P2P GLOBAL INVESTMENTS PLC

INTERIM REPORT FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

The Directors are pleased to present the Interim Report and Financial Statements of P2P Global Investments plc (the "Company") for the period ended 30 June 2019, a copy of the Company's Interim Report will shortly be available to view and download from the Company's website, www.p2pgi.com

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into or forms part of this announcement.

STRATEGIC REPORT

INVESTMENT OBJECTIVE

The investment objective of P2P Global Investments plc (the “Company”) and its subsidiaries (together, the “Group”) is to provide shareholders with an attractive level of dividend income through exposure to investments in alternative finance and related instruments. The Company wants to achieve investment diversification across originators, geographies, loan asset classes. The policy was updated on 19 December 2017, with the aim of using the Company’s revised strategy to capitalise on opportunities that present themselves to enhance the Company’s returns.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	30 June 2019	30 June 2018	31 December 2018
NET ASSET VALUE			
NET ASSET VALUE (CUM INCOME) (£’000)[1]	722,288	741,976	733,449
NET ASSET VALUE (EX INCOME) (£’000)[2]	712,255	734,964	721,711
MARKET CAPITALISATION (£’000)[3]	632,294	624,648	610,229
PER SHARE METRICS			
SHARE PRICE (AT CLOSE)[4]	844.0p	805.0p	802.0p
NAV PER SHARE (CUM INCOME)	964.1p	956.2p	963.9p
NAV PER SHARE (EX INCOME)	950.7p	947.2p	948.5p
INTERIM DIVIDENDS PAID[5]	24.0p	24.0p	48.0p
SHARES IN ISSUE	74,916,368	77,596,082	76,088,401
SHARE BUYBACK IN YEAR	1,172,033	2,239,467	3,747,148
KEY RATIOS			

[1] NET ASSET VALUE (CUM INCOME): will include all income not yet moved to reserves (both revenue and capital income), less the value of (i) any dividends paid in respect of that income and (ii) any dividends in respect of that income which have been declared and marked ex dividend but not yet paid.

[2] NET ASSET VALUE (EX INCOME): will be the NAV (Cum Income) excluding net income (both revenue and capital income) that is yet to be transferred to reserves as described below. For this purpose net income will comprise all income not yet moved to reserves (both revenue and capital income), less the value of (i) any dividends paid in respect of that income and (ii) any dividends in respect of that income which have been declared and marked ex dividend but not yet paid. Any income in respect of a financial year, which is intended to remain undistributed will be moved to reserves on the first business day of the immediately following year, meaning that each figure for NAV (Ex-Income) reported during a financial year will equate to the NAV (Cum Income) less undistributed income which has not been moved to reserves.

[3] MARKET CAPITALISATION: the closing mid-market share price multiplied by the number of shares outstanding at month end.

[4] SHARE PRICE (AT CLOSE): closing mid-market share price at month end (excluding dividends reinvested).

[5] INTERIM DIVIDENDS: dividends relating to 6 months to June 2019 were paid in May, dividends relating to 2018 financial year were paid in June 2018, September 2018, December 2018 and March 2019. Dividends relating to 6 months to May 2018 were paid in August 2018.

DISCOUNT[3] [1]	(12.5%)	(15.8)%	(16.8)%
ANNUAL NAV PER SHARE RETURN[2]	5.1%	3.3%	5.2%
ITD TOTAL NAV PER SHARE RETURN[3] [4]	23.5%	16.5%	20.5%
CONTINUING PORTFOLIO[5]	90%	70%	84%
LEGACY PORTFOLIO[6]	10%	30%	16%

Chairman's Statement

INTRODUCTION

I am pleased to present P2P Global Investments PLC's Interim Report, which covers the period from 1 January 2019 to 30 June 2019.

While 2018 was a period of repositioning, the first six months of 2019 has seen the continuation of the clear investment strategy implemented by the Investment Manager. The Investment Manager continues to deliver on their strategy of focusing on proven specialist partners within the UK, rebuilding the US business with a focus on specialist assets while at the same time actively exploring opportunities in Europe.

The approach remains unchanged as the investment focus remains on specialist asset classes and building relationships with strong new partners that provide security and attractive risk adjusted yields. The legacy book of loans originated through predominately unsecured consumer Platforms remains in run off, as part of this, there has been continued progress made in this transition with 90 per cent[7] of the portfolio at 30 June 2019 now invested in continuing assets and the legacy portfolio, predominantly US and UK consumer assets originated before the change in investment manager, down to 10 per cent.

The underlying portfolio performance remained stable with strong returns, ahead of target on the continuing portfolio offset in part by the discontinued portfolio and non-yielding equity assets. The effect of fund expenses & leverage were stable during the period. The drag caused by the discontinued assets continues to manifest itself in below target net returns. As previously announced the Company's equity investment in Urica Limited was written down in June 2018. Following the write down, the Company no longer has any material credit exposure related to Urica. There remains some administration work to complete the final aspects of the workout and closure of the platform, which is expected to be completed before the end of the year.

During the year the Company introduced five new Platforms, with three benefiting from structural protection with the borrower providing first loss equity. In April 2019, the Company successfully completed the £187 million securitisation of Funding Circle loans ("SBOLT 2019"). This transaction improved the financing terms of the portfolio with the majority of the senior bonds sold and the junior tranches retained. The Company ceased purchasing loans from Funding Circle in Q4 2018 as part of the strategy to focus on structured loans which offer downside protection.

[1] PREMIUM/(DISCOUNT): the amount by which the price per share of an investment trust is either higher (at a premium) or lower (at a discount) than the net asset value per share (cum income), expressed as a percentage of the net asset value per share.

[2] ANNUAL NAV PER SHARE RETURN: is calculated as Net Asset Value (Cum Income) at the end of the year, plus dividends declared during the year, divided by NAV (Cum Income) calculated on a per share basis at the start of the year.

[3] ITD: inception to date – excludes issue costs.

[4] TOTAL NAV PER SHARE RETURN: is calculated as Net Asset Value (Cum Income) at the end of the year, plus dividends declared during the year, divided by NAV (Cum Income) calculated on a per share basis at the start of the year.

[5] CONTINUING PORTFOLIO: portfolio of Platforms that the Group has originated through in 2018 and 2019 calculated based on NAV exposure to investment assets as a percentage of total NAV before deducting topco debt, excluding cash, working capital and equity positions.

[6] LEGACY PORTFOLIO: portfolio of Platforms that the Group has not originated through in 2018 and 2019 (predominately Consumer Platforms) calculated based on NAV exposure to investment assets as a percentage of total NAV before deducting topco debt excluding cash, working capital and equity positions.

[7] Portfolio based on NAV exposure to investment assets held at amortised cost as a percentage of total NAV before deducting topco debt excluding cash, working capital and equity positions.

INVESTMENT PERFORMANCE AND DIVIDENDS

The Company delivered an annualised Net Asset Value ("NAV") return of 5.1 per cent (H1 2018: 3.3 per cent) and declared dividends of 24.0 pence (H1 2018: 24.0 pence) per ordinary share in relation to the first half of 2019. The dividend payments were fully covered by earnings and the special distributable reserve was not utilised. The dividend return was 4.8 per cent (H1 2018: 4.8 per cent).

The Group experienced expected credit losses of £11.3 million (H1 2018: £19.6 million) which is 42 per cent lower than the comparable prior year period. The significant reduction shows the continued progress that has been made in transitioning the portfolio to secured and specialist asset classes. The continued reduction in exposure to certain mainstream consumer assets through natural runoff is the key driver behind the reduction in bad debt.

The Company has continued to increase its exposure during the year to property backed and structured lending where the originator has first loss equity ahead of the Company's exposure. Throughout the first half of 2019 the Company has continued to build its allocation of these assets, building this part of the portfolio to over 66 per cent of the continuing portfolio. Strong partnerships have been developed with several new lenders.

Following the refinancing of the Company's topco debt facility at the end of 2018 the Group has implemented two new asset specific leverage structures. These provide a more flexible leverage strategy tailored to the assets within the structures as well as aligning the currency of the leverage currency with the underlying assets of the Group. This reduces the need for foreign currency hedging.

Following the period end, on 23 August 2019 the Company reached an agreement to sell the entirety of its interests in Castlehaven Finance ("Castlehaven"), an alternative development and bridging finance lender in Ireland, to Avenue Capital Group. Since the Company partnered with Castlehaven in 2016 it has provided financing to it in excess of €385 million. The sale of the Company's interests includes a 25 per cent equity stake along with other loan and debt interests. The gross proceeds from the sale are approximately €250 million a portion of which is payable on a deferred basis. This represents a modest premium to the Company's holding value of those interests.

SHARE PRICE AND BUYBACKS

The Company's share price (at close) was 844.0 pence (30 June 2018: 805.0 pence), with the discount narrowing to 12.5 per cent at 30 June 2019 (30 June 2018: 15.8 per cent). The shares traded at a discount to NAV in the range of -10.8 per cent to -15.9 per cent during the first half of the year. As part of its investment strategy, the Company has continued with its share buyback program and during the first half of 2019 1,172,033 (H1 2018: 2,239,467) ordinary shares in issue were repurchased at an average price of 819.7 pence per ordinary share (H1 2018: 803.0 pence per ordinary share).

OUTLOOK

The Board is confident that the continued commitment to the investment strategy has positioned the Company to allow it to take advantage of attractive opportunities that present themselves and allows us to grow and diversify our portfolio. The strategy has been effective since it has been implemented, and therefore we plan to continue in the same fashion. The clear strategy in place will need to be protected, refined and advanced so that the strong discipline in assessing risk adjusted returns is maintained allowing the fund to remain well positioned to manage a range of different market conditions as they arise. The proceeds from Castlehaven will be steadily re-deployed in coming months. The Board will continue to be vigilant on the performance of the Company and will monitor the progress against the uncertainty over Brexit combined with rising consumer debt levels and changes to the real estate environment.

In addition, were there to be a change of UK Government, the Group may also face new risks as a result of a change in government policy. Although current market conditions remain benign, UK economic growth remains behind its long-term average and the longer-term economic outlook and impact of Brexit remains uncertain. Beyond Brexit the Group is also monitoring the recent cut in US interest rates for the first time in more than a decade.

Stuart Cruickshank

Chairman

12 September 2019

Investment Manager's Report

The Company is dedicated to investing in credit assets originated by non-bank lending Platforms and other originators of alternative credit assets globally. The Company provides investors with access to lending opportunities which PSC Credit Holdings LLP (the "Investment Manager") believes has potential to provide attractive risk-adjusted returns through the cycle. The Investment Manager is a member of the Pollen Street Capital group ("PSC"). PSC is an investment management group focussed on investing in financial and business services. The Investment Manager has also appointed a sub Investment Manager ("Sub-Manager"), Pollen Street Capital (US), LLC, an affiliate of the Investment Manager and an SEC registered investment adviser.

The returns are delivered through the Investment Manager's focus on high-quality underwriting of borrowers in markets that are underserved by mainstream finance providers. The Company partners with specialist lenders who offer attractive products based upon understanding of particular sectors and target customer groups. These players are often better at servicing these markets based upon focus, expertise, efficiency and entrepreneurialism. In many cases, they also share risk by putting their own balance sheet capital at risk. The Investment Manager aims to partner with the highest quality originators in order to access investment opportunities in direct lending assets and, where there is an aligned strategic opportunity, certain equity stakes.

The Investment Manager has significant experience in lending markets, providing the Company with both deep insight to high quality underwriting and access to the Investment Manager's established eco-system, enabling whole of market, high-quality origination flow and portfolio acquisition opportunities.

H1 2019 HIGHLIGHTS

The continuing portfolio has achieved the target net return, as the underlying structural enhancements has allowed for stable performance aligned with strong returns. This has however been offset in part by the legacy portfolio and non-yielding equity assets.

While significant progress has been made in transitioning the portfolio to more attractive asset classes and reducing the exposure to the low yielding and volatile legacy assets which have shown continued underperformance, their impact is still felt. Although the legacy portfolio continues to run off and has reduced from 48 per cent in December 2017 to 10 per cent[1] at 30 June 2019, the returns on the portfolio continue to be lower than expected. This is driven predominately by the UK Consumer portfolio where the overall net yield is significantly below target and has displayed monthly volatility particularly in the first two months of the year. The total expected credit loss charge excluding IFRS9 stage 1 charge for the UK Consumer portfolio was £4.1 million. This was predominately made up of stage 3 credit impaired assets and represents 37 per cent of the total charge for the period even though the gross assets make up 18 per cent of the portfolio. Results in the period have also been significantly impacted by the previously announced write down of the remaining exposure of amortising English and French invoice finance receivables that had been originated through Urica Europe Limited.

The Company continues to try and improve the performance of all legacy assets and is optimising the run off. However this legacy portfolio remains a drag on the Company's overall profitability and whilst still material its impact is reducing month on month and the Manager continues to seek to improve performance and accelerate the run off through improving servicing and tactically disposing of loans where possible.

As the legacy portfolio amortises, the Investment Manager has been reinvesting the available capital into more specialist and secured asset classes which exhibit lower volatility and a better coverage ratio of income to expected credit losses. Initially, the Company focused on peer-to-peer lending, which targets one specific approach to origination mainly in unsecured consumer & SME lending. However, the alternative lending market is much larger than this and strong partnerships are being built among numerous originators with access to a broader market that has the potential to provide attractive returns for investors on a risk-adjusted basis. The continuing portfolio has maintained its growth and now makes up 90 per cent of the total portfolio. 66 per cent of the continuing portfolio is composed of structured loans. These are facilities provided to lenders where the lender retains the first loss. Each facility has been designed to deliver stable returns with downside protection and a strong alignment of interest with the borrower. 28 per cent of the continuing portfolio is composed of whole loans. These are pools of loans acquired from the loan originator by the Company. 21 per cent of these loans are secured on assets, typically on property with the underlying borrower providing first loss equity.

Strong partnerships are continuing to develop across all sectors with four exciting relationships in the US and UK leading to new lending opportunities in the period. These new partners have highly experienced teams and the deal structures created deliver alignment of interests between both parties so that the arrangements can reach beyond being simply providers of capital but secure long-term relationships. The relationships and expertise created are difficult to replicate and help provide more stable and attractive returns. Within these new partnerships the Investment Manager seeks to be fully involved in the active feedback loop on both the control and input into underwriting decisions, the customer journey, and proactive collections.

Within the continuing portfolio 18 per cent is SME lending, 23 per cent is consumer lending, 53 per cent is real estate lending and 6 per cent is equity. The majority of the Consumer loan exposure is made up of structured loans where the originator has first loss equity ahead of the Company's exposure, with the remainder being unsecured loans in markets that have demonstrated consistent and attractive risk adjusted margins. This portfolio consists of UK, European, US and Australasian exposure. The SME portfolios are domestically focused and reflect the underlying performance of the UK economy and our credit risk appetite. Whilst performance on these loans have been above target there has been some continued deterioration which the Investment Manager continues to monitor. Within the Real Estate sector the credit quality remains good with minimal impairments/stressed loans, the impairment charge in the period was a release of £0.2 million as exposure continues to be written in line with a prudent, through the cycle risk appetite with conservative LTVs, good underlying borrowers and proven management teams.

During the period the Company also successfully completed its fifth securitisation, Small Business Origination Loan Trust 2019-1 DAC ("SBOLT 2019"). This was a £187 million transaction that was collateralised by unsecured loans to SMEs originated through the online lending platform operated by Funding Circle Limited ("Funding Circle"). The transaction reduced the cost of funding, and offered matched duration funding which will enhance the Company's returns. The Company ceased purchasing loans from Funding Circle in Q4 2018 as part of the strategy to focus on asset secured lending.

The Investment Manager's policy of a prudent leverage strategy with a steady reduction of the cost and complexity of the facilities has seen the Group implement two new asset specific leverage structures, to help ascertain a more flexible leverage strategy allowing it align leverage currency with the underlying assets of the Group and therefore reducing the need for foreign currency hedging.

The Investment Manager is acutely aware of the continued dislocation between the current share price and the underlying value of the portfolio. On this basis the Company continued its share buyback program throughout the first half of 2019, with 1,172,033 (H1 2018: 2,239,467) ordinary shares in issue being repurchased at an average price of 819.7 pence per ordinary share (H1 2018: 803.0 pence) which contributed 0.45 per cent to the NAV return. As well as being accretive to NAV, it is expected to assist in closing the share price's current discount to NAV, this has improved with the discount narrowing to 12.5 per cent at 30 June 2019 (30 June 2018: 15.8 per cent).

FINANCIAL PERFORMANCE

Gross earnings for the first six months of the year were £50.2 million (H1 2018: £52.5 million), a decrease of 4.4 per cent on the prior period which is driven by the reduced impact of the legacy portfolio which although has a lower net yield, does contribute a higher gross yield as well and a decrease in the net assets of the Company. Total assets have decreased to £1,150.9 million at the period end (30 June 2018: £1,276.2 million). Profit for the period after tax was £16.6 million (H1 2018: £8.7 million), an increase of 91 per cent which is reflective of the improved performance of the continuing portfolio which has seen a significant decrease in expected credit losses in the period. This translated into basic earnings per share of 22.20 pence (30 June 2018: 11.2 pence), and an annualised NAV return of 5.1 per cent for the period.

In our initial guidance, we were targeting returns to cover a dividend of at least 15.0 pence per quarter by the end of Q2 2018 or a dividend yield of 6.0 per cent (based on issue price). As shown in the chart on page 10 of the interim accounts, we have not met these expectations due to the impact of large one off items from the legacy portfolio such as Urica and the continued drag of the overall legacy portfolio. Dividends of 12.0 pence per quarter were paid out in the first half of the wholly from revenue reserves.

The NAV per share (cumulative of income) is 964.1 pence per ordinary share at 30 June 2019, which, including dividends declared or paid, is equivalent to a NAV return of 23.52 per cent since inception (taking into account 2.49 per cent reduction for the introduction of IFRS 9 on 1 January 2018). Additionally, the share price of the Company at 30 June 2019 was 844.0 pence per share, representing a 12.5 per cent discount to NAV (cumulative of income). We are disappointed that the Group continues to trade behind its net asset position, and because of that we have maintained the share buyback program. Performance and dividend history can be seen on page 10 of the interim accounts.

OUTLOOK

There exists a substantial opportunity for non-bank capital to earn attractive risk adjusted returns by targeting under-served specialist asset classes with high quality products that meet customer needs. While the performance from the inherited legacy portfolio continues to be more volatile than expected, the Investment Manager has made substantial progress in repositioning the portfolio towards structured and secured assets, a program which will continue through the second half of 2019.

To date, there has been minimal impact from the UK referendum vote to leave the European Union. However, looking ahead, the situation will continue to be monitored to address the economic challenges and opportunities that may arise as the long-term effects of Brexit become clearer. In the current more competitive mainstream lending environment it is particularly important to maintain prudence and discipline. In addition, with household borrowing at high levels, and the regulatory framework remaining an ever present factor as consumer credit regulation continues to develop, it is intended to proceed with caution. The Group's business model, combined with its approach to risk, stands it in good stead to find suitable pockets of risk adjusted return. The focus on specialist markets allows us access to enhanced credit performance and allows deployment of the Company's funds in assets which deliver strong returns.

Statement of Principle Risks and Uncertainties

The principal risks facing the Company are substantially unchanged since the date of the annual report for the year ended 31 December 2018 and continue to be as set out in the Strategic Report section of the annual report. Risks faced by the Company include, but are not limited to operational, investment, market, interest rate, currency risk, concentration of foreign exposure, liquidity, credit, gearing and regulatory.

Top Ten Holdings

Investment	**Investment Type**	**Country**	**Sector**	**Value as at 30 Jun-19 £'m**	**% of Net assets**
RapidAdvance	Structured Note	USA	**SME**	41.1	5.70%
Zorin Real Estate Loan	Secured Loan to underlying borrower	United Kingdom	**Property**	23.0	3.27%
Madison CF UK Limited	Structured Note	United Kingdom	**Consumer**	21.8	3.02%
Zorin Real Estate Loan	Secured Loan to underlying borrower	United Kingdom	**Property**	19.1	2.64%
Zorin Real Estate Loan	Secured Loan to underlying borrower	United Kingdom	**Property**	18.3	2.54%
Castlehaven Real Estate Loan	Secured Loan to underlying borrower	Ireland	**Property**	18.1	2.51%

Castlehaven Real Estate Loan	Secured Loan to underlying borrower	Ireland	**Property**	17.4	2.40%
SPV Naga Funding Limited	Structured Note	United Kingdom	**Property**	16.3	2.00%
CapitalFlow Group	Structured Note	Ireland	**SME**	14.4	1.99%
Progressive Money Limited	Structured Note	United Kingdom	**Consumer**	14.2	1.96%

As at 30 June 2019 the value of the top 10 assets totalled £202.5 million which equated to 28 per cent of net assets.

Responsibility Statement of the Directors

For the Period from 1 January 2019 to 30 June 2019

The directors, being the persons responsible, confirm that to the best of their knowledge:

a) the set of Unaudited Consolidated Financial Statements contained within the half-yearly financial report have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as required by the Disclosure and Transparency Rule 4.2.4R, and gives a true and fair view of the assets, liabilities and financial position of the Group;

b) the Interim Management Report includes a fair review, as required by Disclosure and Transparency Rule 4.2.7R, of important events that have occurred during the first six months of the financial year, their impact on the set of Consolidated Financial Statements, and a description of the principal risks and perceived uncertainties for the remaining six months of the financial year; and

c) the Interim Management Report includes a fair review of the information concerning related parties transactions as required by Disclosure and Transparency Rule 4.2.8R.

Signed on behalf of the Board of Directors by:

Stuart Cruickshank
Chairman

12 September 2019

Financial Statements
Consolidated Statement of Financial Position
AS AT 30 JUNE 2019

Group	**Notes**	**30 June 2019 (Unaudited) £'000**	**30 June 2018 (Unaudited) £'000**	**31 December 2018 (Audited) £'000**
Assets				
Cash and cash equivalents		50,712	85,715	106,358
Cash pledged as collateral		16,710	9,553	–
Investment assets designated as held at fair value through profit or loss	3	35,509	91,162	35,156
Derivative financial instruments	3	648	1,196	2,103
Loans at amortised cost	6	1,001,815	1,063,923	959,147
Interest receivable	9	33,460	19,911	23,200
Other assets and prepaid expenses		12,090	4,767	3,327

Total Assets		**1,540,944**	**1,276,227**	**1,129,291**
Liabilities				
Investment management fees payable	8	(1,206)	(1,246)	(1,226)
Payable for investments purchased		–	(4,485)	–
Performance fees payable	8	(3,217)	(1,866)	(6,462)
Accrued expenses and other liabilities		(10,669)	(4,801)	(7,427)
Interest payable		(1,052)	(484)	(511)
Amounts due to brokers		(9)	(121)	(782)
Derivative financial instruments		(81)	(4,016)	-
Other liabilities	10	(1,233)	(3,941)	(1,934)
Borrowings	10	(411,189)	(513,291)	(377,500)
Total liabilities		**(428,656)**	**(534,251)**	**(395,842)**
Net assets		**722,288**	**741,976**	**733,449**
Equity attributable to Shareholders of the Company				
Called-up share capital	15	863	863	863
Share premium account	15	27,792	27,792	27,792
Capital reserves	15	1,938	(497)	1,693
Revenue reserve	15	(9,426)	(12,449)	(7,723)
Special distributable reserve	15	701,121	726,267	710,824
Total shareholders' funds		**722,288**	**741,976**	**733,449**
Net Asset Value per Ordinary share	14	**964.13p**	**956.20p**	**963.94p**

The financial statements as shown below were approved by the Board of Directors on 12 September 2019 and signed on its behalf by:

Stuart Cruickshank
Chairman
12 September 2019

Consolidated Statement of Comprehensive Income

FOR THE PERIOD ENDED 30 JUNE 2019 (UNAUDITED)

Group	**Notes**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Net gains on investments		–	246	246
Interest Income on loans at amortised cost		49,965	–	49,965
Total return/(losses)	4	**49,965**	**246**	**50,211**
Expenses				
Investment management fee	8	3,639	1	3,640
Performance fee	8	3,217	–	3,217
Changes in estimated credit losses	6	11,282	–	11,282
Servicing Costs		5,950	–	5,950
Other expenses	8	1,340	–	1,340
Total operating expenses		**25,428**	**1**	**25,429**

Profit on ordinary activities before finance costs and taxation		**24,537**	**245**	**24,782**
Finance costs	10	8,148	–	8,148
Profit on ordinary activities before taxation		**16,389**	**245**	**16,634**
Taxation on ordinary activities		–	–	–
Profit on ordinary activities after taxation		**16,389**	**245**	**16,634**
Profit per Ordinary Share (basic and diluted)	5	**21.88p**	**0.33p**	**22.20p**

The total column of this statement represents the Group's Consolidated Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. 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. There is no other comprehensive income.

Consolidated Statement of Comprehensive Income (Continued)

FOR THE PERIOD ENDED 30 JUNE 2018 (UNAUDITED)

Group	**Notes**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Net losses on investments		–	(3,917)	(3,917)
Interest Income on loans at amortised cost		56,380	–	56,380
Total return/(losses)	4	**56,380**	**(3,917)**	**52,463**
Expenses				
Investment management fee	8	3,766	(3)	3,763
Performance fee	8	1,866	–	1,866
Changes in estimated credit losses	6	19,629	–	19,629
Servicing Costs		7,080	–	7,080
Other expenses	8	3,761	–	3,761
Total operating expenses		**36,102**	**(3)**	**36,099**
Profit on ordinary activities before finance costs and taxation		**20,278**	**(3,914)**	**16,364**
Finance costs	10	7,665	–	7,665
Profit on ordinary activities before taxation		**12,613**	**(3,914)**	**8,699**
Taxation on ordinary activities		–	–	–
Profit on ordinary activities after taxation		**12,613**	**(3,914)**	**8,699**
Profit per Ordinary Share (basic and diluted)	5	**16.25p**	**(5.04)p**	**11.21p**

The total column of this statement represents the Group's Consolidated Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. 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. There is no other comprehensive income.

Consolidated Statement of Comprehensive Income (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2018 (AUDITED)

Group	**Notes**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Net losses on investments		–	(1,725)	(1,725)
Interest Income on loans at amortised cost		118,539	–	118,539
Other Income		2,364		2,364
Total return/(losses)	4	**120,903**	**(1,725)**	**119,178**
Expenses				
Investment management fee	8	7,476	(1)	7,475
Performance fee	8	6,462	–	6,462
Changes in estimated credit losses	6	35,696	–	35,696
Servicing		13,156	–	13,156
Other expenses	8	11,541	–	11,541
Total operating expenses		**74,331**	**(1)**	**74,330**
Profit on ordinary activities before finance costs and taxation		**46,572**	**(1,724)**	**44,848**
Finance costs	10	14,121	–	14,121
Profit on ordinary activities before taxation		**32,451**	**(1,724)**	**30,727**
Taxation on ordinary activities		–	–	–
Profit on ordinary activities after taxation		**32,451**	**(1,724)**	**30,727**
Profit per Ordinary Share (basic and diluted)	5	**41.77p**	**(2.22)p**	**39.55p**

The total column of this statement represents the Group's Consolidated Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. 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. There is no other comprehensive income.

Consolidated Statement of Changes in Shareholders' Funds

FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019 (UNAUDITED)

Group	**Called up share capital £'000**	**Share premium £'000**	**Capital reserve £'000**	**Revenue reserve £'000**	**Special distributabl e reserve £'000**	**Total £'000**
Net assets attributable to	863	27,792	1,693	(7,723)	710,824	733,449

Shareholders at 1 January 2019						
Amounts paid on buyback of Ordinary Shares	–	–	–	–	(9,703)	(9,703)
Profit on ordinary activities after taxation	–	–	245	16,389	–	16,634
Dividends declared and paid	–	–	–	(18,092)	–	(18,092)
Net assets attributable to Shareholders at the end of the year	**863**	**27,792**	**1,938**	**(9,426)**	**701,121**	**722,288**

FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (UNAUDITED)

Group	**Called up share capital £'000**	**Share premium £'000**	**Capital reserve £'000**	**Revenue reserve £'000**	**Special distributable reserve £'000**	**Total £'000**
Net assets attributable to Shareholders as originally presented	863	27,792	3,417	(836)	758,618	789,854
Changes on initial application of IFRS 9 (see Note 4)	–	–	–	(19,641)	–	(19,641)
Updated balance at 1 January 2018	**863**	**27,792**	**3,417**	**(20,477)**	**758,618**	**770,213**
Amounts paid on buyback of Ordinary Shares	–	–	–	–	(18,078)	(18,078)
Profit on ordinary activities after taxation	–	–	(3,914)	12,613	–	8,699
Dividends declared and paid	–	–	–	(4,585)	(14,273)	(18,858)
Net assets attributable to Shareholders at the end of the year	**863**	**27,792**	**(497)**	**(12,449)**	**726,267**	**741,976**

Consolidated Statement of Changes in Shareholders' Funds (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2018 (AUDITED)

Group	Called up share capital £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Special distributable reserve £'000	Total £'000
Net assets attributable to Shareholders as originally presented	863	27,792	3,417	(836)	758,618	789,854
Changes on initial application of IFRS 9 (see Note 4)	–	–	–	(19,641)	–	(19,641)
Updated balance at 1 January 2018	**863**	**27,792**	**3,417**	**(20,477)**	**758,618**	**770,213**
Amounts paid on buyback of Ordinary Shares	–	–	–	–	(30,171)	(30,171)
Profit on ordinary activities after taxation	–	–	(1,724)	32,451	–	30,727
Dividends declared and paid	–	–	–	(19,698)	(17,623)	(37,321)
Net assets attributable to Shareholders at the end of the year	**863**	**27,792**	**1,693**	**(7,723)**	**710,824**	**733,449**

Consolidated Cash Flow Statement

FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019 (UNAUDITED)

	30 June 2019 (Unaudited) £'000	30 June 2018 (Unaudited) £'000	31 December 2018 (Audited) £'000
Cash flows from operating activities:			
Net profit after taxation	16,634	8,699	30,727
Adjustments to reconcile net profit on ordinary activities after taxation to net cash inflow / (outflow) from operating activities:			
Unrealised (gain) / loss on investment assets	1,247	6,544	1,361
Realised loss on investment assets	–	115	–
(Increase) / Decrease in cash pledged as collateral	(16,710)	(4,781)	4,772
(Increase) in interest receivable	(10,260)	(3,475)	(6,764)
(Increase) / decrease in other assets and prepaid expenses	(8,763)	1,986	3,427
(Decrease) increase in amounts due to brokers	(773)	26	686
Increase in payable for investments purchased	–	4,486	–

(Decrease) / increase in interest payable	541	(1,254)	(1,226)
(Decrease) / increase in trade and other payables	(724)	(3,366)	3,836
Changes in estimated credit losses	11,282	19,629	35,696
Net cash inflow / (outflow) from operating activities	**(7,526)**	**28,609**	**72,515**
Capital expenditure and financial investments			
Purchase of investments	(63)	(12,924)	–
Sale of investments	–	41,395	7,866
Net sale of money market funds	(53,951)	–	–
Net sale / (purchase) of loans	–	17,428	181,117
Net cash inflow / (outflow) from capital expenditure and financial investments	**(54,014)**	**45,899**	**188,983**
Net cash inflow / (outflow) from operating activities	**(61,540)**	**74,508**	**261,498**
Cash flows from financing activities:			
Proceeds from debt issued	294,511	162,049	287,575
Payments on debt issued	(260,822)	(264,608)	(525,925)
Amounts paid on buyback of Ordinary Shares	(9,703)	(18,078)	(30,171)
Dividends declared and paid	(18,092)	(18,858)	(37,321)
Net cash (used in) / provided by financing activities	**5,894**	**(139,495)**	**(305,842)**
Net change in cash and cash equivalents	(55,646)	(64,987)	(44,344)
Cash and cash equivalents at the beginning of the year	106,358	150,702	150,702
Net cash and cash equivalents	**50,712**	**85,715**	**106,358**

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

P2P Global Investments plc (the “Company”) is a closed-ended investment company incorporated in the United Kingdom on 6 December 2013 with registered number 8805459. The Company is a publicly listed company and commenced operations on 30 May 2014.

The investment objective of the Company is to provide shareholders with an attractive level of dividend income and capital growth through exposure to investments in alternative finance and related instruments.

The Company’s investment manager is PSC Credit Holdings LLP (the “Investment Manager”). Pollen Street Capital (US) LLC, an affiliate of the Investment Manager and an SEC registered investment adviser, was appointed as sub investment manager (the “Sub-Manager”) to the Company. The Investment Manager has, pursuant to the Sub-Management Agreement, delegated certain of its responsibilities and functions, including those in relation to its discretionary management of the Company’s portfolio of credit assets, to the Sub-Manager.

The Investment Manager is authorised as an Alternative Investment Fund Manager (“AIFM”) under the Alternative Investment Fund Managers Directive (“AIFMD”). The Company is defined as an Alternative Investment Fund and is subject to the relevant articles of the AIFMD.

The Company invests, directly and indirectly, in consumer loans, secured real estate loans, small and medium sized enterprises ("SME") loans, advances against corporate trade receivables and/or purchases of corporate trade receivables ("Credit Assets") which have been originated via Platforms. The Company will typically seek to invest in Credit Assets with targeted net annualised returns of 5 to 15 per cent. The Company will seek to purchase Credit Assets directly (via Platforms or via other originators) and may also invest in such assets indirectly via funds, partnerships or special purpose vehicles (including those managed by the Investment Manager, the Sub-Manager or their affiliates) that it deems suitable with a view to enhancing Shareholder returns and providing diversification of the Company's assets.

As at 30 June 2019, the Company had total issued equity in the form of 86,306,803 ordinary shares (31 December 2018: 86,306,803), (30 June 2018: 86,306,803) of which 74,916,368 (31 December 2018: 76,088,401), (30 June 2018: 77,596,082) were outstanding and 11,390,435 (31 December 2018: 10,218,402), (30 June 2018: 8,710,721) were held as treasury shares. These shares are listed on the Premium listing segment of the Official List of the UK Listing Authority and trade on the London Stock Exchange's main market for listed securities.

Citco Fund Services (Ireland) Limited (the "Administrator") has been appointed as the Administrator of the Company. The Administrator is responsible for the Company's general administrative functions, such as the calculation and publication of the Net Asset Value ("NAV") and maintenance of the Company's accounting records.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The Company's financial statements are prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"). They comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and International Financial Reporting Committee ("IFRC"), interpretations issued by the International Accounting Standard Committee ("IASC") that remain in effect, to the extent they have been adopted by the European Union. The financial statements are also in compliance with relevant provisions of the Companies Act 2006 as applicable to companies reporting under IAS 34. The results for the half year ended 30 June 2019 constitute non-statutory accounts within the meaning of Section 435 of the Companies Act 2006 and have not been audited by the Company's Auditor. They do not include all financial information required for full annual financial statements. The latest published accounts which have been delivered to the Registrar of companies are for the year ended 31 December 2018; the report of the Auditor thereon was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. The comparative figures for the year ended 31 December 2018 have been extracted from those accounts.

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the valuation of investments at fair value. The Directors consider that the Group and Company has adequate financial resources to enable it to continue operations for a period no less than 12 months from the reporting date. Accordingly, the Directors believe that it is appropriate to adopt the going concern basis in preparing the Group's and Company's financial statements.

The principal accounting policies adopted by the Company are consistent with those set out on pages 65 – 85 of the Annual report 2018. Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") in November 2014 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

(b) Consolidation

Subsidiaries are investees controlled by the Company. The Company controls an investee if it is exposed to, or has the rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether it has control if there are changes to one or more elements of control. The Company does not consider itself to be an investment entity for the purposes of IFRS 10, as it does not hold substantially all of its investments at fair value. Consequently, it consolidates its subsidiaries rather than treating its subsidiaries as investments at fair value through profit or loss. At the Company level, the Company's investments in its subsidiaries are measured at fair value which is represented as net asset value.

Associates are entities over which the Group has significant influence, but does not control, generally accompanied by a shareholding of between 20 per cent and 50 per cent of the voting rights.

No associates are presented on the Statement of Financial Position using the equity accounting method as the Group elects to hold such investments at fair value through profit and loss. This treatment is permitted by International Accounting Standard ("IAS") 28 Investment in Associates and Joint Ventures, which also permits investments held by entities that are venture capital organisations, mutual funds or similar entities to be excluded from its measurement methodology requirements where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9 Financial Instruments. Changes in fair value of associates are recognised in the Statement of Comprehensive Income in the period in which the change occurs.

The disclosures required by Section 409 of the Companies Act 2006 for associated undertakings are included in Note 13 to the financial statements.

As at 30 June 2019, the Company controls seven legal entities listed below as well as eight Trusts which are subsidiaries that the Company controls (together "the Group").

Name of entity	**Registered Office**
Eaglewood SPV I LP	350 Park Avenue, 25th Floor, New York, NY 10022, USA
Eaglewood Income Fund I, LP	350 Park Avenue, 25th Floor, New York, NY 10022, USA
Marketplace Originated Consumer Assets 2016-1 PLC	35 Great St. Helen's, London EC3A 6AP, United Kingdom
P2P BL-2 Limited	35 Great St. Helen's, London EC3A 6AP, United Kingdom
Marketplace Originated Consumer Assets 2017-1 PLC	35 Great St. Helen's, London EC3A 6AP, United Kingdom
EW-PFL Trust	500 Delaware Avenue, 11th Floor, Wilmington, DE, 19801, USA
SPV I Loan Trust	500 Delaware Avenue, 11th Floor, Wilmington, DE 19801, USA
Payoff Consumer Loan Trust	500 Delaware Avenue, 11th Floor, Wilmington, DE 19801, USA
BFCL Trust	500 Delaware Avenue, 11th Floor, Wilmington, DE 19801, USA
Eaglewood LC Trust	500 Delaware Avenue, 11th Floor, Wilmington, DE 19801, USA
PSC 1803 Autoloan Trust	1100 North Market Street Wilmington, DE 19801, USA
PSC Rocketloans Prime Consumer Loan Trust	1100 North Market Street Wilmington, DE 19801, USA

Name of entity	Registered Office
CH Mercury Note Issuer DAC	Fourth Floor, 3 George's Dock, Dublin 1, Ireland
PSC 2018F Loan Trust	1100 North Market Street Wilmington, DE 19801, USA
Small Business Origination Loan Trust 2019-1 DAC	1st Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland Certificated

During the first half of 2019, the Company controlled one legal entity listed below as well as one Trust which were subsidiaries that the Company controlled at some point in the year, however were not controlled at year end.

Name of entity	Registered Office
Eaglewood Consumer Loan Trust 2014-1	500 Delaware Avenue, 11th Floor, Wilmington, DE 19801, USA
P2P BL-3 PLC	Winchester House, 1 Great Winchester St, London, EC2N 2DB, United Kingdom

The Company invests in a special purpose vehicle, Eaglewood SPV I LP (the “SPV”) and at 30 June 2019 is the sole Limited Partner in that SPV and controls it. The principal activity of Eaglewood SPV I LP is to invest in alternative finance investments and related instruments, including marketplace loans, which is aligned with the Company’s investment objective. The Company’s position with regards to the SPV is that of an investor where its maximum loss is restricted to its investment in the vehicle and in return for this receives a quarterly income distribution.

The Company controls Eaglewood Income Fund I, LP (the “Eaglewood Fund”), a Delaware limited partnership established on 3 February 2012, through the control of the SPV. As at 30 June 2019, the SPV is the sole limited partner in the Eaglewood Fund. The Eaglewood Fund is an open ended private investment fund, offering monthly subscriptions and quarterly redemptions, with 90 days’ notice. The Eaglewood Fund is managed by the Investment Manager, Pollen Street Capital (US), LLP. It employs a strategy that primarily involves leveraged investment in monthly amortising unsecured US consumer loans originated by a single Platform with terms of three to five years.

The Company controls Marketplace Originated Consumer Assets 2016-1 PLC (“MOCA 2016”), a public limited company incorporated under the Law of England and Wales. MOCA 2016 is a securitisation vehicle for UK consumer loans and operates in a pre-determined manner. The Company is considered to control MOCA 2016 by virtue of being its sponsor whilst having exposure to the variable returns of the vehicle through the holding of junior notes issued by it.

The Company also controls P2P BL-2 Limited (“P2P BL-2”), a private limited company incorporated with limited liability under the Law of England and Wales. The Company is considered to control P2P BL-2 by virtue of being its sponsor while having exposure to the variable returns of the vehicle through the holding of junior note issued by it. P2P BL-2 was incorporated in March 2017.

The Company also controls Marketplace Originated Consumer Assets 2017-1 PLC (“MOCA 2017”) a public limited company incorporated under the Law of England and Wales. MOCA 2017 is a securitisation vehicle for UK consumer loans and operates in a pre-determined manner. The Company is considered to control MOCA 2017 by virtue of being its sponsor whilst having exposure to the variable returns of the vehicle through the holding of junior notes issued by it. MOCA 2017 was incorporated in November 2017.

The Company also controls Small Business Origination Loan Trust 2019-1 DAC ("SBOLT 2019") a public limited company incorporated in Ireland, SBOLT 2019 is a securitisation vehicle for unsecured loans made to small and medium-sized enterprises ("SMEs") incorporated in the UK and operates in a pre-determined manner. The Company is considered to control SBOLT 2019 from April 2019 by virtue of being its sponsor whilst having exposure to the variable returns of the vehicle through the holding of junior notes issued by it. SBOLT 2019 was incorporated in April 2019.

The Company controls CH Mercury Note Issuer DAC ("CH") a public limited company incorporated in Ireland, CH is a special purpose vehicle for development and bridging finance loans. The Company is considered to control CH through holding 100 per cent of the issued shares. The Company was formed in November 2018 but only became active in February 2019.

The Company also controls a number of trusts ("Trusts") through its control of the SPV and the Eaglewood Fund. The SPV and the Eaglewood Fund control a Trust if they are exposed to, or have the rights to, variable returns from their involvement with the Trust and have the ability to affect those returns through its power over the Trust. As at 30 June 2019, the SPV is the sole beneficial owner of EW-PFL Trust, SPV I Loan Trust, Payoff Consumer Loan Trust, PSC 1803 Autoloan Trust, PSC 2018F Loan Trust and PSC Rocketloans Prime Consumer Loan Trust while the Eaglewood Fund is the sole beneficial owner of Eaglewood LC Trust. During the year the Company also closed one trust; Eaglewood Consumer Loans Trust 2014-1.

The Company did control P2P BL-3 PLC ("P2P BL-3"), a public limited company incorporated with limited liability under the Law of England and Wales incorporated in June 2017. The Company was previously considered to control P2P BL-3 by virtue of being its sponsor while having exposure to the variable returns of the vehicle through the holding of junior note issued by it. During the period all loans were novated out the Company is in the process of liquidation therefore the Company is no longer exposed to variable returns.

All entities within the Group have co-terminus reporting dates.

Intra-group balances and transactions, and any unrealised income and expenses (except for currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements.

(c) Critical accounting estimates and judgements

The preparation of the half yearly report requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the half yearly report. Although these estimates and assumptions are based on the management's best judgement at that date, actual results may differ from these estimates. There have been no significant changes in the basis upon which estimates have been determined compared to that applied at 31 December 2018.

All values are rounded to the nearest thousand pounds unless otherwise indicated.

3. FAIR VALUE MEASUREMENT

Group	**30 June 2019 (Unaudited) £'000**	**30 June 2018 (Unaudited) £'000**	**31 December 2018 (Audited) £'000**
Investment assets designated as held at fair value through profit or loss			
Fixed income	2,890	61,548	2,549
Unquoted equities	32,341	29,473	32,328
Equities	278	141	279
Total	**35,509**	**91,162**	**35,156**

Derivative financial assets

Forward foreign exchange contracts	648	1,196	2,103
Total	**648**	**1,196**	**2,103**

Derivative financial liabilities			
Forward foreign exchange contracts	(81)	(4,016)	–
Total	**(81)**	**(4,016)**	**–**

Financial instruments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – Pricing inputs for the asset or liability that are not based on observable market data (unobservable inputs).

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgement and is specific to the investment.

Level 3 investment in a fixed income security issued by a fund is valued based on the NAV as calculated by the fund's Administrator at the balance sheet date. The constitutional and offering documentation of the fund sets out the valuation methodology, the applicable generally accepted accounting principles and the frequency, by which its assets are to be valued and the NAV are to be calculated. No adjustments have been determined to be necessary to the NAV as supplied by the Administrator as this reflects the fair value of the underlying investments under the relevant valuation methodology. The NAV is the value of all the assets of the fund less its liabilities to creditors (including provisions for such liabilities) determined in accordance with applicable accounting standards. The NAV of the fund is sensitive to movements in interest rates due to its investment in fixed rate loans.

The other investments in fixed income securities included within Level 3 of the hierarchy are valued based on, if available, recent transactions and otherwise broker quotes. The investments in unquoted equities are valued using several different techniques, primarily recent transactions and recent rounds of funding by the investee entities.

The Group's Level 2 positions are valued by the Administrator, acting in their capacity as the External Valuer, in accordance with the valuation policy. Fixed income positions are valued using prices from an independent market data provider. Forward foreign exchange contracts are valued using interpolated FX forward points from Bloomberg. The option contracts are valued using yield curves from Bloomberg.

The following table analyses within the fair value hierarchy the Group's assets and liabilities measured at fair value at 30 June 2019:

Group Unaudited	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Investment assets designated as held at fair value through profit or loss				
Fixed income	2,890	–	–	2,890

Unquoted equities	32,341	–	–	32,341
Equities	278	278	–	–
Total	**35,509**	**278**	**–**	**35,231**
Derivative financial assets				
Forward foreign exchange contracts	648	–	648	–
Total	**648**	**–**	**648**	**–**
Derivative financial liabilities				
Forward foreign exchange contracts	(81)	–	(81)	–
Total	**(81)**	**–**	**(81)**	**–**

There were no transfers between the levels during the period ended 30 June 2019.

The following table analyses within the fair value hierarchy the Group's assets and liabilities measured at fair value at 30 June 2018:

Group Unaudited	**Total £'000**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Investment assets designated as held at fair value through profit or loss				
Fixed income	61,548	15,073	4,906	41,569
Unquoted equities	29,473	–	–	29,473
Equities	141	141	–	–
Total	**91,162**	**15,214**	**4,906**	**71,042**
Derivative financial assets				
Forward foreign exchange contracts	1,196	–	1,196	–
Total	**1,196**	**–**	**1,196**	**–**
Derivative financial liabilities				
Forward foreign exchange contracts	(4,016)	–	(4,016)	–
Total	**(4,016)**	**–**	**(4,016)**	**–**

The following table analyses within the fair value hierarchy the Group's assets and liabilities measured at fair value at 31 December 2018:

Group Audited	**Total £'000**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**

Investment assets designated as held at fair value through profit or loss				
Fixed income	2,549	–	–	2,549
Unquoted equities	32,328	–	–	32,328
Equities	279	279	–	–
Total	**35,156**	**279**	**–**	**34,877**
Derivative financial assets				
Forward foreign exchange contracts	2,103	–	2,103	–
Total	**2,103**	**–**	**2,103**	**–**

The following table presents the movement in the Group's Level 3 positions for the period ended 30 June 2019.

Group Unaudited	**Fixed income £'000**	**Unquoted equities £'000**	**Total £'000**
Opening balance	2,549	32,328	34,877
Purchases	63	–	63
Net change in unrealised gains	278	13	291
Closing balance	**2,890**	**32,341**	**35,231**

The net change in realised/unrealised gains and losses is recognised within net gains on investments in the Consolidated Statement of Comprehensive Income.

following table presents the movement in the Group's Level 3 positions for the period ended 30 June 2018.

Group Unaudited	**Fixed income £'000**	**Unquoted equities £'000**	**Total £'000**
Opening balance	66,919	32,682	99,601
Transfer*	(5,363)	–	(5,363)
Purchases	7,770	–	7,770
Sales	(25,300)	–	(25,300)
Net change in unrealised (losses)	(2,457)	(3,209)	(5,666)
Closing balance	**41,569**	**29,473**	**71,042**

* During the period, there was a reclass of £5,362,587 from fixed income to loans at amortised cost.

The net change in realised/unrealised gains and losses is recognised within net losses on investments in the Consolidated Statement of Comprehensive Income.

The following table presents the movement in the Group's Level 3 positions for the year ended 31 December 2018.

Group Audited	Fixed income £'000	Unquoted equities £'000	Total £'000
Opening balance	66,919	32,682	99,601
Transfer*	(54,819)	300	(54,519)
Distributions	(7,587)	–	(7,587)
Realised (losses)	(2,500)	–	(2,500)
Net change in unrealised gains / (losses)	536	(654)	(118)
Closing balance	2,549	32,328	34,877

* On 1 January 2018 there was a reclassification of £54,818,513 from fixed income to loans at amortised cost on the adoption of IFRS 9.

The net change in realised/unrealised gains and losses is recognised within net losses on investments in the Consolidated Statement of Comprehensive Income.

Quantitative information regarding the unobservable inputs for the Group's Level 3 positions as at 30 June 2019 is given below:

Group Unaudited	Fair value at 30 June 2019 £'000	Valuation technique	20% change in price £'000
Unquoted equities	27,595	Recent transactions	5,519
Unquoted equities	1,348	Residual value	270

	Fair value at 30 June 2019 £'000	Valuation technique	5% change in discount £'000
Fixed income	2,890	Discounted cash flow	47

Group Unaudited	Fair value at 30 June 2019 £'000	Valuation technique	Multiple increased by 1 £'000
Unquoted equities	3,398	Earnings multiple	523

Quantitative information regarding the unobservable inputs for the Group's Level 3 positions as at 30 June 2018 is given below:

Group Unaudited	Fair value at 30 June 2018 £'000	Valuation technique	1% change in price £'000
Fixed Income	31,206	Recent transactions	312
Fixed Income	5,050	Residual value	51

Group Unaudited	Fair value at 30 June 2018	Valuation technique	5% change in price

	£'000		£'000
Unquoted equities	25,027	Recent transactions	1,251
Unquoted equities	1,048	Residual value	52

Group Unaudited	Fair value at 30 June 2018 £'000	Valuation technique	5% change in discount £'000
Junior debt	5,314	Discounted cash flow	112

Group Unaudited	Fair value at 30 June 2018 £'000	Valuation technique	Multiple increased by 1 £'000
Unquoted equities	3,398	Earnings multiple	523

Quantitative information regarding the unobservable inputs for the Group's Level 3 positions as at 31 December 2018 is given below:

Group Audited	Fair value at 31 December 2018 £'000	Valuation technique	20% change in price £'000
Unquoted equities	27,582	Recent transactions	5,516
Unquoted equities	1,348	Residual value	270

Group Audited	Fair value at 31 December 2018 £'000	Valuation technique	5% change in discount £'000
Junior debt	2,549	Discounted cash flow	48

Group Audited	Fair value at 31 December 2018 £'000	Valuation technique	Multiple increased by 1 £'000
Unquoted equities	3,398	Earnings multiple	523

4. INCOME AND GAINS ON INVESTMENTS

	30 June 2019 (Unaudited) £'000	30 June 2018 (Unaudited) £'000	31 December 2018 (Audited) £'000
Income			
Loss on foreign exchange*	(1,446)	(3,598)	(1,269)

Interest income on loans at amortised cost	50,487	59,748	118,539
(Loss) / gain on IR swap	(47)	(393)	(629)
Dividend Income	148	–	–
Other income	286	623	4,262
	49,428	**56,380**	**120,903**

Net gains / (losses) on investments			
Loss on investment in unquoted equities	–	(3,413)	(1,621)
Loss on fixed income	–	(295)	–
Gain / (loss) on listed equities	25	(43)	100
Gain / (loss) on foreign exchange	221	(166)	(204)
Total	**246**	**(3,917)**	**(1,725)**

* Loss on foreign exchange also includes fair value movements on derivatives taken out to economically hedge fair value exposures.

5. EARNINGS PER SHARE

Basic earnings per share is calculated using the number of shares held at year end, excluding the number of shares purchased by the Company and held as treasury shares.

	30 June 2019 (Unaudited)	30 June 2018 (Unaudited)	31 December 2018 (Audited)
Group profit for period (£'000)	16,634	8,699	30,727
Weighted Number of ordinary shares held during the year	74,916,368	77,596,082	77,700,483
Earnings per ordinary share (basic and diluted)	22.20p	11.21p	39.55p

The Company has not issued any shares or other instruments that are considered to have dilutive potential.

6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Management of risk

The Group's financial instruments may comprise:

- Loans;
- Listed and unquoted equities and investment funds held in accordance with the Group's investment objective and policies;
- Derivative instruments which could include forward currency contracts and options; and
- Cash, liquid resources and short term debtors and creditors that arise from its operations.

The risks identified by IFRS 7 arising from the Group's financial instruments are market risk (which comprises market price risk, interest rate risk and foreign currency risk), liquidity risk, and credit risk.

The sensitivity analysis in this note is used by management to measure the Group's exposure to these risks. The Board reviews and agrees policies for managing each of these risks, which are summarised below. These policies have remained unchanged since the beginning of the accounting period.

The investment objective and operating environment of the Subsidiaries are consistent with that of the Company. Therefore the risks and uncertainties detailed below are applicable to both the Company and the Group.

In seeking to implement the investment objectives of the Group while limiting risk, the Group is subject to the investment limits restrictions set out in the Credit Risk section of this note.

Market risk
Market risk is the risk of loss arising from movements in observable market variables such as foreign exchange rates, equity prices and interest rates. The Group is exposed to market risk primarily through its Financial Instruments.

The Investment Manager regularly reviews the investment portfolio and industry developments to ensure that any events which may impact the Group are identified and considered. This also ensures that any risks affecting the investment portfolio are identified and mitigated to the fullest extent possible.

Market price risk
The Group is exposed to price risk arising from the investments held by the Group for which prices in the future are uncertain. Primarily, the exposure arises from investment in money market funds, fixed income products and equities. Refer to Note 3 for further details on the sensitivity of the Group's Level 3 investments to price risk.

The value of certain investments held by the Group is determined by market forces and there is accordingly a risk that market prices can change in a way that is adverse to the Group's performance. The Group has adopted a number of investment restrictions which are set out in the prospectus which limit the exposure of the Group to market risk.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Loans held by the Group at amortised cost, with a fixed interest rate, are not exposed to interest rate changes. Fixed income securities with fixed interest rates are exposed to fair value interest rate risk. As at 30 June 2019, the Group had 2.63 per cent (30 June 2018: 2.39 per cent, 31 December 2018: Nil per cent) of the total assets with a fixed interest rate.

Financial instruments with a floating interest rate that resets as market rates change are exposed to cash flow interest rate risk. At 30 June 2019 the Group had 4.41 per cent (30 June 2018: 7.46 per cent, 31 December 2018: 9.42 per cent) of total assets classified as cash and cash equivalents and 0.50 per cent (30 June 2018: 1.99 per cent, 31 December 2018: Nil per cent) of fixed income securities with floating interest rates. At 30 June 2019, if interest rates had increased/decreased by 1 per cent with all other variables held constant, the change in the value of future expected interest cash flows of these assets would have been £0.7 million (30 June 2018: £1.2 million, 31 December 2018: £1.1 million). 1 per cent is considered to be a reasonably possible movement in interest rates.

The Group has entered into various credit facilities which are subject to a variable interest rate. As at 30 June 2019 the Group had £0.4 million (30 June 2018: £0.5 million, 31 December 2018: £0.4 million) drawn down under these facilities. Please see Note 10 for further details.

The Group does not intend to hedge interest rate risk on a regular basis. However, where it enters floating-rate liabilities against fixed-rate loans, it may at its sole discretion seek to hedge out the interest rate exposure, taking into consideration amongst other things the cost of hedging and the general interest rate environment.

Currency risk
Currency risk is the risk that the value of net assets will fluctuate due to changes in foreign exchange rates. Relevant risk variables are generally movements in the exchange rates of non-functional currencies in which the Group holds financial assets and liabilities.

The assets of the Group are invested in Credit Assets and other investments including unquoted equities which are denominated in US Dollars, Euros, Pounds Sterling and other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Group hedges currency exposure between Pounds Sterling and any other currency in which the Group's assets may be denominated, in particular US Dollars and Euros.

Concentration of foreign currency exposure
The Investment Manager monitors the fluctuations in foreign currency exchange rates and may use forward foreign exchange contracts to hedge the currency exposure of the Group's non GBP denominated investments. The Investment Manager re-examines the currency exposure on a regular basis in each currency and manages the Group's currency exposure in accordance with market expectations.

The below table presents the net exposure to foreign currency at 30 June 2019. The table includes forward foreign exchange contracts at their notional exposure value and excludes all GBP assets and liabilities recorded on the Consolidated Statement of Financial Position.

Unaudited	**Total asset £'000**	**Total liability £'000**	**Forward Contract £'000**	**Net exposure after forward contract £'000**
Australian Dollar	2,217	(240)	(1,819)	158
Euro	250,216	(46,875)	(204,071)	(731)
US Dollar	242,380	(105,723)	(141,366)	(4,709)
New Zealand Dollar	26,802	(2,266)	(23,391)	1,144

If the GBP exchange rate simultaneously increased/decreased by 10 per cent against the above currencies, the impact on profit would be an increase/decrease of £0.4 million. 10 per cent is considered to be a reasonably possible movement in foreign exchange rates. The total GBP exposure as at 30 June 2019 is £353.8 million.

The below table presents the net exposure to foreign currency at 30 June 2018. The table includes forward foreign exchange contracts at their notional exposure value and excludes all GBP assets and liabilities recorded on the Consolidated Statement of Financial Position.

Unaudited	**Total asset £'000**	**Total liability £'000**	**Forward Contract £'000**	**Net exposure after forward contract £'000**
Australian Dollar	24,768	(277)	(24,335)	156
Euro	178,028	(4,487)	(165,382)	8,159
US Dollar	188,875	(11,175)	(175,641)	2,059
New Zealand Dollar	37,568	(1,783)	(35,250)	535

If the GBP exchange rate simultaneously increased/decreased by 10 per cent against the above currencies, the impact on profit would be an increase/decrease of £1.1 million. 10 per cent is considered to be a reasonably possible movement in foreign exchange rates. The total GBP exposure as at 30 June 2018 is £330.5 million.

The below table presents the net exposure to foreign currency at 31 December 2018. The table includes forward foreign exchange contracts at their notional exposure value and excludes all GBP assets and liabilities recorded on the Consolidated Statement of Financial Position.

Audited	Total asset £'000	Total liability £'000	Forward Contract £'000	Net exposure after forward contract £'000
Australian Dollar	30,615	(305)	(29,075)	1,235
Euro	227,656	(4,542)	(203,756)	19,358
US Dollar	116,132	(39,259)	(62,811)	14,062
New Zealand Dollar	36,641	(1,744)	(32,641)	2,256

If the GBP exchange rate simultaneously increased/decreased by 10 per cent against the above currencies, the impact on profit would be an increase/decrease of £3.7 million. 10 per cent is considered to be a reasonably possible movement in foreign exchange rates. The total GBP exposure as of 31 December 2018 is £368.2 million.

Liquidity risk

Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations on time or at a reasonable price. Ordinary shares are not redeemable at the holder's option.

The Investment Manager manages the Group's liquidity risk through active capital management, including monitoring of amortising cash flows, monitoring of debt requirements and monitoring and forecasting of cash flows.

Financial liabilities consisting of forward foreign exchange contracts, amounts due to brokers, dividends and interest payable, broker fees payable, and accrued expenses and other liabilities are all due within three months.

The liquidity profile of the Group's borrowings is detailed in Note 10.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risks arise principally through exposures to loans acquired by the Group, which are subject to risk of borrower default and disclosed as loans held at amortised cost on the Statement of Financial Position. The ability of the Group to earn revenue is completely dependent upon payments being made by the borrower of the loan acquired by the Group through a Platform. The Group (as a lender member) will receive payments under any loans it acquires through a Platform only if the corresponding borrower through that Platform (borrower member) makes payments on the loan.

Consumer loans are typically unsecured obligations of borrowers. They are not secured by any collateral, not guaranteed or insured by any third party and not backed by governmental authority in any way. Secured consumer loans will be secured against collateral. SME loans are typically not secured against collateral but are backed by personal guarantees of the business' director(s). Real estate loans and structured facilities are secured against collateral. The Group must rely on the collection efforts of the Platforms and their designated collection agencies and has no direct recourse against borrower members.

The Platforms will undertake the primary credit risk assessment when originating loans or receivables. The investment manager, in selecting Platforms from which to acquire loan exposures, conducts detailed initial due diligence on, including but not limited to, their credit risk assessment processes, their operational systems and controls plus their ongoing viability. It also conducts due diligence on an ongoing basis and monitors the performance of acquired loans and the entire platform loan book if available. The investment manager also re-underwrites some loans originated by Platforms. As at 30 June 2019, this comprises all secured real estate loans only. This is due to the bespoke nature of the underlying collateral and their large size.

As at 30 June 2019, the Group has not directly originated any loans that do not involve Platforms.

The Group will invest across various Platforms, asset classes, geographies (primarily United States and Europe) and credit bands in order to ensure diversification and to seek to mitigate concentration risks.

Loans at amortised cost

The table below provides details of the loans at amortised cost held by the Group at 30 June 2019.

Group	**30 June 2019 (Unaudited) £'000**	**30 June 2018 (Unaudited) £'000**	**31 December 2018 (Audited) £'000**
Loans at amortised cost before expected credit loss	1,056,397	1,125,598	1,010,350
Expected Credit Loss	(54,582)	(61,675)	(51,203)
Loans at amortised cost	**1,001,815**	**1,063,923**	**959,147**

The financial assets recorded in each stage have the following characteristics:

Stage	**Characteristics**
Stage 1	Unimpaired and without significant increase in credit risk on which a 12-month allowance for ECL is recognised.
Stage 2	A significant increase in credit risk has been experienced since initial recognition on which a lifetime ECL is recognised. Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due and are transferred from Stage 1 to Stage 2.
Stage 3	Objective evidence of impairment and are therefore considered to be in default or otherwise credit-impaired on which a lifetime ECL is recognised.

The following tables analyse loans by type of exposure and geography and represent the concentration of exposures on which credit risk is managed as at 30 June 2019.

Group as at 30 June 2019 (Unaudited)	**Secured**	**Unsecured**					
	Real Estate £'000	**SME UK £'000**	**SME Other £'000**	**Consumer UK £'000**	**Consumer US £'000**	**Consumer Other £'000**	**Total £'000**
Stage 1	387,967	222,823	56,344	167,475	135,039	21,700	991,348
Stage 2	2,908	3,428	–	2,301	9,069	746	18,452
Stage 3	509	9,621	4,019	18,611	12,614	1,223	46,597
Gross	**391,384**	**235,872**	**60,363**	**188,387**	**156,722**	**23,669**	**1,056,397**
Allowance for credit losses							
Stage 1	(1,810)	(3,291)	–	(1,216)	(2,066)	(546)	(8,929)
Stage 2	(57)	(2,021)	–	(1,525)	(1,846)	(405)	(5,854)
Stage 3	(22)	(7,386)	(3,027)	(16,653)	(11,652)	(1,059)	(39,799)
Total allowance for credit losses	**(1,889)**	**(12,698)**	**(3,027)**	**(19,394)**	**(15,564)**	**(2,010)**	**(54,582)**
Net loans at amortised cost	**389,495**	**223,174**	**57,336**	**168,993**	**141,158**	**21,659**	**1,001,815**

Stage 1	0.5%	1.5%	0.0%	0.7%	1.5%	2.5%	0.9%
Stage 2	1.9%	59.0%	0.0%	66.3%	20.4%	54.4%	31.7%
Stage 3	4.3%	76.8%	75.3%	89.5%	92.4%	86.7%	85.4%
Total	**0.5%**	**5.4%**	**5.0%**	**10.3%**	**9.9%**	**8.5%**	**5.2%**

The following tables analyse loans by type of exposure and geography and represent the concentration of exposures on which credit risk is managed as at 30 June 2018.

Group as at 30 June 2018 (Unaudited)	**Secured**	**Unsecured**					
	Real Estate £'000	**SME UK £'000**	**SME Other £'000**	**Consumer UK £'000**	**Consumer US £'000**	**Consumer Other £'000**	**Total £'000**
Stage 1	275,970	299,123	154	294,332	147,515	51,639	1,068,733
Stage 2	–	3,670	–	5,132	4,362	920	14,084
Stage 3	–	9,247	8,157	10,625	13,770	982	42,781
Gross	**275,970**	**312,040**	**8,311**	**310,089**	**165,647**	**53,541**	**1,125,598**
Allowance for credit losses							
Stage 1	(2,990)	(4,386)	–	(4,036)	(94,989)	(518)	(16,919)
Stage 2	–	(1,676)	–	(3,165)	(3,418)	(609)	(8,868)
Stage 3	–	(6,474)	(5,889)	(9,755)	(12,836)	(934)	(35,888)
Total allowance for credit losses	**(2,990)**	**(12,536)**	**(5,889)**	**(16,956)**	**(21,243)**	**(2,061)**	**(61,675)**
Net loans at amortised cost	**272,980**	**299,504**	**2,422**	**293,133**	**144,404**	**51,480**	**1,063,923**
Stage 1	1.1%	1.5%	0.0%	1.4%	3.4%	1.0%	1.6%
Stage 2	–%	45.7%	–%	61.7%	78.4%	66.2%	63.0%
Stage 3	–%	70.0%	72.2%	91.8%	93.2%	95.1%	83.9%
Total	**1.1%**	**4.0%**	**70.9%**	**5.5%**	**12.8%**	**3.8%**	**5.5%**

The following tables analyse loans by type of exposure and geography and represent the concentration of exposures on which credit risk is managed as at 31 December 2018.

Group as at 31 December 2018 (Audited)	**Secured**	**Unsecured**					
	Real Estate £'000	**SME UK £'000**	**SME Other £'000**	**Consumer UK £'000**	**Consumer US £'000**	**Consumer Other £'000**	**Total £'000**
Stage 1	358,285	222,666	12,822	224,242	64,344	59,868	942,227
Stage 2	–	1,341	–	3,160	16,299	1,060	21,860
Stage 3	–	13,496	4,016	14,608	13,317	826	46,263
Gross	**358,285**	**237,503**	**16,838**	**242,010**	**93,960**	**61,754**	**1,010,350**

Allowance for credit losses							
Stage 1	(1,698)	(3,552)	–	(1,885)	(1,242)	(689)	(9,066)
Stage 2	–	(763)	–	(1,654)	(2,342)	(586)	(5,345)
Stage 3	–	(7,722)	(2,795)	(13,127)	(12,434)	(714)	(36,792)
Total allowance for credit losses	**(1,698)**	**(12,037)**	**(2,795)**	**(16,666)**	**(16,018)**	**(1,989)**	**(51,203)**
Net loans at amortised cost	**356,587**	**225,466**	**14,043**	**225,344**	**77,942**	**59,765**	**959,147**
Stage 1	0.5%	1.6%	0.0%	0.8%	1.9%	1.2%	1.0%
Stage 2	0.0%	56.9%	0.0%	52.3%	14.4%	55.2%	24.4%
Stage 3	0.0%	57.2%	69.6%	89.9%	93.4%	86.5%	79.5%
Total	**0.5%**	**5.1%**	**16.6%**	**6.9%**	**17.0%**	**3.2%**	**5.1%**

Collateral held as security for financial assets
Consumer loans are typically unsecured obligations of borrowers. They are not secured by any collateral, not guaranteed or insured by any third party and not backed by any governmental authority in any way. SME Loans are typically not secured against collateral but are backed by personal guarantees of the business' director(s).

The Group originates real estate loans through several platforms, the below disclosure does not include the CLN's. The originated loans real estate loans are secured against collateral as follows:

Loan to value	**30 June 2019 (Unaudited) £'000**	**30 June 2018 (Unaudited) £'000**	**31 December 2018 (Audited) £'000**
Less than 70%	360,942	249,290	223,717
Between 70% - 75%	17,848	23,555	102,831
Between 75% - 80%	646	3,124	684
Greater than 80%	–	–	–

Maximum credit exposure loan commitments
The Company has provided credit facilities that are undrawn as at 30 June 2019. These primarily relate to secured real estate loans. The undrawn balance as at 30 June 2019 was £236.0 million (30 June 2018: £190.8 million, 31 December 2018: £218.2 million).

Platform restrictions
The Group will not invest more than 33 per cent of gross assets via any single Platform. This limit may be increased to 66 per cent of Gross Assets via any single Platform, provided that where this limit is so increased in respect of any Platform the Group does not invest an amount which is greater than 25 per cent (by value) of the total loan origination or investment of the preceding calendar year via such Platform or counterparty.

Asset class restrictions
The Company will invest in Credit Assets originated across various sectors and across credit risk bands to ensure diversification and to seek to mitigate concentration risks. The following investment limits and restrictions apply to the Company to ensure that the diversification of the portfolio is maintained, that concentration risk is limited and that limits are placed on risk associated with borrowings.

The Company will not invest more than 20 per cent of gross assets, at the time of investment, via any single investment fund investing in Credit Assets. The Group will not invest, in aggregate, more than 60 per cent of gross assets, at the time of investment, in other investment funds that invest in Credit Assets.

The Company will not invest more than 10 per cent of its gross assets, at the time of investment, in other listed closed-ended investment funds, whether managed by the Investment Manager or not, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent of their gross assets in other listed closed-ended investment funds.

The following apply, in each case at the time of investment by the Company, to both Credit Assets acquired by the Company directly and on a look-through basis to any Credit Assets held by another investment fund which is managed by the Investment Manager, the Sub-Manager or their affiliates in which the Company invests (proportionate to the percentage interest the Company has in such investment fund). It is intended that:

- No single consumer loan shall exceed 0.25 per cent of gross assets;
- No single SME loan shall exceed 5.0 per cent of gross assets;
- No single advance or loan against a trade receivable asset shall exceed 5.0 per cent of gross assets;
- No single corporate loan shall exceed 5 per cent of gross assets; and
- No single facility, security or other interest backed by a portfolio of loans, assets or receivables (excluding any borrowing ring-fenced within any SPV which would be without recourse to the Company) shall exceed 20 per cent of gross assets.

At any given time, not more than 50 per cent of Gross Assets will be maintained in SME Credit Assets and not more than 50 per cent of Gross Assets will be maintained in trade receivable assets (taking into account both Credit Assets acquired by the Company directly and, on a look-through basis, any Credit Assets held by another investment fund managed by the Investment Manager, the Sub-Manager or their affiliates in which the Company invests (proportionate to the percentage interest the Company has in such investment fund)).

Other restrictions
The Company may invest in cash, cash equivalents and fixed income instruments for cash management purposes and with a view to enhancing returns to shareholders or mitigating credit exposure. However, for cash management purposes the Company will only invest in fixed income instruments of investment grade.

The Company will not invest in collateralised debt obligations ("CDOs"). CDO's are pooled debt obligations where pooled assets serve as collateral.

The Group's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations as at 30 June 2019, 30 June 2018 and 30 December 2018 in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the Consolidated Statement of Financial Position.

7. EXPECTED CREDIT LOSS ALLOWANCE OF INVESTMENTS AT AMORTISED COST

Under the expected credit loss model of IFRS 9 impairment provisions are driven by changes in credit risk of instruments, with a provision for lifetime expected credit losses recognised where the risk of default of an instrument has increased significantly since initial recognition.

30 June 2019 (Unaudited)	**Real Estate £'000**	**SME UK £'000**	**SME Other £'000**	**Consumer UK £'000**	**Consumer US £'000**	**Consumer Other £'000**	**Total £'000**
Impairment allowance as at	1,698	12,037	2,795	16,666	16,018	1,989	51,203

31 December 2018							
ECL charge to the statement of comprehensive income							
Stage 1	114	1,503	–	(669)	809	(144)	1,613
Stage 2	56	1,258	–	(128)	(490)	(180)	516
Stage 3	22	3,140	54	4,223	939	775	9,153
Total ECL charge for first 6 months of 2019	**192**	**5,901**	**54**	**3,426**	**1,258**	**451**	**11,282**
Loans and receivables written off	–	(5,471)	–	(765)	(2,597)	(449)	(9,282)
Recoveries of amounts written off in previous years	–	231	172	67	881	15	1,366
Foreign exchange impact	(1)	–	6	–	4	4	13
As at 30 June 2019	**1,889**	**12,698**	**3,027**	**19,394**	**15,564**	**2,010**	**54,582**

30 June 2018 (Unaudited)	**Real Estate £'000**	**SME UK £'000**	**SME Other £'000**	**Consumer UK £'000**	**Consumer US £'000**	**Consumer Other £'000**	**Total £'000**
Impairment allowance as at 31 December 2017	–	6,912	3,557	22,773	23,315	1,657	58,214
Changes on initial application of IFRS 9							
Stage 1	2,227	2,837	–	5,886	5,873	306	17,129
Stage 2	–	–	–	–	2,512	–	2,512
Stage 3	–	–	–	–	–	–	–
Restated ECL allowance as at 1 January 2018	**2,227**	**9,749**	**3,557**	**28,659**	**31,700**	**1,963**	**77,855**
ECL charge to the statement of comprehensive income							
Stage 1	763	902	–	(4,483)	(19)	78	(2,759)
Stage 2	-	631	(186)	(1,717)	(7,194)	21	(8,445)
Stage 3	-	3,535	3,182	13,269	9,442	1,405	30,833
Total ECL charge for first 6 months of 2018	**763**	**5,068**	**2,996**	**7,069**	**2,229**	**1,504**	**19,629**
Loans and receivables written off	–	(2,633)	(715)	(11,794)	(15,332)	(1,356)	(31,830)

Loans and receivables sold	–	–	–	(6,978)	–	–	(6,978)
Recoveries of amounts written off in previous years	–	317	–	–	2,346	28	2,691
Foreign exchange impact	–	–	51	–	299	(43)	307
As at 30 June 2018	**2,990**	**12,536**	**5,889**	**16,956**	**21,243**	**2,061**	**61,675**

31 December 2018 (Audited)	**Real Estate £'000**	**SME UK £'000**	**SME Other £'000**	**Consumer UK £'000**	**Consumer US £'000**	**Consumer Other £'000**	**Total £'000**
Impairment allowance as at 31 December 2017	–	6,912	3,557	22,773	23,315	1,657	58,214
Changes on initial application of IFRS 9							
Stage 1	2,227	2,837	–	5,886	5,873	306	17,129
Stage 2	–	–	–	–	2,512	–	2,512
Stage 3	–	–	–	–	–	–	–
Restated ECL allowance as at 1 January 2018	**2,227**	**9,749**	**3,557**	**28,659**	**31,700**	**1,963**	**77,855**
ECL charge to the statement of comprehensive income							
Stage 1	(530)	4,296	–	(3,819)	(3,823)	416	(3,460)
Stage 2	–	(1,113)	(225)	(2,087)	(9,687)	(165)	(13,277)
Stage 3	–	10,669	3,178	18,157	18,010	2,419	52,433
Total ECL charge for 2018	**(530)**	**13,852**	**2,953**	**12,251**	**4,500**	**2,670**	**35,696**
Loans and receivables written off	–	(5,904)	(3,893)	(14,168)	(22,551)	(2,666)	(49,182)
Loans and receivables sold	–	–	–	(10,413)	(2,723)	–	(13,136)
Loans and receivables removed on deconsolidation	–	(5,743)	–	–	–	–	(5,743)
Recoveries of amounts written off in previous years	–	83	–	337	3,921	64	4,405
Foreign exchange impact	1	–	178	–	1,171	(42)	1,308
As at 31 December 2018	**1,698**	**12,037**	**2,795**	**16,666**	**16,018**	**1,989**	**51,203**

Measurement uncertainty and sensitivity analysis of expected credit loss

The recognition and measurement of expected credit losses (“ECL”) is highly complex and involves the use of significant judgement and estimation. This includes the formulation and incorporation of multiple forward-looking economic conditions into ECL to meet the measurement objective of IFRS 9.

The ECL recognised in the financial statements reflect the effect on expected credit losses of a range of possible outcomes, calculated on a probability-weighted basis, based on the economic scenarios described above, including management overlays where required. The probability-weighted amount is typically a higher number than would result from using only the Base (most likely) economic scenario. Expected credit losses typically have a non-linear relationship to the many factors which influence credit losses, such that more favourable macroeconomic factors do not reduce defaults as much as less favourable macroeconomic factors increase defaults. The ECL calculated for each of the scenarios represent a range of possible outcomes that have been evaluated to estimate ECL. As a result, the ECL calculated for the Upside and Downside scenarios should not be taken to represent the upper and lower limits of possible actual ECL outcomes. There is a high degree of estimation uncertainty in representing tail risk scenarios when assigned a 100 per cent weighting. A wider range of possible ECL outcomes reflects uncertainty about the distribution of economic conditions and does not necessarily mean that credit risk on the associated loans is higher than for loans where the distribution of possible future economic conditions is narrower.

For most portfolios, the Company has adopted the use of three economic scenarios, representative of our view of forecast economic conditions, sufficient to calculate unbiased ECL. They represent a ‘most likely outcome’ (the Base scenario) and two, less likely, ‘outer’ scenarios, referred to as the ‘Upside’ and ‘Downside’ scenarios. The Company has developed a shortlist of the upside and downside economic and political risks most relevant to the Company and the IFRS 9 measurement objective. These include economic and political risks which together affect economies that materially matter to the Company.

For stage 3 impaired loans, LGD estimates take into account independent recovery valuations provided by external consultants where available, or internal forecasts corresponding to anticipated economic conditions.

8. FEES AND EXPENSES

Investment management and performance fees

Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties.

The management fee is payable monthly in arrears and is at the rate of 1/12 of 1.0 per cent per month of NAV (the “Management Fee”). For the period from admission to trading on the London Stock Exchange’s main market for listed securities (the “Admission”) until the date on which 90 per cent of the net proceeds of the Issue have been invested or committed for investment, directly or indirectly, in Credit Assets, the value attributable to any assets of the Group other than Credit Assets (including any cash) will be excluded from the calculation of NAV for the purposes of determining the Management Fee.

The Investment Manager shall not charge a management fee or performance fee twice. Accordingly, if at any time the Group invests in or through any other investment fund or special purpose vehicle and a management fee or advisory fee is charged to such investment fund or special purpose vehicle by the Investment Manager, the Sub-Manager or any of their affiliates, the value of such investment shall be excluded from the calculation of NAV for the purposes of determining the Management Fee payable.

Notwithstanding the above, the Investment Manager may charge a fee based on a percentage of gross assets (such percentage not to exceed 1.0 per cent) to any entity which is within the same group of companies of which the Company forms part, provided that such an entity employs leverage for the purpose of its investment policy or strategy. Effective from 1 January 2017, the Investment Manager waived the management fee charged on leverage.

Management fees charged for the period ended 30 June 2019 totalled £3.6 million (30 June 2018: £3.8 million) (31 December 2018: £7.5 million), of which £1.2 million was payable at the period-end (30 June 2018: £1.2 million) (31 December 2018: £1.2 million).

The management fees are allocated between the revenue and capital accounts based on the prospective split of NAV between revenue and capital. The percentage of management expenses allocated to capital is less than 1 per cent of the total.

The performance fee is calculated in respect of each twelve month starting on 1 January and ending on 31 December in each calendar year (the "Calculation Period"), save that the first Calculation Period was the period commencing on admission and ending on 31 December 2014 and provided further that if at the end of what would otherwise be a Calculation Period no performance fee has been earned in respect of that period, the Calculation Period shall carry on for the next 12 month period and shall be deemed to be the same Calculation Period and this process shall continue until a performance fee is next earned at the end of the relevant period.

The performance fee is calculated by reference to the movements in the Adjusted Net Asset Value (as defined below) since the end of the Calculation Period in respect of which a performance fee was last earned or Admission if no performance fee has yet been earned (the "High Water Mark").

The performance fee will be a sum equal to 15 per cent of such amount (if positive) and will only be payable if the Adjusted NAV at the end of a Calculation Period exceeds the High Water Mark. From 1 January 2018, the performance fee will be subject to a hurdle of 5 per cent with full catch up. The performance fee shall be payable to the Investment Manager in arrears within 30 calendar days of the end of the relevant Calculation Period.

Performance fees for the period ended 30 June 2019 totalled £3.2 million (31 December 2018: £6.5 million), (30 June 2018: £1.9 million) of which £3.2 million was payable at the period-end (31 December 2018: £6.5 million), (30 June 2018: £1.9 million).

"Adjusted Net Asset Value" means the NAV adjusted for: (i) any increases or decreases in NAV arising from issues or repurchases of ordinary or C shares during the relevant Calculation Period; (ii) adding back the aggregate amount of any dividends or distributions (for which no adjustment has already been made under (i)) made by the Group at any time during the relevant Calculation Period; (iii) before deduction for any accrued performance fees; and (iv) to the extent that the Group invests in any other investment fund or via any special purpose vehicle or via any separate managed account arrangement which is managed or advised by the Investment Manager, the Sub-Manager or any of their affiliates, if the Investment Manager, the Sub-Manager or such affiliate is entitled to (including where it is not yet earned) receive a performance fee or performance allocation at the level of that investee entity or under such separate managed account arrangement, excluding any gain or loss attributable to those investments during the relevant Calculation Period.

Administration
The Company has entered into an administration agreement with Citco Fund Services (Ireland) Limited. The Company pays to the Administrator out of the assets of the Company an annual administration fee based on the Company's net assets subject to a monthly minimum charge. Administration fees for the period ended 30 June 2019 £263,191 (30 June 2018: £251,184, 31 December 2018: £526,350) of which £119,200 was payable at the 30 June 2019 (30 June 2018: £88,027, 31 December 2018: £86,021).

The Administrator shall also be entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company.

Other expenses

Group	**30 June 2019 (Unaudited) £'000**	**30 June 2018 (Unaudited) £'000**	**31 December 2018 (Audited) £'000**
Auditors' remuneration	195	187	375
Assurance & Tax*	127	67	347
Administration fees	263	251	526
Directors' fees	120	123	197
Regulatory costs	125	138	270

Other	510	2,995	9,826
Total	**1,340**	**3,761**	**11,541**

* As at 31 December 2018 of the assurance and tax work only £27,000 relates to PwC.

Company Secretary
Under the terms of the Company Secretarial Agreement, Link Company Matters Limited is entitled to an annual fee of £55,000 (exclusive of VAT and disbursements).

Registrar
Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.25 per Shareholder account per annum, subject to a minimum fee of £2,500 per annum (exclusive of VAT).

Depositary
On 21 July 2017, the Company appointed Citco Custody (UK) Limited as Depositary to replace Deutsche Bank Luxemburg, S.A. Under the terms of the Depositary Agreement, the Depositary is entitled to be paid a fee of up to 0.04 per cent per annum of NAV, subject to a minimum monthly fee of £3,000 (exclusive of VAT). Prior to 21 July 2017, Deutsche Bank Luxemburg was entitled to be paid a fee of up to 0.025 per cent per annum of NAV, subject to a minimum monthly fee of £3,000 (exclusive of VAT).

Other operational expenses
Other on-going operational expenses (excluding fees paid to service providers as detailed above) of the Group will be borne by the Group including printing, audit, finance costs, due diligence and legal fees. All reasonable out of pocket expenses of the Investment Manager, the Administrator, the Company Secretary, the Registrar, the Depositary, the Custodian, and the Directors relating to the Group will be borne by the Group.

9. INTEREST RECEIVABLE

Interest income is earned from investments in fixed income securities and loans and broker balances. The below tables show the interest receivables of the Group as at 30 June 2019.

Group	**30 June 2019 (Unaudited) £'000**	**30 June 2018 (Unaudited) £'000**	**31 December 2018 (Audited) £'000**
Interest receivable	33,460	19,911	23,200
Total	**33,460**	**19,911**	**23,200**

10. NON-CURRENT LIABILITIES

Group	**30 June 2019 (Unaudited) £'000**	**30 June 2018 (Unaudited) £'000**	**31 December 2018 (Audited) £'000**
Revolving bank facilities	84,431	–	202,013
Principal protected notes	208,212	321,336	116,013
Term facilities	118,546	191,955	59,474
Total borrowings	**411,189**	**513,291**	**377,500**
Other liabilities	**1,233**	**3,941**	**1,934**

The Company entered into a 30-month debt facility in December 2018 that had both a term and a revolving element. This refinanced its maturing £200 million debt facility. The new facility has a number of differences to the previous facility, those being the ability to draw down in multiple currencies to align with the underlying assets of the Group and therefore reducing the need for foreign currency hedging. It also provides both term and revolving debt that will allow the Group to repay the part of the debt when it has a strong liquidity position. The facility has a day-1 committed size of £150.0 million, with the ability to increase further in the future. The facility is secured by way of fixed and floating charges; interest on the loan is paid quarterly and is charged on LIBOR plus margin. As at 30 June 2019 the facility is £112.0 million drawn (30 June 2018: £Nil, 31 December 2018: £Nil).

Prior to December 2018 the Company had within term bank facilities a £200.0 million secured 3-year GBP loan facility entered into by the Company on 16 December 2015 with a consortium of institutional lenders. The facility was secured by way of fixed and floating charges; interest on the loan was paid quarterly and charged on LIBOR plus margin.

During the year ended 31 December 2016, MOCA 2016 issued notes as securitisations of loans. These were issued in the form of principal protected notes ("PPNs"). The PPNs amortise, in order of seniority, on a monthly basis based on the receipts arising on the underlying loan assets. Consequently, the weighted average life of the PPNs is expected to be significantly shorter than the contractual maturity of October 2024. The PPNs held by third parties pay interest at one month LIBOR plus a range of margins. The original principal balance was £129,000,000 and as at 30 June 2019 was £20.3 million (30 June 2018: £44.5 million, 31 December 2018: £30.4 million).

During the year ended 31 December 2017, MOCA 2017 issued notes as securitisations of loans. These were issued in the form of PPNs. The PPNs amortise, in order of seniority, on a monthly basis based on the receipts arising on the underlying loan assets. Consequently, the weighted average life of the PPNs is expected to be significantly shorter than the contractual maturity of December 2027. The PPNs held by third parties pay interest at one month LIBOR plus a range of margins. The original principal balance was £216.5 million and as at 30 June 2019 was £84.8 million (30 June 2018: £152.9 million, 31 December 2018: £114.3 million).

During the period ended 30 June 2019, SBOLT 2019 issued notes as securitisations of loans. These were issued in the form of PPNs. The PPNs amortise, in order of seniority, on a monthly basis based on the receipts arising on the underlying loan assets. Consequently, the weighted average life of the PPNs is expected to be significantly shorter than the contractual maturity of December 2027. The PPNs held by third parties pay interest at one month LIBOR plus a range of margins. The original principal balance was £188.9 million and as at 30 June 2019 was £158.3 million (30 June 2018: £Nil, 31 December 2018: £Nil).

The Company entered into a 30-month, €50.0 million debt facility in February 2019. Interest on the loan is a fixed margin paid monthly. As at 30 June 2019 the facility is £44.8 million drawn (30 June 2018: £Nil, 31 December 2018: £Nil). The Company also entered into a 1-year, $120.0 million debt facility in February 2019. Interest on the loan is charged monthly on a 3-month LIBOR plus margin. As at 30 June 2019 the facility is £41.7 million drawn (30 June 2018: £Nil, 31 December 2018: £Nil). These new facilities allow the Company to align the currency of the underlying assets of the Group with the currency of the leverage, reducing the need for foreign currency hedging.

The Group's other noncurrent liabilities, as at 30 June 2019 of £1.2 million (30 June 2018: £3.9 million, 31 December 2018: £1.9 million), are comprised of £1.2 million (30 June 2018: £3.9 million 31 December 2018: £1.9 million), being amounts due to a loan trust owned by the SPV and £Nil (30 June 2018: £Nil, 31 December 2018: £Nil), of accrued performance allocation to the General Partner of the SPV. The amounts due to the loan trusts relate to co-investments with Platforms in pools of loan assets which provide the SPV with first loss protection. The amounts due to the loan trusts do not have a fixed maturity. The amounts due to the SPV General Partner are due within one year.

The below tables analyse the Group's borrowings into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the final scheduled maturity date.

30 June 2019 (Unaudited)	**<1 year £'000**	**1 - 3 years £'000**	**3 - 5 years £'000**	**> 5 years £'000**	**Total £'000**

Revolving bank facilities	–	42,709	–	41,722	**84,431**
Principal protected notes	–	–	–	208,212	**208,212**
Term facilities	–	118,546	–	–	**118,546**
Total	**–**	**161,255**	**–**	**249,934**	**411,189**

30 June 2018 (Unaudited)	**<1 year £'000**	**1 - 3 years £'000**	**3 - 5 years £'000**	**> 5 years £'000**	**Total £'000**
Principal protected notes	–	5,468	–	315,868	**321,336**
Term facilities	175,000	–	16,955	–	**191,955**
Total	**175,000**	**5,468**	**16,955**	**315,868**	**513,291**

31 December 2018 (Audited)	**<1 year £'000**	**1 - 3 years £'000**	**3 - 5 years £'000**	**> 5 years £'000**	**Total £'000**
Revolving bank facilities	–	202,013	–	–	**202,013**
Principal protected notes	–	–	–	116,013	**116,013**
Term facilities	–	49,630	9,844	–	**59,474**
Total	**–**	**251,643**	**9,844**	**116,013**	**377,500**

As part of IAS 7, "Statement of Cash Flows" an entity is required to disclose changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. As at the 30 June 2019 the below changes occurred:

30 June 2019 (Unaudited)	**Opening balance as at 1 January 2019 £'000**	**Payments £'000**	**Acquisitions/ Drawdowns £'000**	**Foreign Exchange movements £'000**	**Closing balance as at 30 June 2019 £'000**
Borrowings	377,500	(260,822)	291,673	2,838	**411,189**
Total liabilities from financing activities	**377,500**	**(260,822)**	**291,673**	**2,838**	**411,189**

30 June 2018 (Unaudited)	**Opening balance as at 1 January 2018 £'000**	**Payments £'000**	**Acquisitions/ Drawdowns £'000**	**Foreign Exchange movements £'000**	**Closing balance as at 30 June 2018 £'000**
Borrowings	615,850	(264,608)	160,890	1,159	**513,291**
Total liabilities from financing activities	**615,850**	**(264,608)**	**160,890**	**1,159**	**513,291**

31 December 2018 (Audited)	**Opening balance as at 1 January 2018 £'000**	**Payments £'000**	**Acquisitions/ Drawdowns £'000**	**Foreign Exchange movements £'000**	**Closing balance as at 31 December 2018 £'000**
Borrowings	615,850	(525,925)	286,416	1,159	**377,500**

Total liabilities from financing activities	**615,850**	**(525,925)**	**286,416**	**1,159**	**377,500**

11. STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Structured entities are consolidated when the substance of the relationship indicates control.

Structured entities are assessed for consolidation in accordance with the accounting policy set out in Note 2. The following structured entities are consolidated in the Group's results.

Structured entity	**Nature of business**	**Principal place of business and incorporation**
Eaglewood Income Fund I, LP	Alternative finance investments	Delaware USA
Eaglewood SPV I LP	Alternative finance investments	Delaware USA
Marketplace Originated Consumer Assets 2016-1 PLC	Securitisation of UK consumer loans	England and Wales
Marketplace Originated Consumer Assets 2017-1 PLC	Securitisation of UK consumer loans	England and Wales
P2P BL-2 Limited	Term facility	England and Wales
EW-PFL Trust	Alternative finance investments	Delaware USA
SPV I Loan Trust	Alternative finance investments	Delaware USA
Payoff Consumer Loan Trust	Alternative finance investments	Delaware USA
BFCL Trust	Alternative finance investments	Delaware USA
Eaglewood LC Trust	Alternative finance investments	Delaware USA
PSC 1803 Autoloan Trust	Alternative finance investments	Delaware USA
PSC Rocketloans Prime Consumer Loan Trust	Alternative finance investments	Delaware USA
CH Mercury Note Issuer DAC	Alternative finance investments	Ireland
PSC 2018F Loan Trust	Alternative finance investments	Delaware USA
Small Business Origination Loan Trust 2019-1 DAC	Securitisation of UK SME loans	Ireland

Further details on the activities of these consolidated structured entities are set out in Note 2.

The following structured entity is not consolidated in the Group's results, as Eaglewood Fund only retained 25 per cent pari passu of the residual note, the Group does not have control. The structured entity is treated as an associate.

Structured entity	**Nature of business**	**Principal place of business and incorporation**
MW-EW Financing Trust	Alternative finance investments	Delaware USA

12. SUBSIDIARIES

Accounting for investment in subsidiaries

The Company's investments in subsidiaries, as at 30 June 2019 consist of:

Investments in subsidiaries	**30 June 2018 (Unaudited) £'000**	**30 June 2018 (Unaudited) £'000**	**31 December 2018 (Audited) £'000**

Investments in SPV partnership interest	195,501	117,994	108,186
Investment in P2P BL-3	–	–	35,860
CH Mercury Note Issuer DAC	57,962	–	–
Investments in Greenwood Limited	–	13,606	–

13. INVESTMENTS IN ASSOCIATES

Associates are entities over which the Group has significant influence, but does not control, generally accompanied by a shareholding of between 20 per cent and 50 per cent of the voting rights. Given the nature of the below shareholdings these are all deemed to be associates given that the Company does not have control.

The below companies are associates within the Group Financial Statements:

Entity	**Nature of business**	**Principal place of business**
Zorin Finance Limited	Real Estate	UK
Castlehaven Finance	Real Estate	Ireland
MW-EW Financing Trust	Consumer	USA

As at 30 June 2019, the Group has three associates, one being Zorin Finance Limited ("Zorin") a UK platform originating secured real estate loans, Castlehaven Finance ("Castlehaven") European platform originating secured real estate loans and the other being MW-EW–Financing Trust whereby the Eaglewood Fund holds a 25 per cent residual note. The investments are accounted for at fair value through profit or loss. No dividends were declared during the period in respect of the investments.

The Group has a direct equity ownership of Zorin of 33.3 per cent. Zorin is a private limited company registered at 1 Knightsbridge Green, London, England, SW1X 7NE and has a registered number of 07514913. It also has provided £6.0 million (30 June 2018: £6.0 million 31 December 2018: £6.0 million) of debt funding to the platform in the form of convertible loan notes of which, as at 30 June 2019, £3.0 million (30 June 2018: £5.0 million 31 December 2018: £2.5 million) has been drawn.

The Group has entered into an agreement which gives it the right to participate in qualifying loans originated by the platform.

There are no significant restrictions on the ability of the associate from repaying loans from, or distributing dividends to, the Group.

The unaudited net assets of Zorin as at 30 June 2019 were £9.1 million (30 June 2018: £7.1 million 31 December 2018: £8.3 million), and the unaudited profit after tax was £1.0 million (H1 2018: £1.0 million 2018: £2.2 million).

The Group also has a direct equity ownership of Castlehaven of 25 per cent. Castlehaven is a private limited company registered 5th Floor, South Block, Rockfield Central, Dundrum, Dublin 14, Ireland. It also has provided £8.9 million (30 June 2018: £6.2 million 31 December 2018: £9.0 million) of debt funding to the platform in the form of a convertible loan notes of which, as at 30 June 2019, £8.9 million (30 June 2018: £6.0 million 31 December 2018: £8.3 million) has been drawn.

The Group has entered into an agreement which gives it the right to participate in qualifying loans originated by the platform.

There are no significant restrictions on the ability of the associate from repaying loans from, or distributing dividends to, the Group.

The Group has a residual note in MW-EW Financing Trust. In 2017, the Eaglewood Fund registered 11th Floor 500 Delaware Avenue, Wilmington, Delaware, 19801. MW-EW Financing Trust was the primary beneficiary of LC Trust, MW EW Financing Trust, Warehouse I, Warehouse II and CLT 2014. In October 2017, the SPV became the sole investor and thus, consolidation of the Eaglewood Fund took place. Upon consolidation, the loan investments held by Warehouse I and Warehouse II were transferred to MW EW Financing Trust and the ineligible loan investments to LC Trust and CLT 2014. To obtain funding, MW-EW Financing Trust issued asset backed notes ("Notes"). The senior tranche of the Notes ("Senior Note") is held by a bank, representing 76 per cent of the interest and the residual portion of the Notes ("Residual Note") was retained by the Eaglewood Fund. The Eaglewood Fund subsequently sold 75 per cent of the Residual Note to an external investor and retained 25 per cent.

The unaudited net assets of MW-EW Financing Trust as at 30 June 2019 were £12.2 million (30 June 2018: 30.0 million 31 December 2018: £14.7 million), and the loss after tax was £0.6 million (H1 2018: £1.5 million 2018: loss of £2.5 million).

14. NET ASSET VALUE PER ORDINARY SHARE

Group	30 June 2019 (Unaudited)	30 June 2018 (Unaudited)	31 December 2018 (Audited)
Ordinary Shares			
Net assets attributable at end of year (£'000)	722,288	741,976	733,449
Shares in issue	74,916,368	77,596,082	76,088,401
Net asset value per ordinary share (pence)	964.13p	956.20p	963.94p

15. SHAREHOLDERS' CAPITAL

Set out below is the issued share capital of the Company as at 30 June 2019.

Group (Unaudited)	Nominal value £	Number of shares	Voting rights of shares
Ordinary Shares	749,164	74,916,368	74,916,368
Ordinary Shares held in Treasury	113,904	11,390,435	–
Total	**863,068**	**86,306,803**	**74,916,368**

Set out below is the issued share capital of the Company as at 30 June 2018.

Group (Unaudited)	Nominal value £	Number of shares	Voting rights of shares
Ordinary Shares	775,961	77,596,082	77,596,082
Ordinary Shares held in Treasury	87,107	8,710,721	–
Total	**863,068**	**86,306,803**	**77,596,082**

Set out below is the issued share capital of the Company as at 31 December 2018.

Group (Audited)	Nominal value £	Number of shares	Voting rights of shares
Ordinary Shares	760,884	76,088,401	76,088,401
Ordinary Shares held in Treasury	102,184	10,218,402	–
Total	**863,068**	**86,306,803**	**76,088,401**

On incorporation, the issued share capital of the Company was £0.01 represented by one ordinary share, held by the subscriber to the Company's memorandum of association.

Rights attaching to the ordinary shares
The holders of ordinary shares shall be entitled to all of the Company's net assets.

The holders of ordinary shares are only entitled to receive, and to participate in, any dividends declared in relation to the relevant class of shares that they hold.

The ordinary shares shall carry the right to receive notice of, attend and vote at general meetings of the Company.

The consent of the holders of ordinary shares will be required for the variation of any rights attached to the relevant class of shares.

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 who tenders a vote 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 have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, 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 & 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 be varied either in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class.

The Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Company will be proposed at the annual general meeting of the Company to be held in 2021 and, if passed, every five years thereafter. Upon any such resolution not being passed, proposals will be put forward to the effect that the Company be wound up, liquidated, reconstructed or unitised.

If the Company is wound up, the liquidator may divide among the shareholders in specie the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders.

The table below shows the movement in shares during the year ended 30 June 2019.

For the period ended 30 June 2019 (Unaudited)	**Shares in issue at the beginning of the period**	**Buyback of Ordinary Shares**	**Shares in issue at the end of the period**
Ordinary Shares	76,088,401	(1,172,033)	74,916,368
Treasury Shares	10,218,402	1,172,033	11,390,435

The table below shows the movement in shares during the year ended 30 June 2018.

For the period ended 30 June 2018 (Unaudited)	**Shares in issue at the beginning of the period**	**Buyback of Ordinary Shares**	**Shares in issue at the end of the period**

Ordinary Shares	79,835,549	(2,239,467)	77,596,082
Treasury Shares	6,471,254	2,239,467	8,710,721

The table below shows the movement in shares during the year ended 31 December 2018.

For the year ended 31 December 2018 (Audited)	**Shares in issue at the beginning of the year**	**Buyback of Ordinary Shares**	**Shares in issue at the end of the year**
Ordinary Shares	79,835,549	(3,747,148)	76,088,401
Treasury Shares	6,471,254	3,747,148	10,218,402

Cash consideration was received for all subscriptions for shares.

Share Buyback

During the year ended 31 December 2016 the Company commenced a share buyback program. All shares bought back are held in treasury at the end of the period. As at 30 June 2019, the Company had bought back 11,390,435 (30 June 2018: 8,710,721, 31 December 2018: 10,218,402) ordinary shares.

The Company has engaged Liberum Capital Limited to effect on-market purchases of its shares on its behalf. Both parties can terminate the contract without cause at any point other than during a closed period (H1 2019 was not a closed period). As a result, no liability has been recognised as at 30 June 2019 other than in relation to those shares acquired pending settlement.

2019 (Unaudited)	**Ordinary shares purchased**	**Average price per share**	**Lowest price per share**	**Highest price per share**	**Total Treasury Shares**
January	342,584	812.8p	800.0p	825.0p	10,560,986
February	282,503	818.0p	806.0p	827.0p	10,843,489
March	296,697	810.6p	806.0p	816.0p	11,140,186
April	75,000	823.0p	812.0p	834.0p	11,215,186
May	80,878	855.5p	848.0p	860.0p	11,296,064
June	94,371	845.7p	840.0p	853.0p	11,390,435

2018 (Audited)	**Ordinary shares purchased**	**Average price per share**	**Lowest price per share**	**Highest price per share**	**Total Treasury Shares**
January	511,043	820.9p	812.0p	840.0p	6,982,297
February	585,100	813.3p	792.0p	825.0p	7,567,397
March	188,775	784.3p	756.0p	802.0p	7,756,172
April	333,474	784.4p	755.0p	801.0p	8,089,646
May	237,344	800.1p	784.0p	810.0p	8,326,990
June	383,731	791.0p	780.0p	805.0p	8,710,721
July	384,267	821.5p	805.0p	831.0p	9,094,988
August	156,000	784.5p	768.5p	800.0p	9,250,988
September	167,091	775.0p	668.0p	783.0p	9,418,079
October	104,182	775.0p	766.0p	787.0p	9,522,261
November	401,500	788.5p	780.0p	803.0p	9,923,761
December	294,641	800.3p	795.3p	805.0p	10,218,402

Special Distributable Reserve

At a general meeting of the Company held on 15 June 2015, special resolutions were passed approving the cancellation of the amount standing to the credit of the Company's share premium account as at 29 May 2015 and additional share premium following the issue of new C shares, which occurred on 28 July 2015. These C shares were subsequently converted so that there is no C shares as at 30 June 2019 (31 December 2018: £Nil), (30 June 2018: £Nil).

Following the approval of the Court and the subsequent registration of the Court order with the Registrar of Companies on 17 September 2015, the reduction became effective. Accordingly £832,647,915, previously held in the share premium account, was transferred to the special distributable reserves of the Group as disclosed in the Consolidated Statement of Financial Position.

The cost of the buyback of ordinary shares as detailed above was funded by the special distributable reserve. Also, dividends were paid out of the special distributable reserve. Therefore the closing balance in the special distributable reserve has been reduced to £701,121,811 (31 December 2018: £710,823,620), (30 June 2018: £726,266,459).

16. DIVIDENDS

The following table summarises the year end dividends payable to equity shareholders in the year:

Period to	**Share Class**	**Amount**	**Payment date**	**30 June 2019 (Unaudited) £'000**	**30 June 2018 (Unaudited) £'000**	**31 December 2018 (Audited) £'000**
31 December 2017	Ordinary	12.0p	16 March 2018	–	9,485	9,485
31 March 2018	Ordinary	12.0p	18 June 2018	–	9,374	9,374
30 June 2018	Ordinary	12.0p	19 September 2018	–	–	9,258
30 September 2018	Ordinary	12.0p	19 December 2018	–	–	9,204
31 December 2018	Ordinary	12.0p	27 March 2019	9,084	–	9,084
31 March 2019	Ordinary	12.0p	14 June 2019	9,008	–	–
Total				**18,092**	**18,859**	**46,405**

17. RELATED PARTY TRANSACTIONS

IAS 24 'Related party disclosures' requires the disclosure of the details of material transactions between the Company and any related parties. Accordingly, the disclosures required are set out below:

Directors

Each of the Directors is entitled to receive a fee from the Group at such rate as may be determined in accordance with the Articles. Save for the Chairman of the Board, the fees are £40,000 for each Director per annum. The Chairman's fee is £45,000 per annum.

All of the Directors are also entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, Board or Committee meetings or otherwise in connection with the performance of their duties. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Group.

As at 30 June 2019, the Directors' interests in the Group's shares were as follows:

	30 June 2019 (Unaudited)	30 June 2018 (Unaudited)	31 December 2018 (Audited)
Simon King – Ordinary Shares	29,895	19,895	29,895
Michael Cassidy – Ordinary Shares	21,000	21,000	21,000
Total	50,895	40,895	50,895

Associates

As at 30 June 2019 the Group had several investments in associates please see Note 13 for details of these related parties.

Subsidiaries

As at 30 June 2019 the Group had several subsidiaries please see Note 2 for details of these subsidiaries during the year and Note 12 for further disclosure on investments in subsidiaries.

Investment Manager

Investment management fees and performance fees for the period ended 30 June 2019 are paid by the Group to the Investment Manager and these are presented on the Consolidated Statement of Comprehensive Income. Details of Investment management fees and performance fees paid during the year are disclosed in Note 8.

Those within the Investment Manager deemed to have significant influence held 411,910 (30 June 2018: 208,998 31 December 2018: 411,910) ordinary shares as at 30 June 2019.

Capitalflow Group ("Capitalflow") is an Irish-based specialist business lender. During the period the Company provided a structured facility to Capitalflow. CapitalfLow is owned by a fund that is managed by an affiliate of the Investment Manager. As at 30 June 2019 the facility was €16.1 million (30 June 2018: €Nil 31 December 2018 €14.2 million drawn).

18. SUBSEQUENT EVENTS

The Company has continued the share buy back programme in the open market and as at 10 September 2019, 11,628,113 shares are held in treasury.

An interim dividend of 12.0p per Ordinary Share was declared by the Board on 1 August 2019 in respect of the three month period to 30 June 2019, which will be paid on 30 September 2019 to shareholders on the register as at 16 August 2019.

On 23 August 2019 the Company sold the entirety of its interest in Castlehaven Finance, an alternative development and bridging finance lender in Ireland, to Avenue Capital Group. Since the Company partnered with Castlehaven in 2016 it has provided financing to it in excess of €385 million. The sale of the Company's interests includes a 25% equity stake along with other loan and debt interests. The gross proceeds from the sale are approximately €250 million a portion of which is payable on a deferred basis. This represents a modest premium to the Company's holding value of those interests.

In August the Company called the remaining principal protected notes on MOCA 2016, with the remaining assets held within the securitisation being novated to P2P.

19. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS
The consolidated financial statements were approved and authorised for issue by the Directors on 12 September 2019.

Glossary of Terms

NAV (CUM INCOME)
The value of investments and cash, including current year revenue, less liabilities.

NAV PER SHARE (CUM INCOME)
The value of investments and cash, including current year revenue, less liabilities, divided by ordinary shares in issue.

NAV (EX INCOME)
The value of investments and cash, excluding current year revenue, less liabilities.

NAV PER SHARE (EX INCOME)
The NAV (Cum Income) as described above excluding net income (both revenue and capital income) that is yet to be transferred to reserves divided by ordinary shares in issue.

SHARE PRICE
Closing mid-market share price at month end (excluding dividends reinvested).

DISCOUNT/PREMIUM
The amount by which the price per share of an investment trust is either lower (at a discount) or higher (at a premium) than the net asset value per share (cum income), expressed as a percentage of the net asset value per share.

MARKET CAPITALISATION
Month end closing mid-market share price multiplied by the number of shares outstanding at month end.

TOTAL NAV RETURN
The theoretical total return on shareholders' funds per share reflecting the change in Net Asset Value (NAV) assuming that dividends paid to shareholders were reinvested at NAV at the time dividend was announced.

ANNUALNAV PER SHARE RETURN
Net Asset Value (Cum Income) at the end of the year, plus dividends declared during the year, divided by NAV (Cum Income) calculated on a per share basis at the start of the year.

DIVIDEND
Reflecting the ex-dividend date during the month.

YTD NAV PER SHARE RETURN
Year to date net asset value per share return including dividends.

DISCOUNTS TO NAV (CUM INCOME)
Share price divided by NAV per share (cum Income) minus 100 per cent.

SECURED LENDING
Assets with granular underlying collateral or structured protection.

GROSS ASSETS
Gross assets.

CHARGED OFF
Assets that have been previously written off.

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