Dali Capital PLC

Directors' report and audited financial statements

For the financial year ended 31 March 2023

Registered number 344361

Dali Capital PLC

Contents

Directors and other information

Directors	Adrian Masterson (Irish) (Non-executive & Independent) John Walley (Irish) (Non-executive & Independent)
Registered Office	2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland
Administrator & Company Secretary	Apex IFS Limited 2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland
Bank	Bank of New York Mellon One Canada Square London E14 5AL United Kingdom Allied Irish Banks Plc International Building Ashford House Tara Street Dublin 2 Ireland
Independent Auditor	Deloitte Ireland LLP Chartered Accountants & Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
Solicitor	A&L Goodbody IFSC North Wall Quay Dublin 1 Ireland
Arranger, Swap Counterparty	Barclays Bank Plc 5 North Colonnade Canary Wharf London E14 4BB United Kingdom
Trustee & Custodian	Bank of New York Mellon One Canada Square London E14 5AL United Kingdom
Swap Calculation Agent	Barclays Bank Plc 5 North Colonnade Canary Wharf London E14 4BB United Kingdom

Directors' report

The directors (the "Directors") present their report and the audited financial statements of Dali Capital Plc (the "Company") for the financial year ended 31 March 2023.

Principal activities and business review

The Company, a special purpose securitisation vehicle (the "SPV"), has established a EUR 5,000,000,000 Secured Transaction Programme.

Details of the nature of each different series (the "Series") of notes (the "Notes") are shown in note 12 to the financial statements. The net proceeds of the Notes issues were used to purchase a portfolio of corporate bonds and debt instruments. All remaining Notes in issue are listed on Euronext Dublin.

In addition, the Company has entered into swap transactions with Barclays Capital (the “Swap Counterparty”). Under the terms of the swaps, the issuer pays to the Swap Counterparty amounts received from the underlying assets held by the Company in return for which the Swap Counterparty will pay to Dali Capital Plc (the "Issuer"), amounts equal to interest due to noteholders.

The Company is a limited recourse vehicle and the repayment of the Notes is dependent upon the performance of the underlying assets specifically held for each individual Series. All substantial risks and rewards associated with the investment securities are ultimately borne by the noteholders. Therefore any change in risk variables would not affect the equity or the results of the Company.

The Company has presented its financial statements under Financial Reporting Standards 102 (FRS 102) issued by the Financial Reporting Council.

The Directors expect the Company to continue to operate in its present form and capacity in the foreseeable future.

Results and dividends for the financial year

The results for the financial year are set out on page 14. No dividends are recommended by the Directors (2022: EUR Nil).

The Notes were issued as follows:

	Issue date	Maturity date
Series 17	27-Sep-05	15-Jul-36
Series 29	21-Dec-06	21-Dec-37

Key performance indicators

During the financial year:
- The Company made a profit after tax of EUR Nil (2022: EUR Nil);
- the Company's net fair value loss on financial assets amounted to EUR 169,891,043 (2022: loss of EUR 16,687,612);
- the Company's net fair value gain recognised on financial liabilities amounted to EUR 72,329,927 (2022: gain of EUR 47,533,676);
- the Company's net fair value gain on derivative financial instruments amounted to EUR 97,561,116 (2022: loss of EUR 30,846,064);
- The closing liability to noteholders amounted to EUR 329,382,621 (2022: EUR 401,712,548); and
- There were no new issues during the financial year, or post financial year to date.

Changes in directors and secretary during the financial year

The Directors and secretary who held office during the financial year ended 31 March 2023 were Adrian Masterson, John Walley and Apex IFS Limited.

Directors, Secretary and their interests

None of the Directors or secretary who held office on 31 March 2023 held any shares in the Company at that date, or during the financial year.

Business risks and uncertainties

While the potential impacts from the ongoing conflicts around the world remain uncertain, including but not limited to, on global economic conditions, asset valuations, interest rate expectations and exchange rates. The extent of these impacts on the Company are unclear at this stage, however the board continuous to monitor the situation actively and takes appropriate measures as and when required.

The key risks to the business relate to the use of financial instruments.

Business risks and uncertainties (continued)

The disclosures in relation to the Company’s policies for financial risk management, including market risk, credit risk, interest rate risk and liquidity risk and the nature of financial instruments used during the financial year to mitigate exposure to these risks is shown in note 15 to the financial statements.

Going concern

The Series in issue at the date of signing this report have maturity dates over the period to 21 December 2037. It is also noted that Barclays Bank Plc, under a disbursement agreement, fund the expenses of the Company. The Directors are not aware of any circumstances which raise concern over the preparation of the financial statements on a going concern basis and also anticipate that the financial assets will continue to generate enough cash flow on an on-going basis to meet the Company liabilities as they fall due.

Accounting records

The measures that the Directors have taken to secure compliance with the requirements of Section 281 to 285 of the Act 2014 with regard to the keeping of accounting records, are the appointing of an administrator, Apex IFS Limited, which has accounting personnel with the appropriate expertise. The Company's accounting records are maintained at the Company's registered office at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland.

Subsequent Events

The subsequent events are disclosed in note 17 to the financial statements.

Corporate Governance Statement

Introduction

The Company is subject to and complies with Irish Statute comprising the Act 2014 and the listing rules of the Euronext Dublin. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company’s financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator to maintain the accounting records of the Company independently of the arranger (the "Arranger") and the trustee (the "Trustee"). The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Administration Agreement.

To that end the Administrator performs reconciliations of its records to those of the Arranger and the Trustee. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view. The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator’s financial accounting and reporting routines and monitors and evaluates the external auditors’ performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator’s report to the Board.

Risk assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company’s financial statements.

Corporate Governance Statement (continued)

Audit committee

Under Section 1551 (1) of the Act as amended, all public-interest entities are required to establish an audit committee, subject to certain exemptions. Section 167 of the Act also requires the Directors of PLC's or large companies (as such term is defined in the Act) to establish an audit committee or to state the reasons for not establishing such a committee.

Given the contractual obligations of the Administrator and the limited recourse nature of the securities issued by the Company, the Board has concluded that there is currently no need for the Company to have an audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process and the monitoring of the statutory audit and the independence of the statutory auditors. The Company has also availed itself of the exemption under Section 1551(11)(c) of the Act not to establish an audit committee as the sole business of the Company is the issuance of asset backed securities.

Control activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors. Given the contractual obligations of the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights. With regard to the appointment and replacement of Directors, the Company is governed by its articles of association, Irish Statute comprising the Act 2014 and the listing rules of the Euronext Dublin. The articles of association themselves may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the articles of association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator.

The articles of association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking property of any part thereof and may delegate these powers to the Arranger.

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a share. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

Directors' report (continued)

Relevant audit information

In the case of each of the persons who are Directors at the time the report is approved:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor are unaware; and
- the Directors have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of this information.

Political donations

There were no political donations made during the financial year (2022: EUR Nil).

Shares and shareholders

The principal shareholder in the Company is Apex GroupTrustee Services Limited (39,994 shares), formerly known as Sanne Trustee Services Limited. In addition, Apex Group Nominees Limited (formerly known as Sanne Nominees Limited), Apex Group Nominees 1 (UK) Limited (formerly known as Sanne Group Nominess 1 (UK) Limited), Apex Group Nominees 2 Limited (formerly known as Sanne Nominees 2 Limited), Apex Group Nominees 3 Limited (formerly known as Sanne Nominees 3 Limited), Apex Group Nominees 4 Limited (formerly known as Sanne Nominees 4 Limited) and Apex Group Nominees 5 Limited (formerly known as Sanne Nominees 5 Limited) hold one share each in the Company.

Directors' compliance statement

This constitutes the Compliance Policy Statement of the Company pursuant, where applicable, to Section 225(2) (a) of the Act 2014 (the Act).

It is the policy of the Company to secure compliance with their "Relevant Obligations", as are defined in Section 225 of the Act and as expressly set out and acknowledged in the table hereto. This policy includes, but is not limited to, using all reasonable endeavours to:

- implement appropriate arrangements and structures that are in the opinion of the Directors of the Company, where applicable, designed to secure material compliance with relevant obligations;
- engage personnel who the Directors of the Company consider have the requisite knowledge and experience to monitor compliance by the Company with its respective relevant obligations; and
- appoint external professional legal and tax advisers, from time to time, as appropriate, who in the opinion of the Directors of the Company, where applicable, have the requisite knowledge and experience to advise the Company on the material compliance by them with their relevant obligations in particular circumstances.

In each case and at all times, such measures being in the opinion of the Directors of the Company, where applicable, appropriate to the Company.

The Directors note that the arrangements and structures, referred to above, are to be reviewed during the financial year. The Directors acknowledge that while these reviews have taken place informally during the financial year through interim reporting and tax filings, a more formal review will be implemented going forward for subsequent financial years.

Independent Auditor

The independent auditor, Deloitte Ireland LLP, Chartered Accountants & Statutory Audit Firm, were originally appointed on 13 June 2001 (Date of Incorporation of the Company). Deloitte, having served as the Company's Statutory Auditor, intend to resign upon conclusion of the 2023 financial year end process, at the next AGM of the Company, in line with mandatory rotation requirements.

On behalf of the Board

Adrian Masterson	**John Walley**
Director	**Director**
Date: 11 March 2024	**Date: 11 March 2024**

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Act 2014.

Irish Company Law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with the Act 2014 and FRS 102 applicable in the UK and Republic of Ireland" (relevant financial reporting framework).

Under Company Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Act 2014.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Company and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable to ensure that the financial statements and Directors' report comply with the Act 2014 and the listing rules of the Euronext Dublin and enable them the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

On behalf of the Board

Adrian Masterson	**John Walley**
Director	**Director**
Date: 11 March 2024	**Date: 11 March 2024**

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALI CAPITAL PLC

Report on the audit of the financial statements

Opinion on the financial statements of Dali Capital PLC (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2023 and of the result for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of comprehensive income;
- the Statement of financial position;
- the Statement of changes in equity;
- the Statement of cash flows; and
- the related notes 1 to 19, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to public interest entities, 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.

Summary of our approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of Financial Assets at Fair Value Through Profit or Loss and Derivative Financial Instruments Within this report, any new key audit matters are identified with and any key audit matters which are the same as the prior year identified with .
Materiality	The materiality that we used in the current year was €6.5m which was determined on the basis of 2% of Financial liabilities at fair value through profit or loss.
Scoping	We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined.
Significant changes in our approach	There are no significant changes to our approach which require disclosure.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- As part of our risk assessment procedures, obtaining an understanding of the director's process for determining the appropriateness of the going concern basis of accounting;
- Holding discussions with management on the directors' going concern assessment, including understanding the impact of market activity and other external factors;
- Challenging the directors' conclusions on the going concern basis of accounting by assessing;
  - the current year financial performance and the year-end financial position of the company;
  - the limited recourse nature of the company's financial liabilities, and the operation of the priorities of payment during the financial year;
  - the redemption clauses applicable to the financial liabilities; and
- Evaluating the adequacy of the relevant disclosures made in the financial statements.

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Financial Assets at Fair Value Through Profit or Loss and Derivative Financial Instruments	
Key audit matter description	For the financial year ended 31 March 2023, the financial assets at fair value through profit or loss of the company are €578.2 million. For the financial year ended 31 March 2023, the derivative financial instruments of the company are €248.8 million. The valuation of the financial assets at fair value through profit or loss and derivative financial instruments is considered a key audit matter as they comprise a signifcant number on the statement of financial position and their valuation is also a key contributor to the financial performance of the financial liabilities issued to investors. The valuation has been identified as significant risk of material mistatement, the risk being that they may not be valued correctly in accordance with the financial reporting framework. This is applicable both from the perspective of the valuation of these financial instruments in the Statement of financial position and the movement in fair value that is reported in the statement of comprehensive Income. Refer also to note 1(e), 7, 10 and 15 in the financial statements.

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How the scope of our audit responded to the key audit matter	We obtained an understanding and assessed the design and implementation of the key controls that have been implemented over the valuation process for financial assets at fair value through profit or loss and derivative financial instruments. We challenged whether the valuation policy adopted for the financial assets and derivative financial instruments is in line with FRS 102 and considered the appropriateness of the management assumptions and estimates. With the support of our valuation specialists, and using independently obtained observable market data, we independently valued the financial instruments, and compared the results of our valuation procedures to the reported values. We observed the results were within a reasonable range.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	€6.5m (2022 : €8m)
Basis for determining materiality	2% of Financial liabilities at fair value through profit or loss
Rationale for the benchmark applied	We determined materiality for the company to be 2% of financial liabilities at fair value through profit or loss. We have considered the financial liabilities to be the critical component for determining materiality because the main objective of the company is to provide investors with a long term risk adjusted return. We have considered quantitative and qualitative factors such as understanding the company and its environment, complexity of the company and the reliability of control environment.

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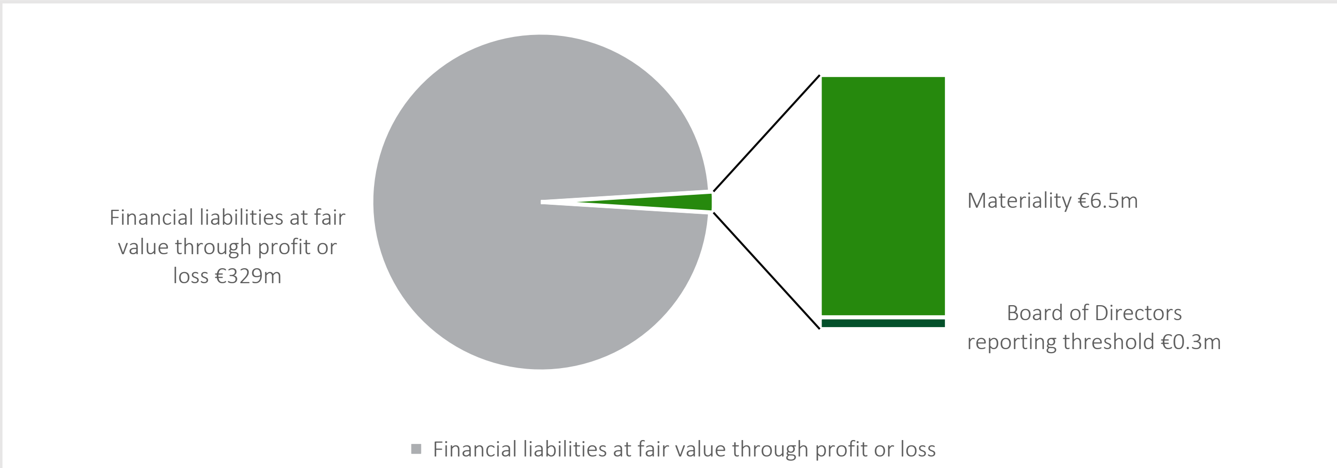

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

Performance materiality was set at 80% of materiality for the 2023 audit (2022: 80%). In determining performance materiality, we considered the following factors:

- our understanding of the company;
- the quality of the company's Internal Control environment and whether we are able to rely on controls; and
- our expectations in relation to misstatements in the current period.

We agreed with the Board of Directors that we would report to them all audit differences in excess of €0.3m (2022 : €0.4m) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit is a risk based approach taking into account the structure of the company, types of financial instruments, the involvement of the third party service providers, the accounting processes and controls in place, and the industry in which the company operates.
We have conducted our audit based on the books and records of the company which are maintained by the corporate administrator, Apex IFS Limited. We focused our audit scope, and the extent of our testing, based on our assessement of the risks of material misstatement and of the materiality determined. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team and internal specialists.

Other information

The other information comprises the information included in the Directors' Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Audited Financial Statements.

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.

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 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.

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Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company;
- results of our enquiries of management, and the Board of Directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Valuation of Financial Assets at Fair Value Through Profit or Loss and Derivative Financial Instruments; and
- Revenue Recognition.

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In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2014 and the relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include the listing rules of Euronext Dublin.

Audit response to risks identified

As a result of performing the above, we identified Carrying Value of Financial Assets at Fair Value Through Profit or Loss and the Derivative Financial Instruments as a key audit matter related to the potential risk of fraud or non-compliance with laws and regulations. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and Board of Directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- In addressing the risk of fraud in revenue recognition, following completion of procedures to address the key audit matter that financial assets at fair value through profit or loss and derivative financial instruments may not be valued correctly, we recalculated the fair value movement on financial assets at the statement of financial position date from the previous year to the current year in order to determine the value recognised in the statement of comprehensive income.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALI CAPITAL PLC

Corporate Governance Statement required by the Companies Act 2014

We report, in relation to information given in the Corporate Governance Statement on pages 3 to 4 that:

- In our opinion, based on the work undertaken during the course of the audit, the information given in the Corporate Governance Statement pursuant to subsection 2(c) of section 1373 of the Companies Act 2014 is consistent with the company's statutory financial statements in respect of the financial year concerned and such information has been prepared in accordance with the Companies Act 2014.
  Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Other matters which we are required to address

Following the recommendation of the Board we were appointed by the Board on 13 June 2001 to audit the financial statements for the financial year end 31 March 2002. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 21 years, covering the financial year end 31 March 2023. The company became a Public Interest Entity in 2002.

The period considered for firm rotation commences from the start of the first financial year after which the entity became a Public Interest Entity. The transition period depended on the length of the existing relationship as of June 2014. As such, rotation will be required for the financial year end 31 March 2024.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the company in conducting the audit.

Our audit opinion is consistent with the additional report to the board of directors we are required to provide in accordance with ISA (Ireland) 260.

Continued on next page/

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALI CAPITAL PLC

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

Ross Tuite
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

14 March 2024

Dali Capital PLC

Statement of comprehensive income
For the financial year ended 31 March 2023

	Notes	Financial year ended 31-Mar-23 EUR	Financial year ended 31-Mar-22 EUR
Interest income and similar income	2	20,402,008	14,161,031
Other income	3	134,331	84,774
Interest expense and similar charges	4	(20,371,129)	(14,130,761)
Fair value movement on financial assets	7	(169,891,043)	(16,687,612)
Fair value movement on derivatives	10	97,561,116	(30,846,064)
Fair value movement on financial liabilities	12	72,329,927	47,533,676
Gross profit		165,210	115,044
Operating expenses	5	(165,210)	(115,044)
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	6	-	-
Result on ordinary activities after taxation		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-
Total comprehensive income for the financial year		-	-

The Company has no recognised gains or losses in the financial year other than those dealt with in the Statement of comprehensive income. All items relates to continuing operations.

Dali Capital PLC

Statement of financial position
As at 31 March 2023

	Notes	31-Mar-23 EUR	31-Mar-22 EUR
Non current assets			
Financial assets at fair value through profit or loss	7	578,200,343	748,091,386
Current assets			
Debtors	8	5,555,070	4,783,134
Cash and cash equivalents	9	468,319	425,249
Total assets		584,223,732	753,299,769
Equity and liabilities			
Equity			
Called up share capital presented as equity	13	40,000	40,000
Retained earnings		17,618	17,618
Total equity		57,618	57,618
Liabilities			
Non current liabilities			
Financial liabilities at fair value through profit and loss	12	329,382,621	401,712,548
Derivative financial instruments	10	248,817,722	346,378,838
		578,200,343	748,091,386
Current liabilities			
Creditors	11	5,965,771	5,150,765
Total liabilities		584,166,114	753,242,151
Total equity and liabilities		584,223,732	753,299,769

The financial statements were approved by the Board and authorised for issue on 11 March 2024 and signed on its behalf by:

Adrian Masterson
Director

Date: 11 March 2024

John Walley
Director

Date: 11 March 2024

The notes on pages 18 to 31 form an integral part of the financial statements.

Statement of changes in equity
For the financial year ended 31 March 2023

	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance as at 1 April 2021	40,000	17,618	57,618
Total comprehensive income for the financial year			
Profit for the financial year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	-	-
Balance as at 31 March 2022	40,000	17,618	57,618
Balance as at 1 April 2022	40,000	17,618	57,618
Total comprehensive income for the financial year			
Profit for the financial year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	-	-	-
Balance as at 31 March 2023	40,000	17,618	57,618

Statement of cash flows

For the financial year ended 31 March 2023

	Notes	Financial year ended 31-Mar-23 EUR	Financial year ended 31-Mar-22 EUR
Cash flows from operating activities			
Profit on ordinary activities before taxation		-	-
Adjustments for:			
Interest income on financial assets at fair value through profit and loss	2	(16,701,281)	(13,473,870)
Interest income on derivative financial instruments	2	(3,700,727)	(687,161)
Interest expense on financial liabilities	4	16,688,231	13,442,527
Interest expense on derivative financial instruments	4	3,682,898	688,234
(Increase)/decrease in debtors		(40,527)	11,539
Increase/(decrease) in creditors		84,113	(236,490)
Net cash from/(used in) operating activities		12,707	(255,221)
Cash flows from investing activities			
Interest received		16,010,303	13,493,666
Net cash from investing activities		16,010,303	13,493,666
Cash flows from Financing activities			
Interest paid		(15,979,940)	(13,462,279)
Net cash used in investing activities		(15,979,940)	(13,462,279)
Increase/(decrease) in cash and cash equivalents		43,070	(223,834)
Cash and cash equivalents at start of the financial year		425,249	649,083
Cash and cash equivalents at end of the financial year	9	468,319	425,249

The notes on pages 18 to 31 form an integral part of the financial statements.

1 Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2014 and FRS102 applicable in the UK and Republic of Ireland, and comply with Irish Statutes comprising the Companies Act, 2014.

Due to the nature of the Company's business and the type of transactions the Company is engaged in, the Directors have adapted the profit and loss account to suit the circumstances of the business in accordance with Section 4(5) of Schedule 3 of the Act 2014. The format and certain wording of the financial statements have been adapted from those contained in the Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business. In the opinion of the Directors, the financial statements with the noted changes provide the information required by the Act 2014. They have been prepared under the historical cost convention as modified by the revaluation of financial assets, derivative financial instruments and Notes issued. The financial statements are presented in Euro.

Going concern

The Series in issue at the date of signing this report have maturity dates over the period to 21 December 2037. It is also noted that Barclays Bank Plc, under a disbursement agreement, fund the expenses of the Company. The Directors are not aware of any circumstances which raise concern over the preparation of the financial statements on a going concern basis and also anticipate that the financial assets will continue to generate enough cash flow on an on-going basis to meet the Company liabilities as they fall due.

(b) Basis of measurement

In accordance with FRS 102, the Company has opted to apply the recognition and measurement requirements of IAS 39 Financial Instruments: "Recognition and Measurement to its financial instruments" that fall in scope of Sections 11 and 12 of FRS 102. In addition, the presentation and disclosure requirements of FRS 102 have been applied as required by that latter standard.

The majority of the Company’s financial instruments are classified in categories that require measurement at fair value through profit or loss, with basis for arriving at this position being set out below.

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value through the profit or loss:

- derivative financial instruments;
- financial assets designated as at fair value through profit and loss; and
- financial liabilities designated as at fair value through profit and loss.

(c) Functional and presentation currency

The financial statements are presented in Euro ("EUR") which is the Company’s functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The issued share capital of the Company is denominated in Euro. Although currently a large value of assets are held in British Pound, the Directors of the Company believe that Euro most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1 Significant accounting policies (continued)

(d) Use of estimates and judgments (continued)

Key sources of estimation uncertainty: Fair value of financial instruments

Determining fair values
The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy (e) "Fair value measurement principles". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgments in applying the Company's accounting policies

The Company's accounting policy on fair value measurements is discussed under note (e) "Financial Instruments: Fair value measurement principles".

(e) Financial instruments

The financial instruments held by the Company include the following:

- Investment securities;
- Derivative financial instruments; and
- Debt securities issued.

Classification
A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated as at fair value through profit or loss.

Investment securities (financial assets)
Investment securities held by the Company include quoted and unquoted bonds, preference shares and liquidity funds. All investment securities are designated at fair value through profit or loss.

Initial measurement
Investment securities are measured at fair value through profit or loss at inception.

Subsequent measurement
Investment securities are subsequently measured at fair value through profit or loss, with any gain or loss arising from changes in fair value recognised in the Statement of comprehensive income. Fair value is determined in the manner described below under 'Fair value measurement principles'.

Derivative financial instruments
Derivative financial instruments include all derivative assets and liabilities that are not classified as trading assets or liabilities.

Initial measurement
Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and their performance evaluated on a fair value basis.

Profits or losses are only recognised on initial recognition of derivatives when there are observable current market transactions or valuation techniques that are based on observable market inputs. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

1 Significant accounting policies (continued)

(e) Financial instruments (continued)

Derivative financial instruments (continued)

Subsequent measurement

Derivative financial instruments are subsequently measured at fair value through profit or loss, with any gain or loss arising from changes in fair value recognised in the Statement of comprehensive income. Fair value is determined in the manner described below under 'Fair value measurement principles'.

For derivatives not held for trading and not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in the Statement of comprehensive income as a component of the fair value movement on derivatives. Derivatives are included in 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 on a net basis.

Debt securities issued (financial liabilities)

Initial measurement

The debt securities issued are initially measured at fair value on the date the debt securities are issued.

Subsequent measurement

The debt securities issued are subsequently measured at fair value and are liabilities at fair value through profit or loss when either it eliminates or significantly reduces an accounting mismatch or, they contain an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract. Fair value is determined in the manner described below under 'Fair value measurement principles'.

Recognition

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities designated as at fair value through profit or loss are recorded in the Statement of comprehensive income.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the Statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

1 Significant accounting policies (continued)

(e) Financial instruments (continued)

Fair value measurement principles

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets, where these are available. For all other financial instruments, the fair values have been estimated by management in the absence of readily determinable market prices. Management's estimates are based on values obtained from the arranging investment bank, which may be determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data. Valuation techniques used include net present value techniques, discounted cash flow analysis, comparison to similar instruments for which market observable prices exist and other commonly used valuation techniques. If actual transaction prices were available for the financial instruments, or different assumptions were used, the valuations may be different from those presented and those differences could be material. Therefore, the realisable value of the financial instruments may differ significantly from the fair value recorded.

When entering into a transaction, the financial instrument is recognised initially at the transaction price, which is the best indicator of fair value, although the value obtained from the valuation model may differ from the transaction price. This initial difference in fair value indicated by valuation techniques is recognised in income depending upon the individual facts and circumstances of each transaction and not later than when the market data becomes observable.

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risk, bid-ask spreads, liquidity risks, as well as other factors. These valuation adjustments are considered to be necessary and appropriate to fairly state financial instruments carried at fair value on the Statement of financial position.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimates cash flows etc. and therefore, cannot be determined with precision.

The fair value of financial liabilities is calculated on a residual interest basis.

(f) Fair value movement on financial assets

Fair value movement on financial assets relates to investments in securities and includes realised and unrealised fair value changes.

(g) Fair value movement on derivative financial instruments

Fair value movement on derivative financial instruments relates to the swaps held for risk management purposes and includes all realised and unrealised fair value changes and foreign exchange differences.

(h) Fair value movement on debt securities issued at fair value through profit or loss

Fair value movement on debt securities issued at fair value comprises realised and unrealised fair value changes and foreign exchange differences.

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in Statement of comprehensive income.

1 Significant accounting policies (continued)

(j) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the financial year, using the tax rates applicable to the Company's activities enacted or substantially enacted at the Statement of financial position date, and adjustments to tax payable in respect of previous financial years.

(k) Cash at bank

Cash and cash equivalents includes cash held with banks which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

(l) Operating income and expenses

All operating income and expenses are accounted for on an accruals basis.

(m) Share capital

Share capital is issued in Euro. Dividends are recognised as a liability in the financial year in which they are approved.

(n) Interest income and interest expense

Interest income and interest expense on all financial instruments is accrued on an accrual basis, by reference to the principal outstanding and the effective interest rate applicable.

(o) Debtors

Debtors consist of accrued income receivable on financial instruments and prepayments of operating expenses accounted for on an accruals basis.

(p) Creditors

Creditors consist of accrued expenses payable on financial instruments and amounts payable to the arranger.

2 Interest income and similar income

	Financial year ended 31-Mar-23 EUR	Financial year ended 31-Mar-22 EUR
Interest income on financial assets at fair value through profit and loss	16,701,281	13,473,870
Interest income on derivative financial instruments	3,700,727	687,161
	20,402,008	14,161,031

3 Other income

	Financial year ended 31-Mar-23 EUR	Financial year ended 31-Mar-22 EUR
Income from swap counterparty relating to operational expenses	123,064	72,806
Other income	11,267	11,966
Bank interest	-	2
	134,331	84,774

4 Interest expense and similar charges

	Financial year ended 31-Mar-23 EUR	Financial year ended 31-Mar-22 EUR
Interest expense on financial liabilities	16,688,231	13,442,527
Interest expense on derivative financial instruments	3,682,898	688,234
	20,371,129	14,130,761

5 Operating expenses

	Financial year ended 31-Mar-23 EUR	Financial year ended 31-Mar-22 EUR
Other expenses	72,536	45,478
Administration expenses	38,562	32,548
Audit fees	37,192	20,018
Directors’ fees	12,000	12,000
Tax fee	4,920	5,000
	165,210	115,044

The Company is administered by Apex IFS Limited and accordingly has no employees (2022: None).

Auditor’s remuneration (exclusive of VAT)	Financial year ended 31-Mar-23 EUR	Financial year ended 31-Mar-22 EUR
Audit of individual Company accounts	25,000	15,500
Tax advisory services	4,000	4,000
	29,000	19,500

6 Tax on profit on ordinary activities

	Financial year ended 31-Mar-23 EUR	Financial year ended 31-Mar-22 EUR
Corporation tax at 25%	-	-

The Company is charged corporation tax at the standard rate of 25% (2022: 25%).

The Company continues to be taxed at 25% as a Section 110 vehicle under the Taxes Consolidation Act, 1997 (2022: 25%).

7 Financial assets at fair value through profit or loss

	31-Mar-23 EUR	31-Mar-22 EUR
Corporate bonds	578,200,343	748,091,386

Information regarding the credit, liquidity and interest rate profile of these financial assets is included in note 15 to the financial statements (Financial instruments and associated risks).

	31-Mar-23 EUR	31-Mar-22 EUR
Opening balance	748,091,386	764,778,998
Fair value movement	(169,891,043)	(16,687,612)
Closing balance	578,200,343	748,091,386

8 Debtors

	31-Mar-23	31-Mar-22
	EUR	EUR
Accrued interest receivable	4,363,171	3,672,193
Accrued swap income receivable	1,008,290	967,860
Income receivable from Arranger	123,699	81,787
Other debtors	59,910	61,294
	5,555,070	4,783,134

9 Cash and cash equivalents

	31-Mar-23	31-Mar-22
	EUR	EUR
Allied Irish Banks Plc	23,988	27,398
Bank of New York Mellon	444,331	397,851
	468,319	425,249

10 Derivative financial instruments

	31-Mar-23	31-Mar-22
	EUR	EUR
Derivative financial instruments	248,817,722	346,378,838
Opening balance	346,378,838	315,532,774
Fair value movement	(97,561,116)	30,846,064
Closing balance	248,817,722	346,378,838

Derivative financial instruments have been entered into by the Company for Series 17. On Series 17, the fixed and floating notional amount is GBP 150m and the swap is due to mature on 15 July 2036. On 5 December 2018, the swap was terminated, together with the Note and underlying assets. All the derivatives relate to swaps with Barclays Capital Plc, with a view to matching the cash flows on the investment securities held and the cash flows on the Notes in issue. The contractual provisions ensure that the Company will be able to meet their obligations to the noteholders as they fall due. Certain derivative financial instruments have bespoke features with exposure to underlying indices, investment securities or currencies. Further details are included in note 15 (d) Credit risk, note 15 (e) (iii) Price risk, which sets out the fair value of the derivatives and note 15 (f) Liquidity risk which sets out the various cash flows of derivatives and financial liabilities.

11 Creditors

	31-Mar-23	31-Mar-22
	EUR	EUR
Accrued interest payable	4,373,207	3,664,916
Accrued swap expense payable	994,664	989,284
Other creditors	468,319	425,249
Accrued expenses	112,360	71,316
Net Swaps payable by Arranger	17,221	-
	5,965,771	5,150,765

12 Financial liabilities at fair value through profit and loss

	31-Mar-23	31-Mar-22
	EUR	EUR
Debt securities issued	329,382,621	401,712,548

	31-Mar-23	31-Mar-22
	EUR	EUR
Opening balance	401,712,548	449,246,224
Fair value movement	(72,329,927)	(47,533,676)
Closing balance	329,382,621	401,712,548

12 Financial liabilities at fair value through profit and loss (continued)

Series	Interest rate basis	CCY	31-Mar-23	31-Mar-22
Series 17*	GBP-SONIA + 0.2766% per annum**	GBP	150,000,000	150,000,000
Series 29	4.79924% secured fixed rate	GBP	225,000,000	225,000,000

The Notes were issued as follows:	Issue date	Maturity date
Series 17	27-Sep-06	15-Jul-36
Series 29	21-Dec-06	21-Dec-37

The repayment of the Notes and related interest by the Company is conditional upon the performance of the investments held. The Notes are exposed to the credit risk of the investments held and therefore there is no guarantee that the noteholder will receive the full principal amount of the Notes and interest thereon. Due to the limited recourse aspects of the Notes, the value will be equal to the value of the underlying collateral and swaps.

* In December 2016, Barclays Bank plc (BBPLC) purchased the entire issuance of the Dali Series 17 Notes (Dali Notes) from the market. Risks associated with Dali Series 17's holding of Northumbrian Water bonds were then hedged through a securities loan to BBPLC and sale of the bonds to the market. In July 2018, BBPLC transferred the Dali Notes to a wholly owned subsidiary, and transferred the related Securities Loan, Inflation Swap and Liquidity Loan to another wholly owned subsidiary. The Limited recourse nature of the Notes, and the incremental Credit risk have not changed from the Company's perspective following this transaction.

** A representative statement event, which is a reference rate event has occurred in respect of the Notes on 16 December 2021. The replacement reference rate will be the GBP-SONIA and the adjustment spread will be 0.2766 percent, per annum.

13 Called up share capital presented as equity

	31-Mar-23 EUR	31-Mar-22 EUR
Authorised:		
100,000 Ordinary shares of EUR 1 each	100,000	100,000
Allotted, called-up:		
7 Ordinary shares of EUR 1 each	7	7
39,993 Ordinary shares of EUR 1 each part paid at 25 cents each	39,993	39,993
	40,000	40,000

14 Charges

The Notes issued in respect of each Series are secured by way of mortgages over the collateral pledged by the respective Series, and by an assignment of a fixed first charge of the Company's rights, title and interest under respective swap agreement for each Series.

15 Financial instruments and associated risks

(a) Risk management

The Company is exposed to a variety of financial risks as a result of its activities. These risks include credit risk, market risk (interest rate risk, currency risk and price risk) and liquidity risk. The properties of the Company's financial liabilities, is matched to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk. The potential adverse effects of these risks on the Company's financial performance are monitored and managed by appropriate methods as discussed below.

The Company's obligations under the debt securities issued and related financial instruments are secured by the investment securities as per note 7 to the financial statements. The investors' recourse per Series is limited to the assets of that particular Series.

15 Financial instruments and associated risks (continued)

(a) Risk management (continued)

The Company was set up as a segregated multi issuance SPV which ensures that if one Series defaults, the holders of that Series do not have the ability to reach other assets of the Company, resulting in the Company's bankruptcy and the default of the Series of Notes. The segregation criteria include the following:

- The Company is a bankruptcy remote SPV, incorporated in Ireland;
- The Company issues separate Series of debt obligations;
- Assets relating to any particular Series of debt securities are held separate and apart from the assets relating to any other Series; and
- Any swap transaction entered into by the Company for a Series is separate from any other swap transaction for any other Series.

The Company's investment securities as per note 7 to the financial statements contain the following:

SERIES	NOTES DESCRIPTION	CCY	NOMINAL	MATURITY DATE	FAIR VALUE EUR
Series 17	Northumbrian Water Finance Plc	GBP	150,000,000	15-Jul-36	327,360,660
Series 29	Western Power Distribution Fixed Rate	GBP	225,000,000	21-Dec-37	250,839,684

(b) Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from the Company's operations.

The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All management and administration functions are outsourced to Apex IFS Limited.

(c) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Company's overall strategy remains unchanged since prior financial years.

The capital structure of the Company consists of debt, which includes the Notes payable disclosed in note 12 to the financial statement, derivatives and equity comprising issued capital and retained earnings as disclosed in note 13 to the financial statements.

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Notes have limited recourse to the financial assets in the case of each specific individual Series. Therefore the noteholders are exposed to:

Credit risk relating to investment securities held. The Company's exposure and the credit ratings of its counterparties are continuously monitored by the arranger. The investments are made in line with the Series documentation in each case. The following table details the aggregate investment grade of the debt instruments, as rated by well-known rating agencies.

Investment Securities	S&P	Moody's	S&P	Moody's
	2023	2023	2022	2022
Northumbrian Water	BBB+	Baa1	BBB+	Baa1
Western Power Distribution	BBB+	Baa3	BBB+	Baa3

Geographical Analysis	2023	2022
UK	100%	100%

15 Financial instruments and associated risks (continued)

(d) Credit risk (continued)

Credit risk relating to the swap counterparty. The credit risk on cash transactions and transactions involving derivative financial instruments is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies. All derivative instruments entered into are with the swap counterparty. The current rating of Barclays Bank Plc by Standard & Poor's is A-1 (2022: A-1).

Credit risk relating to the exposures underlying the derivative financial instruments. As outlined in note 10 to the financial statements, certain of the derivative financial instruments have bespoke features with exposure to underlying indices and investment securities. Therefore the Company's exposure regarding credit risk, includes these elements. The Company monitors the credit risk exposures by reference to whether there are any defaults in relation to the investment securities or payments by the swap Counterparty. As at 31 March 2023, there have been no defaults (2022: no default).

In July 2018, Series 17 Notes underwent a re-structure whereby the owner of the Notes, Barclays Bank PLC (BBPLC) transferred the Notes to a wholly owned subsidiary. Furthermore, BBPLC transferred the related loan and swap to another of it's wholly owned subsidiaries. There is no overall credit risk that affects the Company, following the re-structure and the underlying assets remain unchanged, as does the limited recourse nature of the Notes liability.

(e) Market risk

Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of financial instruments. The noteholders are exposed to the market risk on the portfolio of financial assets and derivative financial instruments. The Company enters into a variety of derivative financial instruments to manage the noteholder's exposure to interest rate and foreign currency risk. Please refer to note 10 to the financial statements for further details on the derivative financial instruments.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The noteholders receive the principal and interest repayments in the currency stated on the Notes. The currency risk arising from portfolio instruments cash and settlement balances denominated in currencies other than the functional currency of the Company are managed through the matching of the currency denomination of the Company's financial liabilities to its assets.

The gross foreign currency exposure of the Company in Euro equivalents is presented below:

	31 March 2023		**31 March 2022**	
	Asset	**Liabilities**	**Asset**	**Liabilities**
	EUR	**EUR**	**EUR**	**EUR**
GBP	578,200,343	578,200,343	748,091,386	748,091,386
Total	578,200,343	578,200,343	748,091,386	748,091,386

Sensitivity analysis

On 31 March 2023, had the Euro strengthened against the above currencies by 10% with all other variables held constant, the net assets of the Company would have decreased by EUR 57,820,034 (2022: EUR 74,809,139) before the impact of derivative financial instruments used to manage this risk. If the Euro weakened against the above currencies by 10% with all other variables held constant, the net assets of the Company would have increased by EUR 57,820,034 (2022: EUR 74,809,139) before the impact of derivative financial instruments used to manage this risk.

15 Financial instruments and associated risks (continued)

(e) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The following table provides an analysis of the interest rate profile of the Company's portfolio as at 31 March 2023 on a fair value basis:

	Total	**Weighted average rate**
Assets	EUR	%
Non interest bearing	5,555,070	N/A
Fixed interest rate investment securities	250,839,684	4.80%
Floating interest rate investment securities	327,360,659	2.92%
Cash and cash equivalents	468,319	0.00%
	584,223,732	
Liabilities		
Non interest bearing	5,965,771	N/A
Fixed interest rate debt securities	250,839,684	4.80%
Floating rate debt securities	78,542,937	2.92%
	335,348,392	

The following table provides an analysis of the interest rate profile of the Company's portfolio as at 31 March 2022 on a fair value basis:

	Total	**Weighted average rate**
Assets	EUR	%
Non interest bearing	4,783,134	N/A
Fixed interest rate investment securities	323,361,673	4.80%
Floating interest rate investment securities	424,729,713	0.48%
Cash and cash equivalents	425,249	0.00%
	753,299,769	
Liabilities		
Non interest bearing	5,150,765	N/A
Fixed interest rate debt securities	323,361,673	4.80%
Floating rate debt securities	78,350,875	0.47%
	406,863,313	

(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 currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Company's overall market positions are monitored on a regular basis by the Arranger.

15 Financial instruments and associated risks (continued)

(e) Market risk (continued)

(iii) Price risk (Continued)

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets, where these are available. For all other financial instruments, the fair values of which have been estimated by management in the absence of readily determinable market prices. Management's estimates are based on values obtained from the arranging investment bank, which have been determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data. Valuation techniques used include net present value techniques, discounted cash flow analysis, comparison to similar instruments for which market observable prices exist and other commonly used valuation techniques. If actual transaction prices were available for the financial instruments, or different assumptions were used, the valuations may be different from those presented and those differences could be material. Therefore, the realisable value of the financial instruments may differ significantly from the fair value recorded.

When entering into a transaction, the financial instrument is recognised initially at the transaction price, which is the best indicator of fair value, although the value obtained from the valuation model may differ from the transaction price. This initial difference in fair value indicated by valuation techniques is recognised in income depending upon the individual facts and circumstances of each transaction and not later than when the market data becomes observable.

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risk, bid-ask spreads, liquidity risks, as well as other factors.

These valuation adjustments are considered to be necessary and appropriate to fairly state financial instruments carried at fair value in the Statement of financial position.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimates cash flows etc. and therefore, cannot be determined with precision.

In accordance with IFRS 7 Financial instruments: Disclosure (amended); an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy shall have the following levels:

(a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
(c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations (Level 1). For all other financial instruments the Company determines fair values using valuation techniques of the arranging investment bank, as described above.

At the reporting date, the carrying amount of the investment securities, derivative financial instruments and debt securities issued by the Company where fair values were determined, in full or in part, by reference to published price quotations and determined using valuation techniques are as follows:

31 March 2023	Valuation technique observable parameter Level 2	Valuation technique observable parameter Level 3	Total fair value
	EUR	EUR	EUR
Investment securities	578,200,343	-	578,200,343
Debt securities issued	(329,382,621)	-	(329,382,621)
Derivative financial instruments	(248,817,722)	-	(248,817,722)
	-	-	-

15 Financial instruments and associated risks (continued)

(e) Market risk (continued)

(iii) Price risk (continued)

Various assumptions and inputs are used in the valuation techniques including risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length. It is not practical to describe the sensitivity analysis of the above fair values to changes in the underlying assumptions, due to the complexities involved.

31 March 2022	**Valuation technique observable parameter Level 2**	**Valuation technique observable parameter Level 3**	**Total fair value**
	EUR	**EUR**	**EUR**
Investment securities	748,091,386	-	748,091,386
Debt securities issued	(401,712,548)	-	(401,712,548)
Derivative financial instruments	(346,378,838)	-	(346,378,838)
	-	-	-

Sensitivity analysis
Any changes in the quoted prices of the investment securities held by the Company would not have any effect on the equity or the Statement of Comprehensive Income of the Company as any fair value fluctuations are ultimately borne by either the swap counterparty (if applicable) or the holders of the debt securities issued by the Company.

If the market prices of investment securities and derivative financial instruments held by the Company at 31 March 2023 and 31 March 2022 had increased or decreased by 10%, with all other variables held constant, this would have increased or reduced the carrying value of debt securities issued by EUR 32,938,262 (2022: EUR 40,171,255).

(f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company tries to match the properties of its financial liabilities to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations.

The following table details the Company's liquidity analysis for its financial liabilities. The table has been drawn up based on the undiscounted contractual cash flows on the financial liabilities.

The following are the contractual maturities of financial liabilities including undiscounted interest payments and excluding the impact of netting agreements.

31 March 2023	**Carrying amount**	**Less than one year**	**Between two to five years**	**More than five years**
	EUR	**EUR**	**EUR**	**EUR**
Derivative liabilities	248,817,722	-	-	248,817,722
Financial liabilities	329,382,621	20,353,147	-	329,382,621
Other liabilities	5,965,771	5,965,771	-	-
	584,166,114	26,318,918	-	578,200,343

15 Financial instruments and associated risks (continued)

(f) Liquidity risk (continued)

31 March 2022	Carrying amount EUR	Less than one year EUR	Between two to five years EUR	More than five years EUR
Derivative liabilities	346,378,838	-	-	346,378,838
Financial liabilities	401,712,548	17,127,195	-	401,712,548
Other liabilities	5,150,765	5,150,765	-	-
	753,242,151	22,277,960	-	748,091,386

The gross contractual cashflows for debt securities issued above are based on the assumption that no payment calls will be made in the event of credit events until maturity.

The derivative balances represent the present value of all future cashflows. The Directors believe that this best represents the cashflows that would have had to be paid if these positions had to be closed out at the financial year end. Derivative balances shown within "carrying value" are shown as less than one year as management believes this most accurately reflects the short term nature of these activities. The contractual maturity of the instruments may however extend over significantly longer periods.

The Company's obligation to the noteholders of a particular Series is limited to the net proceeds upon realisation of the collateral of that Series. Should the net proceeds be insufficient to make all payments due in respect of a particular Series of Notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the noteholders and the Swap Counterparty according to established priorities.

The expediency and proceed amounts from realising the collateral of each Series is subject to market conditions.

16 Related party transactions

During the financial year, the Company incurred a fee of EUR 38,562 (2022: EUR 32,548) relating to administration services provided by Apex IFS Limited. At the financial year end, an amount of EUR 22,644 (2022: EUR 3,750) was due to Apex IFS Limited.

Also, Barclays Bank Plc, the arranging investment bank to the transaction has acted as swap counterparty to each of the Series as outlined in note 10 to the financial statement. Details on the relevant transactions are included in notes 2, 4 and 10 to the financial

Barclays Bank Plc, as Arranger, covers all operating expenses of the Company.

The Directors are independent and have been paid a fee of EUR 6,000 (2022: EUR 6,000) each per annum, upon which the usual revenue deductions are applied.

17 Subsequent events

On 28 September 2023, the Note 17 has been fully repurchased by Barclays Ireland Investment L.P (the Noteholder).

There were no other subsequent events that require disclosure to the financial statements.

18 Ownership of the Company

The principal shareholder in the Company is Apex Group Trustee Services Limited (39,994 shares). In addition, Apex Group Nominees Limited, Apex Group Nominees 1 (UK) Limited, Apex Group Nominees 2 Limited, Apex Group Nominees 3 Limited, Apex Group Nominees 4 Limited and Apex Group Nominees 5 Limited hold one share each in the Company.

19 Approval of the financial statements

The financial statements were approved and authorised by the Board on 11 March 2024.