

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

**Annual Report and Consolidated Financial Statements
for the year ended 31 January 2021**

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Index

The reports and statements set out below comprise the consolidated annual financial statements presented to the shareholders:

General Information	1
Strategic Report	2 - 4
Directors' Report	5 - 6
Statement of Directors' Responsibilities	7
Independent Auditor's Report	8 - 11
Consolidated Statement of Comprehensive Income	12
Consolidated Statement of Financial Position	13
Company Statement of Financial Position	14
Consolidation Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Consolidated and Separate Financial Statements	18 - 56

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

General Information

Country of Incorporation and Domicile

United Kingdom

Directors

A M De Negri
P F Stevens : Independent Non-executive Director and Chairman
L Calcagni : Independent Non-executive Director
R Infante (Appointed 26 August 2020)
M Oprandi (Appointed 26 August 2020)

Registered Office

3rd Floor,
27 Baker Street
London
United Kingdom
W1U 8EQ

Bankers

Barclays Bank PLC
1 Churchill Place
London
United Kingdom
E14 5HP

Registered Number

08853583 (England and Wales)

Independent Auditors

Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road,
Dublin 2
Ireland

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Strategic Report

The Group is an independent financial boutique specialised in issuing structured products, providing asset securitisation services and investment technology solutions. Our teams of global industry experts focus on creating infinitely flexible, high quality financial solutions for our evolved clients with the highest level of commitment and care.

Cirdan Capital Management Ltd is the ultimate parent entity of SmartETN PLC, an Irish domiciled certificate issuance vehicle. SmartETN PLC's base prospectus is approved by the Central Bank of Ireland and accordingly is eligible to list products on public exchanges such as Borsa Italiana and Frankfurt Stock Exchange.

For the asset securitisation services, the Group performs the role of the arranger and calculation agent to a Luxembourg domiciled vehicle, Aldburg S.A.. Aldburg S.A. is authorised to issue notes, certificates and warrants to professional clients, tailoring the products to the exact needs of the investors.

Business review

During the financial year the Group had achieved significant growth of the identified business lines - the issuance of structured products, development of asset securitised services. As an auxiliary service, the distribution and administration of 3rd party structured products remained at consistent levels. The gross revenue for the three business lines can be summarised as per below:

	2021	2020
	£	£
Asset securitisation services	3,513,920	2,535,383
Distribution and administration services	2,994,668	3,211,575
Structured product issuance	<u>8,028,182</u>	<u>2,917,065</u>
	14,536,770	8,664,023

Due to the once off, non-recurring nature of the service "Distribution and administration services", the Group has taken a strategic approach to maintain this service level, rather than actively growing the offering. The core focus of the Group is on the "Structured product issuance", through our subsidiary, SmartETN PLC and "Asset securitisation service", for which Cirdan Capital Management Ltd is the arranger and calculation agent to a Luxembourg based securitisation vehicle, Aldburg S.A..

For the 12 months ended 31 January 2021 the Group had issued 56 Certificates (2020: 23), with an accumulated number of Certificates issued since incorporation 95 (2020: 39).

Principal risks and uncertainties

The Group takes a prudent, structured approach to risk management. The Group is required to maintain a risk management policy, which is reviewed on an annual basis, at the very least. As an FCA regulated firm, Cirdan Capital Management Ltd is required to maintain a minimum capital adequacy level, after considering and addressing potential risks deemed applicable to our business. This is available for review, as per our Pillar III disclosure: <https://cirdancapital.com/pillar-3-disclosure-and-policy>. The Group's financial risks that it is exposed to and the financial risk management policies to mitigate them are set out in Note 25.

Further uncertainties that the Group has considered are related to the current worldwide pandemic (Covid-19), the regulatory and operational impact of Brexit and the increased risk to cyber security brought on by the decentralised nature of the current physical working environment.

The Group has addressed each of these risks and continue to monitor and review any additional risk, and taken the following steps to mitigate many of the identified risks:

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Strategic Report

Covid-19:

The Covid-19 pandemic impact was experienced across the world, by individuals, companies and entire communities. This provided the opportunity for the Group to roll out and tailor our disaster management and fall over business continuity measures. The Group have ensured that the priority has remained the health and safety of individuals, employees and all direct and indirect stakeholders.

The Group have continuously aligned the Covid-19 stance with the local government recommendations. A full work from home system had been implemented, ensuring that the Group was able to service the clients and the products without any disruption. The Group's financial performance was not materially impacted by the Covid-19 pandemic.

Brexit:

The Group continues to work with the UK regulator (The FCA), but also engage with various reputable European regulators, including but not limited to:

- CBI: Central Bank of Ireland
- BaFin: German regulator
- Consob: Italian regulator
- CSSF: Luxembourg regulator

The Group and Company mainly trades between the United Kingdom and the European Union. The risk borne by the Brexit legislation has been monitored closely, as that has the potential to impact the business if the movement of trade in relation to financial services is not maintained in a commercially viable manner. The Group and Company has sought legal advice to understand the potential and actual risks related to restriction of trade or the regulatory recognition of the FCA authority, and addressed these individually. At present, the initial Brexit transition period had expired on 31 December 2020. The FCA has offered certain temporary transitional powers to FCA regulated firms to allow for a smooth Brexit process. The Group has proactively obtained passporting permissions with Consob, the Italian Regulator. The determination was made by Consob that it would honour and recognise the FCA permissions (<https://www.consob.it/web/consob-and-its-activities/companies-non-eu-authorized-in-italy-without-branches>). With this authorisation, the Group is authorised to continue to perform the approved regulated activity across the EU. Furthermore, the Group has approval from the European Securities and Markets Authority (ESMA) to continue as an approved and regulated benchmarking firm.

In addition, the Company's subsidiary is domiciled in the Republic of Ireland, and the base prospectus is approved by the CBI. The structure enables the products to be issued and traded in the European market. Our arranger agreement with Aldburg S.A., a Luxembourg based entity, has further contributed to our ability to maintain our level of business. In conclusion, the Company and its subsidiary, SmartETN PLC have been able to maintain a similar level of business with EU based investors as per pre-Brexit.

Cyber security:

The Group have undertaken a thorough review of our existing cyber security policy and framework. This has been updated and the Group has implemented market leading software after an extensive testing process. Staff have been briefed, with quarterly training and continuous updates provided enabling staff to identify the risks if and when they occur.

Risk management:

At a consolidated level, the principal risk that is managed, reviewed and monitored is the continued ability of SmartETN PLC to honour the contractually agreed coupons and capital redemption obligations of all the certificates issued. This is a key function of operations to ensure that the "outflows" are accurately matched with a corresponding asset and thus, enabling SmartETN PLC to remain in a solvent and liquid position, at all times. The Company does guarantee any potential capital shortfall on contractual payments to a maximum of 10% invested, as per the base prospectus and all available documentation regarding the Certificates. This risk is monitored on a daily basis, to ensure that any potential variance can be addressed immediately.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Strategic Report

Financial key performance indicators

	2021	2020
Total cash & cash equivalents	25,095,399	18,890,421
Number of certificates issued during the year	56	23
Net profit before tax percentage	21 %	16 %
Total investment assets	43,346,013	29,223,422
Total serviceable certificates issued	72,536,216	45,260,271

The Group continue to encourage diversification, mitigating concentration risk of single large clients, geographical locations or specific industries. With a strategic view taken on the software and FinTech opportunities, the Group has benefited from the scalability of the software generated and employed, thus having an increase in revenue without a ratio matched increase in expense.

Other key performance indicators

In general, the Group has continued to grow its business year on year, and this is supported by the increase in full time employees from 19 to 22, as well as an office move of the Company to 3rd Floor, 27 Baker Street, London W1U 8EQ.

The Group continues to invest in the development of software alternatives, to allow us to better service the clients' needs, continuously encourage the staff to undertake training and participate in a collaborative, shared knowledge working experience.

Future developments

The Group will continue to focus on the issuance of structured products via SmartETN PLC and asset securitisation services as the arranger and calculation agent to Aldburg S.A.. The Group is working on a selection of products that will be offered directly to the market, rather than created bespoke upon request.

A strategic focus on software, which will enable the product offering to become more scalable, incorporating best practice technology to assist in the smooth transition through the full length of the transactions, from onboarding, KYC and AML right through to maturity of certificates. The purpose of the software from a user experience perspective is allowing investors to have real-time access to their investment positions on a Group designed platform.

The Group has taken a fresh approach to marketing in Q4 of the financial year ending 31 January 2021, with a greater focus on creating an online presence, removed from our traditional network of distributors and introducers. The plan is broken down into short, medium and long term milestones - of which the end goal is for the year ending 31 January 2024, whereby the Group will be an established, recognised investment boutique, offering specialised structured products and a market leader in the structuring of securitised assets.

On behalf of the Board:

DocuSigned by:

00c41cD633FF492...
 A M De Negri - Director

Date: 30/7/2021 | 03:13:00 PDT

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Directors' Report

The Directors present their annual report with the financial statements of the Group and Company for the year ended 31 January 2021.

1. Principal Activity

The principal activity of the Group in the year under review was that of acting as an investment boutique, offering the issuance of structured products, providing asset securitisation services and quantitative solutions through the use of FinTech.

Within this activity, the Group acquires a portfolio of financial instruments financed by the issuance of listed debt obligations (the "Certificates") to investors (the "Certificates Holders"). The net proceeds from each issuance of certain Certificates are used to enter into offsetting financial transactions and derivatives in such a way as to hedge the exposure of the Group to future promised returns of the Certificates issued to the minimum extent required. In addition, the Group also maintains an investment portfolio using the proceeds from the Certificates issuance to maximise returns to meet contractual obligations of the Certificates and to generate any excess returns over these contractual obligations for the benefit of the Group. The investment portfolio of financial assets includes but is not limited to common stocks, equity stock indices, mutual funds stocks, money market funds, stock warrants, debt instruments, derivatives and unlisted investments. The investment portfolio of financial liabilities of the Group includes but is not limited to short traded stocks, equity stock indices, mutual funds stocks and stock warrants. The Group has also entered into exchange-traded commodity futures, options and over-the-counter contracts for differences, Futures, equity linked swaps, warrants, forwards, credit derivatives and interest rate options (the "derivative financial instruments") for hedging and investment purposes.

Interactive Brokers Ltd and its affiliate Interactive Brokers LLC are the derivatives Broker of the Group. As at 31 January 2021, the Group entered into exchange-traded commodity futures and options with the Derivatives Broker. Interactive Brokers Ltd and its affiliate Interactive Brokers LLC also act as the broker for the Group for non-derivative financial instruments. As at 31 January 2021, the Group holds in custody with Interactive Brokers Ltd equities and equity stock indices.

On 30 January 2019, the Group entered into a hedging agreement with Goldman Sachs International. The agreement allows the Group to enter into derivative transactions for the purpose of offsetting financial transactions to hedge the exposure of the Group to future promised returns of the Certificates issued. As at 31 January 2021, the Group entered into future contracts, contract for differences, margin movement contracts, equity linked swaps, stock warrants, forward contracts and credit default indices with Goldman Sachs International.

On 16 July 2020, the Group entered into an ISDA Master agreement with J.P. Morgan Securities PLC. The agreement allows the Group to enter into transactions with J.P. Morgan Securities PLC. As at 31 January 2021, the Group entered into credit derivatives, equity options, equity swaps, interest rate options and interest rate swaps with J.P. Morgan Securities PLC for the purpose of offsetting financial transactions to hedge the exposure of the Group to future promised returns of the Certificates issued.

Certain Certificates' return, in respect of any interest payable and / or redemption amount, may be linked to the performance of a reference item such as one or more indices or one or more shares or depositary receipts. The satisfaction of the economic obligations in respect of the Certificates is unconditionally and irrevocably guaranteed by the Group. The obligations of the Group under its guarantee will be direct, unconditional and unsecured obligations of the Group and will rank pari passu with all other unsecured and unsubordinated obligations of the Group. A Certificate holder does not have rights to ownership in the reference item(s).

The value of such Certificates that are linked to the performance of a reference item will move in accordance with the value of that underlying reference item. If the reference item value on the redemption valuation date is below 100%, the loss will be equal to that of a direct investment in the reference item on the redemption valuation date, subject to a minimum redemption amount of 10%, of the specified denomination of the Certificate. The minimum redemption amount of 10% is guaranteed by the Group.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Directors' Report

2. Events after reporting date

The Directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Group or Company.

3. Directors' Interest

Antonio de Negri holds the controlling Ordinary Share A (1) in the Company. No other Directors held any share capital of the Group or Company.

4. Prior period errors and comparative figures

The prior period comparatives have been restated to correct a number of prior period errors which were identified during the financial year. The disclosure related to the errors and restatement is set out in Note 26 of the financial statements.

5. Dividends

No dividends will be distributed for the year ended 31 January 2021.

6. Directors

The Directors of the Company during the year and to the date of this report are as follows:

A M De Negri

P F Stevens : Independent Non-executive Director and Chairman

L Calcagni : Independent Non-executive Director

R Infante (Appointed 26 August 2020)

M Oprandi (Appointed 26 August 2020)

C M Pemberton (Resigned 30 July 2020)

7. Charitable or Political Donations

The Group did not make any charitable or political donations during the year.

8. Research and Development

The Group has undertaken research and development activities during the year under review. This is related to the software intangible assets disclosed in Note 11 of these financial statements. The Group will continue to incorporate FinTech functionality into the day to day activity.

9. Financial Risk Management

The disclosures in relation to the Group's policies for financial risk management, including market risk, interest rate risk, price risk, foreign exchange risk, credit risk and liquidity risk and the nature of the instruments used during the financial period to mitigate exposure to these risks are shown in Note 25.

10. Independent auditors

The auditors, Mazars have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the Board:

DocuSigned by:

60644CD833FF492...
A M De Negri - Director

Date: 30/7/2021 | 03:13:00 PDT

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report of the Directors and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Statement of disclosure of information to Auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

On behalf of the Board:

DocuSigned by:

ANTONIO DE NEGRI

A M De Negri - Director

Date: 30/7/2021 | 03:13:00 PDT

Independent auditor's report to the members of Cirdan Capital Management Ltd.

Opinion

We have audited the financial statements of Cirdan Capital Management Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2021 which comprise of the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We identified the laws and regulations applicable to the group and parent company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and parent company which were contrary to applicable laws and regulations including fraud.

We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and

- Addressing the risks of fraud through management override of controls by performing journal entry testing.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and the group's legal advisors.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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



Patrick Gorry

for and on behalf of Mazars

Chartered Accountants and Statutory Auditor

Harcourt Centre, Clock 3

Harcourt Road

Dublin 2

Ireland

Date: 30 July 2021

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Consolidated Statement of Comprehensive Income

Figures in £	Notes	2021	Restated 2020
Continuing Operations			
Fee income	3	6,954,648	6,135,192
Net gain on financial assets and liabilities at fair value through profit or loss	4	7,582,122	2,528,831
Fee expense		(7,201,195)	(4,230,438)
Interest expense on certificates at amortised cost	5	(410,755)	(114,124)
Gross profit		6,924,820	4,319,461
Administrative expenses	6	(3,807,696)	(2,999,132)
Operating profit		3,117,124	1,320,329
Finance income	7	2,499	67,078
Finance costs	8	(107,425)	(34,918)
Profit before tax		3,012,198	1,352,489
Income tax	9	29,734	-
Profit for the year		3,041,932	1,352,489
Other comprehensive income			
Translation reserve movements		(81,477)	20,908
Total other comprehensive income		(81,477)	20,908
Total comprehensive income for the year		2,960,455	1,373,397
Profit for the year attributable to:			
Owners of the parent		3,041,932	1,352,489
Total comprehensive income attributable to:			
Owners of the parent		2,960,455	1,373,397

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Consolidated Statement of Financial Position

Figures in £	Notes	2021	Restated 2020	Restated 2019
Assets				
Non-current assets				
Property, plant, and equipment	10	31,984	19,567	11,992
Intangible assets	11	553,804	93,157	-
Right-of-use assets	12	657,160	-	-
Debt instruments at amortised cost	13	21,286,373	10,302,192	-
Financial assets at FVTPL	14	15,059,635	10,450,938	2,284,641
Derivative financial instruments	15	7,000,005	8,470,292	73,703
Deferred tax assets	16	43,587	-	-
		44,632,548	29,336,146	2,370,336
Current assets				
Tax receivable		-	10,982	10,982
Trade and other receivables	17	19,087,821	10,587,697	1,294,791
Cash and cash equivalents	18	25,095,399	18,890,421	5,061,863
		44,183,220	29,489,100	6,367,636
Total assets		88,815,768	58,825,246	8,737,972
Equity				
Shareholders' equity				
Called up share capital	19	419,763	419,763	419,763
Other reserves		(60,569)	20,908	-
Retained earnings / (accumulated loss)		4,392,235	1,350,303	(2,186)
		4,751,429	1,790,974	417,577
Non-current liabilities				
Derivative financial instruments	15	6,071,859	8,318,778	180,643
Marketable securities held short at FVTPL	20	-	488,665	1,120,366
Certificates issued	21	67,219,156	45,260,271	5,285,106
Operating lease liabilities	12	312,937	-	-
Interest bearing loans and borrowings		-	-	507,315
		73,603,952	54,067,714	7,093,430
Current liabilities				
Trade and other payables	22	4,796,233	2,966,558	1,196,227
Current tax liability	9	2,871	-	30,738
Certificates issued	21	5,317,060	-	-
Operating lease liabilities	12	344,223	-	-
		10,460,387	2,966,558	1,226,965
Total equity and liabilities		88,815,768	58,825,246	8,737,972

The financial statements were approved by the Board of Directors and authorised for issue on 30/7/2021 | 03:13:00 PDT and were signed on its behalf by:

DocuSigned by:

ANTONIO DE NEGRI

80644CD833FF492...

A M De Negri - Director

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Financial Statements for the year ended 31 January 2021

Company Statement of Financial Position

Figures in £	Notes	2021	Restated 2020	Restated 2019
Assets				
Non-current assets				
Property, plant, and equipment	10	31,984	19,567	11,992
Intangible assets	11	553,804	93,157	-
Right-of-use assets	12	657,160	-	-
Financial assets at FVTPL	14	-	263,178	-
Investment in Subsidiary		22,042	21,841	21,841
Deferred tax assets	16	43,587	-	-
		1,308,577	397,743	33,833
Current assets				
Tax receivable		-	10,982	10,982
Trade and other receivables	17	1,470,790	613,510	819,760
Cash and cash equivalents	18	3,949,188	2,182,363	696,438
		5,419,978	2,806,855	1,527,180
Total assets		6,728,555	3,204,598	1,561,013
Equity				
Shareholders' equity				
Called up share capital	19	419,763	419,763	419,763
Retained earnings / (accumulated loss)		4,331,445	1,350,300	(2,186)
		4,751,208	1,770,063	417,577
Non-current liabilities				
Operating lease liabilities	12	312,937	-	-
Interest bearing loans and borrowings		-	-	507,315
		312,937	-	507,315
Current liabilities				
Trade and other payables	22	1,317,316	1,434,535	605,383
Current tax liability		2,871	-	30,738
Operating lease liabilities	12	344,223	-	-
		1,664,410	1,434,535	636,121
Total equity and liabilities		6,728,555	3,204,598	1,561,013

The financial statements were approved by the Board of Directors and authorised for issue on 30/7/2021 | 03:13:00 PDT and were signed on its behalf by:

DocuSigned by:

ANTONIO DE NEGRI

00649CD833FF49Z...

A M De Negri - Director

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Consolidated Statement of Changes in Equity

Figures in £	Share capital	Other Reserves	Retained earnings	Total
Balance at 1 February 2019 as previously reported	419,763	-	504,146	923,909
Adjustment due to error as per note 26	-	-	(506,332)	(506,332)
Balance at 1 February 2019 as adjusted	<u>419,763</u>	<u>-</u>	<u>(2,186)</u>	<u>417,577</u>
Total comprehensive income for the year				
Profit for the year	-	-	1,352,489	1,352,489
Total other comprehensive income	-	20,908	-	20,908
Total comprehensive income for the year	<u>-</u>	<u>20,908</u>	<u>1,352,489</u>	<u>1,373,397</u>
Balance at 31 January 2020	<u>419,763</u>	<u>20,908</u>	<u>1,350,303</u>	<u>1,790,974</u>
Balance at 1 February 2020	419,763	20,908	1,350,303	1,790,974
Total comprehensive income for the year				
Profit for the year	-	-	3,041,932	3,041,932
Total other comprehensive income	-	(81,477)	-	(81,477)
Total comprehensive income for the year	<u>-</u>	<u>(81,477)</u>	<u>3,041,932</u>	<u>2,960,455</u>
Balance at 31 January 2021	<u>419,763</u>	<u>(60,569)</u>	<u>4,392,235</u>	<u>4,751,429</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Financial Statements for the year ended 31 January 2021

Company Statement of Changes in Equity

Figures in £	Share capital	Retained earnings	Total
Balance at 1 February 2019 as previously reported	419,763	504,146	923,909
Adjustment due to error as per note 26	-	(506,332)	(506,332)
Balance at 1 February 2019 as adjusted	<u>419,763</u>	<u>(2,186)</u>	<u>417,577</u>
Total comprehensive income for the year			
Profit for the year	-	1,352,486	1,352,486
Total comprehensive income for the year	<u>-</u>	<u>1,352,486</u>	<u>1,352,486</u>
Balance at 31 January 2020	<u>419,763</u>	<u>1,350,300</u>	<u>1,770,063</u>
Balance at 1 February 2020	419,763	1,350,300	1,770,063
Total comprehensive income for the year			
Profit for the year	-	2,981,145	2,981,145
Total comprehensive income for the year	<u>-</u>	<u>2,981,145</u>	<u>2,981,145</u>
Balance at 31 January 2021	<u>419,763</u>	<u>4,331,445</u>	<u>4,751,208</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Consolidated Statement of Cash Flows

Figures in £	Notes	31 January 2021	31 January 2020
Cash flows used in operating activities			
Profit for the year		3,041,932	1,352,489
<i>Adjustments for:</i>			
Finance costs		1,391	2,201
Income tax		(29,734)	-
Amortisation of intangible assets		53,734	7,800
Depreciation of property, plant, and equipment		6,877	4,232
Investment income		(2,456)	7,279
Effects of foreign exchange rate changes		(174,782)	207,183
Operating cash flow before working capital changes		2,896,962	1,581,184
<i>Working capital changes</i>			
Intangible assets acquired	11	(514,381)	(100,957)
(Increase) / decrease in trade and other receivables		(1,069,692)	2,042,116
Increase in right-of-use assets		(657,160)	-
Decrease in trade and other payables		(14,032,370)	(12,355,597)
Increase in operating lease liabilities		657,160	-
Finance income		1,256,919	245,878
Finance costs		(1,036,429)	(1,271,737)
Other income		209,566	210,481
Tax paid		-	(30,738)
Net cash flows used in operating activities		(12,289,426)	(9,679,370)
Cash flows used in investing activities			
Property, plant, and equipment acquired	10	(19,293)	(11,807)
Purchase fixed assets FVTPL		(23,180,103)	(93,695,507)
Disposal fixed assets FVTPL		19,232,276	85,860,584
Purchase of debt instruments at amortised cost		(17,305,166)	(10,012,112)
Disposal of debt instruments at amortised cost		6,052,450	-
Purchase marketable securities held short at FVTPL		2,624,141	7,657,361
Disposal marketable securities held short at FVTPL		(4,073,892)	(8,422,116)
Purchase and disposal of derivative financial instruments		(273,256)	2,609,943
Net cash flows used in investing activities		(16,942,843)	(16,013,654)
Cash flows from financing activities			
Loan raised / (repaid)		-	(507,315)
Issued certificates FVTPL		45,220,156	51,390,202
Redemption of certificates FVTPL		(21,996,218)	(11,193,803)
Issue of certificates at amortised cost		12,273,059	-
Redemption of certificates at amortised cost		(951,790)	-
Net cash flows from financing activities		34,545,207	39,689,084
Net increase in cash and cash equivalents		5,312,938	13,996,060
Opening cash and cash equivalents translation value		892,040	(167,502)
Cash and cash equivalents at beginning of the year		18,890,421	5,061,863
Cash and cash equivalents at end of the year	18	25,095,399	18,890,421

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

1. General information

The Group consists of the ultimate parent, Cirdan Capital Management Ltd and its subsidiary SmartETN PLC. Cirdan Capital Management Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page. SmartETN PLC is a special purpose company with limited liability and qualifies for the regime contained in the section 110 of the Irish Taxes Consolidation Act. The registration number is 615140 and a registered address of 31-32 Leeson Street Lower, Dublin 2, Ireland.

The investment objective of the Group is twofold; firstly it is to maintain the investment portfolio in such a way as to hedge the exposure of the Group to the future returns promised on certain Certificates issued to the minimum extent required. Secondly, the Group maintains proprietary trading positions to maximise returns for the Group and to hedge exposure of certain Certificates. The objective of the proprietary investment portfolio is to achieve consistent, short to medium term returns while safeguarding capital by investing in a diversified portfolio of equities securities, interest bearing securities, money market funds and related derivatives in several currencies and markets.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements as set out in the Companies Act 2006.

The consolidated financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest pound sterling.

The consolidated financial statements are prepared on an historical cost basis, except for certain financial assets and liabilities which are measured at fair value.

2.2 Basis of consolidation

The Group's financial statements consolidate those of the parent Company and its subsidiary, as at 31 January 2021. The Group has a reporting date of 31 January 2021. Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of the subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

2.3 Going concern

The financial statements have been prepared on the going concern basis. The Directors have produced financial projections for the Group and Company for the next twelve months and beyond. In addition, the Group is required to maintain adequate resources to continue operating and to continue to meet the Financial Conduct Authority capital resources requirements.

2.4 Revenue recognition

Revenue is derived from the business activities of financial services, with the focus on three core business lines: Distribution and administration services of 3rd party certificates, issuance of internally designed and developed structured products and arranging securitised asset structures.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Summary of significant accounting policies continued...

2.5 Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future.

2.6 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'Net gain / (loss) on financial assets and liabilities at fair value through profit or loss'.

2.7 Property, plant, and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and Fittings	25.00%	Reducing balance
Computer equipment	25.00%	Reducing balance
Right of use asset	50.00%	Straight line

2.8 Software intangible assets

The capitalisation of expenses to the software intangible assets are accounted for on an annual basis, at cost. The policy to determine the eligibility of capitalisation is as per IAS 38, whereby the Group performs a detailed review to determine the inclusion of the development cost incurred during the financial year under review. The costs are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefit (reduce overheads and direct costs)
- adequate technical, financial and other resources to complete the development and to use the software are available
- the expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Summary of significant accounting policies continued...

Research expenditure and development costs that do not meet the criteria set out above, are recognised as an expense incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Separately generated software is shown at cost. Software intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of software intangible assets over their estimated useful lives, as follows:

Software	10.00%	Straight line
----------	--------	---------------

Amortisation expense is recognised with administrative expense in the statement of comprehensive income. The full disclosure can be found on Note 11 of the financial statements.

2.9 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost, less provision for impairment.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 January 2021 and the historical credit losses experienced within this period.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown under current liabilities on the statement of financial position.

2.11 Unsettled trades

Unsettled trades include amounts payable for securities purchased and receivables for securities sold that have been contracted for but not yet delivered on the reporting date. They are initially measured at fair value plus any directly attributable incremental costs and subsequently measured at amortised cost.

2.12 Pension obligations

The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the income statement in the period to which they relate.

2.13 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost.

2.14 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis by the Directors. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised and in any future period affected.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Summary of significant accounting policies continued...

Assessment on expenses allocated to the software intangible asset

In the process of accounting for the value of staff costs, software costs and auxiliary expenses directly attributable to the software intangible assets, management have made certain judgements with regards to allocations between expenses and intangible assets. The consideration required the review of every applicable expense and determining the accounting recognition. Management have determined that the allocation provides a true and fair reflection of the time spent and resources utilised in the development phase of the software intangible assets.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Financial instruments

The Group holds financial instruments that are not quoted in active markets, such as the over-the-counter derivatives and debt instruments. Fair values of such instruments are determined by using reputable pricing sources or indicative prices from bond / debt market makers or internal valuation techniques. The Group exercises judgement and estimates on the quantity and quality of the pricing sources used. In accordance with IFRS 9, the Group considers the ECL for financial instruments measured at amortised cost. Further information on these instruments are set out in Note 25.

Professional fee provision

The Group has a number of projects that are still work in progress as at financial year end, 31 January 2021. These projects are undertaken with the assistance of reputable legal advisors and are separated in an orderly manner to clearly define the roles, responsibilities and status. As at year end, management in conjunction with the legal advisors have provided input to value the work undertaken during the financial year, to accurately attribute the expenses to the correct year. The provision has been made for the work in progress, based on a best estimate time and billing.

Taxes

The Group has made certain estimates and assumptions with regards to the corporation tax provision disclosed. The assumptions are made with a view at presenting a true and fair reflection of the expected tax return, which is only due after the completion and presentation of the financial statements. Included in the tax reconciliation is a deferred tax asset, which is related to prior period assessed losses brought forward.

2.15 Financial instruments

Recognition and initial measurement

The Group applies IFRS 9 Financial instruments to determine the disclosure of the financial instruments held as at year end.

The Group records the financial assets and financial liabilities at FVTPL in the statement of financial position at fair value when it becomes a party to the contractual provisions of the instrument. All transactions cost for such instruments are recognised directly in profit or loss.

Financial assets and financial liabilities (other than those classified as at FVTPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Summary of significant accounting policies continued...

In accordance with IFRS 9, the Group classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term

OR

- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking

OR

- It is a derivative

The financial instruments held by the Group include the following:

- | | |
|--------------------------------------|-------------------------------|
| - Cash and cash equivalents | - Certificates issued |
| - Debt investments at amortised cost | - Trade and other payables |
| - Long / short equity investments | - Trade and other receivables |
| - Derivative financial instruments | - Unsettled trades |

Classification of financial assets

The Group classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The Group's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group includes in this category debt investments at amortised cost.

Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit or loss if:

- Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding

OR

- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell

OR

- At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Group includes in this category long / short equity investments, derivative financial instruments and certain debt instruments.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Summary of significant accounting policies continued...

Classification of financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Group holds certain Certificates at amortised cost, and recognises all trade and other payables at cost.

Financial liabilities measured at fair value through profit or loss (FVTPL)

A financial liability is measured at FVTPL if it meets the definition of held for trading or if the Group designated the recognition on the basis that any other recognition would cause a mismatch with the hedging assets held.

The Group includes in this category, certain Certificates issued and certain derivative financial instruments.

Subsequent measurement of financial instruments

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in profit or loss. Financial assets and liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method, with the gains or losses recognised in the profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

The effective interest method (EIR) is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

An exception is made for trade receivables without a significant financing component. These are recognised at the transaction price, per IFRS 15. For trade receivables with a significant financing component, any differences arising between the amount of revenue recognised in accordance with IFRS 15, and the fair value of the trade receivable is recognised as an expense in profit or loss.

Net gain or loss on financial assets and liabilities at fair value through profit or loss

Net gains or losses on financial assets and liabilities at FVTPL are changes in fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVTPL and interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period. They represent the difference between an instruments initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the statement of financial position only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Summary of significant accounting policies continued...

Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is discharged, cancelled, expires or when a substantial modification of the terms occur.

Impairment

At each reporting date the Group assesses whether there is a significant increase in credit risk over the remaining life of financial assets in comparison with the credit risk on initial recognition. The Group recognises expected credit losses (ECL) on financial instruments that are not measured at FVTPL.

IFRS 9 establishes a three-stage impairment model, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition. Three-stages determine the amount of impairment to be recognised as expected credit losses at each reporting date as well as the amount of interest revenue to be recorded in future periods:

- Stage 1: Credit risk has not increased significantly since initial recognition - recognise 12 months ECL, and recognise interest on a gross basis;
- Stage 2: Credit risk has increased significantly since initial recognition - recognise lifetime ECL, and recognise interest on a gross basis;
- Stage 3: Financial asset is credit impaired (using the criteria currently included in IAS 39) - recognise lifetime ECL, and present interest on a net basis (i.e. on the gross carrying amount less credit allowance).

In making this assessment the Group considers a broader range of forward-looking information. Consideration include past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Group makes use of a simplified approach in accounting for trade and other receivables or contract assets without a significant financing component and records the loss allowance as lifetime expected credit losses.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. This includes both credit loss and non-credit loss scenarios.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principle or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

As per IFRS 13 when available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Group measures instruments quoted in an active market at current bid price.

If there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction and including the market approach: using arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same as the income approach: discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Summary of significant accounting policies continued...

The Group measures fair values using the following hierarchy of models:

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The fair value of certain certificates issued by the Company is directly linked to the change in the fair value of the respective underlying reference items as specified in the terms and conditions of each relevant Certificate contract. Therefore, the fair value of such certificates is measured by the movement of the fair value of the underlying reference item between the issuance date and at the balance sheet date. The fair value of the underlying reference item is based on quoted market prices observable in an active market or provided by the recognised counterparties to the transactions.

The fair value of certain certificates issued by the Company are not directly linked to the change in the fair value of the respective underlying reference item as specified in the terms and conditions of each relevant Certificate contract. Therefore, the fair value of such certificates is valued by internal valuation techniques.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets or from the recognised counterparties to the transaction. Derivatives are included as assets when their fair value is positive and liabilities when their fair value is negative, unless there is a legal ability and intention to settle net. Gains and losses arising from changes in the fair value of derivatives are included in the statement of comprehensive income in the financial period in which they arise. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modifications or repackaging) or based on a valuation technique whose variables include only data from observable markets.

Margin cash collateral

The Group is required to place collateral with the derivatives' broker and the derivative counterparties covering the open derivative positions. The size of the collateral is derived based on the difference between initial and the subsequent fair value of each derivative financial instrument. The amount recognised as margin cash collateral is treated as a trade and other receivable. The amount disclosed is always the net cash collateral as per the agreed margin position per asset.

The rebalancing is done to ensure that the margin cash collateral is in-balance against the underlying investments, to ensure that the Group is not under / over exposed at any given time.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Summary of significant accounting policies continued...

New and amended standards and interpretations

The Group applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 February 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

3. Fee income

	2021	2020
	£	£
Asset securitisation services	3,513,920	2,535,383
Distribution and administration services	2,994,668	3,211,575
Structured product issuance	446,060	388,234
	<u>6,954,648</u>	<u>6,135,192</u>

4. Net gain on financial assets and liabilities at fair value through profit or loss

An analysis of the net gain on financial assets and liabilities at fair value through profit or loss is as follows:

	2021	2020
	£	£
Net dividend income	3,188	97,774
Net interest income / (expense) on financial assets at fair value through profit or loss	1,109,653	(1,511,576)
Net gain on financial liabilities at fair value through profit or loss	6,817,959	1,932,623
Net (loss) / gain on financial assets at fair value through profit or loss	(348,678)	2,010,010
	<u>7,582,122</u>	<u>2,528,831</u>

5. Interest expense on certificates at amortised cost

	2021	2020
	£	£
Interest expense on certificates at amortised cost	<u>410,755</u>	<u>114,124</u>

6. Administrative expenses

	2021	2020
	£	£
Advertising & marketing	176,906	-
Amortisation of intangible assets	53,734	7,800
Depreciation	35,449	4,232
General & administrative expenses	856,352	885,554
Legal & professional fees	840,191	405,046
Other operating expenses	44,983	62,092
Staff costs	1,800,081	1,634,408
	<u>3,807,696</u>	<u>2,999,132</u>

7. Finance income

	2021	2020
	£	£
Interest income	<u>2,499</u>	<u>67,078</u>

8. Finance costs

	2021	2020
	£	£
Interest expense on cash and cash equivalents	<u>107,425</u>	<u>34,918</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

9. Current tax

	2021	2020
	£	£
Current tax	13,853	-
Deferred tax		
Current year temporary differences	(43,587)	-
Income tax for the year	(29,734)	-
	2021	2020
	£	£
Reconciliation of tax rate		
Consolidation profit before tax	3,012,198	1,352,489
United Kingdom normal tax rate	19.00%	572,318
Adjusted for:		
Research and development tax credits	(476,527)	(497,250)
Disallowed expenses	(568)	3,909
Intangible asset expensed	(93,531)	-
Depreciation & Amortisation	10,660	2,286
Capital allowance	(3,666)	(21,425)
Directors loan	5,167	-
Losses brought forward	-	255,507
Deferred tax liability - timing difference	(43,587)	-
Net reduction	(29,734)	-
Effective tax rate	19.00%	(29,734)

10. Property, plant, and equipment

Cirdan Capital Management Ltd - Consolidated and Company

	31 January			31 January 2020		
	Cost	Accumulated depreciation	2021 Carrying value	Cost	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Fixtures and fittings	6,947	(2,340)	4,607	6,503	(808)	5,695
Computer equipment	45,389	(18,012)	27,377	26,540	(12,668)	13,872
	52,336	(20,352)	31,984	33,043	(13,476)	19,567

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Property, plant, and equipment continued...

The carrying amounts of property, plant, and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	31 January 2021 Carrying value at end of year
<i>Owned assets</i>					
Fixtures and fittings	5,695	444	-	(1,532)	4,607
Computer equipment	13,872	18,849	-	(5,344)	27,377
	19,567	19,293	-	(6,876)	31,984

	Carrying value at beginning of year	Additions	Disposals	Depreciation	31 January 2020 Carrying value at end of year
<i>Owned assets</i>					
Fixtures and fittings	306	5,869	-	(480)	5,695
Computer equipment	11,686	5,938	-	(3,752)	13,872
	11,992	11,807	-	(4,232)	19,567

11. Intangible assets

Cirdan Capital Management Ltd - Consolidated and Company

	Cost	Accumulated impairment	31 January 2021 Carrying value	Cost	Accumulated impairment	31 January 2020 Carrying value
Software	615,338	(61,534)	553,804	100,957	(7,800)	93,157

The carrying amounts of intangible assets can be reconciled as follows:

	Carrying value at beginning of year	Additions	Amortisation	Reclassified held for sale / Disposals	31 January 2021 Carrying value at end of year
Software	93,157	514,381	(53,734)	-	553,804

	Carrying value at beginning of year	Additions	Amortisation	Reclassified held for sale / Disposals	31 January 2020 Carrying value at end of year
Software	-	100,957	(7,800)	-	93,157

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

12. Right-of-use asset

Cirdan Capital Management Ltd - Consolidated and Company

At the reporting end date, the Group had a right-of-use asset and outstanding commitments for future minimum lease payments, with applicable break clauses related to the registered office, which fall due as follows:

	2021	2020
	£	£
Right-of-use asset commitment consists of the following balances		
Within one year	344,223	-
Between two and five years	312,937	-
	<u>657,160</u>	<u>-</u>
Operating Lease commitment consists of the following balances		
Within one year	344,223	-
Between two and five years	312,937	-
	<u>657,160</u>	<u>-</u>
Amounts recognised in the statement of comprehensive income		
Depreciation charge of Right-of-use assets: Building	28,572	-
Interest expense (included in finance cost)	1,357	-
	<u>29,929</u>	<u>-</u>

The Group leases an office with a rental contract for a fixed period of 24 months. The assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments. Lease payments are discounted using a suitable interest rate, based on available borrowing rates if the Group were to obtain an asset of similar value to the right-of-use asset.

13. Debt instruments at amortised cost

Cirdan Capital Management Ltd - Consolidated

	2021	Restated 2020
	£	£
COST OR VALUATION		
At 1 February 2020	10,302,192	-
Additions	17,305,166	10,017,665
Disposals	(5,893,644)	-
Exchange differences	(427,341)	284,527
At 31 January 2021	<u>21,286,373</u>	<u>10,302,192</u>

The investments as at year end date represent proprietary trade positions held by the Group and consist of 3 investments (2020: 1). These investments are notes issued by Aldburg S.A.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

14. Financial assets at FVTPL

Cirdan Capital Management Ltd - Consolidated	2021	Restated 2020
	£	£
Financial assets at FVTPL	15,059,635	10,450,938
Investments held as hedging positions related to Certificates issued	1,348,143	-
Investments held as proprietary trading investments	13,711,492	10,450,938
	<u>15,059,635</u>	<u>10,450,938</u>

The portfolio of financial assets include but are not limited to common stocks, equity stock indices, mutual funds stocks, debt instruments, stock warrants and equity in a private limited company.

Cirdan Capital Management Ltd - Company	2021	Restated 2020
	£	£
Financial assets at FVTPL	-	263,178
	<u>-</u>	<u>263,178</u>

As at 31 January 2021 Cirdan Capital Management Ltd holds an investment in a privately owned company - Nil. (As at 31 January 2020 Cirdan Capital Management Ltd held an investment in a privately owned company - £263,178.)

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

15. Derivative financial instruments

Cirdan Capital Management Ltd - Consolidated		2021	Restated 2020
		£	£
Derivative financial instruments - assets			
<u>Security</u>	<u>Counterparty</u>		
Equity and index options	Interactive Brokers Ltd	57,245	14,135
Options on futures	Interactive Brokers Ltd	9,104	56,802
Futures - IB	Interactive Brokers Ltd	1,296,180	6,280,213
Futures - GSI	Goldman Sachs International	56,587	307,015
CFDs	Goldman Sachs International	86,880	266,586
Equity linked swaps	Goldman Sachs International	126,234	210,278
Warrants	Goldman Sachs International	115,269	39,052
Credit default Index	Goldman Sachs International	2,843,023	885,786
Forwards	Goldman Sachs International	68,657	190,981
Synthetics	Goldman Sachs International	8,023	219,444
Credit derivatives - JPM	J.P. Morgan PLC	1,619,515	-
Equity and index options - JPM	J.P. Morgan PLC	492,986	-
Equity SWAP - JPM	J.P. Morgan PLC	1,603	-
Interest rate Options - JPM	J.P. Morgan PLC	125,613	-
Interest rate SWAP - JPM	J.P. Morgan PLC	93,086	-
		<u>7,000,005</u>	<u>8,470,292</u>
Derivative financial instruments - liability			
<u>Security</u>	<u>Counterparty</u>		
Equity and index options	Interactive Brokers Ltd	257,468	68,482
Options on futures	Interactive Brokers Ltd	32,480	121,291
Futures - IB	Interactive Brokers Ltd	857,477	6,006,619
Futures - GSI	Goldman Sachs International	2,311,270	529,700
CFDs	Goldman Sachs International	319,891	9,100
Margin movements	Goldman Sachs International	-	1,209,806
Equity linked swaps	Goldman Sachs International	1,088,202	-
Warrants	Goldman Sachs International	121,604	-
Forwards	Goldman Sachs International	-	164,881
Credit default Index	Goldman Sachs International	15,190	208,899
Credit derivatives - JPM	J.P. Morgan PLC	199,014	-
Equity and index options - JPM	J.P. Morgan PLC	633,096	-
Equity SWAP - JPM	J.P. Morgan PLC	236,167	-
		<u>6,071,859</u>	<u>8,318,778</u>

The Group acquires derivative assets and liabilities as part of its principal activity. Certain financial instruments are held to offset the required return of the Certificates issued by way of hedging, whilst certain financial instruments are held as part of the proprietary trading portfolio to generate returns for certain Certificates and excess return for the Group.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

16. Deferred tax assets

	2021	2020
	£	£
Deferred tax arises from the following temporary differences:		
Intangible assets timing difference	(84,178)	-
Capital allowance on fixed assets	2,359	-
Assessed corporation tax loss forward	125,406	-
	<u>43,587</u>	<u>-</u>
Deferred tax liability	(84,178)	-
Deferred tax asset	127,765	-
Net deferred tax asset	<u>43,587</u>	<u>-</u>

17. Trade and other receivables

	2021	Restated 2020
	£	£
Cirdan Capital Management Ltd - Consolidated		
Trade debtors	255,204	215,394
Cash collateral margin call	13,983,241	7,188,951
Cash collateral receivable for derivatives futures	3,913,426	2,572,593
Prepayments	204,538	311,962
Value added tax	139,785	90,879
Other debtors	164,578	94,194
Directors' loan	49,690	55,217
Unsettled trades receivable	377,359	58,507
	<u>19,087,821</u>	<u>10,587,697</u>
Cirdan Capital Management Ltd - Company		
Trade debtors	286,413	84,926
Prepayments	204,538	305,030
Value Added Tax	139,785	90,879
Rental deposit receivable	164,578	77,458
Intercompany receivable	625,786	-
Directors' loan	49,690	55,217
	<u>1,470,790</u>	<u>613,510</u>

18. Cash and cash equivalents

	2021	2020
	£	£
Cirdan Capital Management Ltd - Consolidated		
Cash held at bank	14,044,524	18,890,421
Money market funds	11,050,875	-
	<u>25,095,399</u>	<u>18,890,421</u>
Cirdan Capital Management Ltd - Company		
Cash and cash equivalents	<u>3,949,188</u>	<u>2,182,363</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

19. Share capital

	2021	2020
	£	£
Authorised		
1 Ordinary A shares of £1 each	1	1
475,000 Ordinary B shares of €1 each	419,762	419,762
	<u>419,763</u>	<u>419,763</u>
Issued		
1 Ordinary A shares of £1 each	1	1
475,000 Ordinary B shares of €1 each	419,762	419,762
	<u>419,763</u>	<u>419,763</u>

Ordinary A shares have full rights to receive notice of, attend and vote at general meetings. One share carries one vote, and full rights to dividends and capital distributions (including upon winding up).

Ordinary B shares have no voting rights, are dividend only shares with no capital distribution (including on winding up) rights; they do not confer any rights of redemption.

20. Marketable securities held short at FVTPL

Cirdan Capital Management Ltd - Consolidated	2021	Restated 2020
	£	£
Marketable securities held short at FVTPL	<u>-</u>	<u>488,665</u>

At year end the marketable securities held short at FVTPL comprised of Nil investments of which Nil (2020: 6; £488,665) were held for proprietary trading. The portfolio of financial liabilities consists primarily of short positions held in common stocks and equity stock indices. These positions are held through Goldman Sachs International and Interactive Brokers Ltd.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

21. Certificates issued

Cirdan Capital Management Ltd - Consolidated	2021 £	Restated 2020 £
Non-current liabilities		
Certificates issued at FVTPL	43,193,756	33,302,188
Certificates issued at amortised cost	24,025,400	11,958,083
	<u>67,219,156</u>	<u>45,260,271</u>
Current liabilities		
Certificates issued at FVTPL	5,317,060	-
Certificates issued at amortised cost	-	-
	<u>5,317,060</u>	<u>-</u>

The table below sets out the activity for each series of Certificates issued at FVTPL and at amortised cost balance as at 31 January 2021.

Series	As at 31 January 2020 £	Certificates issued £	Certificates redeemed £	Fair value movement £	Foreign exchange £	As at 31 January 2021 £
2018-06	1,100,156	-	(42,589)	(8,840)	(46,990)	1,001,737
2018-07	2,332,609	91,867	(551,587)	(190,728)	124,538	1,806,699
2018-08	231,406	25,202	(39,227)	(145,205)	12,355	84,531
2018-10	653,192	76,241	(161,059)	(391,500)	34,874	211,748
2019-01	294,534	-	(354,000)	43,741	15,725	-
2019-02	5,041,460	754,860	(1,584,486)	179,560	269,163	4,660,557
2019-03	6,676,229	-	(3,672,442)	(1,697,964)	(189,489)	1,116,334
2019-04	1,185,788	-	(1,327,500)	78,403	63,309	-
2019-05	24,952	-	(26,550)	266	1,332	-
2019-06	11,034,861	6,851,377	(956,234)	(21,509)	607,426	17,515,921
2019-07	445,347	121,932	(436,530)	(32,748)	23,777	121,778
2019-09	2,729,787	1,091,597	(1,788,204)	(252,598)	(98,587)	1,681,995
2019-10	2,612,796	813,190	(1,769,357)	(194,604)	(64,834)	1,397,191
2019-13	1,892,272	220,915	(1,192,182)	(20,647)	101,028	1,001,386
2019-14	358,704	58,202	(112,883)	5,286	19,151	328,460
2019-15	2,719,150	2,128,760	(4,910,431)	(82,654)	145,175	-
2019-17	792,084	104,064	(503,151)	54,930	(12,975)	434,952
2019-19	107,655	6,436,489	(1,863,612)	(98,459)	5,748	4,587,821
2019-20	584,839	110,667	(564,691)	51,036	31,224	213,075

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Certificates issued continued...

Series	As at 31	Certificates issued	Certificates redeemed	Fair value movement	Foreign exchange	As at 31
	January 2020					January 2021
	£	£	£	£	£	£
2020-1	-	8,002	-	750	-	8,752
2020-3	-	608,943	(7,844)	43,657	(57,536)	587,220
2020-4	-	616,336	(7,238)	(9,893)	(58,489)	540,716
2020-5	-	45,985	-	4,519	-	50,504
2020-6	-	310,004	(93,094)	(6,605)	-	210,305
2020-8	-	393,964	(364,408)	-	(29,556)	-
2020-9	-	3,417,962	-	202,777	-	3,620,739
2020-10	-	3,027,559	-	(52,385)	(96,766)	2,878,408
2020-11	-	432,567	(103,678)	(132,122)	-	196,767
2020-12	-	1,201,714	-	(6,964)	-	1,194,750
2020-13	-	518,648	-	1,470	-	520,118
2020-14	-	934,966	(2,677)	117,547	-	1,049,836
2020-16	-	1,207,116	(14,176)	(42,279)	-	1,150,661
2020-17	-	444,713	-	(22,572)	-	422,141
2020-18	-	1,670,945	(1,672,923)	-	1,977	-
2020-20	-	450,889	(13,205)	(58,832)	-	378,852
2020-21	-	414,931	(414,931)	-	-	-
2020-22	-	1,188,273	(399,183)	(183,151)	-	605,939
2020-23	-	349,364	-	(35,227)	-	314,137
2020-24	-	316,952	-	(33,674)	-	283,278
2020-26	-	1,766	-	97	-	1,863
2020-27	-	5,026	-	146	-	5,172
2020-28	-	8,143	(2,714)	272	-	5,701
2020-29	-	26,300	-	(730)	-	25,570
2020-30	-	1,501,148	-	(100,628)	(31,436)	1,369,084
2020-31	-	223,505	-	(14,114)	-	209,391
2020-33	-	728,146	(126,947)	(66,525)	-	534,674
2020-35	-	569,148	-	(172,168)	-	396,980
2020-36	-	886,210	-	(778,408)	-	107,802
2020-37	-	132,617	-	(96)	-	132,521
2020-38	-	586,898	(1,083)	(521,086)	-	64,729
2021-1	-	1,423,045	-	(9,215)	-	1,413,830
2021-2	-	509,443	-	(450,394)	-	59,049
2021-3	-	338,632	-	(68,334)	-	270,298
R2018-1	870,776	744,434	-	264,967	46,491	1,926,668
R2018-2	709,755	100,505	-	(26,714)	37,894	821,440
R2018-3	224,550	155,898	-	12,417	11,989	404,854
R2018-4	308,892	99,252	-	(20,764)	16,492	403,872
R2018-5	612,192	136,688	-	(69,058)	32,685	712,507
R2018-6	68,546	67,709	-	26,779	1,983	165,017
R2018-7	61,537	-	(1,143)	(29)	523	60,888
R2018-8	22,591	5,427	-	(197)	201	28,022
R2018-9	46,289	5,996	-	(3,085)	529	49,729

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Certificates issued continued...

Series	As at 31	Certificates issued	Certificates redeemed	Fair value movement	Foreign exchange	As at 31
	January 2020					January 2021
	£	£	£	£	£	£
R2019-1	860,333	3,088,117	-	128,271	45,934	4,122,655
R2019-2	45,541	-	(49,042)	5,188	(1,686)	-
R2019-3	192,112	25,500	-	271,045	10,257	498,914
R2019-4	419,336	495,721	-	(155,815)	22,388	781,630
R2020-1	-	239,839	-	3,752	7,449	251,040
R2020-2	-	1,775,943	-	542,232	-	2,318,175
R2020-3	-	411,610	-	43,564	-	455,174
R2020-4	-	509,128	-	15,765	-	524,893
R2020-5	-	132,750	-	(10,288)	-	122,462
R2020-6	-	1,019,102	-	86,425	-	1,105,527
R2020-7	-	492,480	-	(54,776)	-	437,704
R2020-8	-	187,786	-	(19,587)	-	168,199
R2020-9	-	139,756	-	(1,705)	-	138,051
R2020-10	-	295,208	-	(14,694)	-	280,514
R2020-11	-	114,669	-	8,608	-	123,277
R2020-16	-	941,041	-	-	-	941,041
R2020-17	-	755,467	-	29,619	-	785,086
R2021-1	-	136,990	-	(2,085)	-	134,905
	45,260,271	55,462,239	(25,131,001)	(4,058,566)	1,003,273	72,536,216

The table below details information about the reference name linked to the performance of each Certificate outstanding as at 31 January 2021. The value of the Certificate will move in accordance with the value of the reference name.

Series	Maturity	Currency	Reference name	Interest Rate
2018-06	06/09/2022	USD	Closed-End Funds Strategy TR – Market Neutral	N/A
2018-07	31/08/2022	EUR	Cirdan Italian Liquid Small & Mid-Cap (PIR) Index TR	N/A
2018-08	31/08/2022	EUR	Uptovalue Trading Solutions	N/A
2018-09	25/09/2020	EUR	Intesa Sanpaolo Spa	N/A
2018-10	14/09/2022	EUR	Ciran AP D’Ulmental	N/A
2019-01	31/01/2023	EUR	MDC Astrolabe SICAV plc – Absolute Return Fund – Class F	N/A
2019-02	18/02/2022	EUR	EURO STOXX Mid Net Return	N/A
2019-03	07/03/2023	USD	Piotroski Strategy Long Only USD ER	N/A
2019-04	17/01/2022 & 13/06/2022	EUR	EURO Stoxx 50 DVD Dex21	N/A
2019-05	13/05/2024	EUR	Delta Prime Fund – Share B	N/A
2019-06	11/07/2022	EUR	Cirdan Floating Rate	3.25% + 3m Euribor
2019-07	25/07/2024	EUR	Cirdan AIM Long-Short TR	N/A
2019-08	25/07/2024	USD	Cirdan AIM Long-Short TR	N/A
2019-09	21/08/2029	USD	Stoxx USA 500 Price USD	20%

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Certificates issued continued...

Series	Maturity	Currency	Reference name	Interest Rate
2019-10	21/08/2029	USD	EURO Stoxx 50	20%
2019-12	23/10/2023	EUR	Cirdan Cannabis EUR TR	N/A
2019-13	14/10/2024	EUR	Cirdan Alternative Option	N/A
2019-14	23/10/2024	EUR	Platinum All Star Fund Limited Class A EUR	N/A
2019-15	15/11/2022	EUR	UBS ETF (LU) Bloomberg Barclays US 10+ Year Treasury Bond UCITS ETF	N/A
2019-16	10/02/2022	USD	Planifolia Trade Finance Fund Ltd Class USD	N/A
2019-17	20/11/2024	USD	Cirdan Gold Strategy	N/A
2019-18	22/11/2024	USD	ROC Currency Plus Index	N/A
2019-19	27/12/2023	EUR	iShares USD Corp Bond UCITS ETF	N/A
2019-20	27/12/2023	EUR	Stoxx Global 1800 Index EUR	N/A
2020-1	25/02/2025	EUR	Cirdan Phoenix Autocallable Worst of Certificates	0.50%
2020-3	24/03/2025	USD	Cirdan Capital Protected Certificates in USD on Euro Stoxx 50	N/A
2020-4	24/03/2025	USD	Cirdan Capital Protected Certificates in USD on SPDR S&P 500 ETF with 10% Risk Control Mechanism	N/A
2020-5	14/04/2025	EUR	ProShares Short VIX Short-Term Futures ETF	N/A
2020-6	12/05/2025	EUR	Iridia Global Allocation Index	N/A
2020-8	01/06/2025	USD	Cirdan Intraday Stocks Index	N/A
2020-9	12/06/2023	EUR	Tracker Certificates in EUR on Pro Cyclical Basket	N/A
2020-10	01/09/2025	USD	Global Equity Value Selection Index	N/A
2020-11	22/08/2022	EUR	Cirdan Reverse Cash Collect Best of Tesla and Amazon	N/A
2020-12	14/08/2023	EUR	Cirdan 3% Fixed-Rate Certificates	3%
2020-13	14/08/2025	EUR	Invesco AT1 Capital Bond UCITS ETF Acc	N/A
2020-14	01/09/2025	EUR	Gamma Infinity Index	N/A
2020-16	25/09/2025	EUR	EURO STOXX Select Dividend 30	N/A
2020-17	01/10/2025	EUR	EURO STOXX Select Dividend 30	N/A
2020-18	01/10/2025	GBP	Rosberg Incubator Diversified Fund Segregated Portfolio	N/A
2020-20	26/10/2022	EUR	Phoenix Autocall with Memory on the Worst of Mylan, Regeneron and Teva	N/A
2020-21	29/10/2021	EUR	Autocall Reverse Convertible Worst of American Eagle, Kohls, Walgreens Boots	0.833%
2020-22	31/10/2025	EUR	Amazon, Apple, Facebook and Netflix	22% on first Coupon payment date, 1% thereafter
2020-23	20/11/2023	EUR	Gold, Silver and Oil	9%
2020-24	23/11/2022	EUR	Amazon, Salesforce, Alibaba and Google	2.625%
2020-26	17/11/2025	EUR	CB CQISESGF Index	N/A
2020-27	17/11/2025	EUR	CB CQISESGM Index	N/A
2020-28	17/11/2025	EUR	CB CQISESGC Index	N/A
2020-29	17/11/2025	EUR	CB CQISESGE Index	N/A
2020-30	11/05/2022	USD	Gold, Silver	10%

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Certificates issued continued...

Series	Maturity	Currency	Reference name	Interest Rate
2020-31	14/12/2021	EUR	TESLA/MODERNA/CARNIVAL	N/A
2020-33	16/06/2022	EUR	TESLA/MODERNA/CARNIVAL	10%
2020-35	17/012/2024	EUR	Alibaba, Facebook, Netflix, Intel	15% on first Coupon payment date, 1% thereafter
2020-36	27/12/2024	EUR	Cirdan Prudent Funds 3% RC Index	N/A
2020-37	02/01/2026	EUR	Cirdan Structured Products Index	N/A
2020-38	06/01/2025	EUR	Cirdan Defensive Funds 3% RC Index	N/A
2021-1	08/01/2026	EUR	Cirdan Royal Future Index	N/A
2021-2	05/02/2025	EUR	Cirdan Smart Funds 3% RC Index	N/A
2021-3	30/01/2024	EUR	ArcelorMittal SA, Freeport-McMoRan Inc, AngloGold Ashanti Ltd	N/A
R2018-01	12/10/2021	EUR	Creative Thinking EUR	N/A
R2018-02	12/10/2021	EUR	Invest with PRIDE 60-40 EUR	N/A
R2018-03	12/10/2021	EUR	Made in Italy 30-70 EUR	N/A
R2018-04	12/10/2021	EUR	Women at the table 30-70 EUR	N/A
R2018-05	12/10/2021	EUR	Protect Water 30-70 EUR	N/A
R2018-06	12/10/2021	GBP	Creative Thinking GBP	N/A
R2018-07	12/10/2021	GBP	Invest with PRIDE 60-40 GBP	N/A
R2018-08	12/10/2021	GBP	Women at the Table 30-70 GBP	N/A
R2018-09	12/10/2021	GBP	Protect Water 30-70 GBP	N/A
R2019-01	08/05/2023	EUR	Euro Zero Coupon	N/A
R2019-02	08/05/2023	GBP	GBP Zero Coupon	N/A
R2019-03	03/06/2022	EUR	Cirdan Cannabis EUR TR	N/A
R2019-04	13/06/2022 & 31/06/2022	EUR	Cirdan Space EUR TR	N/A
R2020-1	04/03/2024	GBP	GBP Zero Coupon 2020	N/A
R2020-2	27/03/2024	EUR	Cirdan Clean Tech 60-40 EUR TR Index	N/A
R2020-3	21/05/2025	EUR	iShares FTSE MIB UCITS ETF EUR Dist	N/A
R2020-4	26/06/2025	EUR	SPDR S&P 500 ETF Trust	1%
R2020-5	24/07/2025	EUR	Basket of equity shares	N/A
R2020-6	08/07/2025	EUR	Cirdan eGaming 60-40 TR Index	N/A
R2020-7	31/07/2025	EUR	Cirdan Healthcare Premium Protection	N/A
R2020-8	28/09/2025	EUR	Cirdan Food Premium Protection	N/A
R2020-9	09/10/2025	EUR	EURO STOXX Select Dividend 30	N/A
R2020-10	15/09/2025	EUR	Cirdan Gold Euro Index	N/A
R2020-11	15/09/2025	EUR	Cirdan Silver Euro Index	N/A
R2020-16	04/12/2023	EUR	3% Fixed Rate	3%
R2020-17	15/12/2025	EUR	CQISOIPO Index	N/A
R2021-1	15/01/2026	EUR	CQISCOSI Index	N/A

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

22. Trade and other payables

	2021	Restated 2020
	£	£
Cirdan Capital Management Ltd - Consolidated		
Trade creditors	250,989	3,441
Accrued expenses	1,157,749	558,766
Other creditors	69,794	10,076
Cash collateral payable for derivatives	1,034,323	1,835,064
Interest payable on certificates	246,975	522,829
Social security and other taxes	5,424	36,382
Payable for redemptions to certificates	2,030,979	-
	<u>4,796,233</u>	<u>2,966,558</u>

	2021	2020
	£	£
Cirdan Capital Management Ltd - Company		
Trade creditors	250,989	3,441
Accrued expenses	1,060,902	558,677
Intercompany payable	-	836,035
Social security and other taxes	5,425	36,382
	<u>1,317,316</u>	<u>1,434,535</u>

23. Employees and Directors

	2021	2020
	£	£
Wages and salaries	1,475,415	1,307,178
Social security costs	183,635	160,083
Other pension costs	10,885	12,442

The average number of employees during the year was as follows:

Directors	5	4
Employees	17	15
Directors' remuneration	<u>255,081</u>	<u>239,514</u>

The Board of Directors of Cirdan Capital Management Ltd are employed on a fixed employment contract, with the remuneration of each Director (Non - Executive or Executive) being agreed on an annual basis. Antonio de Negri is the controlling party of Cirdan Capital Management Ltd, and is also a member of the Board of Directors.

The highest paid Director during the year ending 31 January 2021 received £76,313 per annum. During the year, the Directors had no opportunity to exercise any share options, no shares were issued as part of the employment in lieu of salary and no pension with money purchase benefits were offered. These figures excludes any commission scheme figures which are strictly related to individual targets as employee and not related to services rendered as Director or senior manager.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

24. Related party transactions

As at the balance sheet date, a loan advance to the Director, Mr A De Negri, was included within debtors and the outstanding balance due to the Group amounted to £49,690 (2020:£55,217).

During the period Cirdan Capital Management Ltd invoiced its wholly owned subsidiary SmartETN PLC, £5,596,778 (2020: £3,223,216) for services performed as per the hedging and arranger agreement. As at the balance sheet date the amount due from SmartETN PLC amounted to £104,110 (2020: £55,862).

The Certificates issued by SmartETN PLC, the wholly owned subsidiary, are unconditionally and irrevocably guaranteed by Cirdan Capital Management Ltd as the Guarantor. In case of shortfall, between realised value of the financial assets held by SmartETN PLC and the contractual obligation of the Certificates issued by SmartETN PLC, the Company is obliged to cover the full amount of the shortfall. In case of a surplus, between realised value of the financial assets held by SmartETN PLC and the contractual obligation of the Certificates issued by SmartETN PLC, the Company is entitled to the full amount of the surplus as a consideration for acting as Guarantor to SmartETN PLC.

The amount payable by Cirdan Capital Management Ltd in its role as Guarantor as at 31 January 2021 is Nil (2020: £836,035). The amount receivable by Cirdan Capital Management Ltd in its role as Guarantor is £625,759 (2020: Nil).

During the period the Group purchased investment strategies (including, the assessment of risks, formulation of indices and weights) amounting to £205,895 (2020: £121,074) from 4C Financial Technology Limited, a related party due to a common Director during the year. As at the balance sheet date the amount due to 4C Financial Technology Limited amounted to Nil (2020: Nil).

During the period, the Group made investments into Certificates issued by Aldburg S.A., to which the Group is the arranger of the transactions. As at the balance sheet date, the investments held by the Group was £21,286,372 (2020: £10,302,192) in Certificates issued by Aldburg S.A.. Fee income earned by the Group for the year as arranger was £1,328,868 (2020: £2,281,851).

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

25. Financial assets and liabilities - Risk Management

The Group's objective in managing risk is the creation and protection of Certificate holder value. Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Group's continuing profitability. The Group's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

The Group's financial instruments include cash at bank, financial assets at FVTPL and at amortised cost, financial liabilities at FVTPL (Certificates issued and marketable securities held short), financial liabilities at amortised cost and other receivables / payables that arise directly from operations.

The Group is exposed to a variety of financial risks: Capital risk, Market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk and operational risk exposure. The Group has attempted to match the properties of its financial assets to the Certificates issued, including derivative financial instruments to avoid significant elements of risk generated by mismatch of realised income and repayments from investments against its obligations towards the Certificate holders. The Directors seek to assess, monitor, and manage the potential adverse effects of these risks on the Group's financial performance by appropriate methods as discussed below.

Operational risk exposure

Operational risk is the risk of direct or indirect loss arising from the Group's processes, personnel and infrastructure, and from external factors other than credit risk, market risk and liquidity risk. This includes risks arising from non-compliance with legal and regulatory requirements as well as generally accepted standards of corporate behaviour.

The Group's aim is to manage operational risk so as to limit financial losses and damage to its reputation while achieving its investment objectives. A core function to mitigate the risk, is achieved by acquiring a portfolio of financial instruments (financed by the issuance of listed debt obligations, "the Certificates"). The financial instruments are obtained with the purpose of providing the future promised returns of the Certificates issued to the minimum extent required.

Capital risk management

The Group manages its capital to ensure that it is able to continue as a going concern while maximising the return to certificate holders. The capital managed by the Group comprises of ordinary shares and the financial liabilities outstanding as at financial period-end. The Group is not subject to externally imposed capital requirements, however, Cirdan Capital Management Ltd as an FCA regulated firm, has specific capital requirements. These can be viewed on the website: <https://cirdancapital.com/pillar-3-disclosure-and-policy>.

Market risk

Market risk is the potential change in the value of the financial instruments, caused by the movements in foreign exchange, interest rates or market prices. The Certificate holders are exposed to the market risk of the underlying reference item of each Certificate issued by the Group as a direct function of the hedged financial instruments acquired. The exposure of the Certificate holder to the market risk is due to the defined hedged underlying investment undertaken by the Group.

Foreign exchange risk is the risk that the Group and Certificate holders are exposed to the change in an underlying currency in relation to another. The Group is exposed to the movement in EURO, USD and CHF movements as set out in the table below. To mitigate the risk, management has set out the following processes:

- When appropriate and possible, the Group will match the Certificate issuance currency with the underlying hedging transaction, in this way any movement in currency will not cause any variance.
- For the Certificates that are not directly hedged to an underlying financial asset, the Group will continue to undertake the investment in the same currency to avoid any foreign currency risk.
- The Group is exposed to the foreign currency risk with regards to its proprietary trading portfolio. To assist in managing the risk, the Group enters into FX forwards to minimise the exposure to foreign exchange risk.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

The Certificate holder is not directly exposed to any foreign exchange risk due to the steps undertaken by the Group. The exposure to the foreign currency risk due to the proprietary investment portfolio is borne by the Group, and does not impact the value of Certificate holders.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Group has issued Certificates that have a coupon obligation, related to the measurement of specific criteria, as set out in the terms and conditions. To minimise the exposure to interest rate risk, the Group hedges the obligation with a suitably similar instrument. For certain Certificates, the hedge may not be directly linked, however, the nature and interest element will be suitably similar to avoid any variance between the interest rate movements.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or all factors affecting all similar financial instruments traded in the market. The Group is exposed to price risk due to the changes in value of the underlying investments undertaken. To mitigate the risk, the Group have undertaken the following processes:

- When appropriate and possible, the Group will hedge the underlying investments as identified by the terms and conditions on the issued Certificates. This allows the movement of the Certificate and the underlying hedge exposure to move in a linear, opposite direction and mitigating the risk of price risk.
- For the Certificates that are not directly hedged to an underlying financial asset, the Group will continue to invest in a suitably similar underlying asset. As such, the exposure is mitigated by the expectation that the movement in price of the underlying asset would be similar as to the movement in the Certificate. The price risk is borne by the Group, as the valuation of these Certificates are not directly related to the movement of the investment asset.
- The Group is exposed to the price risk with regards to the proprietary trading portfolio. To minimise this risk, the Group undertakes an extensive due diligence process. The Group limits the concentration of these investments to currency, geographic location, industry and economic sector. The portfolio of proprietary trading includes but is not limited to common stocks, equity stock indices, mutual fund stocks, money market funds, debt instruments, exchange-traded commodity futures, options, over-the-counter contracts and derivative instruments. The price risk on these positions are not borne by the Certificate holders.

(i) Foreign exchange risk

This table below shows the Group and Company's exposure to foreign currency risk as at 31 January 2021.

Cirdan Capital Management Ltd - Consolidated

	EUR	USD	CHF	Total
Assets	£	£	£	£
Financial assets FVTPL	2,423,805	12,578,824	-	15,002,629
Derivative financial instruments	1,528,960	5,471,045	-	7,000,005
Debt instruments at cost	4,867,500	1,458,470	-	6,325,970
Trade and other receivables	17,196,457	752,477	-	17,948,934
Cash and cash equivalents	18,944,399	(684,412)	20,884	18,280,871
Unsettled trades receivables	377,359	-	-	377,359
	<u>45,338,480</u>	<u>19,576,404</u>	<u>20,884</u>	<u>64,935,768</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

	EUR	USD	CHF	Total
	£	£	£	£
Liabilities				
Certificates issued at FVTPL	37,199,522	11,007,639	-	48,207,161
Certificates issued at amortised cost	23,774,360	-	-	23,774,360
Derivative financial instruments	2,732,320	3,206,398	-	5,938,718
Interest payable on certificates	246,974	-	-	246,974
Trade and other payables	692,503	1,037,852	-	1,730,355
	<u>64,645,679</u>	<u>15,251,889</u>	<u>-</u>	<u>79,897,568</u>

Cirdan Capital Management Ltd - Company

	EUR	USD	CHF	Total
	£	£	£	£
Assets				
Investment in subsidiary	22,042	-	-	22,042
Trade and other receivables	639,062	156,313	-	795,375
Cash and cash equivalents	955,145	391,339	19,609	1,366,093
	<u>1,616,249</u>	<u>547,652</u>	<u>19,609</u>	<u>2,183,510</u>

	EUR	USD	CHF	Total
	£	£	£	£
Liabilities				
Trade and other payables	183,853	-	-	183,853
	<u>183,853</u>	<u>-</u>	<u>-</u>	<u>183,853</u>

This table below shows the Group and Company's exposure to foreign currency risk as at 31 January 2020.

Cirdan Capital Management Ltd - Consolidated

	EUR	USD	CHF	Total
	£	£	£	£
Assets				
Financial assets FVTPL	2,022,816	8,164,083	-	10,186,899
Derivative financial instruments	1,354,373	7,110,723	-	8,465,096
Trade and other receivables	9,662,791	244,850	-	9,907,641
Cash and cash equivalents	13,448,747	3,689,407	9,852	17,148,006
Unsettled trades receivables	-	24,173	-	24,173
	<u>26,488,727</u>	<u>19,233,236</u>	<u>9,852</u>	<u>45,731,815</u>

	EUR	USD	CHF	Total
	£	£	£	£
Liabilities				
Certificates issued at FVTPL	19,192,173	13,911,052	-	33,103,225
Certificates issued at amortised cost	11,912,542	-	-	11,912,542
Financial liabilities at FVTPL	-	488,665	-	488,665
Derivative financial instruments	2,659,562	5,563,071	-	8,222,633
Interest payable on certificates	82,303	440,529	-	522,832
Trade and other payables	102,962	1,796,976	-	1,899,938
	<u>33,949,542</u>	<u>22,200,293</u>	<u>-</u>	<u>56,149,835</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

Cirdan Capital Management Ltd - Company

	EUR	USD	CHF	Total
	£	£	£	£
Assets				
Investment in subsidiary	21,841	-	-	21,841
Trade and other receivables	50,127	21,545	-	71,672
Cash and cash equivalents	225,327	213,971	8,617	447,915
	<u>297,295</u>	<u>235,516</u>	<u>8,617</u>	<u>541,428</u>
	EUR	USD	CHF	Total
	£	£	£	£
Liabilities				
Trade and other payables	889,003	1,745	-	890,748
	<u>889,003</u>	<u>1,745</u>	<u>-</u>	<u>890,748</u>

Cirdan Capital Management Ltd - Consolidated

The sensitivity analysis for a movement in the currency exposure for the Group:

Currency	Increase in currency rate %	Net effect on the profit or loss	
		2021	2020
EURO	5 %	(965,360)	(373,041)
USD	5 %	216,226	(148,353)
CHF	5 %	1,044	493
		<u>(748,090)</u>	<u>(520,901)</u>

Cirdan Capital Management Ltd - Company

The sensitivity analysis for a movement in the currency exposure for the Company:

Currency	Increase in foreign currency exchange rate	Net effect on the profit or loss	
		2021	2020
EURO	5 %	71,620	(29,575)
USD	5 %	27,383	11,689
CHF	5 %	980	431
		<u>99,983</u>	<u>(17,455)</u>

(ii) Interest rate risk

The risk defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the interest rate profile of the Group's financial assets and liabilities were as follows:

Cirdan Capital Management Ltd - Consolidated

	Fixed Rate	Up to 1 month	1 - 6 months	Non-interest bearing	Total
	£	£	£	£	£
Assets					
Financial assets at FVTPL	-	-	-	15,059,635	15,059,635
Derivative financial instruments	-	-	-	7,000,005	7,000,005
Debt instruments at amortised cost	1,458,470	-	19,827,903	-	21,286,373
Trade and other receivables	-	-	-	18,710,462	18,710,462
Cash and cash equivalents	1,552,668	21,146,211	-	2,396,520	25,095,399
Unsettled trades receivable	-	-	-	377,359	377,359
	<u>3,011,138</u>	<u>21,146,211</u>	<u>19,827,903</u>	<u>43,543,981</u>	<u>87,529,233</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

	Fixed Rate	Up to 1 month	1 - 6 months	Non-interest bearing	Total
Liabilities	£	£	£	£	£
Certificates issued at FVTPL	3,079,188	-	-	45,431,628	48,510,816
Certificates issued at amortised cost	-	-	17,515,920	6,509,480	24,025,400
Derivative financial instruments	-	-	-	6,071,859	6,071,859
Interest payable on certificate	-	-	-	246,974	246,974
Trade and other payables	-	-	-	4,549,258	4,549,258
Tax payable	-	-	-	2,871	2,871
	<u>3,079,188</u>	<u>-</u>	<u>17,515,920</u>	<u>62,812,070</u>	<u>83,407,178</u>

Cirdan Capital Management Ltd - Company

	Fixed Rate	Up to 1 month	1 - 6 months	Non-interest bearing	Total
Assets	£	£	£	£	£
Investment in subsidiary	-	-	-	22,042	22,042
Trade and other receivables	-	-	-	1,470,790	1,470,790
Cash and cash equivalents	1,552,668	-	-	2,396,520	3,949,188
	<u>1,552,668</u>	<u>-</u>	<u>-</u>	<u>3,889,352</u>	<u>5,442,020</u>
Liabilities	£	£	£	£	£
Trade and other payables	-	-	-	1,317,316	1,317,316
Tax payable	-	-	-	2,871	2,871
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,320,187</u>	<u>1,320,187</u>

This table below shows the Group's interest rate profile related to assets as at 31 January 2020.

Cirdan Capital Management Ltd - Consolidated

	Fixed Rate	Up to 1 month	1 - 6 months	Non-interest bearing	Total
Assets	£	£	£	£	£
Financial assets at FVTPL	-	-	-	10,450,938	10,450,938
Derivative financial instruments	-	-	-	8,470,292	8,470,292
Debt instruments at amortised cost	-	-	10,302,192	-	10,302,192
Trade and other receivables	-	-	-	10,563,524	10,563,524
Tax receivable	-	-	-	10,982	10,982
Cash and cash equivalents	1,550,000	16,708,057	-	632,364	18,890,421
Unsettled trades receivable	-	-	-	24,173	24,173
	<u>1,550,000</u>	<u>16,708,057</u>	<u>10,302,192</u>	<u>30,152,273</u>	<u>58,712,522</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

	Fixed Rate	Up to 1 month	1 - 6 months	Non-interest bearing	Total
Liabilities	£	£	£	£	£
Certificates issued at FVTPL	5,342,583	-	-	27,959,605	33,302,188
Certificates issued at amortised cost	-	-	11,052,210	905,873	11,958,083
Marketable securities held short at FVTPL	-	-	-	488,665	488,665
Derivative financial instruments	-	-	-	8,318,778	8,318,778
Interest payable on certificate	-	-	-	522,830	522,830
Trade and other payables	-	-	-	2,443,728	2,443,728
	<u>5,342,583</u>	<u>-</u>	<u>11,052,210</u>	<u>40,639,479</u>	<u>57,034,272</u>

Cirdan Capital Management Ltd - Company

	Fixed Rate	Up to 1 month	1 - 6 months	Non-interest bearing	Total
Assets	£	£	£	£	£
Financial assets FVTPL	-	-	-	263,178	263,178
Investment in subsidiary	-	-	-	21,841	21,841
Trade and other receivables	-	-	-	613,510	613,510
Tax receivable	-	-	-	10,982	10,982
Cash and cash equivalents	1,550,000	-	-	632,363	2,182,363
	<u>1,550,000</u>	<u>-</u>	<u>-</u>	<u>1,541,874</u>	<u>3,091,874</u>

	Fixed Rate	Up to 1 month	1 - 6 months	Non-interest bearing	Total
Liabilities	£	£	£	£	£
Trade and other payables	-	-	-	1,434,535	1,434,535
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,434,535</u>	<u>1,434,535</u>

Cirdan Capital Management Ltd - Consolidated

The sensitivity analysis for a movement in the variable interest rate exposure for the Group:

Currency	Increase in variable interest rate	Net effect on the profit or loss	
		2021	2020
Bank of England lending rate	50 %	7,480	38,633
Euribor 1m	50 %	9,264	-
Euribor 3m	50 %	(31,996)	(14,478)
Libor Overnight	50 %	29,344	25,623
		<u>14,092</u>	<u>49,778</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or all factors affecting all similar financial instruments traded in the market.

The price risk associated with the realisation of the financial assets held by the Group is offset by the changes in the fair value of the Certificates issued by the Group. The price risk is managed by the Group hedging the required Certificates returns in suitably identified financial instruments. This allows the Group to obtain a return to the minimum extent promised on the Certificates.

The proprietary investment portfolio managed by the Group has extensive due diligence and internal reviews undertaken as part of the investment decision. The investments are liquid in nature, to assist the Group in meeting any foreseeable capital obligations. The investments are made with a short / medium timeframe in realisation.

The Group uses the following three-tier hierarchy as a framework as per IFRS 13 for disclosing fair value based on inputs to the valuation of the Group's financial instruments:

- Level 1: Quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable units. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The carrying amounts of financial instruments held at fair value in are determined, in full or in part, by reference to the Level 1, Level 2 and Level 3 hierarchy categories as defined above. The table below sets out the instruments included in each category as at 31 January 2021.

Cirdan Capital Management Ltd - Consolidated

The table below sets out the assets and liabilities instruments included in each category as at 31 January 2021.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial assets at FVTPL				
Financial assets at FVTPL	-	10,200,401	4,859,234	15,059,635
Derivative financial instruments	1,362,528	5,637,477	-	7,000,005
	<u>1,362,528</u>	<u>15,837,878</u>	<u>4,859,234</u>	<u>22,059,640</u>
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial liabilities at FVTPL				
Certificates issued at FVTPL	-	45,431,630	3,079,186	48,510,816
Derivative financial instruments	1,147,424	4,924,435	-	6,071,859
	<u>1,147,424</u>	<u>50,356,065</u>	<u>3,079,186</u>	<u>54,582,675</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

The table below sets out the assets and liabilities instruments included in each category as at 31 January 2020.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial assets at FVTPL				
Financial assets at FVTPL	-	10,187,760	263,178	10,450,938
Derivative financial instruments	6,351,148	2,119,144	-	8,470,292
	<u>6,351,148</u>	<u>12,306,904</u>	<u>263,178</u>	<u>18,921,230</u>

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial liabilities at FVTPL				
Certificates issued at FVTPL	-	39,917,689	5,342,582	45,260,271
Marketable securities held short at FVTPL	488,665	-	-	488,665
Derivative financial instruments	8,318,778	-	-	8,318,778
	<u>8,807,443</u>	<u>39,917,689</u>	<u>5,342,582</u>	<u>54,067,714</u>

Cirdan Capital Management Ltd - Company

The table below sets out the instruments included in each category as at 31 January 2020.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial assets at FVTPL				
Financial assets at FVTPL	-	-	263,178	263,178
	<u>-</u>	<u>-</u>	<u>263,178</u>	<u>263,178</u>

Cirdan Capital Management Ltd - Consolidated

The sensitivity analysis for a movement in the market price exposure for the Group:

Currency	Increase in market price	Effect on the profit or loss	
		2021	2020
Assets			
Financial assets at FVTPL	5%	752,982	522,547
Derivative financial instruments	5%	350,000	423,515
		<u>1,102,982</u>	<u>946,062</u>
Liabilities			
Certificates issued at FVTPL	5%	(2,425,541)	(2,263,014)
Marketable securities held short at FVTPL	5%	-	(24,433)
Derivative financial instruments	5%	(303,593)	(415,939)
		<u>(2,729,134)</u>	<u>(2,703,386)</u>
Net impact on profit or loss		<u>(1,626,152)</u>	<u>(1,757,324)</u>

Cirdan Capital Management Ltd - Company

The sensitivity analysis for a movement in the market price exposure for the Company:

Currency	Increase in market price	Effect on the profit or loss	
		2021	2020
Assets			
Financial assets at FVTPL	5%	-	13,159
		<u>-</u>	<u>13,159</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

Financial instruments - Level 2:

Valuation of level 2 fair values

The Group derives the fair value of the Certificates based on a combination of the underlying assets held. The net issuance of certain Certificates are used to enter into offsetting financial transactions in such a way as to hedge the exposure of the Group to the future promised returns of certain Certificates issued to the minimum extent required. In addition, the Group also maintains an investment portfolio using the proceeds from certain Certificates issuance to maximise returns to meet contractual obligations of the Certificates and to generate any excess returns over these contractual obligations for the benefit of the Arranger. Financial assets consist mainly of common stock, equity stock indices, mutual fund stocks, stock warrant and debt instruments. In certain instances, the Group has determined that the market may not be considered active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs. These include investment-grade corporate bonds, certain customised baskets of common stocks or indices and derivatives.

Financial instruments - Level 3:

Valuation of level 3 fair value assets

The valuation of the Level 3 investments are performed by the operational team, on an annual basis at the very least. The team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information. Any fair value change is reviewed and considered internally, with a view to confirmation that the value presented is a true and fair reflection of the investment. The investments form part of the proprietary investment portfolio with the movement borne by the Group. For the Certificate holder, the risk is mitigated by the existence of the guarantee issued by the Group with regards to the obligations of the certificates.

	2021	Restated 2020
	£	£
Reconciliation of level 3 fair value assets		
Balance as at 01 February 2020	263,178	-
Purchases	5,133,866	263,178
Disposal	(610,983)	-
Total gains / (losses) in profit or loss	73,173	-
Balance as at 31 January 2021	<u>4,859,234</u>	<u>263,178</u>

Valuation of level 3 fair value liabilities

The valuation of the Level 3 Certificates are performed by the operational team, on a realtime basis. The underlying rate applied is selected after taking various external and internal factors into consideration, including but not limited to; discounting due to the Group not being rated, terms and conditions related to the applicable Certificate issued, the nature and frequency of the Certificate obligation.

	2021	Restated 2020
	£	£
Reconciliation of level 3 fair value liabilities		
Balance as at 01 February 2020	6,359,121	-
Sales	2,152,303	6,719,012
Redemption	(3,511,448)	-
Total (gains) / losses in profit or loss	(1,520,670)	(359,891)
Balance as at 31 January 2021	<u>3,479,306</u>	<u>6,359,121</u>

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. The Group is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within debt instruments, derivatives, money market funds and similar securities, derivative assets, short-term trade receivables, and cash and cash equivalents.

A policy is implemented where the Group can only enter into financial instruments with reputable, pre-approved counterparties. This includes closely monitoring the creditworthiness of the Group's counterparties (brokers, custodians and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

Cirdan Capital Management Ltd - Consolidated

This table below represents the maximum exposure to credit risk:

	2021	Restated 2020
	£	£
Assets		
Financial assets at FVTPL	8,774,415	8,431,267
Debt instruments at amortised cost	21,286,373	10,302,192
Derivative financial instruments	7,000,005	8,470,292
Trade and other receivables	18,710,462	10,563,524
Cash and cash equivalents	25,095,399	18,890,421
Unsettled trades receivable	377,359	24,173
	<u>81,244,013</u>	<u>56,681,869</u>

Cirdan Capital Management Ltd - Company

This table below represents the maximum exposure to credit risk:

	2021	Restated 2020
	£	£
Assets		
Financial assets at FVTPL	-	263,178
Investment in Subsidiary	22,042	21,841
Trade and other receivables	1,470,790	613,510
Cash and cash equivalents	3,949,188	2,182,363
	<u>5,442,020</u>	<u>3,080,892</u>

(i) The credit rating profile of the Derivatives' Broker and Counterparties are as follows:

Cirdan Capital Management Ltd - Consolidated

Derivatives financial instruments

	31st January 2021	Credit Rating	Rating Agency
	£	£	£
Interactive Brokers LLC	1,362,530	BBB+	S&P
Goldman Sachs International	3,304,673	A+	S&P
J. P. Morgan Securities PLC.	2,332,802	A+	S&P
	<u>7,000,005</u>		

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

	31st January 2020	Credit Rating	Rating Agency
Derivatives financial instruments	£	£	£
Interactive Brokers LLC	6,351,150	BBB+	S&P
Goldman Sachs International	2,119,142	A+	S&P
	<u>8,470,292</u>		

(ii) The credit rating profile of the banks holding the cash and cash equivalents balance is as follows:

Cirdan Capital Management Ltd - Consolidated	31st January 2021	Credit Rating	Rating Agency
Cash and cash equivalents	£	£	£
Citibank, N.A.	2,574,100	Aa3	Moody's
Goldman Sachs International Bank	14,433,191	Aa3	Moody's
Interactive Brokers LLC	3,551,640	BBB+	S&P
Barclays Bank PLC	3,949,188	A	S&P
Banca5	587,280	BBB	S&P
	<u>25,095,399</u>		

Cirdan Capital Management Ltd - Company

Cash and cash equivalents			
Barclays Bank PLC	3,949,188	A	S&P
	<u>3,949,188</u>		

Cirdan Capital Management Ltd - Consolidated	31st January 2020	Credit Rating	Rating Agency
Cash and cash equivalents	£	£	£
Citibank, N.A.	1,105,505	Aa3	Moody's
Goldman Sachs International Bank	11,397,932	A1	Moody's
Interactive Brokers LLC	4,204,621	BBB+	S&P
Barclays Bank PLC	2,182,363	A1	Moody's
	<u>18,890,421</u>		

Cirdan Capital Management Ltd - Company

Cash and cash equivalents			
Barclays Bank PLC	2,182,363	A	S&P
	<u>2,182,363</u>		

(iii) Credit risk for unsettled trades receivable is minimal as the balance is settled following the financial period-end.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Financial assets and liabilities - Risk Management continued...

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they fall due. The Group's approach to managing liquidity risk is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

Prudent liquidity risk management requires maintaining sufficient cash and marketable investments, which the Group does. The maturity profile of the financial liabilities as at 31 January 2021 is as follows:

Cirdan Capital Management Ltd - Consolidated	Gross contractual cashflow	Up to 1 Year	1 - 2 Years	2 - 5 Years	5 Years
Liabilities	£	£	£	£	£
Operating Lease - Office	657,160	344,223	312,937	-	-
Certificates issued at FVTPL	48,510,816	5,317,071	11,273,794	28,840,765	3,079,186
Certificates issued at amortised cost	24,025,400	-	17,515,920	6,509,480	-
Interest payable on certificates	246,975	246,975	-	-	-
Trade and other payables	4,549,258	4,549,258	-	-	-
	77,989,609	10,457,527	29,102,651	35,350,245	3,079,186

Cirdan Capital Management Ltd - Company	Gross contractual cashflow	Up to 1 Year	1 - 2 Years	2 - 5 Years	5 Years
Liabilities	£	£	£	£	£
Operating Lease - Office	657,160	344,223	312,937	-	-
Trade and other payables	1,317,316	1,317,316	-	-	-
	1,974,476	1,661,539	312,937	-	-

The maturity profile of the financial liabilities as at 31 January 2020 is as follows:

Cirdan Capital Management Ltd - Consolidated	Gross contractual cashflow	Up to 1 Year	1 - 2 Years	2 - 5 Years	5 Years
Liabilities	£	£	£	£	£
Certificates issued at FVTPL	33,302,188	-	4,105,132	23,860,257	5,336,799
Certificates issued at amortised cost	11,958,083	-	-	11,958,083	-
Marketable securities held short at FVTPL	488,665	-	-	488,665	-
Interest payable on certificates	773,320	315,999	315,999	141,322	-
Trade and other payables	2,443,728	2,443,728	-	-	-
	48,965,984	2,759,727	4,421,131	36,448,327	5,336,799

Cirdan Capital Management Ltd - Company	Gross contractual cashflow	Up to 1 Year	1 - 2 Years	2 - 5 Years	5 Years
Liabilities	£	£	£	£	£
Trade and other payables	1,434,535	1,434,535	-	-	-
	1,434,535	1,434,535	-	-	-

The amounts shown are the contractual undiscounted cashflows whereas the Group manages the inherent liquidity risk based on expected undiscounted cash inflows.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

26. Prior period errors and comparative figures

The prior period comparatives have been restated to correct a number of material prior period errors which were identified during the year ending 31 January 2021. The errors identified were:

a. During the year ending 31 January 2019 the Group had incorrectly capitalised expenses to the value of £506,332 related to the incorporation and set up of its wholly owned subsidiary SmartETN PLC. The impact of the correction of this error is as follows:

Cirdan Capital Management Ltd - Consolidated and Company

Financial year ending 31 January 2020	2020	as restated 2020
Goodwill	506,332	-
Retained earnings	1,856,635	1,350,303
Financial year ending 31 January 2019	2019	as restated 2019
Goodwill	506,332	-
Retained earnings	504,146	(2,186)

b. The presentation of the consolidated statement of comprehensive income and the consolidated statement of financial position has been corrected to comply with IAS 1 presentation requirements. There were a number of reclassification adjustments required within the consolidated statement of comprehensive income and consolidated statement of financial position but these did not impact the equity position or the profit position of the Group.

Consolidated statement of comprehensive income

Financial year ending 31 January 2020	2020	as restated 2020
Fee income	5,955,648	6,135,192
Net gain on financial assets and liabilities at fair value through profit or loss	-	2,528,831
Fee expense	(6,332,285)	(4,230,438)
Interest expense on certificates at amortised cost	-	(114,124)
Gross (loss) / profit	(376,637)	4,319,461
Other income	4,076,288	-
Administrative expenses	(2,844,751)	(2,999,132)
Operating profit	854,900	1,320,329
Finance income	492,475	67,078
Finance costs	5,114	(34,918)
Profit before tax	1,352,489	1,352,489
Income tax	-	-
Profit for the year	1,352,489	1,352,489

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

*Prior period errors and comparative figures continued...***Consolidated statement of financial position**

Financial year ending 31 January 2020	2020	as restated 2020
Assets		
Non-current assets		
Goodwill	506,332	-
Investments in associates	263,178	-
Investments	34,186,666	-
Property, plant, and equipment	19,567	19,567
Intangible assets	93,157	93,157
Debt instruments at amortised cost	-	10,302,192
Financial assets at FVTPL	-	10,450,938
Derivative financial instruments	-	8,470,292
	35,068,900	29,336,146
Current assets		
Tax receivable	10,982	10,982
Trade and other receivables	11,428,297	10,587,697
Cash and cash equivalents	18,890,421	18,890,421
	30,329,700	29,489,100
Total assets	65,398,600	58,825,246
Equity		
Shareholders' equity		
Called up share capital	419,763	419,763
Other reserves	20,908	20,908
Retained earnings *	1,856,635	1,350,303
	2,297,306	1,790,974
Non-current liabilities		
Trade and other payables	59,294,136	-
Derivative financial instruments	-	8,318,778
Marketable securities held for short at FVTPL	-	488,665
Certificates issued	-	45,260,271
	59,294,136	54,067,714
Current liabilities		
Trade and other payables	3,807,158	2,966,558
	3,807,158	2,966,558
Total equity and liabilities	65,398,600	58,825,246

* The change in Retained earnings value between 2020 and Restated 2020 is related to the error disclosed in point a. above.

CIRDAN CAPITAL MANAGEMENT LTD

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 January 2021

Notes to the Consolidated and Separate Annual Financial Statements

Figures in £

Prior period errors and comparative figures continued...

c. During the year ending 31 January 2020 the Group had incorrectly accounted for the buy back of a certificate. Certificates that were partially purchased back in the period ended 31 January 2020, were incorrectly treated as purchase of financial assets. Series 2019-3 and 2019-4 were partially purchased back for consideration of £1,633,380 and £3,475,679 respectively. As at January 31, 2020, the financial assets of the Company were overstated by £5,226,422 and certificates issued by the Company were overstated by £5,226,422. The error did not impact the equity position or the profit position of the Group. The correction on the consolidated statement of financial position is set out below. There is no impact to the presentation of the figures on the consolidated statement of comprehensive income.

Financial year ending 31 January 2020	2020	as restated 2020
Non-current assets		
Debt instruments at amortised cost	-	10,302,192
Financial assets at FVTPL	-	10,450,938
Derivative financial instruments	-	8,470,292
Investments in associates	263,178	-
Investments	34,186,666	-
	34,449,844	29,223,422
Non-current liabilities		
Derivative financial instruments	-	8,318,778
Marketable securities held short at FVTPL	-	488,665
Certificates issued	-	45,260,271
Trade and other payables	59,294,136	-
	59,294,136	54,067,714

d. During the year ending 31 January 2020 the Group had incorrectly disclosed the intercompany receivable (£836,035 - SmartETN PLC) and intercompany payable (£836,035 - Cirdan Capital Management Ltd). Furthermore, there was a reallocation between trade and other receivables and trade and other payables £4,565. Neither correction has any impact on the statement of comprehensive income or on the equity position. The correction on the statement of financial position is set out below:

Financial year ending 31 January 2020	2020	as restated 2020
Current assets		
Trade and other receivables	11,428,297	10,587,697
Current liabilities		
Trade and other payables	3,807,158	2,966,558

27. FCA risk disclosure

As required by The Financial Conduct Authority Handbook (BIPRU 11), the Pillar 3 risk disclosures are available on the Group's website at <https://www.cirdancapital.com>.

28. Parent and ultimate holding Company

As at the balance sheet date the ultimate controlling party is A M De Negri, Director and Shareholder of the Parent Company.

29. Approval of consolidated annual financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 30/7/2021 | 03:13:00 PDT.