

RM SECURED DIRECT LENDING PLC

SECTION 838 COMPANIES ACT 2006

**INTERIM ACCOUNTS (UNAUDITED)
NINE MONTH PERIOD END
30 September 2018**

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

THURSDAY



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29/11/2018
COMPANIES HOUSE

Condensed Statement of Comprehensive Income

	For the nine month period ended 30 September 2018 (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
Loss on investments	-	(827)	(827)	-	(853)	(853)
Income	5,902	-	5,902	3,586	-	3,586
Investment management fee	(657)	-	(657)	(370)	-	(370)
Other expenses	(701)	(124)	(825)	(777)	-	(777)
Return before finance costs and taxation	4,544	(951)	3,593	2,439	(853)	1,586
Finance costs	(266)	(354)	(620)	(32)	(174)	(206)
Return on ordinary activities before taxation	4,278	(1,305)	2,973	2,407	(1,027)	1,380
Taxation	-	-	-	(44)	44	-
Return on ordinary activities after taxation	4,278	(1,305)	2,973	2,363	(983)	1,380
Return per Ordinary Share (pence)	5.15p	(1.57p)	3.58p	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 4 to 5 form an integral part of these financial statements.

Condensed Statement of Financial Position

	As at 30 September 2018 (Unaudited) £'000	As at 31 December 2017 (Audited) £'000
Fixed assets		
Investments at fair value through profit or loss	97,318	76,957
Current assets		
Receivables	1,605	1,069
Cash and cash equivalents	10,123	15,441
	11,728	16,510
Payables: amounts falling due within one year		
Payables	(1,887)	(7,624)
C Shares in issue	-	(29,574)
Net current assets/(liabilities)	9,841	(20,688)
Non-current liabilities		
Zero Dividend Preference Shares	(11,059)	-
Net assets	96,100	56,269
Capital and reserves: equity		
Share capital	987	573
Share premium	43,741	6,845
Special reserve	48,403	48,502
Capital redemption reserve	3,719	-
Capital reserve	(2,288)	(983)
Revenue reserve	1,538	1,332
Total Shareholders' funds	96,100	56,269
NAV per share – Ordinary Shares (pence)	97.34p	98.59p

The condensed interim financial statements of the Company were approved and authorised for issue by the Board of Directors on 27 November 2018 and signed on their behalf by:



Norman Crighton
Director

The notes on pages 4 to 5 form an integral part of these financial statements.

Condensed Statement of Changes in Equity

For the nine month period ended 30 September 2018 (Unaudited)

	Share capital	Share premium	Capital redemption reserve	Special reserve	Capital reserve	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2018	573	6,845	-	48,502	(983)	1,332	56,269
Return on ordinary activities	-	-	-	-	(1,305)	4,278	2,973
C Shares conversion to Ordinary Shares	414	36,896	3,719	-	-	-	41,029
Dividend paid	-	-	-	(99)	-	(4,072)	(4,171)
Balance as at 30 September 2018	987	43,741	3,719	48,403	(2,288)	1,538	96,100

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

	Share capital	Share premium	Capital redemption reserve	Special reserve	Capital reserve	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2018	-	-	-	-	-	-	-
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

Distributable reserves comprise: the Revenue reserve, realised profits attributable to Capital reserve and Special reserve.

Share capital represents the nominal value of shares that have been issued. The Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from Share premium.

The notes on pages 4 to 5 form an integral part of these financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM ACCOUNTS

For the nine month period ended 30 September 2018

1. Significant accounting policies

The accounting policies set out below have been applied in preparing the unaudited interim accounts for the nine months ended 30 September 2018.

Basis of preparation

These unaudited condensed 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. Accounting policies applied by the Company are the same as those disclosed in its annual Report and Accounts for the year ended 31 December 2017, and have been applied consistently throughout the reporting period ended 30 September 2018.

Going concern

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

2. Income

	Period ended 30 September 2018 £'000	Period ended 31 December 2017 £'000
Income from investments:		
Bond and loan interest	5,453	2,834
Bank interest	4	20
Arrangement fees	209	142
Loan redemption fees	228	531
Other income	8	59
Total	5,902	3,586

3. Share capital

	Period ended 30 September 2018		Period ended 31 December 2017	
	No. of Shares	£'000	No. of Shares	£'000
Allotted, issued & fully paid:				
Ordinary Shares of 1 pence	98,724,581	987	57,300,000	573
C Shares of 10 pence	-	-	30,000,000	3,000

Share movement

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

	Opening balance	Shares issued	Share conversions	Shares in issue at 30 September 2018
Ordinary Shares	57,300,000	-	41,424,581	98,724,581
C Shares	30,000,000	11,329,363	(41,329,363)	-

On 18 July 2018, 11,329,363 C Shares were converted into 11,309,207 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 0.99822092 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 30 June 2018. Based on the Conversion Ratio, a holder of 1,000 C Shares will receive 998 new Ordinary Shares upon Conversion.

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 will 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 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 unaudited condensed interim accounts.

4. Dividend

On 27 November 2018, the Directors approved the payment of an interim dividend at the rate of 1.625p per Ordinary Share. The dividend will have a record date of 7 December 2018 and will be paid on 28 December 2018. The dividend will be funded from the Company's distributable reserves.