

RM SECURED DIRECT LENDING PLC

SECTION 838 COMPANIES ACT 2006

INTERIM ACCOUNTS (UNAUDITED)

**SIX MONTH PERIOD ENDED
30 JUNE 2018**

The Company is registered in England and Wales with registered number 10449530

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Condensed Unaudited Statement of Comprehensive Income

	For the six month period ended 30 June 2018 (Unaudited)			For the period from incorporation on 27 October 2016 to 30 June 2017 (Unaudited)			For the period from incorporation on 27 October 2016 to 31 December 2017 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	-	(416)	(416)	-	(376)	(376)	-	(853)	(853)
Income	3,788	-	3,788	806	-	806	3,586	-	3,586
Investment management fee	(424)	-	(424)	(139)	-	(139)	(370)	-	(370)
Other expenses	(457)	(124)	(581)	(444)	-	(444)	(777)	-	(777)
Return before finance costs and taxation	2,907	(540)	2,367	223	(376)	(153)	2,439	(853)	1,586
Finance costs	(144)	(354)	(498)	(3)	-	(3)	(32)	(174)	(206)
Return on ordinary activities before taxation	2,763	(894)	1,869	220	(376)	(156)	2,407	(1,027)	1,380
Taxation	-	-	-	-	-	-	(44)	44	-
Return on ordinary activities after taxation	2,763	(894)	1,869	220	(376)	(156)	2,363	(983)	1,380
Return per Ordinary Share (pence)	4.03p	(1.30p)	2.73p	0.43p	(0.73p)	(0.30p)	4.35p	(1.81p)	2.54p

The total column of this statement is the profit and loss account of the Company.

All the revenue and capital items in the above statement derive from continuing operations.

'Return on ordinary activities after taxation' is also the 'Total comprehensive income for the period'.

The notes on pages 5 and 6 form an integral part of these financial statements.

Condensed Unaudited Statement of Financial Position

	As at 30 June 2018 £'000	As at 30 June 2017 £'000	As at 31 December 2017 (Audited) £'000
Fixed assets			
Investments at fair value through profit or loss	99,166	42,299	76,957
Current assets			
Receivables	1,472	352	1,069
Cash and cash equivalents	9,290	15,946	15,441
	10,762	16,298	16,510
Payables: amounts falling due within one year			
Payables	(2,362)	(2,687)	(7,624)
C Shares in issue	(11,176)	-	(29,574)
	(13,538)	(2,687)	(37,198)
Net current assets	(2,776)	13,611	(20,688)
Non-current liabilities			
Amount due to subsidiary undertaking	(10,963)	-	-
Net assets	85,427	55,910	56,269
Capital and reserves: equity			
Share capital	874	573	573
Share premium	33,700	6,853	6,845
Capital redemption reserve	2,699	-	-
Special reserve	48,502	48,640	48,502
Capital reserve	(1,877)	(376)	(983)
Revenue reserve	1,529	220	1,332
Total Shareholders' funds	85,427	55,910	56,269

The financial statements of the Company were approved and authorised for issue by the Board of Directors on 9 August 2018 and signed on their behalf by:

Norman Crighton
Director



The notes on pages 5 and 6 form an integral part of these financial statements.

Condensed Unaudited Statement of Changes in Equity

For the six months ended 30 June 2018

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance as at beginning of the period	573	6,845	-	48,502	(983)	1,332	56,269
Return on ordinary activities	-	-	-	-	(894)	2,763	1,869
C Shares conversion to Ordinary Shares	301	26,855	2,699	-	-	-	29,855
Dividend paid	-	-	-	-	-	(2,566)	(2,566)
Balance as at 30 June 2018	874	33,700	2,699	48,502	(1,877)	1,529	85,427

For the period from incorporation on 27 October 2016 to 30 June 2017

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance as at beginning of the period	-	-	-	-	-	-	-
Return on ordinary activities	-	-	-	-	(376)	220	(156)
Issue of Ordinary Shares	573	56,815	-	-	-	-	57,388
Transfer to special reserve	-	(48,755)	-	48,755	-	-	-
Share issue costs	-	(1,207)	-	-	-	-	(1,207)
Dividend paid	-	-	-	(115)	-	-	(115)
Balance as at 30 June 2017	573	6,853	-	48,640	(376)	220	55,910

For the period from incorporation on 27 October 2016 to 31 December 2017 (Audited)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance as at beginning of the period	-	-	-	-	-	-	-
Return on ordinary activities	-	-	-	-	(983)	2,363	1,380
Issue of Ordinary Shares	573	56,815	-	-	-	-	57,388
Share issue costs	-	(1,215)	-	-	-	-	(1,215)
Transfer to special reserve	-	(48,755)	-	48,755	-	-	-
Special reserve costs	-	-	-	(24)	-	-	(24)
Dividend paid	-	-	-	(229)	-	(1,031)	(1,260)
Balance as at 31 December 2017	573	6,845	-	48,502	(983)	1,332	56,269

The notes on pages 5 and 6 form an integral part of these financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. General information

RM Secured Direct Lending plc (the "Company") was incorporated in England and Wales on 27 October 2016 with registered number 10449530, as a closed-ended investment company. The Company commenced its operations on 15 December 2016. The Company is an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

2. Basis of preparation and significant accounting policies

These unaudited interim accounts have been prepared in accordance with the Companies Act 2006 and applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), subject to matters that are not material for determining whether a dividend would contravene the Companies Act 2006. The accounting policies applied by the Company are the same as those disclosed in its Annual Report and Accounts for the period ended 31 December 2017, and have been applied consistently throughout the six months ended 30 June 2018.

Going concern

The Directors have considered and adopted the going concern basis in preparing these unaudited interim accounts. The Directors are satisfied that it is appropriate to adopt the going concern basis in preparing these unaudited interim accounts based on the following assessment.

The Directors have a reasonable expectation that the Company has adequate operational resources to continue in existence for at least twelve months from the date of approval of these unaudited interim accounts. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income, expenses and other outflows. The Directors are satisfied that the Company has substantial operating expenses cover.

3. Income

	Six months ended 30 June 2018 £'000	Period ended 30 June 2017 £'000	Period ended 31 December 2017 £'000
Income from investments			
Bond and loan interest	3,382	754	2,834
Bank interest	4	17	20
Arrangement fees	171	-	142
Loan redemption fees	228	-	531
Other income	3	35	59
Total	3,788	806	3,586

4. Share Capital

	As at 30 June 2018		As at 30 June 2017		As at 31 December 2017	
	No. of Shares	£'000	No. of Shares	£'000	No. of Shares	£'000
Allotted, issued & fully paid:						
Ordinary Shares of 1p	87,415,374	874	57,300,000	573	57,300,000	573
C Shares of 10p	11,329,363	1,133	-	-	30,000,000	3,000

Share movement

The table below sets out the share movement from 1 January 2018 to 30 June 2018.

	Opening balance	Shares issued	Share conversions	Shares in issue at 30 June 2018
Ordinary Shares	57,300,000	-	30,115,374	87,415,374
C Shares	30,000,000	11,329,363	(30,000,000)	11,329,363

On 16 March 2018, 30,000,000 C Shares were converted into 30,115,374 new Ordinary Shares of 1p each using the Conversion Ratio as calculated in accordance with the terms set out in the Company's Articles of Association. The Conversion Ratio of 1.00384581 Ordinary Shares of 1p each for each C Share was calculated by reference to the net asset value per share attributable to the Ordinary Shareholders of the Company and the C Shareholders as at close of business on 28 February 2018. Based on the Conversion Ratio, a holder of 1,000 C Shares received 1,003 new Ordinary Shares upon Conversion.

The Ordinary Shares arising on Conversion rank pari passu with, and have the same rights as, the Ordinary Shares of the Company already in issue, including the right to receive dividends.

On 3 April 2018 11,329,363 C Shares were issued and allotted, raising gross proceeds of £11,329,363 pursuant to the Offer for Subscription, Initial Placing and Initial Intermediaries Offer of C Shares of 10 pence each ("C Shares") at a issue price of 100 pence each. These C Shares converted into 11,309,207 Ordinary Shares following the period end. Therefore there are 98,724,581 Ordinary Shares in issue at the date of approval of these interim accounts.

5. Dividend

The Company's distributable reserves comprise: the Company's Revenue reserve, realised profits attributable to the Capital reserve and the Special reserve.

On 23 May 2018, the Directors approved the payment of an interim dividend at the rate of 1.625 pence per Ordinary Share. The dividend had a record date of 8 June 2018 and was paid on 29 June 2018. The dividend was funded from the Company's Revenue reserve.

On 7 August 2018, the Directors approved the payment of an interim dividend at the rate of 1.625 pence per Ordinary Share. The dividend will have a record date of 17 August 2018 and will be payable on 14 September 2018. The dividend will be funded from the Company's Distributable reserves.

6. Subsequent events

There are no significant post balance sheet events other than as disclosed in this report.