Cirdan Capital Management Ltd

(Registration Number 08853583)

Financial Statements

for the 11 month period ended 31 December 2022

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The reports and statements set out below comprise the financial statements presented to the shareholder:

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Financial Statements for the 11 month period ended 31 December 2022

General Information

Country of Incorporation and Domicile	United Kingdom
Directors	A. M. de Negri P. F. Stevens L. Calcagni M. Oprandi
Registered Office	3rd Floor, 54 Baker Street London United Kingdom W1U 7BU
Bankers	Barclays PLC
Registered Number	08853583 (England and Wales)
Auditors	Mazars Chartered Accountants & Statutory Audit Firm Harcourt Centre, Block 3 Harcourt Road, Dublin 2 Ireland
Solicitor	DWF LLP 20 Fenchurch Street, London United Kingdom EC3M3AG

Strategic Report

The Company is part of a regulatory reporting group within Italy. The ultimate parent is Cirdan Group S.p.A, an Italian domiciled entity. In the process of the overall Company and Group structuring, it was decided to align all the entities' financial year ends to that of the ultimate parent, being 31 December. As such, the current period presented in the financial statements is for the 11 months ending 31 December 2022.

The Company is the parent of two, wholly owned subsidiaries:

• SmartCrypto ETP GmbH, a German domiciled certificate issuance vehicle. The base prospectus was approved by the German Regulator, BAFIN, as of 2nd September 2022, however, during the financial period there was no trading activity.

• 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 the Frankfurt exchange, Vienna stock exchange or the EuroTLX stock exchange.

The Company performs the role of the arranger and calculation agent to two Luxembourg domiciled vehicles, Aldburg S.A. and Aldburg Public S.A.. Both vehicles are authorised to issue notes, certificates and warrants to professional clients (Aldburg S.A.) and retail investors (Aldburg Public S.A.), tailoring the products to the exact needs required.

Business Review

During the financial period the Company has achieved significant growth of its significant business lines - the issuance of structured products and development of asset securitised services. As an auxiliary service, the distribution and administration of 3rd party structured products remained an offering. The gross revenue for the three business lines can be summarised as per below:

	Dec 2022	Jan 2022
	£	£
Structured product issuance	24,299,835	12,122,853
Asset securitisation services	7,801,674	4,729,728
Distribution and administration services	3,875,424	2,657,601
	35,976,933	19,510,182

"Distribution and administration services" are once off, non-recurring in nature and the Company has taken a strategic decision allowing this business line to grow and perform organically rather than actively driving the business line. The core focus of the Company 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 two Luxembourg based securitisation vehicles, Aldburg S.A. and Aldburg Public S.A..

For the 11 months ended 31 December 2022, the Company has manufactured 136 new certificates (2022: 116), with the accumulated number of certificates manufactured since inception being 347 (2022: 211) through SmartETN PLC.

The Company was the arranger to 13 issuances (2022: 13), with the accumulated number of certificates issued since the inception of the arranger agreement being 76 (2022:63) through Aldburg S.A. and for Aldburg Public S.A. we had 9 issuances during the period (2022: 3) and total issuance since inception of 12 (2022: 3).

Principal risks and uncertainties

The Company takes a prudent, structured approach to risk management. The Company is required to maintain a risk management policy, which is reviewed at least annually. 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. The Company's financial risks that it is exposed to and the financial risk management policies to mitigate them are set out in Note 22.

Strategic Report

Further uncertainties that the Company has considered are related to the remaining impact of the worldwide pandemic (Covid-19), the conclusion and role out of the regulatory and operational impact of Brexit and the general macro-economic environment.

The Company 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:

Covid-19:

Although the impact of the pandemic has now subsided, the after effects on the micro, macro and social economic environment are still prevalent. The manner in which business is geared to deal with any similar situation in the future is critical. Understanding the needs and wants of the employees and wider ranging stakeholders is front and centre to all business decisions considered by the Company.

The Company has adopted a more flexible approach to work from home systems, which had been implemented at the height of the pandemic, ensuring that the Company is able to service the clients and the products without any disruption - whilst offering the employees greater flexibility.

The Company's financial performance was not materially impacted by the Covid-19 pandemic at the time, and subsequently we have seen a steady increase in the demand for our products and service offerings. As the Company exits the worst of the Covid-19 restrictions, we have tailored our working solution to enable maximum level of comfort, convenience and performance for employees.

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
- Consob: Italian Regulator
- BankIT: Bank of Italy
- BAFIN: German Regulator
- CSSF: Luxembourg Regulator

The Company mainly trades between the United Kingdom and the European Union. The risk borne by the Brexit legislation has been monitored closely, as that continues to have an impact on the business, if the movement of trade in relation to financial services is not maintained in a commercially viable manner.

The 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. 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 Company has pro-actively 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- euauthorized-in-italy-without-branches).

With this authorisation, the Company is permitted to continue to perform the approved regulated activity across the EU. Furthermore, the Company has approval from the FCA to continue as an approved and regulated benchmarking firm - https://register.fca.org.uk/BenchmarksRegister/s/?pageTab=Administrators.

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.

Strategic Report

Our arranger agreement with Aldburg S.A. and Aldburg Public S.A., two Luxembourg based entities, has further contributed to our ability to maintain our level of business. In conclusion, the Company has been able to maintain a similar level of business with EU based investors as per pre-Brexit.

General macro-economic environment:

The Company operates in a highly complex, competitive market that is sensitive to external market factors. With the current macro-economic uncertainty related to the various interest rate changes, increase in inflation and overall pressure placed on consumers, further compounded by the instability brought about by the invasion of Ukraine by Russia, has left the asset management and investment sector as a whole finding the balance between risk and reward extremely challenging. It is proving more and more difficult to convince investors to part with their capital, irrespective of the potential performance.

That being said, the nature of structured products are that they become more attractive when there is an amount of market variance and change - rather than a static, sideways market. The Company is conscious of all the potential risks however, and continuously monitor the performance of the products and adherence to all the internal corporate governance and value for money tests.

Risk management:

The Company is the hedging provider to the issuance program of SmartETN PLC and manages the risk by hedging the certificates with exact and opposite performing derivatives. The characteristics of the hedge asset and certificate liability are directly related. This is a key function of operations to ensure that the "outflows of funds" 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 guarantees any potential capital shortfall on contractual payments to a maximum of 10% invested, as per the base prospectus of SmartETN PLC 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. There were no instances of the Company being required to meet a "guarantee call" within the reporting period.

The principal risk that is managed by the Company is the continued ability of SmartETN PLC to honour the contractually agreed coupons and capital redemption obligations of all the certificates issued - as the Company is the Guarantor to the issuance program.

Financial key performance indicators

	Dec 2022	Jan 2022
	£	£
Fee income	36,817,732	23,305,911
Fee expense	(22,973,408)	(9,856,666)
Net profit before tax as a percentage	18%	32%
Number of certificates issued during the period - Aldburg Public S.A.	9	3
Number of certificates issued during the period - Aldburg S.A.	13	13
Number of certificates issued during the period - SmartETN PLC	136	116

The Company continues 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 Company has benefited from the scalability of the internally generated software development and implementation, thus having an increase in revenue without a ratio matched increase in expense.

Other key performance indicators

In general, the Company has continued to grow its business year on year, and this is supported by the increase in full time employees from 27 to 37.

Strategic Report

The Company 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 Company 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. and Aldburg Public S.A.. The Company is working on a selection of products that will be offered directly to the market, rather than created bespoke upon request.

The ultimate parent company, Cirdan Group S.p.A has formally acquired an approved European banking licence, through the purchase of an Italian domiciled bank. The full banking licence will afford the opportunity of a credit rating and compliment and further improve the current service offerings, as it will allow the Company to internalise certain functions which are currently outsourced. A credit rating will allow the Company and subsidiaries access to additional clientele and increase the potential revenue. The banking group will initially improve the speed to market and decrease the reliance on external service providers and intermediaries. The medium to long term intention will be to offer additional product that compliment the existing selection.

The Company continues to develop 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 Company designed platform.

The Company's intention is to grow the familiarity and the credibility of the brand with the various incorporation and potential acquisitions - which in turn should allow the increase of existing services but also the addition of new offerings to clients and the market.

Promoting the success of the Company

Section 172 of the Companies Act 2006 requires the directors to take into consideration the interest of stakeholders in their decision-making and this statement should be read in conjunction with the Strategic report in its entirety. The directors continue to have regard to the interests of the Company's employees and other stakeholders including the impact of its activity on the community, the financial system, and general society, when making decisions.

The directors act in good faith and fairly between the Company's employees and consider the steps that are most likely to promote the success of the Company in the long term, for its employees. The Directors continue to strive to maintain the Company's reputation for high standards of business conduct.

The Company has long-established channels of communication (informal and formal) within the organisation where employees can put forward their views and ideas. The Company continues to embrace diversity within our business and create an environment where staff have the opportunity to develop and progress. There is frequent engagement with our principal stakeholders including our shareholders, staff and distributors to communicate and support a collaborative working environment.

On behalf of the Board:

Date: 12 September 2023

Directors' Report

The directors present their report for the 11 month period ended 31 December 2022.

1. **Principal Activity**

   The principal activity of the company during the reporting period under review is that of acting as an investment boutique, offering investment solutions and quantitative solutions through the use of FinTech.

2. **Going concern**

   The financial statements have been prepared on the going concern basis. The Directors have produced financial projections for the company for the next twelve months and beyond. In addition, the Company has adequate resources to continue operating and to continue to meet the FCA capital resources required.

3. **Events after reporting date**

   The directors confirm that subsequent to the reporting period, R Infante has resigned as a Director of the company, as of 17 March 2023. In addition, R. Sivanithy was appointed as a Director of the Company, as of 24 July 2023.

   The directors also confirm that a dividend has been declared to the parent company, Cirdan Group S.p.A as at 30 March 2023, and paid on 11 May 2023 for Pound Sterling equivalent amount of £5,112,245.

4. **Directors' interest**

   Antonio de Negri holds the controlling interest in Cirdan Group S.p.A, the ultimate controlling entity of the group.

5. **Dividends**

   No dividends have been distributed during the period ended 31 December 2022.

6. **Directors**

   The directors of the company during the period and to the date of this report are as follows:

Name	
A. M. de Negri	
P. F. Stevens: Independent Non-executive Director and Chairman	
L. Calcagni: Independent Non-executive Director	
R. Infante	Resigned: 17 March 2023
M. Oprandi	
R. Sivanithy	Appointed: 24 July 2023

7. **Shareholder**

   There have been no changes in ownership and the shareholder remains:

	%
Cirdan Group S.p.A	100.00

8. **Research and Development**

   The company has undertaken research and development activities during the period under review. This is related to the software intangible asset disclosed in Note 8 of these financial statements. The company will continue to incorporate FinTech functionality into the day to day activity.

9. **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.

Director's Responsibilities and Approval

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law 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 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and the 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 company'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 company's auditors are aware of the information.

A M De Negri - Director

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 "Company") for the period ended 31 December 2022 which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the 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 United Kingdom Accounting Standards, including The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adapted in the UK.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the period 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 Company 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 directors' 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 Company'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.

mazars

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.

mazars

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. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation and the Company's regulatory requirements and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions..

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- 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 Company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- 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 and focusing on those accounts with the greatest estimation uncertainty.

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 auditor's 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, Block 3
Harcourt Road
Dublin 2
Ireland

Date: 13 September 2023

Cirdan Capital Management Ltd

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Financial Statements for the 11 month period ended 31 December 2022

Statement of Comprehensive Income

Figures in £	Notes	11 months ended 31 December 2022	12 months ended 31 January 2022
Fee income	3	36,817,732	23,305,911
Fee expense	4	(22,973,408)	(9,856,666)
Gross profit		13,844,324	13,449,245
Administrative expenses	5	(7,337,377)	(6,015,284)
Net gain/(loss) on money market fund		26,172	(1,849)
Operating profit		**6,533,119**	**7,432,112**
Finance income		43,377	445
Finance costs		(8,700)	(90)
Profit before tax		**6,567,796**	**7,432,467**
Tax expense	6	(1,158,399)	(1,716,349)
Profit for the year		**5,409,397**	**5,716,118**
Other comprehensive income			
Total comprehensive income for the year		**5,409,397**	**5,716,118**

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Statement of Financial Position

Figures in £	Notes	11 months ended 31 December 2022	12 months ended 31 January 2022
Assets			
Non-Current Assets			
Property, plant and equipment	7	180,418	199,826
Intangible assets	8	2,012,501	1,131,107
Investment in subsidiaries	9	43,524	43,524
Derivative financial assets	10	25,184,134	-
Right-of-use assets	11	536,152	671,622
Deferred tax assets	15	-	33,463
		27,956,729	**2,079,542**
Current Assets			
Trade and other receivables	12	12,906,100	5,852,213
Cash and cash equivalents	13	8,450,000	7,898,874
		21,356,100	**13,751,087**
Total Assets		**49,312,829**	**15,830,629**
Equity and Liabilities			
Equity			
Issued capital	14	1	1
Capital redemption reserve		419,762	419,762
Retained earnings		14,618,085	9,208,688
		15,037,848	**9,628,451**
Non-Current Liabilities			
Operating lease liabilities	11	618,535	749,914
Deferred tax liabilities	15	286,603	98,865
		905,138	**848,779**
Current Liabilities			
Trade and other payables	16	5,903,223	3,743,168
Current tax liability	6	914,939	1,610,231
Derivative financial liabilities	17	26,551,681	-
		33,369,843	**5,353,399**
Total Equity and Liabilities		**49,312,829**	**15,830,629**

The financial statements were approved by the Board of Directors and authorised for issue on 12 September 2023 and were signed on its behalf by:

A M de Negri - Director

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Financial Statements for the 11 month period ended 31 December 2022

Statement of Changes in Equity

Figures in £	Share capital	Reserve 1	Retained earnings	Total
Balance at 1 February 2021	419,763	-	4,331,445	4,751,208
Total comprehensive income for the year				
Profit for the year			5,716,118	5,716,118
Total comprehensive income for the year	-	-	5,716,118	5,716,118
Capital redemption reserve		419,762	(419,762)	-
Retained income - Adjustment during year			(419,113)	(419,113)
Issue of share capital	(419,762)		-	(419,762)
Balance at 31 January 2022	**1**	**419,762**	**9,208,688**	**9,628,451**
Balance at 1 February 2022	1	419,762	9,208,688	9,628,451
Total comprehensive income for the year				
Profit for the year			5,409,397	5,409,397
Total comprehensive income for the year	-	-	5,409,397	5,409,397
Balance at 31 December 2022	**1**	**419,762**	**14,618,085**	**15,037,848**
Note	14			

Statement of Cash Flows

Figures in £	Note(s)	11 months ended 31 December 2022	12 months ended 31 January 2022
Cash flows from operating activities			
Profit for the period		5,409,397	5,716,118
Adjustments for:			
Finance costs		8,700	90
Income tax		1,158,399	1,716,349
Amortisation of intangible assets		221,096	116,826
Depreciation of property, plant and equipment		48,738	27,379
Investment income		(43,377)	(445)
Operating cash flow before working capital changes		6,802,953	7,576,317
Working capital changes			
Increase in trade and other receivables		(7,053,886)	(4,119,788)
Increase in trade and other payables		527,564	2,425,852
Net cash flows from operations		276,631	5,882,381
Investment income		43,377	445
Finance costs		(8,700)	(90)
Net cash flows from operating activities		**311,308**	**5,882,736**
Cash flows from / (used in) investing activities			
Property, plant and equipment acquired	7	(29,330)	(195,223)
Intangible assets acquired	8	(1,102,490)	(694,129)
Investment acquired	10	-	(21,482)
Net derivative financial assets acquired		1,367,547	-
Net cash flows from / (used in) investing activities		**235,727**	**(910,834)**
Cash flows from / (used in) financing activities			
Capital issued		-	(834,724)
Loans repaid		-	(263,451)
Increase in right-of-use asset		135,470	(14,462)
Prior period adjustments		-	(4,150)
Finance lease payments		(131,379)	92,754
Shareholder's loan raised		-	1,817
Net cash flows from / (used in) financing activities		**4,091**	**(1,022,216)**
Net increase in cash and cash equivalents		551,126	3,949,686
Cash and cash equivalents at beginning of the year		7,898,874	3,949,188
Cash and cash equivalents at end of the year	13	**8,450,000**	**7,898,874**

Accounting Policies

1. General information

Cirdan Capital Management Limited 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.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

2.2 Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company has two subsidiaries, with the detailed listed in Note 9.

As the Company is part of a reporting Group, the consolidation of all entities are treated within the ultimate parent company consolidation, at Cirdan Group S.p.A level.

2.3 Revenue recognition

Revenue is derived from the business activities of financial services, with the focus on three core business lines: Distribution of externally designed structured products, manufacturing of structured products and arranging securitised asset structures.

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is measured at the fair value of the consideration received.

2.4 Going concern

The Company’s financial statements for the financial period ended 31 December 2022 have been prepared on a going concern basis.

The directors anticipate that the financial assets will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due.

The Directors review financial projections of the Company for the next twelve months and beyond. In addition, the Company is required to maintain adequate resources to continue operating and to continue to meet the Financial Conduct Authority capital resources requirements.

2.5 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Accounting Policies

Summary of significant accounting policies continued...

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

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. The Company applies the Bank of Italy exchange rate, with the year end spot rate applied for the statement of financial position, and the average rate for the statement of comprehensive income.

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, within administrative expenses.

2.7 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been significant change from the previous estimates.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the residual value method. The following rates are used for the depreciation of property, plant and equipment:

Furniture and fittings	25.00%	on reducing balance
Computer equipment	25.00%	on reducing balance
Leasehold improvements	25.00%	on reducing balance

2.8 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 Company 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

Accounting Policies

Summary of significant accounting policies continued...

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. 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 development	10.00%	Straight line

Amortisation expense is recognised with administrative expenses in the statement of comprehensive income. The full disclosure can be found in Note 8 of the Financial statements.

2.9 Finance income

Finance income is recognised using the effective interest rate method and separately disclosed on the statement of comprehensive income.

2.10 Finance cost

The Company recognises the interest expense on an accrual basis, as they become due and separately disclosed on the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of assets) is increased to the revised estimate of its fair value less costs to sell, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Leases

Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease after taking into account any fixed escalation clauses. Contingent rents are charged as an expense in the periods in which they are incurred.

2.12 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms ofthe receivables.

The Company 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 risk characteristics. The expected credit loss rates are based on the payment profiles of sales over a period of 36 monthsbefore 31 December 2022 and the historical credit losses experienced within this period.

2.13 Cash and cash equivalents

Cash and cash equivalents includes 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.

Accounting Policies

Summary of significant accounting policies continued...

2.14 Employee benefit obligations

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the Statement of comprehensive income in the period to which they relate.

2.15 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

2.16 Financial Instruments

The financial instruments held by the Company include the following:

- Cash and Cash Equivalents
- Derivative financial instruments
- Trade and other receivables
- Trade and other payables

Classification of financial assets

The Company classifies its financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or measured at fair value through profit or loss on the basis of both:

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

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 the 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 modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises profits on day one.

Recognition and initial measurement

The Company initially recognise 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 transaction cost for such instruments are recognised directly in the statement of comprehensive income.

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.

Accounting Policies

Summary of significant accounting policies continued...

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

In applying the classification, a financial asset or financial liability is considered to 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

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.

Recognition of net gain / (loss) on financial assets and liabilities at FVTPL

The net gain / (loss) on financial assets at fair value through profit and loss is recognised in the statement of comprehensive income and is comprised of interest income, dividend income, net realised gain / losses on disposals of such instruments and net unrealised gains / losses due to fair value movements during the year.

Impairment

At each reporting date the Company 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 Company 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:

Accounting Policies

Summary of significant accounting policies continued...

- 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 - 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 Company 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 outcome is to determine whether there has been a significant increase in the credit risk (SICR), which may lead to an impairment.

The Company 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.

The Company has defined an amount to be in default, if the amount has not been received within 90 days after it is due.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the statement of financial position only when the Company 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 Company has transferred substantially all risks and rewards of ownership.

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.

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 Company has access at that date. The fair value of a liability reflects its non-performance risk.

As per IFRS 13 when available, the Company 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 Company measures instruments quoted in an active market at current bid price.

If there is no quoted price in an active market, the Company 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.

Accounting Policies

Summary of significant accounting policies continued...

The Company measures fair values using the following hierarchy:

- 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: 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.

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

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

2.17 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 Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Assessment on expenses allocated to the intangible asset

In the process of accounting for the value of staff costs, software costs and auxiliary expenses directly attributable to the software intangible asset, management have made certain judgements with regards to the 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 the resources utilised in the development phase of the software intangible assets.

Leasing activities

The Company leases an office for the duration of 60 months (starting September 2021). The Company has considered the composition of the contract and has deemed this to be a lease. Lease terms are negotiated, and do not place any covenants on the Company. The Lease is initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable

The lease payments are discounted using an incremental borrowing rate, being the rate the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Accounting Policies

Summary of significant accounting policies continued...

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Key sources of estimation uncertainty

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

Derivative financial assets

The Company holds financial instruments that are not quoted in active markets, such as equity swaps, futures and options. 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 Company exercises judgement and estimates on the quantity and quality of the pricing sources used. Further information on these instruments are set out in Note 22.

Provision

The Company recognises a provision if, as a result of a past event, the Company has a current liability at the balance sheet reference date that will probably lead to an outflow of funds (which can include legal and professional fees, staff costs, general and administrative expenses or fee expenses), at the level of which can be reliably estimated. The recognition and release of provisions are dealt with as and when the expense becomes realised. If the possibility of an outflow of resources is remote, neither a provision nor a contingent liability is reported.

Taxes

The Company has made certain estimates and assumptions with regards to the corporation tax provision disclosed, due to the R&D for SME claim. 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. The R&D for SME tax incentive is completed by KPMG UK, after conclusion of the financial reporting period ending 31 December 2022.

Included in the tax reconciliation is a deferred tax liability. The deferred tax liability as at financial period end, 31 December 2022 consists of the Annual Investment Allowance (AIA) on fixed assets.

Accounting Policies

Summary of significant accounting policies continued...

2.18 New and amended standards and interpretations

The Company have set out below endorsed accounting standards, amendments and interpretations

(i) Standards and amendments to existing standards effective 01 January 2022

Description	Effective Date
- IFRS 1: Application of cumulative translation differences	1 January 2022
- IFRS 9: Amendment clarifies "10 per cent" test	1 January 2022
- IFRS 16: Clarity on lease incentives	1 January 2022

(ii) New standards, amendments and interpretations effective after 1 January 2022 and have not been early adopted

Description	Effective Date
- IFRS 17: Insurance contracts	1 January 2023
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	1 January 2023
- IAS 1 Presentation of Financial Statements: Amendments regarding the classification of liabilities	1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
- Amendments to IAS 12 Income taxes: Deferred tax related to Assets and Liabilities arising from a single transaction	1 January 2023
- Amendments to IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 - Comparative Information	1 January 2023

None of the above standards, amendments and interpretations had a significant impact on the Company's financial statements

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

3. Fee income

An analysis of revenue is as follows:

Structured product issuance	24,299,835	12,122,853
Asset securitisation services	7,801,674	4,729,728
Cash optimisation	-	3,795,729
Distribution and administration services	3,875,424	2,657,601
Wealth management	840,799	-
	36,817,732	23,305,911

4. Fee expense

Asset securitisation distribution costs	4,112,630	1,367,522
Issuance costs	786,915	568,445
Structured product distribution costs	14,900,203	6,173,746
Third party structured product distribution costs	3,173,660	1,746,953
	22,973,408	9,856,666

5. Administrative expenses

Staff costs	5,678,529	3,460,868
Legal & professional fees	662,258	1,084,768
Audit	117,690	33,068
Depreciation	180,440	271,150
Amortisation of intangible assets	221,096	116,826
Advertising & marketing	39,429	122,461
Premises	162,250	113,337
IT	306,858	381,384
Other operating expenses	(31,173)	431,422
	7,337,377	6,015,284

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

6. Income tax expense

Current tax	927,330	1,174,870
Underprovision in prior year	9,868	432,490
Deferred tax		
Current year temporary differences	221,201	108,989
Income tax for the year	1,158,399	1,716,349

Reconciliation of tax rate

	£	£
Profit before tax	6,567,796	7,432,466
UK normal tax rate (19%)	1,247,881	1,412,169
Adjusted for:		
Capital allowance	(5,572)	(37,092)
Depreciation and amortisation	51,268	30,082
Disallowed expenses	(32,829)	40,072
Intangible asset expensed	(14,307)	(80,924)
Research and development tax credits	(319,111)	(189,437)
Deferred tax liability - timing differences	221,201	108,989
Under provision in prior year	9,868	432,490
Net reduction	(89,482)	304,180
Effective tax rate	1,158,399	1,716,349

7. Property, plant and equipment

	Cost	Accumulated depreciation	31 December 2022 Carrying value	Cost	Accumulated depreciation	31 January 2022 Carrying value
Owned assets						
Office equipment	77,744	(27,955)	49,789	74,050	(12,212)	61,838
IT equipment	102,614	(42,939)	59,675	77,859	(27,676)	50,183
	180,358	(70,894)	109,464	151,909	(39,888)	112,021

	Cost	Accumulated depreciation	31 December 2022 Carrying value	Cost	Accumulated depreciation	31 January 2022 Carrying value
Leasehold Improvements						
Leasehold Improvements	96,529	(25,575)	70,954	95,650	(7,845)	87,805
	96,529	(25,575)	70,954	95,650	(7,845)	87,805
	276,887	(96,469)	180,418	247,559	(47,733)	199,826

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	31 December 2022 Carrying value at end of year
Owned assets					
Office equipment	61,838	3,694	-	(15,743)	49,789
IT equipment	50,183	24,756	-	(15,264)	59,675
	112,021	28,450	-	(31,007)	109,464

	Carrying value at beginning of year	Additions	Disposals	Depreciation	31 January 2022 Carrying value at end of year
Owned assets					
Office equipment	4,607	67,103	-	(9,872)	61,838
IT equipment	27,377	32,470	-	(9,664)	50,183
	31,984	99,573	-	(19,536)	112,021

	Carrying value at beginning of year	Additions	Disposals	Depreciation	31 December 2022 Carrying value at end of year
Leasehold Improvements					
Leasehold Improvements	87,805	880	-	(17,731)	70,954

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

Property, plant and equipment continued...

	Carrying value at beginning of year	Additions	Disposals	Depreciation	31 January 2022 Carrying value at end of year
Leasehold Improvements					
Leasehold Improvements	-	95,650	-	(7,845)	87,805

8. Intangible assets

	Cost	Accumulated amortisation	31 December 2022 Carrying value	Cost	Accumulated amortisation	31 January 2022 Carrying value
Software	2,411,957	(399,456)	2,012,501	1,309,467	(178,360)	1,131,107

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 December 2022 Carrying value at end of year
Software	1,131,107	1,102,490	(221,096)	-	2,012,501

	Carrying value at beginning of year	Additions	Amortisation	Reclassified held for sale / Disposals	31 January 2022 Carrying value at end of year
Software	553,804	694,129	(116,826)	-	1,131,107

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

9. Investment in subsidiaries

The Company's investment at the Statement of Financial Position date in its subsidiaries are the following:

SmartETN PLC

Opening Balance for the reporting period	22,042	22,042
New investments during the reporting period	-	-
Closing Balance for the reporting period	22,042	22,042

The Company's investment cost in SmartETN PLC amounted to £22,042 as at 31 December 2022 and 31 January 2022. SmartETN PLC is incorporated and registered with Companies Registration Office (CRO), Ireland, as of 17 November 2017. The base prospectus is approved annually by the Central Bank of Ireland (CBI) to operate as an Issuance Vehicle. As a subsidiary of Cirdan Capital Management Ltd, its primary operation is to issue certificates. Its principal office is located at 31 - 32 Leeson Street Lower, Dublin 2, Ireland.

SmartCrypto ETP GmbH

Opening Balance for the reporting period	21,482	-
New investments during the reporting period	-	21,482
Closing Balance for the reporting period	21,482	21,482

The Company's investment cost in SmartCrypto ETP GmbH amounted to £21,482, as at 31 December 2022 and 31 January 2022. SmartCrypto ETP GmbH was incorporated and registered with the District Court of Frankfurt on Main, as of 19 April 2021. It has been granted full regulatory permissions by BAFIN, as of 2 September 2022. No operations have yet been undertaken to date. The primary operation will be the issue of certificates. Its principal office is located at Alfred - Herrhausen - Allee 3 - 5, 65760, Eschborn, Deutschland.

The investments in subsidiaries are consolidated at the ultimate parent company level, Cirdan Group S.p.A

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

10. Derivative financial assets

Opening balance as at 1 February	-	-
New investments during the year	24,515,496	-
Net unrealised (loss) on derivative financial instruments	(28,915)	-
Translation reserve	697,553	-
	25,184,134	-
Investments held as a hedging position related to derivative financial liabilities	25,184,134	-

The derivative financial assets consist of a total return swap over a portfolio of assets comprising; derivative futures contracts. This trade is executed with the China International Capital Corporation Limited, as the selected counterparty. The derivative financial asset is managed on a matched principle basis with the derivative financial liabilities.

Cirdan Capital Management Ltd is party to an ISDA agreement with both the asset counterparty, China International Capital Corporation Limited, and the liability counter party, Aldburg S.A.

11. Right-of-use assets

At the reporting end date, the Company 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:

	Cost	Accumulated depreciation	31 December 2022 Carrying value	Cost	Accumulated depreciation	31 January 2022 Carrying value
Rental Property	738,967	(202,815)	536,152	943,965	(272,343)	671,622
	738,967	(202,815)	536,152	943,965	(272,343)	671,622

The carrying amounts of right-of-use assets can be reconciled as follows:

	Carrying value at beginning of the period	Additions	Disposals	Depreciation	31 December 2022 Carrying value at end of period
Rental Property - 54 Baker Street	671,622	-	-	(135,470)	536,152
	671,622	-	-	(135,470)	536,152

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

Right-of-use assets continued...

	Carrying value at beginning of year	Additions	Disposals	Depreciation	31 January 2022 Carrying value at end of year
Rental Property - 27 Baker Street	656,160	-	(451,162)	(204,998)	-
Rental Property - 54 Baker Street	-	738,967	-	(67,345)	671,622
	656,160	738,967	(451,162)	(272,343)	671,622

Operating lease commitments consists of the following balances:		
Within one year	176,014	110,724
Between two and five years	442,521	639,190
	618,535	749,914

Amounts recognised in the statement of comprehensive income:		
Depreciation charge of Right-of-use asset	135,470	272,343
Interest expense (included in finance cost)	21,543	14,456
	157,013	286,799

The Group leases an office with a rental contract for a fixed period of 60 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 Company were to obtain an asset of similar value to the right-of-use asset.

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

12. Trade and other receivables

Intercompany receivable	5,474,571	3,484,335
Trade debtors	3,702,755	894,417
Prepayments	553,268	527,197
Accrued income	114,125	376,952
Other debtors	70,358	282,022
Value Added Tax	48,238	202,304
Directors loan	59,483	47,873
Intercompany loan	2,883,302	37,113
	12,906,100	5,852,213

As at 31 December 2022, the Company had receivables, which is included and referenced in Note 21:

SmartETN PLC	5,474,571	3,484,335
SmartCrypto ETP GmbH	2,578	2,578
Cirdan Group S.p.A	2,863,335	34,535
SmartBank S.p.A	17,389	-
	8,357,873	3,521,448

13. Cash and cash equivalents

Bank	8,450,000	7,898,874

14. Share capital

Authorised		
100 Ordinary shares of £0.01 each	1	1
	1	1
Issued		
100 Ordinary shares of £0.01 each	1	1
	1	1

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

15. Deferred tax

Deferred tax arises from following temporary differences:		
Deferred tax asset:		
Capital allowance on fixed assets	-	33,463
	-	33,463
Deferred tax liabilities:		
Intangible assets timing difference	252,324	98,865
Capital allowance on fixed assets	34,279	
	286,603	98,865

16. Trade and other payables

Accrued expenses	3,379,521	2,437,103
Trade creditors	1,156,306	742,938
Deferred income	866,182	504,864
Social security and other taxes	322,518	57,971
Other creditors	178,696	292
	5,903,223	3,743,168

17. Derivative financial liabilities

Opening balance as at 1 February	-	-
New investments during the year	25,883,043	-
Net unrealised (loss) on derivative financial liabilities	(28,915)	-
Translation reserve	697,553	-
	26,551,681	-

The derivative financial assets consist of a total return swap over a portfolio of assets comprising; derivative futures contracts. This trade is executed with the China International Capital Corporation Limited, as the selected counterparty. The derivative financial asset is managed on a matched principle basis with the derivative financial liabilities.

Cirdan Capital Management Ltd is party to an ISDA agreement with both the asset counterparty, China International Capital Corporation Limited, and the liability counter party, Aldburg S.A.

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

18. Employees and Directors

Wages and salaries	4,650,682	2,818,775
Social security costs	665,467	354,949
Other pension costs	52,552	14,404
	5,368,701	3,188,128

The average number of employees during the year was as follows:		
Directors	6	5
Employees	31	22
	37	27

Directors' remuneration	439,686	396,562
	439,686	396,562

Key management personnel remuneration	391,010	472,112
	391,010	472,112

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 Group S.p.A and is also a member of the Board of Directors.

The highest paid Director during the period ending 31 December 2022 received £130 877. 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. The figures exclude any commission scheme figures which are strictly related to individual targets as employee, and not related to services rendered as Director or senior manager.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

19. Contingent liabilities

A dispute with a software supplier arose during the financial reporting period. The Company signed a five year agreement, with a full commercial value of £1,028,880. Of this, £841,730 has been raised as a commercial dispute between the parties to the agreement. The potential for litigation has been raised, and the Company has deemed the maximum value of the contingent liability to not exceed £841,730. Management considers this claim to be unjustified and the probability that it will succeed as being remote.

20. Event after the balance sheet date

The directors confirm that subsequent to the reporting period, R. Infante has resigned as a Director of the Company, as of 17 March 2023. In addition, R. Sivanithy was appointed as a Director of the Company, as of 24 July 2023.

The directors also confirm that a dividend has been declared to the parent company, Cirdan Group S.p.A as at 30 March 2023, and paid on 11 May 2023 for Pound Sterling equivalent amount of £5,112,245.

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

21. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Companies related parties include:

- Key management personnel, close family members of key management personnel, and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members; and
- Its subsidiaries;

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 Company amounted to £59,483 (2022: £47,873).

During the period Cirdan Capital Management Ltd invoiced its wholly owned subsidiary SmartETN PLC, £21,913,277 (2022: £12,666,418) for services performed as per the hedging and arranger agreement. As at the balance sheet date the amount due from SmartETN PLC amounted to £1,404,416 (2022: Nil).

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 receivable by Cirdan Capital Management Ltd in its role as Guarantor is £5,474,571 (2022: £3,484,334).

Cirdan Capital Management Ltd acts as an arranger of Aldburg S.A., a company registered in Luxembourg. In addition, Cirdan Capital Management Ltd and Aldburg S.A. have an International Swaps and Derivatives agreement (“ISDA”) in place.

This allows for the two parties to trade various swap and derivative transactions with each other. As at 31 December 2022, Cirdan Capital Management Ltd and Aldburg S.A. have an active total return swap, as set out in Note 17. of the financial statements – Derivative financial liabilities £26 551 681.

As at 31 December 2022, Cirdan Capital Management Ltd had a loan receivable from its Parent, Cirdan Group S.p.A £2,863,335 (2022: £34,535). NIL). This is included in Trade and other receivables.

As at 31 December 2022, Cirdan Capital Management Ltd had a loan receivable from its wholly owned subsidiary, SmartCrypto ETP GmbH £2,578 (2022: £2,578). This is included in Trade and other receivables.

As at 31 December 2022, Cirdan Capital Management Ltd had a loan receivable from its fellow subsidiary, SmartBank S.p.A £17,389 (2022: NIL). This is included in Trade and other receivables.

22. Financial assets and liabilities - Risk management

The Company has exposure to different categories of risk, which are described in further detail below. The risk arises due to the general exposure that the Company has in relation to the Derivative financial assets, Investment in Subsidiary, Cash and Cash Equivalents and Trade and Other Receivables. The same holds true in relation to the liabilities related to Trade and Other Payables and the Derivative financial liabilities.

Operational risk exposure

Operational risk is the risk of direct or indirect loss arising from the Company'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 operational risk is consistently monitored by the management structure with ultimate responsibility delegated to the compliance function. The Company has various internal control policies and procedures, which are implemented to assist in the mitigation of the identified and unidentified operational risks.

Capital risk management

The Company has a required minimum capital equity requirement based on the various criteria as laid out by the FCA. The Company is deemed to be a MIFDPRU investment firm and follows the IFPR rules as set out in the FCA Handbook.

The capital position is reported to the FCA within the internal capital and risk assessment (ICARA) at least once a year, and is monitored and approved by the firm's governing body.

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.

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

- When appropriate and possible, the Company will attempt to match the currency exposure on the assets against the liabilities, in this way any movement in currency will not cause any variance.
- The Company has a reported currency of Pound Sterling, and has a large Pound Sterling requirement related to the operating expenses. However, within the wider entities, including the Subsidiaries, SmartCrypto ETP GmbH and SmartETN PLC, and the parent Company Cirdan Group S.p.A, the reporting currency is EURO. Thus, the foreign currency exposure and requirement is managed as a collective across the full Group.

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

Financial assets and liabilities - Risk management continued...

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 Company is exposed to price risk due to the changes in value of the underlying investments undertaken. To mitigate the risk, the Company have undertaken the following processes:

- When appropriate and possible, the Company will attempt to match the price exposure on the assets against the liabilities, in this way any movement in price will not cause any variance.
- The Company is exposed to the price risk with regards to the Money Market Fund. To minimise this risk, the Company undertakes an extensive due diligence process. The Company also limits the concentration of these investments to currency, geographic location, industry and economic sector.

(i) Foreign exchange risk

This table below show the Company's exposure to foreign currency risk as at 31 December 2022.

	EUR	USD	CHF	Total
Assets	**£**	**£**	**£**	**£**
Investment in Subsidiary	43,524	-	-	43,524
Derivative financial assets	25,184,134	-	-	25,184,134
Trade and other receivables	10,628,466	970,042	884	11,599,392
Cash and cash equivalents	5,497,347	229,998	72,478	5,799,823
	41,353,471	1,200,040	73,362	42,626,873

This table below show the Company's exposure to foreign currency risk as at 31 January 2022.

	EUR	USD	CHF	Total
Assets	**£**	**£**	**£**	**£**
Investment in Subsidiary	43,524	-	-	43,524
Trade and other receivables	3,615,771	540,893	140,431	4,297,095
Cash and cash equivalents	6,443,047	279,586	160,879	6,883,512
	10,102,342	820,479	301,310	11,224,131

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

Financial assets and liabilities - Risk management continued...

This table below show the Company's exposure to foreign currency risk as at 31 December 2022.

	EUR	USD	CHF	Total
Liabilities	**£**	**£**	**£**	**£**
Trade and other payables	549,030	426	-	549,456
Derivative financial liabilities	26,551,681	-	-	26,551,681
	27,100,711	426	-	27,101,137

This table below show the Company's exposure to foreign currency risk as at 31 January 2022.

	EUR	USD	CHF	Total
Liabilities	**£**	**£**	**£**	**£**
Trade and other payables	1,553,124	1,023,875	-	2,576,999
	1,553,124	1,023,875	-	2,576,999

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

		Net effect on the profit or loss	
Currency	**Increase in foreign currency exchange rate**	**Dec 2022**	**Jan 2022**
		£	**£**
EUR	5%	750,145	447,630
USD	5%	63,138	(16,601)
CHF	5%	3,861	15,066
		817,144	446,095

		Net effect on the profit or loss	
Currency	**Decrease in foreign currency exchange rate**	**Dec 2022**	**Jan 2022**
		£	**£**
EUR	5%	(678,703)	(443,277)
USD	5%	(57,124)	17,101
CHF	5%	(3,493)	(15,066)
		(739,320)	(441,242)

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

Financial assets and liabilities - Risk management continued...

(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:

This table below shows the Company's interest rate profile related to assets as at 31 December 2022.

	Fixed Rate	Up to 1 month	1 - 6 months	Non-Interest bearing	Total
Assets	**£**	**£**	**£**	**£**	**£**
Investment in Subsidiary	-	-	-	43,524	43,524
Derivative financial assets	-	-	-	25,184,134	25,184,134
Trade and other receivables	-	-	-	12,906,100	12,906,100
Cash and cash equivalents	452,383	-	2,026,172	5,971,445	8,450,000
	452,383	-	2,026,172	44,105,203	46,583,758

This table below shows the Company's interest rate profile related to liabilities as at 31 December 2022.

	Fixed Rate	Up to 1 month	1 - 6 months	Non-Interest bearing	Total
Liabilities	**£**	**£**	**£**	**£**	**£**
Trade and other payables	-	-	-	5,903,226	5,903,226
Derivative financial liabilities	-	-	-	26,551,681	26,551,681
	-	-	-	32,454,907	32,454,907

This table below shows the Company's interest rate profile related to assets as at 31 January 2022.

	Fixed Rate	Up to 1 month	1 - 6 months	Non-Interest bearing	Total
Assets	**£**	**£**	**£**	**£**	**£**
Investment in Subsidiary	-	-	-	43,524	43,524
Trade and other receivables	-	-	-	5,852,213	5,852,213
Cash and cash equivalents	622,863	-	-	7,276,012	7,898,875
	622,863	-	-	13,171,749	13,794,612

This table below shows the Company's interest rate profile related to liabilities as at 31 January 2022.

	Fixed Rate	Up to 1 month	1 - 6 months	Non-Interest bearing	Total
Liabilities	**£**	**£**	**£**	**£**	**£**
Trade and other payables	-	-	-	3,743,168	3,743,168
	-	-	-	3,743,168	3,743,168

Notes to the Financial Statements

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

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 Derivative financial assets are matched against the Derivative financial liabilities, thus the Company faces minimum price risk exposure, as the movement on the asset is matched by the movement in the liability. The investments are made on a matched principle basis.

The Company 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 Company'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 December 2022.

The table below sets out the assets and liabilities instruments included in each category as at 31 December 2022.

	Level 1	**Level 2**	**Level 3**	**Total**
Derivative financial assets	£	£	£	£
Derivatives financial assets	25,184,134			25,184,134
	25,184,134	-	-	25,184,134

	Level 1	**Level 2**	**Level 3**	**Total**
Derivative financial liabilities	£	£	£	£
Derivative financial liabilities	26,551,681			26,551,681
	26,551,681	-	-	26,551,681

There were no assets or liabilities of this nature in the year ending 31 January 2022.

Figures in £	11 months ended 31 December 2022	12 months ended 31 January 2022

Financial assets and liabilities - Risk management continued...

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

	Increase in market price	**Effect on the profit or loss** **Dec 2022** £	**Jan 2022** £
Derivative financial assets	5%	1,259,207	-
Derivative financial liabilities	5%	1,327,584	-
Net impact on profit or loss		(68,377)	-

	Decrease in market price	**Effect on the profit or loss** **Dec 2022** £	**Jan 2022** £
Derivative financial assets	5%	(1,259,207)	-
Derivative financial liabilities	5%	(1,327,584)	-
Net impact on profit or loss		68,377	-

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company 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 money market funds and similar securities, short-term trade receivables, and cash and cash equivalents.

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

This table below represents the maximum exposure to credit risk:	**Dec 2022**	**Jan 2022**
Assets	**£**	**£**
Investment in Subsidiary	43,524	43,524
Derivate financial assets	25,184,134	-
Trade and other receivables	12,906,100	5,852,213
Cash and cash equivalents	8,450,000	7,898,874
	46,583,758	13,794,611

Financial assets and liabilities - Risk management continued...

The credit rating profile of the banks and brokers holding the assets:

Cash and cash equivalents	**Dec 2022**	**Credit rating**	**Rating agency**
Barclays Bank PLC	1,093,429	A1	Moody's
Interactive Brokers LLC	4,423	BBB+	S&P
Morgan Stanley Liquidity Funds	2,026,172	Aaa	Moody's
Euroclear Bank SA / NV	7,646	AA-	S&P
Banca Finnat Euramerica S.p.A	49	Unrated	
Smart Bank S.p.A	5,318,281	Unrated	
	8,450,000		

Derivative financial assets	**Dec 2022**	**Credit rating**	**Rating agency**
China International Capital Corporation Limited	25,184,134	BBB+	Fitch
	25,184,134		

Cash and cash equivalents	**Jan 2022**	**Credit rating**	**Rating agency**
Barclays Bank PLC	7,899,070	A1	Moody's
Interactive Brokers LLC	3,859	BBB+	S&P
Euroclear Bank SA / NV	(4,055)	AA-	S&P
	7,898,874		

There were no assets or liabilities of this nature in the year ending 31 January 2022.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. The Company'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 Company does. The maturity profile of the financial liabilities as at 31 December 2022 is as follows:

	Gross contractual cashflow	**Up to 1 Year**	**1 - 2 Years**	**2 - 5 Years**	**5 Years or more**
Liabilities	**£**	**£**	**£**	**£**	**£**
Trade and other payables	5,903,223	5,903,223	-	-	-
Derivative financial liabilities	26,551,681	-	-	-	26,551,681
Operating Lease - Office	618,535	176,014	147,507	295,014	
Tax Liability	914,939	914,939	-	-	-
	33,988,378	6,994,176	147,507	295,014	26,551,681

Financial assets and liabilities - Risk management continued...

The maturity profile of the financial liabilities as at 31 January 2022 is as follows:

Liabilities	Gross contractual cashflow	Up to 1 Year	1 - 2 Years	2 - 5 Years	5 Years or more
	£	£	£	£	£
Trade and other payables	3,743,168	3,743,168	-	-	-
Operating Lease - Office	749,914	110,724	159,798	479,392	-
Tax Liability	1,610,231	1,610,231	-	-	-
	6,103,313	5,464,123	159,798	479,392	-

23. Parent and ultimate holding company

The Company is exempt from preparing Group accounts under s401 Companies Act 2006, as amended. As at the balance sheet date the ultimate controlling party is Cirdan Group S.p.A, the Parent Company. The registered address of the ultimate Parent Company is Via Dei Bossi 6, Milan 20121.

24. Approval of financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 12 September 2023.