

Cirdan Capital Management Ltd

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements
for the year ended 31 December 2024

Cirdan Capital Management Ltd

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Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

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Cirdan Capital Management Ltd

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

General Information

Registration Number	08853583
Directors	A. de Negri R. Sivanithy (Appointed 24 July 2023) L. Calcagni (Resigned 27 December 2023) (Appointed 15 April 2024) B. Leung (Appointed 5 December 2024) F. Knox (Appointed 21 January 2025) S. Tana (Appointed 8 May 2004) (Resigned 21 January 2025) K. Yengibaryan (Appointed 15 April 2024) (Resigned 18 September 2024) M. Oprandi (Resigned 15 April 2024) P. Stevens (Resigned 31 March 2024) R. Infante (Resigned 17 March 2023)
Shareholder	Cirdan International SARL
Registered Office	3rd Floor 54 Baker Street London, W1U 7BU United Kingdom
Bankers	Barclays Bank PLC 1 Churchill Place London, E14 5HP United Kingdom BFF Bank S.p.A Via Domenichino 5 Milan 20149 Italy Interactive Brokers LLC One Pickwick Plaza Greenwich CT 06830 United States Goldman Sachs International Peterborough Court 133 Fleet Street London, EC4A 2BB United Kingdom

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General Information continued...

Bankers continued

Penta Fintech GmbH
Warschauer Platz 11 - 13
Berlin 10245
Deutschland

European Depositary Bank S.A.
3 Rue Gabriel Lippmann
L-5365 Munsbach
Luxembourg

Euroclear Bank SA/NV
1 Boulevard du Roi Albert II
1210 Brussels
Belgium

Morgan Stanley Liquidity Funds
European Bank and Business Centre
6B Route de Treves
L-2633
Senningerberg
Luxembourg

Railsbank
Suite 3 Regency House
91 Western Road
Brighton, BN1 2NW
United Kingdom

SmartBank S.p.A
Via Calabritto 20-80121
Napoli
Italy

Qonto
18 rue de Navarin
75009 Paris
France

Societe Generale
1 Bank Street
Canary Wharf
London, E14 4SG
United Kingdom

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General Information continued...

	22 Via Mezz'Oncia Borgo Lavezzaro Novara 28071 Italy
Listing Agent	Arthur Cox Listing Services Limited 10 Earlsfort Terrace Dublin 2, D02 T380 Ireland BFF Bank S.p.A Via Domenichino 5 Milan 20149 Italy European Depositary Bank SA 9A, Rue Gabriel Lippman 5365 Munsbach Luxembourg
Custodian	Goldman Sachs International Peterborough Court 133 Fleet Street London, EC4A 2BB United Kingdom BFF Bank S.p.A Via Domenichino 5 Milan 20149 Italy
Derivatives Broker	Interactive Brokers LLC One Pickwick Plaza Greenwich CT06830 United States
Derivative Counterparty	Goldman Sachs International Peterborough Court 133 Fleet Street London, EC4A 2BB United Kingdom JP Morgan Securities PLC 25 Bank Street Canary Wharf London, E14 5JP United Kingdom

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General Information continued...

Derivatives counterparty continued...	UBS AG 5 Broadgate London, EC2M 2QS United Kingdom Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London, E14 5LB United Kingdom China International Capital Corporation Limited 28th Floor, China World Office 2 No.1 Jianguomenwai Avenue Beijing 100004 P.R. China
Subsidiaries	SmartETN PLC SmartCrypto ETP Gmbh
External Auditors	Forvis Mazars Chartered Accountants and Statutory Audit Firm Harcourt Centre Block 3 Harcourt Road Dublin 2 Ireland
Solicitors	DWF LLP (Italian Branch) Via dei Bossi 20121, Milan Italy

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Strategic Report

The directors present their strategic report for the year ended 31 December 2024.

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

The Group has undertaken certain restructuring activities, both in the year under review and the preceding year. For the year ending 31 December 2023, a new holding company was incorporated, Cirdan International Inc., domiciled in the USA. which had acquired Cirdan Capital Management Ltd and its subsidiaries. For the year ending 31 December 2024, Cirdan International Inc. moved its domicile from the USA to Luxembourg, and was renamed Cirdan International SARL.

Cirdan International SARL is the holding company of Cirdan Capital Management Ltd (renamed OtaIa.Markets Ltd in February 2025) and its wholly owned subsidiaries, SmartETN PLC (renamed OtaIa PLC in February 2025) and SmartCrypto ETP GmbH.

SmartETN PLC is 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.

SmartCrypto ETP GmbH, a German domiciled entity with a base prospectus approved by the German regulator, BaFin, as of 2 September 2022. However, there was no trading in the current or previous years.

For the asset securitisation services, the Group 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 year the Group faced significant revenue challenges in many of its core business lines - the issuance of structured products and development of asset securitised services. The Group was able to leverage its diverse revenue base to partly offset these revenue pressures. In addition, the Group invested in its infrastructure and control functions in anticipation of future growth. The gross revenue for the different business lines can be summarised as per below:

	Year ended 31 December 2024	Year ended 31 December 2023
Asset securitisation	2,956,995	5,236,142
Distribution and administration services	2,194,486	3,890,725
Wealth management	-	426,105
	<u>5,151,481</u>	<u>9,552,972</u>

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Strategic Report continued...

"Distribution and administration services" are once off, non-recurring in nature of the service and the Group has taken a strategic approach to offer this auxiliary service. The core focus of the Group is on the "Structured product issuance", through our subsidiary, SmartETN PLC and "Asset securitisation service", for which Cirdan Capital Management Ltd is the arranger and calculation agent to two Luxembourg based securitisation vehicle, Aldburg S.A. and Aldburg Public S.A..

For the financial year ended 31 December 2024 the Group had issued 3 new certificates (year ended Dec 2023: 213), with the accumulated number of certificates issued since incorporation being 563 (year ended Dec 2023: 560) from SmartETN PLC.

In addition, the Group was the arranger to Aldburg Public S.A. of 1 issuance (year ended Dec 2023: 5), with the accumulated number of certificates issued since the inception of the arranger agreement being 18 (year ended Dec 2023: 17).

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

General marco-economic environment

The Group operates in a highly complex, competitive market that is sensitive to external market factors. In the current uncertainty, brought about by possible recessions in the major economic sectors, the impact of the current interest rate environment and the instability brought about by the current geopolitical uncertainty, both in terms of invasions and the sheer number of national elections across the globe. This naturally leaves 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.

It is worth noting, 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. In addition, the market for asset securitisation is indifferent to market instability, as it operates outside of the traditional markets. The Group 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 arranger 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.

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Strategic Report continued...

	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
Fee income	5,151,481	9,552,972
Net (loss) / gain on financial assets at fair value through profit and loss	(135,856)	16,205,745
Net gain / (loss) on financial liabilities at fair value through profit and loss	15,698,717	(311,895)
Net (loss) / gain on derivative financial instruments at fair value through profit and loss	(8,620,721)	21,504,775
Net gain / (loss) on financial liabilities at amortised cost	609,365	110,591
Net gain / (loss) on financial assets at amortised cost	-	1,841,357
Total investment assets	31,320,450	69,352,396
Value of certificates issued	19,398,614	182,813,955
Number of certificates issued during the year	3	213

The Group 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 Group has benefited from the scalability of the internally generated software development and implementation. Despite significant commercial pressures in many of the core businesses, the Group was still able to generate substantial revenues.

Other key performance indicators

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

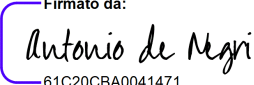
Future developments

The Group will continue to focus on the issuance of structured products via SmartETN PLC and asset securitisation services as the arranger and calculation agent to Aldburg S.A. and Aldburg Public S.A..

Promoting the success of the Group

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

On behalf of the directors

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A. de Negri

Cirdan Capital Management Ltd

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Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Directors' Report

The directors present their report and the audited Annual Report and Consolidated Financial Statements of the Group and Company for the year ended 31 December 2024.

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

Within this activity, the Group acquires a portfolio of financial instruments financed by the issuance of listed debt obligations (the "Certificates") to investors (the "Certificates Holders"). The Certificates issued are either listed on the Frankfurt exchange, the Vienna stock exchange or the EuroTLX stock exchange. Refer to Note 18 for the detail of the Certificates in issuance at the date of the financial statements. The net proceeds from each issuance of certain Certificates are used to enter into offsetting financial transactions and derivatives in such a way as to hedge the exposure of the Group to future promised returns of the Certificates issued to the minimum extent required.

In addition, the Group also maintains an investment portfolio using the proceeds from certain Certificates issued to generate excess returns over the contractual obligations for the benefit of the Group. The investment portfolio of financial assets includes but is not limited to common stocks, equity stock indices, mutual funds stocks, money market funds, stock warrants, debt instruments, derivatives and unlisted investments. The investment portfolio of financial liabilities of the Group includes but is not limited to short traded stocks, equity stock indices, mutual funds stocks and stock warrants. The Group has also entered into exchange-traded commodity futures, options and over-the-counter contracts for differences, futures, equity linked swaps, warrants, forwards, credit derivatives and interest rate options (the "derivative financial instruments") for hedging and investment purposes. During the financial year under review, Certificates may have been cancelled or redeemed. Cancelled refers to Certificates that were fully bought back and subsequently marked down. A redemption would be an event, whereby a Certificate has either matured, or been autocalled.

There are two types of Certificates issued by the Group:

Index linked Certificate

An index-linked certificate is a structured product whereby the performance of the certificate is directly linked to the performance of an underlying index. The index could be a fixed composition of underlying assets, or, may have a fluid composition, which is managed (Actively Managed Certificate) within a pre-set investment mandate based on a proprietary methodology ("Index rules"). The investment objective is to achieve an increase in capital value.

Coupon paying Certificate

A coupon paying certificate is a structured product with a pre-set coupon payoff, payable conditionally on the performance of the underlying assets. The assets are a fixed selection, as set out at issuance, with observation dates pre-defined to observe the value at a given time. Depending on the performance of the underlying assets against the thresholds defined in the issue terms of the certificate, there may be a coupon payable to the certificate holder. At maturity the investor will receive the notional amount if the performance of the underlying assets is above the pre-determined thresholds, otherwise the investor will incur a loss.

The Group hedges its exposures on its certificates and has entered into hedging agreements with Goldman Sachs International ("GSI"), J.P. Morgan Securities PLC, UBS, Citigroup Global Markets Limited and Morgan Stanley. Interactive Brokers Ltd and its affiliate Interactive Brokers LLC are a brokers of the Group for derivative and non-derivative financial instruments.

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

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

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Directors' Report continued...

Going Concern

The Group's financial statements for the financial year ended 31 December 2024 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 Group liabilities as they fall due. The Group's exposure to liability from its Certificates issues is hedged by entering into equal and opposite asset exposure, which will protect the Group against any capital and market risk, as per Note 32 of these financial statements.

At the date of signing the financial statements, the Group has certificates in issue with a fair value of £13,531,092, of which £3,217,735 is expected to redeem by 31 December 2025, and a further £3,080,916 in the subsequent 12 months. In order to meet these expected outflows that Company has net equity (including subordinated debt) in excess of £15m. Any early redemptions are at the sole discretion of the Group.

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Directors' Report continued...

The Group has undertaken research and development activities during the year under review. This is related to the software intangible assets disclosed in Note 6 of these financial statements. The Group will continue to incorporate various financial technology functionality into the day to day activity.

Authorised and issued share capital

In addition, the shareholders also resolved to create a new class of B ordinary shares of £0.00001, of which 21,923 B shares were issued during the year, and a further 7,692 shares were issued after the year end.

Dividends

Dividends of £103,757.62 were declared, but not paid during the year. The dividend is payable to Cirdan International SARL. During the year ended 31 December 2023, a dividend of £5,112,244.82 was declared and paid to Cirdan Group S.p.A., the sole shareholder at the time. Cirdan Group S.p.A., was no longer a shareholder as at 31 December 2023, and the new parent was Cirdan International Inc., which was renamed Cirdan International SARL.

Directors

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

A. de Negri

R. Sivanithy (Appointed 24 July 2023)

L. Calcagni (Resigned 27 December 2023) (Appointed 15 April 2024)

B. Leung (Appointed 5 December 2024)

F. Knox (Appointed 21 January 2025)

S. Tana (Appointed 8 May 2004) (Resigned 21 January 2025)

K. Yengibaryan (Appointed 15 April 2024) (Resigned 18 September 2024)

M. Oprandi (Resigned 15 April 2024)

P. Stevens (Resigned 31 March 2024)

R. Infante (Resigned 17 March 2023)

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Directors' Report continued...

Shareholder

There have been no changes in ownership during the current financial year. Cirdan International Inc. acquired the Group from Cirdan Group S.p.A. during December 2023.

The shareholder and its interest at the end of the year is:

	Holding:
Cirdan International SARL	100%

Financial risk management

The disclosures in relation to the Group's policies for financial risk management, including market risk, interest rate risk, price risk, foreign exchange risk, credit risk and liquidity risk and the nature of the instruments used during the financial period to mitigate exposure to these risks are shown in Note 32.

Independent Auditors

The auditors, Forvis 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.

Approved by the directors on 22/05/2025 and signed on its behalf by:

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A. de Negri

Cirdan Capital Management Ltd

(Registration Number 08853583)

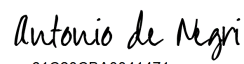
Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Directors' Responsibilities and Approval

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all office bearers are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The Annual Report and consolidated financial statements have been audited by the independent auditing firm, Forvis Mazars, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 14 to 17.

Approved by the directors on 22/05/2025 and signed on its behalf by:

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A. de Negri

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

Opinion

We have audited the financial statements of Cirdan Capital Management Ltd. (*renamed to Otala.Markets Ltd. in 2025*) (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise of Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Parent company Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Parent company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Parent company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Parent company Statement of Cash Flows and notes to the financial statements, including a summary of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent 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.

Other information

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 13, 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 group's and the parent 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 group or the parent 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 group and the parent company and their industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, 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.

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 group and the parent 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 reviewing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

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.



Michael Tuohy

for and on behalf of Forvis Mazars
Chartered Accountants and Statutory Auditor
Harcourt Centre, Clock 3
Harcourt Road
Dublin 2
Ireland
Date: 27 May 2025

Cirdan Capital Management Ltd

(Registration Number 08853583)

Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Statements of Profit or Loss and Other Comprehensive Income

Figures in £	Notes	Consolidated	Consolidated	Parent	Parent
		Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Fee income	19	5,151,481	9,552,972	10,449,927	43,268,223
Net (loss) / gain on financial assets at fair value through profit or loss	20	(135,856)	16,205,745	60,817	26,475
Net gain / (loss) on financial liabilities at fair value through profit or loss	21	15,698,717	(311,895)	-	-
Net (loss) / gain on derivative financial instruments at fair value through profit or loss	22	(8,620,721)	21,504,775	-	-
Net gain on financial liabilities at amortised cost	23	-	110,591	-	-
Net (loss) / gain on financial assets at amortised cost	24	609,365	1,841,357	-	-
Fee expense	25	(6,166,965)	(27,741,143)	(6,069,584)	(27,847,275)
Gross Profit		6,536,021	21,162,402	4,441,160	15,447,423
Operating expenses	26	(1,960,930)	(4,849,164)	(1,970,715)	(2,988,787)
Depreciation of fixed assets	26	(39,880)	(56,105)	(39,880)	(56,105)
Amortisation of intangible assets	26	(1,284,274)	(899,021)	(1,284,274)	(899,021)
Staff costs	26	(2,961,302)	(6,557,497)	(2,961,303)	(6,557,497)
Expected Credit Loss Reversal / (Charge)	26	238,555	(263,136)	-	-
Profit from operating activities		528,190	8,537,479	(1,815,012)	4,946,013
Finance income	27	2,864,213	14,732,868	88,077	121,394
Finance expense	28	(4,477,596)	(18,240,273)	(2,013)	(91,070)
Profit before tax		(1,085,193)	5,030,074	(1,728,948)	4,976,337
Income tax expense	29	610,489	(748,474)	733,738	(686,637)
Profit for the year		(474,704)	4,281,600	(995,210)	4,289,700
Other Comprehensive Income					
Net (loss) on financial assets through other comprehensive income		(392,829)	(380,036)	-	-
Profit and other comprehensive income for the year		(867,533)	3,901,564	(995,210)	4,289,700

Cirdan Capital Management Ltd

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Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Statements of Financial Position

Figures in £	Notes	Consolidated 31 December 2024	Consolidated 31 December 2023	Parent 31 December 2024	Parent 31 December 2023
Assets					
Non-current assets					
Property, plant and equipment	5	129,170	153,356	129,170	153,356
Intangible assets	6	5,042,866	4,150,948	5,042,866	4,150,948
Right-of-use assets	7	230,227	388,358	230,227	388,358
Investment in subsidiaries	8	-	-	43,524	43,524
Financial assets at fair value through profit or loss	9	1,752,259	22,204,949	-	-
Financial assets at amortised cost	10	27,591,620	45,896,969	-	-
Financial assets through other comprehensive income	11	1,976,570	1,250,478	-	-
Derivative financial assets	12	346,882	2,441,979	-	-
Deferred tax assets	16	1,053,392	-	1,049,621	-
Total non-current assets		38,122,986	76,487,037	6,495,408	4,736,186
Current assets					
Trade and other receivables	13	36,816,963	85,115,207	10,934,903	14,516,004
Derivative financial assets	12	1,466,573	3,901,396	-	-
Cash and cash equivalents	14	9,000,412	110,212,836	4,172,462	737,537
Total current assets		47,283,948	199,229,439	15,107,365	15,253,541
Total assets		85,406,934	275,716,476	21,602,773	19,989,727

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Statements of Financial Position continued...

Figures in £	Notes	Consolidated 31 December 2024	Consolidated 31 December 2023	Parent 31 December 2024	Parent 31 December 2023
Equity and liabilities					
Equity					
Called up share capital	15	1	1	1	1
Share premium		24,334	-	24,334	-
Retained earnings		13,195,821	13,774,282	12,696,569	13,795,538
Other reserves		(755,122)	(339,455)	-	-
Capital redemption reserve		419,762	419,762	419,762	419,762
Total equity		12,884,796	13,854,590	13,140,666	14,215,301
Liabilities					
Non-current liabilities					
Deferred tax liabilities	16	1,179,694	825,752	990,837	763,915
Certificates issued at fair value through profit or loss	18	13,850,493	140,396,717	-	-
Derivative financial liabilities	12	26,556,400	60,575,350	-	-
Lease liabilities	7	229,960	442,521	229,960	442,521
Subordinated debt		4,146,773	-	4,146,773	-
Total non-current liabilities		45,963,320	202,240,340	5,367,570	1,206,436
Current liabilities					
Trade and other payables	18	3,163,949	11,420,265	3,094,537	4,408,726
Current tax liabilities		-	159,264	-	159,264
Certificates issued at fair value through profit or loss	17	5,548,121	42,417,238	-	-
Derivative financial liabilities	12	17,846,748	5,624,779	-	-
Total current liabilities		26,558,818	59,621,546	3,094,537	4,567,990
Total liabilities		72,522,138	261,861,886	8,462,107	5,774,426
Total equity and liabilities		85,406,934	275,716,476	21,602,773	19,989,727

Approved by the directors on 22/05/2025

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Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Statements of Changes in Equity - Group

Figures in £	Called up share capital	Share Premium	Financial assets through OCI	Translation reserve	Capital redemption reserve	Retained Earnings	Total
Balance at 1 January 2023	1	-	-	(14,458)	419,762	14,604,928	15,010,233
Changes in equity							
Profit for the period	-	-	-	-	-	4,281,600	4,281,600
Other comprehensive income	-	-	(380,036)	-	-	-	(380,036)
Total comprehensive income for the year	-	-	(380,036)	-	-	4,281,600	3,901,564
Dividends recognised as distributions to shareholders	-	-	-	-	-	(5,112,245)	(5,112,245)
Foreign currency translation	-	-	-	55,039	-	-	55,039
Balance at 31 December 2023	1	-	(380,036)	40,581	419,762	13,774,283	13,854,591
Balance at 1 January 2024	1	-	(380,036)	40,581	419,762	13,774,283	13,854,591
Changes in equity							
(Loss) for the period	-	-	-	-	-	(474,704)	(474,704)
Other comprehensive income	-	-	(392,829)	-	-	-	(392,829)
Total comprehensive income for the year	-	-	(392,829)	-	-	(474,704)	(867,533)
Dividends recognised as distributions to shareholders	-	-	-	-	-	(103,758)	(103,758)
Issuance of subordinated debt	-	-	-	-	-	-	-
Issuance of shares	-	24,334	-	-	-	-	24,334
Foreign currency translation	-	-	-	(22,838)	-	-	(22,838)
Balance at 31 December 2024	1	24,334	(772,865)	17,743	419,762	13,195,821	12,884,796

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Statements of Changes in Equity - Company

Figures in £	Called up share capital	Share premium	Financial assets through OCI	Translation reserve	Capital redemption reserve	Retained Earnings	Total
Balance at 1 January 2023	1	-	-	-	419,762	14,618,085	15,037,848
Net (loss) / gain on financial assets at fair value through profit or loss							
Changes in equity							
Profit for the period	-	-	-	-	-	4,289,699	4,289,699
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	4,289,699	4,289,699
Dividends recognised as distributions to shareholders	-	-	-	-	-	(5,112,245)	(5,112,245)
Foreign currency translation	-	-	-	-	-	-	-
Balance at 31 December 2023	1	-	-	-	419,762	13,795,539	14,215,302
Balance at 1 January 2024	1	-	-	-	419,762	13,795,539	14,215,302
Changes in equity							
(Loss) / Profit for the period	-	-	-	-	-	(995,211)	(995,211)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(995,211)	(995,211)
Dividends recognised as distributions to shareholders	-	-	-	-	-	(103,758)	(103,758)
Issuance of subordinated debt	-	-	-	-	-	-	-
Issuance of shares	-	24,334	-	-	-	-	24,334
Foreign currency translation	-	-	-	-	-	-	-
Balance at 31 December 2024	1	24,334	-	-	419,762	12,696,569	13,140,666

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Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Statements of Cash Flows

		Consolidated	Consolidated	Parent	Parent
		Year ended	Year ended	Year ended	Year ended
Figures in £	Notes	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cash flows from / (used in) operations					
Net (loss) / gain on financial assets at fair value through profit or loss		(474,704)	4,281,600	(995,211)	4,289,699
Adjustments to reconcile profit					
Adjustments for income tax expense	29	(610,489)	748,474	(733,738)	686,637
Adjustments for finance income	27	(2,864,213)	(14,732,868)	(88,077)	(121,394)
Adjustments for finance costs	28	4,477,596	18,240,273	2,013	91,070
Provision: Expected Credit Loss		(238,555)	263,136	-	-
Net (gain) / (loss) on financial assets at fair value through profit or loss		135,856	(16,205,745)	-	-
Net loss / (gain) on financial liabilities at fair value through profit or loss		(15,698,717)	311,895	-	-
Net (gain) / loss on financial liabilities at amortised cost		-	(110,591)	-	-
Net (gain) / loss on financial assets at amortised cost		(609,365)	(1,841,357)	-	-
Adjustments for decrease / (increase) in trade accounts receivable		48,300,956	40,497,848	3,582,876	(1,609,904)
Adjustments for (decrease) / increase in trade accounts payable		(8,361,013)	(9,049,961)	(1,314,189)	(1,494,497)
Adjustments for depreciation	5	39,880	56,105	39,880	56,105
Adjustments for amortisation	6	1,284,274	899,020	1,284,274	899,020
Total adjustments to reconcile profit		25,856,210	19,076,229	2,773,039	(1,492,963)
Interest on financial assets at FVTPL	27	-	44,622	-	-
Interest on financial assets at amortised cost	27	2,864,213	14,688,246	88,077	121,394
Interest on certificates issued at FVTPL	28	(4,392,302)	(14,872,430)	-	-
Interest on certificates issued at amortised cost	28	-	(251,756)	-	-
Interest on financial liabilities at amortised cost	28	(85,294)	(3,116,087)	(2,013)	(91,070)
Income taxes paid	29	(250,000)	(965,000)	(250,000)	(965,000)
Net cash flows from / (used in) operating activities		23,518,123	18,885,424	1,613,892	1,862,060

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Statements of Cash Flows

	Consolidated	Consolidated	Parent	Parent
	Year ended	Year ended	Year ended	Year ended
Figures in £	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cash flows from / (used in) investing activities				
Net (loss) / gain on financial assets at FVTPL	(15,694)	(29,044)	(15,694)	(29,044)
Acquisition of intangible assets	(2,176,192)	(3,037,467)	(2,176,192)	(3,037,467)
Purchase of other financial assets	-	-	-	(1,367,547)
Acquisition of financial assets at FVTPL	(63,771,078)	(755,796,849)	-	-
Disposal of financial assets at FVTPL	78,644,430	777,125,637	-	-
Acquisition of financial assets at OCI	(1,220,636)	(1,250,479)	-	-
Disposal of financial assets at OCI	-	-	-	-
Acquisition of financial assets at amortised costs	(7,649,318)	(522,926,517)	-	-
Disposal of financial assets at amortised costs	23,080,212	549,132,388	-	-
Acquisition of reverse repurchase agreements	-	-	-	-
Disposal of reverse repurchase agreements	-	36,089,182	-	-
Acquisition of repurchase agreements	-	-	-	-
Disposal of repurchase agreements	-	(30,105,007)	-	-
Net realised gain on derivative financial instruments	(17,267,060)	(17,166,055)	-	-
Cash flow from / (used in) investing activities	9,624,664	32,035,789	(2,191,886)	(4,434,058)
Cash flows (used in) / from financing activities				
Increase in right-of-use asset	158,131	147,794	158,131	147,794
Issue of certificates at FVTPL	4,562,982	210,618,224	-	-
Redemption of certificates at FVTPL	(144,362,834)	(193,437,050)	-	-
Issue of certificates at amortised cost	-	-	-	-
Redemption of certificates at amortised cost	-	(16,200,100)	-	-
Repayment of lease liabilities	(212,561)	(176,014)	(212,562)	(176,014)
Dividends paid	(103,758)	(5,112,245)	(103,758)	(5,112,245)
Share issuance proceeds	-	-	24,335	-
Issuance of subordinated debt	4,146,773	-	4,146,773	-
Cash flows (used in) / from financing activities	(135,811,267)	(4,159,391)	4,012,919	(5,140,465)
Net increase / (decrease) in cash and cash equivalents before effect of exchange rate changes	(102,668,480)	46,761,822	3,434,925	(7,712,463)
Effect of exchange rate changes on cash and cash equivalents	1,456,056	1,086,878	-	-
Net increase / (decrease) in cash and cash equivalents	(101,212,424)	47,848,700	3,434,925	(7,712,463)
Cash and cash equivalents at start of the year	110,212,836	62,364,136	737,537	8,450,000
Cash and cash equivalents at the end of the year	9,000,412	110,212,836	4,172,462	737,537

Cirdan Capital Management Ltd

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Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Accounting Policies

1. General Information

Cirdan International SARL is the ultimate parent of the Group, which consists of Cirdan Capital Management Ltd and the 100% subsidiaries; SmartETN PLC and SmartCrypto ETP GmbH. Cirdan Capital Management Ltd is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the General Information page.

SmartETN PLC is a special purpose company with limited liability and qualifies for the regime contained in the section 110 of the Irish Taxes Consolidation Act. The registration number is 615140 and a registered address of 31-32 Leeson Street Lower, Dublin 2, Ireland.

SmartCrypto ETP GmbH is a private company, limited by shares, registered in Germany. The registration number is HRB 123295, with registered address Alfred-Herrhausen-Allee 3-5, 65760, Eschborn.

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

2. Basis of preparation and material accounting policy information

The annual report and consolidated financial statements of Cirdan Capital Management Ltd have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act 2006. The annual report and consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value.

The consolidated 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 principal accounting policies applied in the preparation of these Annual Report and consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Going concern

At the date of signing the financial statements, the Group has certificates in issue with a fair value of £13,531,092, of which £3,217,735 is expected to redeem by 31 December 2025, and a further £3,080,916 in the subsequent 12 months. In order to meet these expected outflows that Company has net equity (including subordinated debt) in excess of £15m. Any early redemptions are at the sole discretion of the Group.

2.2 Consolidation

The Group's financial statements consolidate those of the parent Company and its subsidiaries, as at 31 December 2024. The Group has a reporting date of 31 December 2024. Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 Group. They are deconsolidated from the date that control ceases.

The Group has two subsidiaries, with the details listed in Note 8.

The Group determines at each reporting date whether there is any objective evidence that the investment in the subsidiary is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value and recognises the amount adjacent to share of profit/(loss) of subsidiary in the Statements of Profit or Loss and Other Comprehensive Income. As at 31 December 2024, no impairment was applied to any of the subsidiaries of the Group. No impairment was recorded in the year ended 31 December 2023.

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Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Accounting Policies continued...

Basis of preparation and material accounting policy information continued....

2.2 Property, plant and equipment

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in the profit or loss unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

	Useful life / depreciation rate	Depreciation method
Leasehold improvements	20%	Straight line
Office Equipment	25%	Reducing balance
Computer Equipment	25%	Reducing balance

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the profit or loss when the item is derecognised. Gains are classified as other gains on the face of the Statements of Profit or Loss and Other Comprehensive Income.

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Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Accounting Policies continued...

Basis of preparation and material accounting policy information continued....

2.3 Intangible assets

Recognition

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

An assessment of the probability of expected future economic benefits that will flow to the entity as a result of the use of an asset is made by management before the asset is recognised. This includes using reasonable and supportive assumptions that represent a best estimate of the set of economic conditions that will exist over the useful life of the asset.

Initial measurement

Intangible assets are initially measured at cost.

Separately acquired assets are initially measured at their purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any directly attributable cost of preparing the asset for its intended use.

Internally generated intangible assets are recognised initially at cost, being the sum of expenditure from the date the recognition criteria for an intangible asset are met, bearing in mind the following additional criteria:

- During the research phase, no intangible asset is recognised. Expenditure on research is recognised as an expense when it is incurred.
- During the development phase, an intangible asset will be recognised only if the following can be demonstrated: it is technically feasible to complete the intangible asset so that it will be available for use or sale;
 - there is an intention to complete the intangible asset and use or sell it;
 - there is an ability to use or sell the intangible asset;
 - it is possible to demonstrate how the asset will generate probable future economic benefits;
 - there are available financial, technical and other resources to complete the development of the intangible asset as well as to use or sell the intangible asset;
 - the expenditure attributable to the intangible asset during the development phase can be reliably measured.

Research or development expenditure related to an in-process research or development project acquired separately or in a business combination and recognised as an intangible asset and is incurred after the acquisition of that project is also accounted for in this way.

Subsequent measurement - Cost model

After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation

An intangible asset is regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Intangible assets with an indefinite useful life are not amortised, but is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. The intangible asset's determination as having an indefinite useful life is also reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. Reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired.

The classification of useful lives and amortisation methods for the various classes of assets are as follows:

	Useful life / depreciation rate		Depreciation method
Intangible assets under development	Finite	20%	Straight line

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Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Accounting Policies continued...

Basis of preparation and material accounting policy information continued....

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of intangible assets is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in the profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset in which case the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if required by another standard.

Retirements and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is recognised in profit or loss.

2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The financial instruments held by the Group may include the following:

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

Classification and recognition

Classification of a financial instrument, or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

The Group classifies financial assets into the following categories:

- Financial assets subsequently measured at fair value through profit or loss
- Financial assets subsequently measured at fair value through other comprehensive income (OCI)
- Financial assets subsequently measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

The Group classifies financial liabilities into the following categories:

- Financial liabilities subsequently measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset.

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Annual Report and Consolidated Financial Statements for the year ended 31 December 2024

Accounting Policies continued...

Basis of preparation and material accounting policy information continued....

Initial measurement

When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. Debt instruments are subsequently measured at:

- Amortised cost: assets held only for collection of principal and interest payments
 - Interest income is included in finance income using the effective interest rate method.
 - Any gain or loss on derecognition is recognised in the profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses.

Impairment losses are presented as a separate line item in the Statement of Profit or Loss.

- The company's financial assets at amortised cost includes trade receivables, and loans to associates and directors included under other non-current financial assets.
- Fair value through OCI: assets held only for collection of principal and interest payments and for selling the financial assets. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.
 - When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses).

Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ losses and impairment expenses are presented as separate line item in the Statement of Profit or Loss.

- The company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.
- The company elected to classify irrevocably its non-listed equity investments under this category.
- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI
 - A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains / (losses) in the period in which it arises.
 - The company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.
 - This category includes derivative instruments and listed equity investments which the company had not irrevocably elected to classify at fair value through OCI.

Dividends on listed equity investments are also recognised as other income in the Statement of Profit or Loss when the right of payment has been established.

All equity investments are subsequently measured at fair value.

- Fair value through OCI: elected to present fair value gains and losses on equity investments in OCI
 - There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

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Accounting Policies continued...

Basis of preparation and material accounting policy information continued....

- Fair value through profit or loss: financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

- This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.
- Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
- Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The company has not designated any financial liability as at fair value through profit or loss.

Amortised cost: Loans and borrowings

- After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.
- Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.
- Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
- The effective interest rate amortisation is included as finance costs in the statement of profit or loss.
- This category generally applies to interest-bearing loans and borrowings.

The Group 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 using: quoted market.

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

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

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

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

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

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Accounting Policies continued...

Basis of preparation and material accounting policy information continued....

Impairment of financial assets

A forward looking allowance for Expected Credit Losses is recognised for all debt instruments not held at fair value through profit or loss. Expected Credit Losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

In making this assessment the Group considers a broader range of forward-looking information. Consideration include past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. The outcome is to determine whether there has been a significant increase in the credit risk (SICR), which may lead to an impairment.

For trade receivables and contract assets, a simplified approach is applied in calculating Expected Credit Losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime Expected Credit Losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 recognised when there is objective evidence that the Group would not be able to collect all amounts due according to the original terms of the receivables.

The Group applies the IFRS 9 simplified approach to measuring Expected Credit Losses which uses a lifetime expected loss allowance for all trade receivables. To measure the Expected Credit Losses, trade receivables have been grouped based on shared risk characteristics. The Expected Credit Loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 and the historical credit losses experienced within this period.

Margin cash collateral

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Derivative financial instruments and hedging activities

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.

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Accounting Policies continued...

Basis of preparation and material accounting policy information continued....

2.5 Tax

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

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

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

2.6 Revenue recognition

Revenue is income arising in the course of an entity's ordinary activities.

Revenue is derived from the business activities of financial services, with the focus on three core business lines:

Distribution of externally designed structured products, issuance of internally designed and developed structured products and arranging securitised asset structures.

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

2.7 Fee income

Fee income is negotiated for each series individually. The fees may included the following:

Asset securitisation

The asset securitisation fees are negotiated on an issuance by issuance base. There are two types of fees related to the service, upfront fees in relation to the set up and structuring of the issuance, which is recognised upfront in the profit or loss. In addition, there may be an recurring fee that is amortised over the appropriate period for the ongoing administration of the issuance.

Distribution and administration services

The fee income is recognised on conclusion of the transaction, and is related to the brokerage and administration of the sale of 3rd party paper. So this is not products issued by the Group.

Wealth management

Wealth management is related to a legacy service offering of delegated portfolio management, however this was ceased during the financial year under review. This was fee was recognised to the profit or loss as per the contractual terms.

Structured product issuance

The issuance of structured products is the core function of SmartETN PLC, the wholly owned subsidiary. The fee income is recognised upfront, upon the conclusion of the applicable transactions.

2.8 Fee expense

Fee expenses are negotiated for each series individually. The fees may included the following:

Management fees

Management fees are calculated using a fixed percentage based on the level of investment asset held in a certificate, charged on Actively Management Certificates (AMC's) and paid to the Index Advisor.

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Accounting Policies continued...

Basis of preparation and material accounting policy information continued....

Structuring fees

Structuring fees are calculated using either a fixed percentage of funds received on a certificate or an agreed amount of fees related to the issuance of a certificate. These would be charged on all structured products, excluding Actively Management Certificates (AMC's).

Issuance expenses

Expenses related to maintenance and servicing of certificate issuance and asset securitisation.

2.9 Interest income

Interest income on financial assets are accrued as earned and recognised in "finance income" on the Statements of Comprehensive Income.

Included in the interest income line is interest earned by the Group on the following underlying assets:

- Financial assets at fair value through profit or loss
- Financial assets at amortised cost
- Cash and cash equivalents
- Margin receivable
- Interest received on the reverse repurchase agreements

2.10 Interest expense

The Group recognises the interest expense on an accrual basis, as they become due. Certain Certificates may have conditional performance criteria and the interest would only become payable if and when an underlying criteria is met. For Certificates that have a fixed rate interest expense, the expense is accrued accordingly.

Included in the interest expense line is interest paid by the Group on the following underlying liabilities:

- Financial liabilities at fair value through profit or loss (this includes the interest paid on Certificates at fair value through profit or loss)
- Financial liabilities at amortised cost (this includes the interest paid on Certificates at amortised cost)
- Cash and cash equivalents

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Accounting Policies continued...

Basis of preparation and material accounting policy information continued....

2.11 Pension obligations

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

2.12 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 remeasured. The Company applies the Bank of Italy exchange rate, with the year end spot rate applied for the Statements 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 Statements of Comprehensive Income, within administrative expenses.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1.1 Going concern

At the date of signing the financial statements, the Group has certificates in issue with a fair value of £13,531,092, of which £3,217,735 is expected to redeem by 31 December 2025, and a further £3,080,916 in the subsequent 12 months. In order to meet these expected outflows that Company has net equity (including subordinated debt) in excess of £15m. Any early redemptions are at the sole discretion of the Group.

Given these facts the directors consider going concern basis for the preparation of accounts is appropriate.

The Group has diversified revenue streams, in addition to the structured product issuance business. The activity related to the "asset securitisation, distribution and administration services" will continue with business as usual, and the Group have forecast that there is sufficient revenue to cover the foreseeable operating cost of the business for the next 12 - 36 months. The directors monitor the current activity against a proposed forecast model, with a 12 - 36 month horizon, setting out key metrics to monitor the business and the ability to continue as a going concern.

3.1.2 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 amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Debt instruments at amortised cost

Debt instruments at amortised cost are investments that are held solely to collect payments, SPPI. In accordance with IFRS 9, the Group applies the Expected Credit Loss methodology to calculate and recognise an impairment provision for debt instruments measured at amortised cost, if any. These transactions consist of investments undertaken by the Group as 'Debt instruments at amortised cost'. The Expected Credit Loss (ECL) is reviewed by applying the expected credit loss methodology.

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Accounting Policies continued...

Critical accounting estimates and judgements continued...

Fair value of financial instruments

The Group holds financial instruments that are not quoted in active markets, such as the over-the-counter derivatives and debt instruments. Fair values of such instruments are determined by using reputable pricing sources or indicative prices from bond / debt market makers or internal valuation techniques. The Group exercises judgement and estimates on the quantity and quality of the pricing sources used. Further information on these instruments are set out in Note 30 Financial instruments and risk management.

The fair value of certain Certificates issued by the Group are directly linked to the change in the fair value of the respective underlying reference items as specified in the terms and conditions of each relevant Certificate contract. Therefore, the fair value of such Certificates are measured by the movement of the fair value of the underlying reference item between the issuance date and at the balance sheet date. The fair value of the underlying reference item is based on quoted market prices observable in an active market or provided by the recognised counterparties to the transactions. Note 9 and Note 12 contain further reference and detail to the fair value adjustments related to financial assets and derivatives held by the Group. Note 18 contains further reference and detail to the fair value adjustments related to the issuance of certificates.

Provision

The Group recognises a provision if, as a result of a past event, the Group has a current liability at the balance sheet date that will probably lead to an outflow of funds (which can include legal and professional fees, staff costs, general & 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 Group 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 2024.

3.2 Critical judgements in applying the entity's accounting policies

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

3.2.2 The Group's leasing activities

The Group leases an office for the full duration of 60 months (starting September 2021). The Group 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 Group. 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 the an incremental borrowing rate, being the rate the Group 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.

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.

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Accounting Policies continued...

Changes in accounting policies and disclosures

Standards and interpretations effective and adopted in the current year

Standard	Interpretations	Impact on the Consolidation	Effective date
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	The Directors assessed that the adoption of these new amendments had no material impact on the financial statements of the Group, or the Company, in the year under review.	1 January 2024
Non-current liabilities with Covenants (Amendments to IAS 1)	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	The Directors assessed that the adoption of these new amendments had no material impact on the financial statements of the Group, or the Company, in the year under review.	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	The Directors assessed that the adoption of these new amendments had no material impact on the financial statements of the Group, or the Company, in the year under review.	1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	The Directors assessed that the adoption of these new amendments had no material impact on the financial statements of the Group, or the Company, in the year under review.	1 January 2024
IFRS S2 Climate-related disclosures	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	The Directors assessed that the adoption of these new amendments had no material impact on the financial statements of the Group, or the Company, in the year under review.	1 January 2024

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Figures in £

5. Property, plant and equipment

Balances at year end and movement for the year

Reconciliation for the year ended 31 December 2024

Consolidated & Parent	Leasehold improvements	Office equipment	Computer equipment	Total
Cost				
Balance at 1 January 2024	96,529	78,889	130,513	305,931
Additions	-	20	15,674	15,694
Balance at 31 December 2024	96,529	78,909	146,187	321,625
Depreciation				
Balance at 1 January 2024	39,747	44,209	68,618	152,574
Charge for the year	11,114	9,613	19,153	39,880
Balance at 31 December 2024	50,861	53,822	87,771	192,454
Net book value at 31 December 2024	45,668	25,087	58,416	129,171

Reconciliation for the year ended 31 December 2023

Consolidated & Parent	Leasehold improvements	Office equipment	Computer equipment	Total
Cost				
Balance at 1 January 2023	96,529	77,744	102,614	276,887
Additions	-	1,145	27,899	29,044
Balance at 31 December 2023	96,529	78,889	130,513	305,931
Depreciation				
Balance at 1 January 2023	25,575	27,955	42,939	96,469
Charge for the year	14,172	16,254	25,679	56,105
Balance at 31 December 2023	39,747	44,209	68,618	152,574
Net book value at 31 December 2023	56,782	34,680	61,895	153,357

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Figures in £

6. Intangible assets

Balances at year end and movement for the year

Reconciliation for the year ended 31 December 2024

Consolidated & Parent	Intangible assets under development	Total
Cost		
Balance at 1 January 2024	5,449,424	5,449,424
Additions	2,176,192	2,176,192
Balance at 31 December 2024	7,625,616	7,625,616
Depreciation		
Balance at 1 January 2024	1,298,476	1,298,476
Charge for the year	1,284,274	1,284,274
Balance at 31 December 2024	2,582,750	2,582,750
Net book value at 31 December 2024	5,042,866	5,042,866

Reconciliation for the year ended 31 December 2023

Consolidated & Parent	Intangible assets under development	Total
Cost		
Balance at 1 January 2023	2,411,957	2,411,957
Additions	3,037,467	3,037,467
Balance at 31 December 2023	5,449,424	5,449,424
Depreciation		
Balance at 1 January 2023	399,456	399,456
Charge for the year	899,020	899,020
Balance at 31 December 2023	1,298,476	1,298,476
Net book value at 31 December 2023	4,150,948	4,150,948

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Figures in £	Consolidated 31 December 2024	Consolidated 31 December 2023	Parent 31 December 2024	Parent 31 December 2023
7. Right-of-use asset				
Balances at year end and movement for the year				
Reconciliation for the year ended 31 December 2024				
Cost				
Balance at start of year	738,967	738,967	738,967	738,967
Additions	-	-	-	-
Balance at end of year	738,967	738,967	738,967	738,967
Depreciation				
Balance at start of year	350,609	202,815	350,609	202,815
Charge for the year	158,131	147,794	158,131	147,794
Balance at end of year	508,740	350,609	508,740	350,609
Net book value	230,227	388,358	230,227	388,358
Amounts recognised in the statements of profit or loss and other comprehensive income				
Depreciation	158,131	147,793	158,131	147,793
Buildings	14,823	17,900	14,823	17,900
Interest expense	172,954	165,693	172,954	165,693
Operating lease commitments consists of the following balances:				
Within one year	140,055	181,787	140,055	181,787
Between two and five years	90,172	260,734	90,172	260,734
	230,227	442,521	230,227	442,521

The Group leases an office with a rental contract for a fixed period of 60 months, starting 17 August 2021 and maturing 16 August 2026. 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.

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Notes to the Consolidated and Separate Financial Statements

Figures in £ 31 December 2024 31 December 2023

8. Investment in subsidiaries

The amounts included on the statements of financial position comprise the following:

Investments in subsidiaries	43,524	43,524
	<u>43,524</u>	<u>43,524</u>

Investments 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 year	22,042	22,042
New investments during the year	-	-
Closing balance for the year	<u>22,042</u>	<u>22,042</u>

The Group's investment cost in SmartETN PLC amounted to £22,042 as at 31 December 2024 and 31 December 2023. 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 year	21,182	21,482
New investments during the year	-	-
Closing balance for the year	<u>21,182</u>	<u>21,482</u>

The Group's investment cost in SmartCrypto ETP GmbH amounted to £21,482, as at 31 December 2024 and 31 December 2023. 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.

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Notes to the Consolidated and Separate Financial Statements

	Consolidated	Consolidated	Parent	Parent
Figures in £	31 December 2024	31 December 2023	31 December 2024	31 December 2023

9. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise the following balances:

Financial assets at fair value through profit or loss used for hedging exposures	1,619,441	14,280,102	-	-
Financial assets at fair value through profit or loss used for treasury trading	132,818	7,924,847	-	-
	<u>1,752,259</u>	<u>22,204,949</u>	<u>-</u>	<u>-</u>

10. Financial assets at amortised cost

Financial assets at amortised cost comprise the following balances:

	27,591,620	45,896,969	-	-
	<u>27,591,620</u>	<u>45,896,969</u>	<u>-</u>	<u>-</u>

The portfolio of financial assets at amortised cost is used for treasury management purposes.

The portfolio of financial assets consists of debt instruments denominated in EUR. This includes £27,591,620 bonds pledged as collateral. In the period ending 31 December 2023 an amount of £29,513,297 has been re-classified from Trade and Other Receivables, Margin, to financial assets at amortised cost.

11. Financial assets through other comprehensive income

Financial assets through other comprehensive income comprises the following balances:

Financial assets through other comprehensive income	1,976,570	1,250,478	-	-
	<u>1,976,570</u>	<u>1,250,478</u>	<u>-</u>	<u>-</u>

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12. Derivative financial instruments

The fair value of the derivative financial instruments is based on prices from the Derivatives Brokers, Interactive Brokers LLC ("IB") and the Derivative Counterparties, Goldman Sachs International ("GSI"), J.P. Morgan Securities plc. ("JPM"), Credit Suisse, CITI Bank and Morgan Stanley and are considered Level 1 and Level 2 valuations. Derivative financial instruments are used to hedge the return on certain Certificates issued.

Based on the fair values provided by the Derivatives Brokers and the Derivative Counterparties, the following derivative financial instruments are classified as assets at the financial year end:

Non-current assets

Instrument type

Options	133,231	1,309,202	-	-
Synthetics	-	-	-	-
Equity linked swaps	158,400	505,724	-	-
CFDs	-	-	-	-
Credit default index	55,252	104,096	-	-
Interest rate options	-	522,954	-	-
	<u>346,883</u>	<u>2,441,976</u>	<u>-</u>	<u>-</u>

Current assets

Instrument type

Synthetics		-	-	-
Options	269,543	1,838,378	-	-
Equity linked swaps	1,176,767	906,677	-	-
Forwards	15,195	79,460	-	-
CFDs	5,069	1,076,881	-	-
Warrants		-	-	-
	<u>1,466,574</u>	<u>3,901,396</u>	<u>-</u>	<u>-</u>

Based on the fair values provided by the Derivatives Brokers and the Derivative Counterparties, the following derivative financial instruments are classified as liabilities at the financial year end:

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Derivative financial instruments continued...

Non-current liabilities

Instrument type

CFDs	-	-	-	-
Credit default index	71,059	67,347	-	-
Equity linked swaps	24,259,340	52,021,463	-	-
Options	2,105,561	8,486,540	-	-
Credit default index	-	-	-	-
Interest rate options	120,440	-	-	-
	<u>26,556,400</u>	<u>60,575,350</u>	<u>-</u>	<u>-</u>

Current liabilities

Instrument type

Synthetics	-	-	-	-
Options	825,591	2,769,398	-	-
Equity linked swaps	17,013,751	2,495,032	-	-
Forwards	-	281,010	-	-
CFDs	7,406	79,339	-	-
Warrants	-	-	-	-
	<u>17,846,748</u>	<u>5,624,779</u>	<u>-</u>	<u>-</u>

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	Consolidated	Consolidated	Parent	Parent
Figures in £	31 December 2024	31 December 2023	31 December 2024	31 December 2023
13.Trade receivables				
Trade and other receivables comprise:				
Cash collateral for margin call	26,680,616	69,919,201	-	-
Unsettled trades receivable	-	1,276,526	-	-
Corporate loans	5,937,466	9,330,084	1,436,783	4,090,642
Accrued interest receivable	896,653	1,116,182	-	-
Trade and other debtors	1,008,532	877,524	7,202,649	5,151,000
Cash collateral receivable for derivative futures	-	1,096,241	-	-
Prepayments	1,361,241	1,339,604	1,361,241	1,339,604
Accrued income	500,674	-	500,674	-
Directors' Loan	233,803	55,488	233,803	55,488
Value Added Tax	197,978	104,357	197,978	104,357
Guarantor receivable	-	-	-	3,774,913
	<u>36,816,963</u>	<u>85,115,207</u>	<u>10,933,128</u>	<u>14,516,004</u>

Included in the Corporate loans are intercompany loans as at consolidation level of £5,937,466 (2023: £5,253,285), whilst as at Company level £513,382 (2023: £13,843).

Accrued interest consists of the interest receivable on assets that were acquired during the current financial period, whilst there were no such assets held in the prior financial period.

Trade and other debtors consist of the following underlying transactions:

- Fee income not yet settled
- Deposit receivable in relation to the office lease
- Settlement timing on certain cashflows

Accrued income is income that is recognised for services rendered, but not yet fully completed to allow for invoicing. There was no such work in progress as at 31 December 2023.

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	Consolidated	Consolidated	Parent	Parent
Figures in £	31 December 2024	31 December 2023	31 December 2024	31 December 2023
14. Cash and cash equivalents				
Cash and cash equivalents included in current assets:				
Cash				
Cash and cash equivalents	8,579,741	106,883,486	3,751,791	637,114
Money market funds	420,671	3,329,350	420,671	100,423
	<u>9,000,412</u>	<u>110,212,836</u>	<u>4,172,462</u>	<u>737,537</u>

The Group manages the money market accounts to reduce the concentration risk to any single counterparty. On average, the effective yield on the market accounts per currency is as per the below:

Goldman Sachs

EUR	5.07%	3.12%
USD	5.24%	5.06%
GBP	6.99%	9.23%

15. Called up share capital

15.1 Authorised, allotted and paid up

Authorised

100 Ordinary shares of £0.01 each	-	1	-	1
100,000 Ordinary A shares of £0.00001 each	1	-	1	-
53,846 Ordinary B shares of £0.00001 each	0.54	-	0.54	-
	<u>1.54</u>	<u>1</u>	<u>1.54</u>	<u>1</u>

Issued

100 Ordinary shares of £0.01 each	-	1	-	1
100,000 Ordinary A shares of £0.00001 each	1	-	1	-
21,923 Ordinary B shares of £0.00001 each	0.22	-	0.22	-
	<u>1.22</u>	<u>1</u>	<u>1.22</u>	<u>1</u>

As at 31 December 2024 the 21,923 B Ordinary shares were unpaid.

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	Consolidated	Consolidated	Parent	Parent
Figures in £	31 December 2024	31 December 2023	31 December 2024	31 December 2023

15.2 Capital redemption reserve

Capital redemption reserve	419,762	419,762	419,762	419,762
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The Group has a capital redemption reserve related to the buyback of shares undertaken in the financial year ending 31 January 2022. The capital redemption reserve remain on the equity of the Group, as the "premium" paid on the buyback of the B Class shares.

16. Deferred Tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax liabilities

Intangible assets timing difference	958,544	722,077	958,544	722,077
Capital allowance on fixed assets	32,293	41,838	32,293	41,838
ECL Provision timing difference	-	61,837	-	-
OCI valuation difference	188,857	-	-	-
	<u>1,179,694</u>	<u>825,752</u>	<u>990,837</u>	<u>763,915</u>

Deferred tax assets

Taxable losses carried forward	(1,049,621)	-	(1,049,621)	-
ECL Provision timing difference	(3,771)	-	-	-
	<u>(1,053,392)</u>	<u>-</u>	<u>(1,049,621)</u>	<u>-</u>

Net deferred tax liability / (asset)	<u>126,302</u>	<u>825,752</u>	<u>(58,784)</u>	<u>763,915</u>
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17. Certificates issued

Certificates issued comprise:

Non-current liabilities

Certificates issued at fair value through profit or loss	13,850,494	140,396,717	-	-
	<u>13,850,494</u>	<u>140,396,717</u>	<u>-</u>	<u>-</u>

Current liabilities

Certificates issued at fair value through profit or loss	5,548,121	42,417,238	-	-
	<u>5,548,121</u>	<u>42,417,238</u>	<u>-</u>	<u>-</u>

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	Consolidated	Consolidated	Parent	Parent
Figures in £	31 December 2024	31 December 2023	31 December 2024	31 December 2023
18. Trade and other payables				
Trade and other payables comprise:				
Unsettled trades payable	17,519	113,327	-	-
Payable to redemption of Certificates	-	6,774,680	-	-
Accrued expenses	580,176	2,325,594	575,450	2,278,882
Trade and other payables	2,415,962	1,538,757	2,371,831	1,538,752
Deferred income	-	376,995	-	376,955
Social security and other taxes	147,256	214,137	147,256	214,137
Interest on Certificates	2,096	76,815	-	-
	3,163,009	11,420,305	3,094,537	4,408,726

Payable to redemptions of certificates relates to the timing of the settlement and cashflow of certificates that have been redeemed during the financial period.

Trade and other payables consist of the following underlying transactions:

- Fee and administrative expenses not yet settled

The nature of the deferred income line item is with regards to fee income that is for a period greater than the reporting period, and is amortised across the appropriate period.

19. Fee income

Asset securitisation	2,956,995	5,236,142	2,963,634	5,236,142
Distribution and administrative services	2,194,486	3,890,725	3,808,498	17,567,801
Wealth Management	-	423,105	3,677,795	426,105
Structured product issuance	-	-	-	20,038,175
	5,151,481	9,549,972	10,449,927	43,268,223

20. Net gain on financial assets at fair value through profit or loss

Net gain on financial assets at fair value through profit or loss	(135,856)	16,205,745	60,817	26,475
	(135,856)	16,205,745	60,817	26,475

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Figures in £	Consolidated 31 December 2024	Consolidated 31 December 2023	Parent 31 December 2024	Parent 31 December 2023
21. Net (loss) / gain on certificates issued at fair value through profit or loss				
Net (loss) / gain on certificates issued at fair value through profit or loss	15,698,717	(311,895)	-	-
	15,698,717	(311,895)	-	-
22. Net gain on derivative financial instruments at fair value through profit or loss				
Net gain on derivative financial instruments at fair value through profit or loss	(8,620,721)	21,504,775	-	-
	(8,620,721)	21,504,775	-	-
23. Net gain on financial liabilities at amortised cost				
Amortisation of discount of certificates	-	47,542	-	-
Net realised gain on redemption of certificates at amortised cost	-	63,049	-	-
	-	110,591	-	-
24. Net gain on financial assets at amortised cost				
Net realised gain / (loss) on disposal of debt instruments at cost	131,250	2,374,184	-	-
Foreign exchange (loss) from other financial instruments at amortised cost	-	(86,496)	-	-
Net unrealised foreign exchange loss on financial assets at amortised cost	478,115	(446,331)	-	-
	609,365	1,841,357	-	-
25. Fee expense				
Structured product distributors	703,504	7,596,909	703,504	7,602,335
Asset securitisation distributors	592,537	3,109,577	592,537	3,109,577
Third party structured product distributors	3,391,698	15,611,398	3,391,698	15,611,398
Issuance cost	1,479,226	1,423,259	1,381,846	1,523,965
	6,166,965	27,741,143	6,069,585	27,847,275

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Figures in £	Consolidated 31 December 2024	Consolidated 31 December 2023	Parent 31 December 2024	Parent 31 December 2023
26. Administrative expenses				
Staff costs	2,961,302	6,557,497	2,961,303	6,557,497
Legal and professional fees	317,030	1,458,172	313,663	1,456,684
IT	613,879	566,458	613,879	566,457
Amortisation of intangible assets	1,284,274	899,021	1,284,274	899,021
Depreciation of property lease	143,654	147,794	143,654	147,794
Depreciation of fixed assets	39,880	56,105	39,880	56,105
Premises costs	187,814	182,597	189,631	180,270
Audit fees	173,697	212,621	169,166	209,079
Other administrative expenses	554,856	2,281,522	540,722	428,503
Provision: Expected Credit Loss	(238,555)	263,136	-	-
	6,037,831	12,624,923	6,256,172	10,501,410
27. Finance income				
Interest income on financial assets at fair value through profit or loss	-	44,622	-	-
Interest income on financial assets at amortised cost	2,730,988	14,566,852	-	-
Interest income on other financial assets at amortised costs	133,225	121,394	88,077	121,394
Total finance income	2,864,213	14,732,868	88,077	121,394
28. Finance costs				
Interest expense on certificates issued at fair value through profit or loss	4,392,302	14,872,430	-	-
Interest expense on certificates issued at amortised cost	-	251,756	-	-
Interest expense on other financial liabilities at amortised costs	67,359	2,905,811	-	-
Interest expense on other financial assets at amortised cost	17,935	210,276	2,013	91,070
Total finance costs	4,477,596	18,240,273	2,013	91,070

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Figures in £	Consolidated 31 December 2024	Consolidated 31 December 2023	Parent 31 December 2024	Parent 31 December 2023
29. Income tax expense				
Current tax				
Current year	(830,729)	282,571	57,951	282,571
(Over) / under provision	31,009	(73,246)	31,009	(73,246)
Total current tax	(799,720)	209,325	88,960	209,325
Deferred tax				
Originating and reversing temporary differences	189,231	539,149	(822,698)	477,312
Total income tax expense	(610,489)	748,474	(733,738)	686,637

The income tax for the year can be reconciled to the accounting profit as follows:

Profit before tax from operations	(1,085,193)	5,030,074	(1,728,951)	4,976,337
Income tax calculated at 25% (23.5%)	(271,298)	1,182,067	(432,238)	1,169,439
Tax effect of:				
Capital allowance	(3,924)	(6,825)	(3,924)	(6,825)
Depreciation and amortisation	331,039	224,454	331,039	224,454
Disallowed expenses	4,701	18,761	4,701	18,761
Intangible asset expensed	(146,482)	(128,622)	(146,482)	(128,622)
Research and development tax credit	(802,717)	(993,338)	(802,717)	(993,338)
s455 Corporation tax charge	57,952	(1,298)	57,952	(1,298)
Deferred tax liability - timing differences	189,231	539,149	226,922	477,312
Over provision in prior year	31,009	(73,246)	31,009	(73,246)
Other reconciling item	-	(12,628)	-	-
Tax Charge	(610,489)	748,474	(733,738)	686,637

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30. Financial instruments and risk management

Financial risk management

The Group's financial instruments include cash at bank, financial assets, financial liabilities and other receivables/payables that arise directly from operations.

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

Operational risk exposure

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

Capital risk management

The Group manages its capital to ensure that it is able to continue as a going concern while maximising the return to Certificate holders. The capital managed by the Group comprises of ordinary shares, Certificates issued and the financial liabilities outstanding as at financial period end. Cirdan Capital Management Ltd, the Parent, has a required minimum capital adequacy requirement based on various criteria as laid out by the FCA. Cirdan Capital Management Ltd 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 Group's governing body.

Market risk

Market risk is the potential change in the value caused by the movements in foreign exchange, in the interest rates or market prices of the financial instruments. The Certificate holders are exposed to the market risk of the underlying reference item of each Certificate issued by the Group. The Group are exposed to these same market risks in respect to its treasury management investment portfolio.

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

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

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

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Financial instruments and risk management continued...

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

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

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

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Financial instruments and risk management continued...

(i) Foreign exchange risk

The table below shows the Group and Company's full currency exposure as at 31 December 2024.

Cirdan Capital Management Ltd - Group

Assets	Property, plant and equipment £'000	Intangible assets £'000	Right-of-use assets £'000	Financial assets at FVTPL £'000	Financial assets at amortised cost £'000
EUR	-	-	-	1,352	27,592
USD	-	-	-	400	-
GBP	129	5,043	230	-	-
CHF	-	-	-	-	-
JPY	-	-	-	-	-
	129	5,043	230	1,752	27,592

Assets	Financial assets through OCI £'000	Derivative financial assets £'000	Trade and other receivables £'000	Cash and cash equivalents £'000	Total £'000
EUR	-	1,052	34,504	7,100	71,600
USD	-	760	104	1,691	2,955
GBP	-	-	2,208	182	7,792
CHF	1,977	2	-	27	2,006
JPY	-	-	-	-	-
	1,977	1,814	36,816	9,000	84,353

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Financial instruments and risk management continued...

(i) Foreign exchange risk

The table below shows the Group and Company's full currency exposure as at 31 December 2024.

Cirdan Capital Management Ltd - Company

Assets	Property, plant and equipment £'000	Intangible assets £'000	Right-of-use assets £'000	Trade and other receivables £'000	Cash and cash equivalents £'000
EUR	-	-	-	8,367	3,769
USD	-	-	-	210	273
GBP	129	5,043	230	2,357	131
CHF	-	-	-	-	0
JPY	-	-	-	-	-
	<u>129</u>	<u>5,043</u>	<u>230</u>	<u>10,933</u>	<u>4,172</u>

Assets	Tax Receivable £'000	Deferred Tax Asset £'000	Investment in subsidiaries £'000	Total £'000
EUR	-	-	44	12,179
USD	-	-	-	483
GBP	2	59	-	7,950
CHF	-	-	-	0
JPY	-	-	-	-
	<u>2</u>	<u>59</u>	<u>44</u>	<u>20,612</u>

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Financial instruments and risk management continued...

(i) Foreign exchange risk

The table below shows the Group and Company's full currency exposure as at 31 December 2024

Cirdan Capital Management Ltd - Group

Liabilities	Deferred tax liabilities £'000	Certificates issued at FVTPL £'000	Derivative financial liabilities £'000	Operating lease liabilities £'000	Trade and other payables £'000
EUR	-	17,082	43,755	-	1,135
USD	-	1,791	648	-	721
GBP	126	-	-	230	1,307
CHF	-	526	-	-	-
HKD	-	-	-	-	-
	126	19,399	44,403	230	3,163

Liabilities	Current tax liabilities £'000	Total £'000
EUR	-	61,972
USD	-	3,160
GBP	-	1,663
CHF	-	526
JPY	-	-
	-	67,321

Cirdan Capital Management Ltd - Company

Liabilities	Deferred tax liabilities £'000	Operating lease liabilities £'000	Trade and other payables £'000	Current tax liabilities £'000	Total £'000
EUR	-	-	1,075	-	1,075
USD	-	-	713	-	713
GBP	-	230	1,307	-	1,537
CHF	-	-	-	-	-
	-	230	3,095	-	3,325

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Financial instruments and risk management continued...

(i) Foreign exchange risk

The table below shows the Group and Company's full currency exposure as at 31 December 2023.

Cirdan Capital Management Ltd - Group

Assets	Property, plant and equipment £'000	Intangible assets £'000	Right-of-use assets £'000	Financial assets at FVTPL £'000	Financial assets at amortised cost £'000
EUR	-	-	-	12,293	45,897
USD	-	-	-	8,585	-
GBP	153	4,151	388	76	-
CHF	-	-	-	1,251	-
JPY	-	-	-	-	-
	153	4,151	388	22,205	45,897

Assets	Financial assets through OCI £'000	Derivative financial assets £'000	Trade and other receivables £'000	Cash and cash equivalents £'000	Total £'000
EUR	1,250	3,740	74,503	98,917	236,600
USD	-	2,604	9,000	2,910	23,099
GBP	-	-	1,612	8,012	14,392
CHF	-	-	-	293	1,544
JPY	-	-	-	81	81
	1,250	6,344	85,115	110,213	275,716

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Financial instruments and risk management continued...

(i) Foreign exchange risk

The table below shows the Group and Company's full currency exposure as at 31 December 2023.

Cirdan Capital Management Ltd - Company

Assets	Property, plant and equipment £'000	Intangible assets £'000	Right-of-use assets £'000	Trade and other receivables £'000	Cash and cash equivalents £'000
EUR	-	-	-	12,888	387
USD	-	-	-	56	48
GBP	153	4,151	388	1,572	300
CHF	-	-	-	-	3
JPY	-	-	-	-	-
	153	4,151	388	14,516	738

Assets	Investment in subsidiaries £'000	Total £'000
EUR	44	13,319
USD	-	104
GBP	-	6,564
CHF	-	3
JPY	-	-
	44	19,990

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Financial instruments and risk management continued...

(i) Foreign exchange risk

The table below shows the Group and Company's full currency exposure as at 31 December 2023

Cirdan Capital Management Ltd - Group

Liabilities	Deferred tax liabilities £'000	Certificates issued at FVTPL £'000	Derivative financial liabilities £'000	Operating lease liabilities £'000	Trade and other payables £'000
EUR	-	177,735	64,304	-	7,451
USD	-	5,080	1,742	-	391
GBP	826	-	-	443	3,001
CHF	-	-	-	-	577
HKD	-	-	154	-	-
	<u>826</u>	<u>182,815</u>	<u>66,200</u>	<u>443</u>	<u>11,420</u>

Liabilities				Current tax liabilities £'000	Total £'000
EUR	-	-	-	-	249,490
USD	-	-	-	-	7,213
GBP	-	-	-	159	4,429
CHF	-	-	-	0	577
JPY	-	-	-	-	154
	<u>-</u>	<u>-</u>	<u>-</u>	<u>159</u>	<u>261,863</u>

Cirdan Capital Management Ltd - Company

Liabilities	Deferred tax liabilities £'000	Operating lease liabilities £'000	Trade and other payables £'000	Current tax liabilities £'000	Total £'000
EUR	-	-	1,003	-	1,003
USD	-	-	391	-	391
GBP	764	443	3,001	159	4,367
CHF	-	-	14	-	14
	<u>764</u>	<u>443</u>	<u>4,409</u>	<u>159</u>	<u>5,775</u>

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Financial instruments and risk management continued...

Cirdan Capital Management Ltd - Group

The Group performs a review of the sensitivity towards the move in foreign currency relative to the reporting currency, based on the current exposure per currency on the reporting date. The below sets out the potential impact of a move in foreign currency by virtue of a 5% increase / (decrease) relative to the Euro (€).

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

Currency	Increase in foreign currency exchange	Net effect on the profit or loss	
		2024	2023
		£'000	£'000
EUR	5%	458	(616)
USD	5%	(10)	756
CHF	5%	70	46
HKD	5%	-	(7)
JPY	5%	-	4
		<u>519</u>	<u>183</u>

Currency	Decrease in foreign currency exchange	Net effect on the profit or loss	
		2024	2023
		£'000	£'000
EUR	5%	(507)	681
USD	5%	11	(836)
CHF	5%	(78)	(51)
HKD	5%	-	8
JPY	5%	-	(4)
		<u>(574)</u>	<u>(202)</u>

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Financial instruments and risk management continued...

Cirdan Capital Management Ltd - Group

The Group performs a review of the sensitivity towards the move in foreign currency relative to the reporting currency, based on the current exposure per currency on the reporting date. The below sets out the potential impact of a move in foreign currency by virtue of a 5% increase / (decrease) relative to the EURO (€).

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

Currency	Increase in foreign currency exchange	Net effect on the profit or loss	
		2024	2023
		£'000	£'000
EUR	5%	529	584
USD	5%	(11)	(14)
CHF	5%	-	(1)
		<u>518</u>	<u>569</u>

Currency	Decrease in foreign currency exchange	Net effect on the profit or loss	
		2024	2023
		£'000	£'000
EUR	5%	(584)	(646)
USD	5%	12	15
CHF	5%	-	1
		<u>572)</u>	<u>(630)</u>

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Financial instruments and risk management continued...

(i) Interest rate risk

The 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:

The table below shows the Group and Company's interest rate profile related to assets at 31 December 2024

Cirdan Capital Management Ltd - Group

Assets	Fixed rate £'000	Up to 1 month £'000	1-6 months £'000	Non-interest bearing £'000	Total £'000
Financial assets ay FVTPL	-	-	-	1,752	1,752
Financial assets at amortised cost	-	-	27,592	-	27,592
Financial assets through OCI	-	-	-	1,977	1,977
Derivative financial assets	-	-	-	1,813	1,813
Trade and other receivables	1,365	-	-	35,449	36,814
Cash and cash equivalents	0	4,828	59	4,114	9,000
	1,365	4,828	27,650	45,105	78,949

Liabilities	Fixed rate £'000	Up to 1 month £'000	1-6 months £'000	Non-interest bearing £'000	Total £'000
Certificates issued at FVTPL	7,747	-	34	11,618	19,399
Derivative financial instruments	-	-	-	44,403	44,403
Dividends Payables	-	-	-	104	104
Trade and other payables	-	-	-	3,059	3,059
	7,747	-	34	59,184	66,965

Cirdan Capital Management Ltd - Company

Assets	Fixed rate £'000	Up to 1 month £'000	1-6 months £'000	Non-interest bearing £'000	Total £'000
Investment in subsidiaries	-	-	-	44	44
Trade and other receivables	1,365	-	-	9,568	10,933
Cash and cash equivalents	-	-	59	4,114	4,172
	1,365	-	59	13,725	15,149

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Financial instruments and risk management continued...

The table below shows the Group and Company's interest rate profile related to assets at 31 December 2023

Cirdan Capital Management Ltd - Group

Assets	Fixed rate £'000	Up to 1 month £'000	1-6 months £'000	Non-interest bearing £'000	Total £'000
Financial assets ay FVTPL	-	-	-	22,205	22,205
Financial assets at amortised cost	-	-	45,897	-	45,897
Financial assets through OCI	-	-	-	1,250	1,250
Derivative financial assets	-	-	-	6,343	6,343
Trade and other receivables	4,055	-	-	81,060	85,115
Cash and cash equivalents	-	109,472	17	724	110,213
	4,055	109,472	45,914	111,582	271,023

Liabilities	Fixed rate £'000	Up to 1 month £'000	1-6 months £'000	Non-interest bearing £'000	Total £'000
Certificates issued at FVTPL	81,298	-	8,803	92,713	182,814
Derivative financial instruments	-	-	-	66,200	66,200
Trade and other payables	-	-	-	11,420	11,420
	81,298	-	8,803	170,333	260,434

Cirdan Capital Management Ltd - Company

Assets	Fixed rate £'000	Up to 1 month £'000	1-6 months £'000	Non-interest bearing £'000	Total £'000
Investment in subsidiaries	-	-	-	44	44
Trade and other receivables	4,055	-	-	10,461	14,516
Cash and cash equivalents	-	-	17	720	737
	4,055	-	17	11,225	15,297

Liabilities	Fixed rate £'000	Up to 1 month £'000	1-6 months £'000	Non-interest bearing £'000	Total £'000
Trade and other payables	-	-	-	4,409	4,409
	-	-	-	4,409	4,409

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Financial instruments and risk management continued...

Cirdan Capital Management Ltd - Group

The Group performs a review of the sensitivity towards the move in interest rate, based on the current exposure per interest rate on the reporting date. The below sets out the potential impact of a move in interest rate by virtue of a 1% increase / (decrease) relative to the quoted rates at the reporting date.

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

		Net effect on the profit or loss	
		2024	2023
		£'000	£'000
Increase in interest rates			
Fixed rate	1%	91	(772)
Up to 1 month	1%	48	1,095
1-6 months	1%	277	374
		416	697
		Net effect on the profit or loss	
		2024	2023
		£'000	£'000
Decrease in interest rates			
Fixed rate	1%	(64)	772
Up to 1 month	1%	48	(1,095)
1-6 months	1%	276	(374)
		261	(697)

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Financial instruments and risk management continued...

Cirdan Capital Management Ltd - Company

The sensitivity analysis for a movement in the net interest rate exposure of the Company:

		Net effect on the profit or loss	
		2024	2023
		£'000	£'000
Increase in interest rates			
Fixed rate	1%	(14)	41
Up to 1 month	1%	-	-
1-6 months	1%	(1)	-
		(14)	41
		Net effect on the profit or loss	
		2024	2023
		£'000	£'000
Decrease in interest rates			
Fixed rate	1%	14	(41)
Up to 1 month	1%	-	-
1-6 months	1%	1	-
		14	(41)

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Financial instruments and risk management continued...

(iii) Price risk

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

The price risk associated with the realisation of the certain financial assets held by the Group is offset by the changes in the fair value of the Certificates issued by the Group. Changes in the fair value of such financial assets the Group hold purely for hedging its exposures from the relevant issued Certificates will be offset by an equal and opposite fair value movements on those Certificates which the Group has entered offsetting hedging transactions. Certificate holders are exposed to a maximum loss of 90% of the original capital invested by the existence of the guarantees which SmartETN PLC has in place from Cirdan Capital Management Ltd.

The Group is further exposed to the price risk in unfavourable movements in the investment portfolio not held for hedging purposes. The exposure arises from the Group's investment in equity securities, equity-linked derivatives and private investments. The Group mitigates the risk by applying specific concentration rules on geographic location, industry and economic sector, to ensure the investments are diversified and not impacted by similar, once off events.

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Financial instruments and risk management continued...

iv) Fair value hierarchy

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 in the accounting policies. The table below sets out the instruments included in each category as at 31 December 2024

Cirdan Capital Mangement Ltd - Group

The table below sets out the assets and liabilities instruments included in each category as at 31 December 2024.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Financial assets at FVTPL	1,033	1,631,506	119,720	1,752,260
Financial assets through OCI	-	-	1,977	1,977
Derivative financial instruments	-	1,813,455	-	1,813,455
	1,033	3,444,962	121,697	3,567,692

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial liabilities				
Certificates issued at FVTPL	-	18,552,752	845,862	19,398,614
Derivative financial instrumnets	-	44,403,148	-	44,403,148
	-	62,955,900	845,862	63,801,762

The table below sets out the assets and liabilities instruments included in each category as at 31 December 2023.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Financial assets at FVTPL	11,098	10,989	118	22,205
Financial assets through OCI	1,250	-	-	1,250
Derivative financial instruments	670	5,673	-	6,343
	13,018	16,662	118	29,798

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial liabilities				
Financial liabilities at FVTPL	-	181,449	1,365	182,814
Derivative financial instruments	592	65,608	-	66,200
	592	247,057	1,365	249,014

The Company had no such positions at 31 December 2024 or 31 December 2023

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Financial instruments and risk management continued...

Cirdan Capital Management Ltd - Group

The Group performs a review of the sensitivity towards the move in fair value, relative to the current fair value market price of the asset and liability portfolio measured at fair value through profit or loss on the reporting date. The below sets out the potential impact of a move in fair value of the market price by virtue of a 5% increase / (decrease) relative to the current market price.

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

		Net effect on the profit or loss	
		2024	2023
Assets			
Increase in market price		£'000	£'000
Financial assets			
Financial assets at FVTPL	5%	88	1,110
Financial assets through OCI	5%	99	63
Derivative financial instruments	5%	91	317
		<u>277</u>	<u>1,490</u>
Financial liabilities at FVTPL			
Financial liabilities at FVTPL	5%	(970)	9,141
Derivative financial instruments	5%	(2,220)	3,310
		<u>(3,190)</u>	<u>12,451</u>
Net impact on the profit or loss			<u>(10,961)</u>

		Net effect on the profit or loss	
		2024	2023
Assets		£'000	£'000
Decrease in market price			
Financial assets at FVTPL			
Financial assets at FVTPL	5%	(88)	(1,110)
Financial assets through OCI	5%	(99)	(63)
Derivative financial instruments	5%	(91)	(317)
		<u>(277)</u>	<u>(1,490)</u>
Liabilities			
Certificates issued at FVTPL	5%	970	(9,141)
Derivative financial instruments	5%	2,220	(3,310)
		<u>3,190</u>	<u>(12,451)</u>
Net impact on the profit or loss		<u>2,913</u>	<u>10,961</u>

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Financial instruments and risk management continued...

Valuation of Level 2 fair values

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

Valuation of Level 3 fair value assets

The valuation of the Level 3 investments are performed by the operational team, on an annual basis at the very least. The team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information.

Any fair value change is reviewed and considered internally, with a view to confirmation that the value presented is a true and fair reflection of the investment.

The investments form part of the treasury trading investment portfolio with the movement borne by the Group. For the certificate holder, the risk is mitigated by the existence of the guarantee issued by the Group with regards to the obligations of the Certificates.

	2024	2023
	£'000	£'000
Reconciliation of Level 3 assets		
Balance as at start of year	118	148
Purchases	-	-
Transferred from Level 1	1,977	-
Disposal	-	-
Total gain / (loss) in profit or loss	(2)	(30)
Balance as at end of year	2,093	118

During the year, the Group reclassified the Financial asset through OCI from Level 1 to Level 3 due to a change in the methodology of assessing the fair value hierarchy.

Valuation of level 3 fair value liabilities

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

	2024	2023
	£'000	£'000
Reconciliation of level 3 liabilities		
Balance as at start of year	1,365	1,436
Purchases	-	-
Disposal	(580)	-
Total gain / (loss) in profit or loss	61	(71)
Balance as at end of year	846	1,365

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Financial instruments and risk management continued...

Credit risk

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

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

Cirdan Capital Management - Group

This table represents the exposure to credit risk

	2024	2023
	£'000	£'000
Financial assets at FVTPL	1,752	22,205
Financial assets at amortised cost	27,592	45,897
Financial assets through OCI	1,977	1,250
Derivative financial assets	1,813	6,344
Trade and other receivables	36,814	85,115
Cash and cash equivalents	9,000	110,213
	78,949	271,024

Included in the financial assets at amortised cost is the consideration related to the potential credit loss, as set out in the Accounting Policies.

Trade and other receivables include the collateral balance, as per Note 13

Cirdan Capital Management - Company

This table represents the exposure to credit risk

	2024	2023
	£'000	£'000
Investment in subsidiaries	44	44
Trade and other receivables	10,933	14,516
Cash and cash equivalents	4,172	737
	15,149	15,297

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Financial instruments and risk management continued...

(i) The credit rating profile of the financial instruments and counterparties are as follows:

Cirdan Capital Management - Group

This table represents the exposure to credit risk

	2024	2023	Credit rating	Rating agency
Financial assets at FVTPL	£'000	£'000		
Aldburg S.A.	120	118	Unrated	N/A
BNP Paribas	6	61	A-	S&P
Canadian Imperial Bank of Commerce	458	412	Unrated	N/A
CITI Group	161	233	A+	Fitch ratings
Credit Suisse	219	8,725	A+	S&P
Interactive Brokers	1	11,097	A-	S&P
JP Morgan and Structured Products	76	278	A-2	S&P
Morgan Stanley & Co International PLC	384	537	AA-	Fitch ratings
Other	328	744	AA-	Fitch ratings
	1,752	22,205		
	2024	2023	Credit rating	Rating agency
Financial instruments at amortised cost	£'000	£'000		
ADAGIO VIII CLO DAC	-	2,149	AA	Fitch
Dryden 51 EURO CLO 2017 DAC	-	2,063	BBB-	Fitch
Bridgepoint CLO IV DAC	-	860	AA	Fitch
Harvest CLO XXIX DAC	-	6,024	AA	Fitch
Voya EURO CLO VI DAC	-	1,629	AA	Fitch
Barings EURO CLO 2023-2	-	4,267	A	Fitch
French Republic	27,592	28,905	AA-	Fitch
	27,592	45,897		

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Financial instruments and risk management continued...

	2024	2023	Credit rating	Rating agency
Derivative financial instruments	£'000	£'000		
Interactive Brokers LLC	-	670	A-2	S&P
Goldman Sachs International	658	1,855	A-	S&P
JP Morgan Securities PLC	329	1,382	A-	S&P
Citigroup Global Markets Limited	262	1,417	A-	S&P
Morgan Stanley	565	966	F1	Fitch ratings
Credit Suisse International	-	53	A-1	S&P
	<u>1,813</u>	<u>6,343</u>		

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

Cirdan Capital Management - Group

	2024	2023	Credit rating	Rating agency
Cash and cash equivalents	£'000	£'000		
Goldman Sachs International Bank	1,091	50,930	Aa3	Moody's
Societe Generale	1,249	-	Aa3	Fitch
Interactive Brokers (UK) Ltd	1,044	26,827	BBB+	S&P
BFF Bank S.p.A.	1,441	31,724	Baa2	Moody's
European Depositary Bank S.p.A.	7	9	Unrated	N/A
SmartBank S.p.A.	-	7	Unrated	N/A
Qonto	-	4	Unrated	N/A
Barclays Bank PLC	3,747	612	A1	Moody's
Morgan Stanley Liquidity Funds	421	100	Aaa	Moody's
	<u>9,000</u>	<u>110,213</u>		

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Financial instruments and risk management continued...

Cirdan Capital Management - Company

	2024	2023	Credit rating	Rating agency
Cash and cash equivalents	£'000	£'000		
Interactive Brokers (UK) Ltd	4	4	BBB+	S&P
BFF Bank S.p.A.	-	15	Baa2	Moody's
SmartBank S.p.A.	-	7	Unrated	N/A
Barclays Bank PLC	3,747	612	A1	Moody's
Morgan Stanley Liquidity Funds	421	100	Aaa	Moody's
	4,172	738		

(iii) Credit risk for unsettled trades receivable is minimal as the balance is settled following the financial period-end. This is a function related to the timing of settlement of the trade, as the asset and / or liabilities has been derecognised, with the cashflow to follow.

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Financial instruments and Risk management continued...

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they fall due. The Group's approach to managing liquidity risk is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. The Group manages this risk by entering an exact equal, but opposite hedge to replicate the performance of the Certificate.

Prudent liquidity risk management requires maintaining sufficient cash and marketable investments, which the Group does. The maturity profile of the financial liabilities as at 31 December 2024 is as follows:

Cirdan Capital Management - Group

	Gross contractual cashflow	Up to 1 year	1-2 years	2-5 years	5 years
	£'000	£'000	£'000	£'000	£'000
Certificates issued at FVTPL	19,399	5,548	3,046	10,786	18
Trade and other payables	3,163	3,163	-	-	-
Operating lease - office	230	138	92	-	-
	<u>22,792</u>	<u>8,849</u>	<u>3,138</u>	<u>10,786</u>	<u>18</u>

Cirdan Capital Management - Company

	Gross contractual cashflow	Upto 1 year	1-2 years	2-5 years	5 years
	£'000	£'000	£'000	£'000	£'000
Trade and other payables	3,095	3,095	-	-	-
Operating lease - office	230	138	92	-	-
	<u>3,324</u>	<u>3,232</u>	<u>92</u>	<u>-</u>	<u>-</u>

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Financial instruments and risk management continued...

The maturity profile of the financial liabilities as at 31 December 2023 is as follows:

Cirdan Capital Management - Group

	Gross contractual cashflow	Up to 1 year	1-2 years	2-5 years	5 years
	£'000	£'000	£'000	£'000	£'000
Certificates issued at FVTPL	182,814	22,408	20,043	129,521	10,842
Trade and other payables	11,683	11,683	-	-	-
Operating lease - office	443	148	188	107	-
Tax liability	159	159	-	-	-
	<u>195,099</u>	<u>34,398</u>	<u>20,231</u>	<u>129,628</u>	<u>10,842</u>

Cirdan Capital Management - Company

	Gross contractual cashflow	Up to 1 year	1-2 years	2-5 years	5 years
	£'000	£'000	£'000	£'000	£'000
Trade and other payables	4,409	4,409	-	-	-
Operating lease - office	443	148	188	107	-
Tax liability	159	159	-	-	-
	<u>5,011</u>	<u>4,716</u>	<u>188</u>	<u>107</u>	<u>-</u>

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31. Employee and directors				
Wages and salaries	2,072,409	5,324,138	2,072,409	5,324,138
Social security costs	264,890	712,147	264,890	712,147
Other pension costs	24,408	23,333	24,408	23,333
Other staff costs	599,595	497,879	599,595	497,879
	<u>2,961,302</u>	<u>6,557,497</u>	<u>2,961,302</u>	<u>6,557,497</u>
The average number of employees during the year was:				
Directors	8	8	5	5
Employees	<u>19</u>	<u>30</u>	<u>19</u>	<u>30</u>
	<u>8</u>	<u>38</u>	<u>5</u>	<u>35</u>
Directors' remuneration	<u>486,495</u>	<u>465,752</u>	<u>486,495</u>	<u>465,752</u>
	<u>486,495</u>	<u>465,752</u>	<u>486,495</u>	<u>465,752</u>
Key management personnel remuneration	<u>789,379</u>	<u>972,419</u>	<u>789,379</u>	<u>972,419</u>
	<u>789,379</u>	<u>972,419</u>	<u>789,379</u>	<u>972,419</u>

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

The highest paid Director during the period ending 31 December 2024 received £219,167. 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 an 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.

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32. Related parties

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

Cirdan Capital Management Ltd acts as an arranger of Aldburg S.A., a company registered in Luxembourg. As at 31 December 2024, the Group holds Notes issued by Aldburg S.A. amounting to £119,720 (Dec 2023: £117,971).

Antonio De Negri, executive director of the Company, has a significant influence over FourChildren Limited. The Group has undertaken certain transactions with FourChildren Limited. Interest received on the reverse repurchase balance of £2,063,968 was recognised for the year ended 31 December 2023. For the year ended 31 December 2024 the amount recognised was £nil. As at 31 December 2024, there was interest receivable of £921,903 (Dec 2023: £921,903).

In addition, during 31 December 2023 assets of £84,247,253 were purchased from FourChildren Limited. Assets were sold to FourChildren Limited of £25,200,654 for a loss - £33,782. During the year ended 31 December 2024 there were no such transactions undertaken.

The Group undertook trading activity with a related party, SmartBank S.p.A. As at 31 December 2023 assets of £93,472,445 were purchased from SmartBank S.p.A. Assets were sold to SmartBank S.p.A. of £280,225,493 for a profit - £221,274. During the year ended 31 December 2024 no such transactions were undertaken. The Group has a loan receivable as at 31 December 2024 from SmartBank S.p.A. of £21,075 (31 December 2023: £22,088).

The Group has a loan receivable as at 31 December 2024 from Cirdan Group S.p.A. of £865,132 (31 December 2023: £4,054,711).

The Group has a loan receivable as at 31 December 2024 from Cirdan International SARL of £5,014,065 (Dec 2023: £5,253,285).

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33.Subsequent events

In February 2025, Cirdan Capital Management Limited and its subsidiaries, SmartETN PLC and SmartCrypto ETP GmbH, were renamed to Otała.Markets Limited, Otała PLC and Otała.Crypto ETP GmbH (pending finalisation). The renaming of the companies formed part of a wider initiative to relaunch the business with a new corporate identity. In April 2025, we were accepted as members of the Euronext Amsterdam enabling us to list our products. The relaunch of the business has been well received by both existing and new clients.

34. Approval of financial statements

The financial statements were approved by the Board of Directors on **22/05/2025**