potential impact, of all New Accounting Requirements. In the opinion of the Directors, there are no mandatory New Accounting Requirements applicable in the current period that are relevant and/or material to the Company. Consequently, no such mandatory New Accounting Requirements are listed. The Company has not early adopted any New Accounting Requirements that are not mandatory.

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

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

Use of estimates, judgements and assumptions

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

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

Key source of estimation uncertainty – fair value of financial assets at fair value through profit or loss

The determination of fair values based on available market data requires significant credit judgement by the Group.

Management has applied certain estimated potential impairments to these financial instruments as of 31 December 2021. For the material financial instrument positions at 31 December 2021, a combination of factors was taken into consideration, see note 13 and the Principal Risks and Uncertainties in Group Strategic Report.

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

Functional and presentation currency

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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").

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.

- 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****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 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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****2. SIGNIFICANT ACCOUNTING POLICIES (continued)****Cash and cash equivalents**

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

Segmental reporting

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

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

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

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 2021

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 21 (Group) USD	31 Dec 20 (Group) USD	31 Dec 21 (Company) USD	31 Dec 20 (Company) USD
Opening fair value	13,602,147	37,511,073	151,830	2,800,088
Redemptions	(6,030,031)	(26,297,724)	(504,796)	(4,306,965)
Gain on financial assets through profit and loss	88,137	2,388,798	352,966	1,658,707
Closing balance	7,660,253	13,602,147	-	151,830

No material assets were sold post the year end therefore all 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 13 for the valuation of financial assets at fair value through profit or loss.

4. ADVANCES TO/FUNDS RECEIVABLE FROM DIRECT LENDING PLATFORMS

	31 Dec 21 (Group) USD	31 Dec 20 (Group) USD	31 Dec 21 (Company) USD	31 Dec 20 (Company) USD
Other direct lending platforms	(6,249)	48,543	-	-
	(6,249)	48,543	-	-

5. INVESTMENT IN SUBSIDIARIES

	31 Dec 21 (Company) USD	31 Dec 20 (Company) USD
Investment in RDL Trust		
Balance at beginning of the year	15,604,526	44,839,358
Profit made during the year by the Trust	362,574	15,168
Distributions paid from the Trust	(7,370,000)	(29,250,000)
Balance at end of the year	8,597,100	15,604,526

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

6. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	31 Dec 21 (Group) USD	31 Dec 20 (Group) USD	31 Dec 21 (Company) USD	31 Dec 20 (Company) USD
Revaluation gain on financial assets through profit or loss	1,151,407	962,622	99,270	1,591,545
Foreign exchange loss/(gain) - net	(60,551)	(372,960)	(60,551)	372,960
	1,090,856	(589,662)	38,719	1,964,505

	31 Dec 21 (Group) USD	31 Dec 20 (Group) USD
Audit fees for annual financial statements: RDLF	100,000	99,000
	100,000	99,000

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	31 Dec 21 (Group) USD	31 Dec 20 (Group) USD	31 Dec 21 (Company) USD	31 Dec 20 (Company) USD
Investment Management fees payable		-	7,963	-	7,963
Dividend payable		3,273,358	3,521,506	3,273,358	3,521,506
Legal fee payable		83,272	55,696	83,272	55,696
Interest received in advance		20,947	20,947	-	-
Service and premium fee payable		622,222	551,545	-	-
Audit fee payable		67,500	110,000	67,500	110,000
Administration fee payable		63,021	60,747	63,021	60,747
Registrar and Secretarial fees payable		7,916	8,238	7,916	8,238
Consultancy fees payable		20,000	20,000	20,000	20,000
Directors' fees payable	12	-	85,087	-	85,087
Other payables		165,021	62,512	1,894	12,195
Total		4,323,257	4,504,241	3,516,961	3,881,432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

8. SHARE CAPITAL AND SHARE PREMIUM

The table below shows the total issued share capital as at 31 December 2021 and 31 December 2020.

	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 question 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.

On 3 November 2021, Shareholders unanimously approved the cancellation of the Company's share premium account, and the cancellation came into effect on 6 December 2021. The cancellation will enable the Company to continue paying dividends to Shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021
9. 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. 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 6.1 million or 28.00p (USD 38.00 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 21 (Group)	1 Jan to 31 Dec 20 (Group)
Ordinary Shares dividends declared and paid:			
Special dividends on 23 February 2021	12.5	2,902,128	-
Special dividends on 15 December 2021	15.0	3,205,968	-
Special dividends on 8 January 2020	33.0	-	7,000,000
Special dividends and Interim dividends in 2019 (in respect of 2019 results)	106.0	-	20,954,709
Special dividends on 10 December 2020	16.0	-	3,443,471
Total dividends paid during the year		6,108,096	31,398,180

10. 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, which means that all the Companies profits and capital gains, should they arise, will be subject to corporation tax in full.

	31 Dec 21 Revenue USD	31 Dec 21 Capital USD	31 Dec 21 Total USD
Corporation tax	-	-	-
Current year	-	-	-
Tax credit for the year	-	-	-
	31 Dec 20 Revenue USD	31 Dec 20 Capital USD	31 Dec 20 Total USD
Current year	-	-	-
Tax expense for the year	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

10. TAXATION (continued)

The tax reconciliation is as follows:

	31 Dec 21 Revenue USD	31 Dec 21 Capital USD	31 Dec 21 Total USD
Loss before tax	(860,052)	(115,070)	(975,122)
Tax at the standard UK corporation tax rate of 19%	(163,410)	(21,863)	(185,273)
Effects of:			
– Adjustment for current tax of prior period	(262,421)	-	(262,421)
– Capital gains/loan relationships	-	21,863	21,863
– Unrecognised deferred tax asset	425,831	-	425,831
Tax expense	-	-	-

	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	-	-	-

As at 31 December 2021, tax credit of USD nil (2020: tax credit of USD nil) was provided for in respect of the net loss of the Company for the year.

A deferred tax asset of USD 425,831 (2020: USD 262,421) 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 2021**

11. CASH AND CASH EQUIVALENTS

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

	31 Dec 21 (Group) USD	31 Dec 20 (Group) USD	31 Dec 21 (Company) USD	31 Dec 20 (Company) USD
Cash at bank	5,844,440	7,083,772	4,095,972	4,358,969
	5,844,440	7,083,772	4,095,972	4,358,969

12. RELATED PARTIES

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

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

	31 Dec 21 (Group) USD	31 Dec 20 (Group) USD
Chairman	68,412	114,056
Other Directors	466,062	685,847
Total	534,474	799,903

As at 31 December 2021, USD nil (2020: USD 85,087) was accrued for Directors' remuneration.

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

The 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 2021, amounts owed by undertaking relating to the Trust's net income was USD 362,574 (2020: USD 15,168).

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. RDLZ was dissolved on 17 November 2020 and therefore the Company no longer had to pay RDLZ expenses amounting to USD nil. (2020: USD 32,467).

13. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

13. FINANCIAL RISK MANAGEMENT (continued)

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.	<p>Remuda monitors the Company's exposure to foreign currencies on a monthly basis and reports to the Board at each Board meeting.</p> <p>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.</p> <p>The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.</p>

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

	31 Dec 21 (Group) USD	31 Dec 20 (Group) USD
United States Dollars	5,378,040	11,964,395
Great British Pounds	3,615,199	4,080,708
Canadian Dollars	231,359	262,713
	9,224,598	16,307,816

Sensitivity analysis

	31 Dec 21 (Group) USD	31 Dec 20 (Group) USD
Great British Pounds	180,760	204,035
Canadian Dollars	11,568	13,136
Effect on Revenue return after taxation	192,328	217,171

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

13. FINANCIAL RISK MANAGEMENT (continued)

Maturity of financial assets and liabilities:

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

	31 Dec 21	31 Dec 21	31 Dec 20	31 Dec 20
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
			USD	USD
Within one year	5,787,602	4,223,257	7,209,910	4,504,241
In more than one year but not more than five years	7,660,253	-	13,602,147	-
	13,447,855	4,223,257	20,812,057	4,504,241

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.

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 21	31 Dec 20
	USD	USD
Effect on Revenue return	1,903	260,361

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 2% (2020: 18%).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

13. FINANCIAL RISK MANAGEMENT (continued)

The maximum exposure to credit risk was as follows:

	31 Dec 21	31 Dec 20
	(Group)	(Group)
	USD	USD
Financial assets at fair value through profit or loss	7,660,253	13,602,147
Advances to/funds receivable from direct lending platforms	(106,249)	48,543
Prepayments and other receivables	49,441	77,595
Cash and cash equivalents	5,844,440	7,083,772
	13,447,855	20,812,057

On 31 December 2021, the majority of the Group's cash was held at HSBC plc. HSBC has a long-term credit rating of from Moody's A1 and A+ from Standard and Poor's.

The Group's operating and foreign exchange accounts are held with Truist Financial Corporation (formerly known as SunTrust Bank) as at 31 December 2021. Truist has a long-term deposit credit rating of AA3 from Moody's and AA- from Fitch. Moody's has rated Truist A2.

Given these ratings, 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 Kroll when deriving their valuation.

Our accounts are then adjusted to mark to market based the Kroll 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.

Credit and counterparty risk

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

13. FINANCIAL RISK MANAGEMENT (continued)

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 2021. 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 6,600 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 168,000 approximately.

Fair value hierarchy

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

- 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

13. FINANCIAL RISK MANAGEMENT (continued)

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

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

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

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

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

	Level 1 (USD)	Level 2 (USD)	Level 3 (USD)	Total (USD)
31 December 2021				
Financial assets	-	-	7,660,253	7,660,253
Financial liabilities	-	-	-	-

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

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

	31 Dec 21 (Group) (USD)	31 Dec 20 (Group) (USD)
Opening Balance	13,602,147	24,027,573
Disposals / Redemptions	(6,030,031)	(12,814,224)
Gain on financial assets	88,137	2,388,798
Closing balance	7,660,253	13,602,147

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. OTHER EXPENSES

	31 Dec 21 (Group) USD	31 Dec 20 (Group) USD
Legal fees	383,099	807,166
Auditor remuneration	76,422	160,093
Directors' fees	567,513	791,184
Regulatory fees	9,708	41,368
Consultancy fees	240,833	318,593
Other expenses	135,546	229,811
	1,413,121	2,348,215

15. OPERATING SEGMENTS

Geographical information

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

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

Revenues

The Group's revenues are currently generated from the United States of America ("USA"), United Kingdom ("UK") and Canada. The total investment income generated from the USA and Canada amounted to USD 999,444 and USD 72,631 respectively (2020: USA and Canada amounted to USD 1,453,841 and USD 374,485 respectively).

Non-current assets

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

16. 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

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. COMMITMENTS

As at 31 December 2021, the Company had no outstanding commitments (2020: none).

18. ULTIMATE CONTROLLING PARTY

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

19. 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.

COMPANY INFORMATION

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