ALEXANDRIA CAPITAL PUBLIC LIMITED COMPANY

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Company Registration No: 373534

ALEXANDRIA CAPITAL PUBLIC LIMITED COMPANY

CONTENTS

DIRECTORS AND OTHER INFORMATION

DIRECTORS	Christian Currivan (Irish) Roddy Stafford (Irish)
ADMINISTRATOR AND COMPANY SECRETARY	Apex IFS Limited 2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland
REGISTERED OFFICE	2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland
ARRANGER, SWAP COUNTERPARTY AND LISTING AGENT	Commerzbank AG 30 Gresham Street London EC2P 2XY United Kingdom
BANK	AIB Irish Bank Plc Ashford House P.O. Box 518 Tara Street Dublin 2 Ireland
INDEPENDENT AUDITOR	Grant Thornton Chartered Acccountants and Statutory Audit Firm 13-18 City Quay Dublin 2, D02 ED70 Ireland
SOLICITORS	A & L Goodbody Solicitors International Financial Services Centre North Wall Quay Dublin 1 Ireland
CUSTODIAN AND BANK	HSBC Bank Plc 8 Canada Square London E14 5HQ United Kingdom
TRUSTEE	HSBC Trustee (C.I.) Limited HSBC House Esplanade St Helier JE1 1GT Jersey Channel Islands

DIRECTORS' REPORT

The Board of Directors (the "Directors") present the annual report and audited financial statements of Alexandria Capital Public Limited Company (the "Company") for the financial year ended 31 December 2023.

Principal activities, business review
The Company with a registered address of 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland was incorporated on 16 July 2003 as a public limited company under the Irish Companies Act 2014.

The business of the Company is limited to acquiring and holding certain financial assets (the "Charged Assets"), issuing securities up to a maximum aggregate nominal amount outstanding at any one time of $6,000,000,000 or its equivalent in other currencies, entering into swap agreements (the "Swap Agreements") and performing its obligations and exercising its rights there under and entering into other related transactions.

The Company has issued series (the "Series") of notes (the "Notes") that are listed on Main Securities Market of Euronext Dublin to investors and entered into swaps transactions with Commerzbank AG, the ("swap counterparty" and the "arranger") to provide interest risks protection in respect of the Charged Assets. The Company's obligation under each Series of Notes is limited recourse to the securities for that particular Series of Notes. As at 31 December 2023, there was one Series in issue, Series 2007-1 (2022: Series 2007-1).

Under Series 2007-1, the Company has entered into Swap Agreements with the Swap Counterparty, whereby the Company pays interest and principal due on the Charged Assets to the Swap Counterparty and the Swap Counterparty pays the Company interest and principal due on the financial liabilities. The Swap Agreements will be terminated on the maturity date but may be terminated early in certain circumstances.

The Company's obligations under the Notes and swaps are secured by the Charged Assets purchased by the Company.

The Company transferred the proceeds of the financial liabilities to the Swap Counterparty, in return the Swap Counterparty transferred to the Company certain qualifying assets so as to ensure that the aggregate value of the qualifying assets is equal to the aggregate value of the principal amounts outstanding of the Notes. At 31 December 2023, the financial assets consist of a Note issued by Skylark Limited, a company incorporated in the Cayman Islands, which take their valuation from a bond issued by National Grid Gas Plc (ISIN XS0293033717).

Key performance indicators
During the financial year:
- the Company made a profit after tax of EUR nil (2022: EUR nil);
- the Company made a net gain on financial assets of EUR 12,503,249 (2022: net loss of EUR 55,002,794);
- the Company's net loss on derivative financial instruments amounts to EUR 12,398,308 (2022: net gain of EUR 40,898,075);
- the Company's net loss on financial liabilities amounts to EUR 104,940 (2022: net gain of EUR 14,104,719); and
- the Company did not issue any new Series during the financial year (2022: nil).

As at 31 December 2023:
- the Company's total financial liabilities designated at fair value through profit or loss was EUR 29,144,634 (2022: EUR 31,700,783);
- the Company has invested EUR 97,310,163 (2022: EUR 86,624,394) in financial assets;
- the net assets of the Company was EUR 55,292 (2022: EUR 55,292); and
- the Company's derivative financial instruments was EUR 68,165,529 (2022: EUR 54,923,612).

Future developments
The Directors expect the current level of activities to continue 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 during the financial year ended 31 December 2023 (2022: EUR Nil).

Directors, secretary and their interests
Roddy Stafford and Christian Currivan held the position of Directors of the Company and Apex IFS Limited held the position of Company secretary during the financial year. The Directors and Company secretary had no interests in the share capital of the Company at the beginning, during or end of the financial year.

Corporate administrator
Apex IFS Limited (the "Corporate Administrator") provides administration services to the Company at arm's length commercial rates.

Accounting records
The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the adequate accounting records by engaging consultants or service providers with the right experience and by providing adequate resources to the financial function. The accounting records of the Company are maintained at Apex IFS Limited, 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland.

Principal risks and uncertainties
The Company's principal risks and uncertainties derive from the performance and returns achieved on the noteholders' (the "Noteholders") behalf through the Charged Assets and related Swap Agreements. The potential occurrence of a credit event would also affect the performance of the Company. The key risks facing the Company are credit risk, liquidity risk, market risk and operational risk. The Risk management framework in place to deal with these risks (other than operational risk) are set out in note 17 of the financial statements.

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

Operational risk arises from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined above. All accounting and administration functions have been outsourced by the Company to Apex IFS Limited.

Political donations
The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over EUR 200 (2022: EUR 200) in aggregate made during a financial year. The Directors, on enquiry, have satisfied themselves that no such donations have been made by the Company during the financial year to 31 December 2023 (2022: EUR Nil).

CORPORATE GOVERNANCE STATEMENT

Introduction
The Company is subject to and complies with Irish Statute comprising the Companies Act 2014 and the Listing Rules of Main Securities Market of 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 Directors are 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 Directors have established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing Apex IFS Limited (the "Administrator") to maintain the accounting records of the Company independent of the arranger and the custodian. The Administrator is contractually obliged to assist the Company 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 custodian.

The Directors evaluate and discusses significant accounting and reporting issues as the need arises. From time to time the Directors also examine and evaluate the Administrator's financial accounting and reporting routines and monitor and evaluate 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 Directors.

Risk Assessment
The Directors are 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 Directors have 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)

Control Activities
The Administrator maintains control structures to manage the risks which the Directors judge 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.

The Company does not have any agreements that take effect, alter or terminate upon a change of control of the Company. The Company also does not have any agreements between itself and the Directors providing for compensation for loss of office or employment that occurs because of a bid.

The Directors delegate the asset valuation function to Commerzbank AG, which operates a sophisticated system of controls to ensure appropriate valuation of the assets. All the values for the financial instruments held by the Company have been provided by the Swap Counterparty. All the values for the financial liabilities issued by the Company have been based on the fair value of financial assets and derivative financial instruments. In our opinion, Commerzbank AG are the most appropriate and reliable source of such information in their capacity as the Swap Counterparty. We are satisfied that the amounts as stated in the Company's financial statements represent a reasonable approximation of those values.

Monitoring
The Directors have an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor.

Given the operations performed by the Administrator, the Directors have concluded that there is currently no need for the Company to have a separate internal audit function in order for the Directors to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Refer to disclosure on Audit Committee where the Company has availed of this requirement.

Capital Structure
No individual, including any individual Director has any special rights of control over the Company's share capital, including issuance or buying back of the Company's share. However, the Directors of the Company have authority to issue or buy back shares of the Company.

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 Companies Acts 2014 and the Listing Rules of Main Securities Market of Euronext Dublin. The Articles of Association themselves may be amended by special resolution of the shareholders. The shareholders of the Company are disclosed in note 18 to the financial statements.

The European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (S.I. 255 of 2006) is not applicable as the Company does not have any transferable securities carrying voting rights listed on a regulated market.

Powers of directors
The Directors are 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 of 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.

Audit committee

Under Section 1551 (11)(c) of the Companies Act 2014, the Company is exempt from the requirement to establish an audit committee as the Company acts as an issuer of asset backed securities. The Directors have availed of this exemption.

Given the contractual obligations of the Administrator and the limited recourse nature of the securities issued by the Company, the Directors have concluded that there is currently no need for the Company to have a separate audit committee in order for the Directors to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Company has availed itself of the exemption under Section 1551 (11)(c) of the Companies Act 2014.

Statement on relevant audit information

Each director at the date of approval of this report confirms that:

(a) so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) 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 auditors are aware of this information.

Events after the reporting year end

Events after the reporting year end have been disclosed in note 20 to the financial statements.

Independent auditor

Grant Thornton, Chartered Accountants and Statutory Audit Firm, have been appointed on 5 May 2022 by the Directors as auditors for the Company. In accordance with Section 383(2) of the Companies Act 2014, Grant Thornton, have expressed their willingness continue in office.

Going concern

The response to the impact of geopolitical events and other economic special features like interest rate increases, inflation or an economic slowdown is set out in the principal risks and uncertainties section above.

The Directors have concluded that impact of geopolitical events and other economic special features like interest rate increases, inflation or an economic slowdown does not represent a material uncertainty in relation to the Company's ability to continue as a going concern through the date of issuance of these financial statements. Further details regarding the adoption of the adoption of the going concern basis in preparing the financial statements can be found in the basis of preparation (Note 2).

Based on all the information available at present, the directors also believe that the Company has sufficient funds to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis.

Directors' Compliance Policy Statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in Section 225(2) of the Companies Act 2014 and hereby confirm that they have completed the following:

- drafted and reviewed a Compliance Policy Statement, setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company;
- put in place appropriate arrangements and structures that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations; and
- a review has been conducted during the financial year, of the arrangements and structures that have been put in place to secure the Company's compliance with its relevant obligations.

On behalf of the Directors

Roddy Stafford	**Christian Currivan**
Director	**Director**

Date:14 November 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with the Irish law and regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under Irish company law, the Directors have elected to prepare the financial statements in accordance with FRS 102 "The FInancial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and the Companies Act 2014.

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

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

- select suitable accounting policies for the Company's financial statements 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 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 business.

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 and loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the requirements of Companies Act 2014, the Listing Rules of Main Securities Market of Euronext Dublin and enable the financial statements to be audited.

The Directors 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 have compiled with the aforementioned requirements.

On behalf of the Directors

Roddy Stafford	**Christian Currivan**
Director	**Director**

Date:14 November 2024

Independent auditor's report to the members of Alexandria Capital Public Limited Company

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Alexandria Capital Public Limited Company (or the "Company"), which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the Statement of cash flows for the financial year ended 31 December 2023, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, the Company's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and the financial position of the Company as at 31 December 2023 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (or "ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor 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 for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (or "IAASA"), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Company. 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 Board of Directors (or 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 use the going concern basis of accounting included:

- obtaining an understanding and evaluation of the Directors' assessment of the Company's ability to continue to use the going concerns basis of accounting;
- making inquiries with the Directors and reviewing board minutes available in order to understand the future plans;
- assessing the Company's current year financial performance and its year end financial position;
- assessing the terms of the Company's financial assets and the ability of the counterparties to meet their obligation;
- assessing the limited recourse nature of the Company's financial liabilities, the operation of the priorities of payment and redemption clauses applicable to the financial liabilities;
- assessing the capacity of the Company to continue to pursue its investment objective by assessing subsequent events up to and including the date of issuance of the financial statements; and
- assessing the adequacy of the disclosures with respect to the going concern assertion.

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 the date 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.

Independent auditor's report to the members of Alexandria Capital Public Limited Company (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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 the directing of 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 therefore we do not provide a separate opinion on these matters.

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved in determining the fair value of financial instruments that are not traded in an active market by using valuation techniques. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of potential bias by the Directors that represented a risk of material misstatement due to fraud.

Based on our considerations as set out below, our audit areas of focus included the

- valuation and existence of financial assets at fair value through profit or loss; and
- valuation and existence of derivative financial instruments.

How we tailored our audit scope

The Company is a special purpose vehicle, with listed debt, limited to acquiring and holding certain financial assets, issuing securities, entering into swap agreements and performing its obligations and exercising its rights there under and entering into other related transactions.

The Directors control the affairs of the Company and they are responsible for the overall investment policy which is determined by them. The Company engages the Arranger to manage certain duties and responsibilities with regards to the day-to-day management of the Company.

The Company has delegated certain responsibilities to the Corporate Administrator including maintenance of the accounting records. The financial statements, which remain the responsibility of the Directors, are prepared on their behalf by the Corporate Administrator. The Company has appointed the Custodian and Trustee to act as custodian and trustee of the Company's assets. 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.

We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of third party service providers, the accounting processes and controls, and the industry in which the Company operates.

In establishing the overall approach to our audit, we assessed the risk of material misstatement to the Company, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Corporate Administrator, Custodian, Arranger and Trustee and we assessed the control environment in place at the Corporate Administrator.

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the Company and its environment, the history of misstatements, the complexity of the Company and the reliability of the control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Company as follows: €974,000 (1% of total assets) as at 31 December 2023. Total assets was considered the most appropriate benchmark on which to base our materiality based on the activities of the Company and the significance of the assets they hold.

Independent auditor's report to the members of Alexandria Capital Public Limited Company (continued)

Key audit matters (continued)

Materiality and audit approach (continued)

We have set performance materiality for the Company at €731,000 (75% of materiality), having considered the risks within the Company, the control environment and the expectation of misstatements. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. The Company has outsourced the maintenance of its books and records to an independent third party who we have worked with previously and no history of controls issues or errors noticed.

We agreed with the Directors that we would report to them misstatements identified during our audit above 5% of materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Significant matters identified

The risks of material misstatement that had the greater effect on our audit, including the allocation of our resources and effort, are set out below as significant matters, together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements. This is not a complete list of all risks identified by our audit.

Significant matters	Description of significant matter and audit response
Valuation and existence of financial assets at fair value through profit or loss **(Notes 2d, 3b, 3f, 10 & 17d)**	There is a risk that the Company's financial assets at fair value through profit or loss do not exist and are not valued in line with FRS 102. Significant auditor's attention was deemed appropriate because of the materiality of the financial assets and also due to significant judgments and estimates required to measure financial assets classified under Level 3 of the fair value hierarchy. In addition, the valuation of financial assets is a key contributor to the financial performance of the Company. As a result, we considered this as a key audit matter. The following audit work has been performed to address the risks: • obtained and evaluated the design, implementation and maintenance of key controls relevant to the valuation and existence of the Company's financial assets at fair value through profit or loss by completing walkthroughs and management questionnaires; • obtained confirmation from the custodian of the existence of the financial assets at fair value through profit of loss and agreed the amounts to the accounting records; • assessed the reasonableness of the Company's valuation approach of the financial assets at fair value through profit or loss, we independently verified the inputs and challenged the Company's assessment regarding the valuation by testing the assumptions and accuracy of key inputs; and • assessed and challenged the fair value hierarchy classification and adequacy of disclosures made in the financial statements for compliance with FRS 102. Our planned audit procedures were completed without material exception.

Independent auditor's report to the members of Alexandria Capital Public Limited Company (continued)

Key audit matters (continued)

Significant matters identified

Significant matters	Description of significant matter and audit response
Valuation and existence of derivative financial instruments **(Notes 2d, 3b, 3g, 11 & 17d)**	There is a risk that the Company's derivative financial instruments do not exist and are not valued in line with FRS 102. Significant auditor's attention was deemed appropriate because of the materiality of the derivatives. In addition, the valuation of derivatives is a key contributor to the financial performance of the Company. As a result, we considered this as a key audit matter. The following audit work has been performed to address the risks: • obtained and evaluated the design, implementation and maintenance of relevant controls relating to the valuation and existence of the Company's derivative financial instruments by completing walkthroughs and management questionnaires; • obtained confirmation from the swap counterparty of the existence of the derivative financial instruments and agreed the amounts to the accounting records; • assessed the reasonableness of the Company's valuation approach of the derivative financial instruments independently verified the inputs and challenged the Company's assessment regarding the valuation by testing the assumptions and accuracy of key inputs; • engaged internal valuation specialists to develop an auditor's point of estimate or range based on an independent assessment of the valuation of the derivative financial instruments at the financial year end using an independent pricing source; and • assessed and challenged the fair value hierarchy classification and adequacy of disclosures made in the financial statements for compliance with FRS 102. Our planned audit procedures were completed without material exception.

Other information

Other information comprises information included in the annual report other than the financial statements and our auditor's report thereon, including the Directors' report. The Directors are responsible for the other information. 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, 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.

Grant Thornton

Independent auditor's report to the members of Alexandria Capital Public Limited Company (continued)

Matters on which we are required to report by the Companies Act 2014

- 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; and
- In our opinion, the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of the audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

Corporate governance statement

In our opinion, based on the work undertaken in the course of our audit of the financial statements, the description of the main features of the internal control and risk management systems in relation to the financial reporting process, included in the Corporate Governance Statement, is consistent with the financial statements and has been prepared in accordance with section 1373(2)(c) of the Companies Act 2014.

Based on our knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained during the course of the audit, we have not identified material misstatements in the Directors' report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by section 305 to 312 of the Companies Act 2014 have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities of those charged with governance for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine 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 has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditors report.

Independent auditor's report to the members of Alexandria Capital Public Limited Company (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (Ireland). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the Companies Act 2014, Euronext Dublin listing rules, Data Protection Acts and Anti-money laundering legislations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered how those laws and regulations that have a direct impact on the preparation of the financial statements such as the local law tax.

We evaluated 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 inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company's regulatory and legal correspondence and review of minutes of meetings during the year to corroborate inquiries made;
- gaining an understanding of the Company's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their accounting estimates, including valuation of the financial assets at fair value through profit or loss;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management; and
- the engagement partner assesses the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's:
    - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation.
    - knowledge of the industry in which the client operates.

Independent auditor's report to the members of Alexandria Capital Public Limited Company (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- understanding of the legal and regulatory requirements specific to the Company including the provisions of the applicable legislation, the regulators rules and related guidance (including guidance issued by relevant authorities that interprets those rules) and the applicable statutory provisions.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities.

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.

Report on other legal and regulatory requirements

We were appointed by the Directors on 5 May 2022. This is the third year we have been engaged to audit the financial statements of the Company.

We have not provided non-audit services prohibited by the IAASA's Ethical Standard and have remained independent of the Company in conducting the audit.

The audit opinion is consistent with the additional report to the Board of directors.

Sarah Bradley

For and on behalf of

Grant Thornton
Chartered Accountants & Statutory Audit Firm
Dublin
Ireland

18 November 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Notes	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
Net gain/(loss) on financial assets at fair value through profit or loss	4	12,503,249	(55,002,794)
Net (loss)/gain on financial liabilities designated at fair value through profit or loss	5	(104,940)	14,104,719
Net (loss)/gain from derivative financial instruments	6	(12,398,308)	40,898,075
OPERATING INCOME AND EXPENSES		1	-
Other income	7	85,840	81,585
Other expenses	8	(85,841)	(81,585)
PROFIT BEFORE TAXATION		-	-
Tax on ordinary activities	9	-	-
PROFIT AFTER TAXATION		-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		-	-

All items dealt with in arriving at the result for the above years related to continuing operations. The Company has not recognised gains or losses in the financial year other than those dealt with in the Statement of Comprehensive Income above.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	31-Dec-23 EUR	31-Dec-22 EUR
ASSETS			
NON CURRENT ASSETS			
Financial assets at fair value through profit or loss	10	97,310,163	86,624,394
CURRENT ASSETS			
Cash and cash equivalents	12	44,511	42,793
Other assets	13	56,983	81,924
TOTAL CURRENT ASSETS		101,494	124,717
CURRENT LIABILITIES			
Other liabilities	15	(46,202)	(69,424)
NET CURRENT ASSETS		55,292	55,293
TOTAL ASSETS LESS CURRENT LIABILITIES		97,365,455	86,679,687
NON-CURRENT LIABILITIES			
Derivative financial instruments	11	(68,165,529)	(54,923,612)
Financial liabilities designated at fair value through profit or loss	14	(29,144,634)	(31,700,783)
		(97,310,163)	(86,624,395)
NET ASSETS		55,292	55,292
CAPITAL AND RESERVES			
Called up share capital presented as equity	16	40,000	40,000
Retained earnings		15,292	15,292
SHAREHOLDERS' FUNDS		55,292	55,292

The financial statements were approved by the Directors for issue on 14 November 2024 and signed on its behalf by:

Roddy Stafford
Director

Date:14 November 2024

Christian Currivan
Director

Date:14 November 2024

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Notes	Called up share capital EUR	Retained Earnings EUR	Total EUR
Balance as at 1 January 2022		40,000	15,292	55,292
Total comprehensive income for the financial year		-	-	-
Balance as at 31 December 2022		40,000	15,292	55,292
Balance as at 1 January 2023		40,000	15,292	55,292
Total comprehensive income for the financial year		-	-	-
Balance as at 31 December 2023	16	40,000	15,292	55,292

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Notes	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit after taxation		-	-
Adjustments for:			
Net (gain)/loss on financial assets at fair value through profit or loss	4	(10,685,769)	56,635,845
Net loss/(gain) from derivative financial instruments	6	13,241,917	(39,400,294)
Net gain on financial liabilities designated at fair value through profit or loss	5	(2,556,149)	(17,235,551)
Interest income	4	(1,817,480)	(1,633,051)
Net swap income	6	(843,609)	(1,497,781)
Interest expense	5	2,661,089	3,130,832
(Decrease)/increase in other liabilities		(23,222)	27,666
Decrease/(Increase) in other assets		24,941	(27,847)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITES		1,718	(181)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received		1,817,480	1,633,051
NET CASH GENERATED FROM INVESTING ACTIVITIES		1,817,480	1,633,051
CASH FLOWS FROM FINANCING ACTIVITIES			
Swap income on derivative received		843,609	1,497,781
Interest expense paid		(2,661,089)	(3,130,832)
NET CASH USED IN FINANCING ACTIVITIES		(1,817,480)	(1,633,051)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,718	(181)
Cash and cash equivalents at start of the financial year		42,793	42,974
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		44,511	42,793

1 Corporate information

The Company is a public limited company, limited by shares incorporated under the laws of Ireland with company number 373534. The Company was incorporated on 16 July 2003 and is domiciled in the Republic of Ireland. The registered office of the Company is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland.

The Company is a special purpose company that has been established to acquire and hold Charged Assets, issuing Notes to investors, entering into Swap Agreements and performing its obligations and exercising its rights there under and entering into other related transactions. Series 2007-1 represents the current Company's listing on the Main Securities Market of Euronext Dublin.

The Company has no employees (2022: none) and administration services required are contracted to third parties.

2 Basis of preparation

The financial statements have been prepared for the financial year ended 31 December 2023. The presentation currency is EUR. Except as indicated, all amounts in the financial statements have been rounded to the nearest EUR.

(a) Basis of preparation and accounting convention

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention except for assets and liabilities as explained below. The 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" ("FRS 102") as issued by the Financial Reporting Council.

The response to the impact of geopolitical events and other economic special features like interest rate increases, inflation or an economic slowdown is set out in the principal risks and uncertainties section in the Directors' Report.

The Directors have concluded that impact of geopolitical events and other economic special features like interest rate increases, inflation or an economic slowdown does not represent a material uncertainty in relation to the Company's ability to continue as a going concern through the date of issuance of these financial statements. Further details regarding the adoption of the going concern basis in preparing the financial statements can be found in the notes below.

Based on all of the information available at present, the Directors also believe that the Company has sufficient funds to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis.

Based upon the Company's financial position, the Directors are satisfied that the going concern basis of accounting is appropriate.

(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 in Note 17(d) to the financial statements.

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 at fair value through profit or loss; and
- financial liabilities designated at fair value through profit or loss.

The following items are measured at amortised cost:

- other assets and other liabilities; and
- cash and cash equivalents

(c) Functional and presentation currency

These 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 Company operates. The issued share capital of the Company is denominated in EUR. The Directors of the Company believe that EUR most faithfully represents the economic effects of the underlying transactions, events and conditions.

2 Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 judgements 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 in future periods affected.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- **Fair value of financial instruments**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. In applying these techniques, the Company makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

  Any future change in the fair value of the financial assets and derivative financial instruments will have an equal but opposite impact on the financial liabilities.

  Because of the limited recourse nature of the Notes issued, the fair value of Notes issued by the Company (financial liabilities designated at fair value through profit or loss) is determined by reference to the fair value of associated financial assets at fair value through profit or loss and the fair value of derivative financial instruments.

  Refer note 17(d) to the financial statements for additional information on critical estimates and judgements relating to fair value measurement.

Critical judgements in applying accounting policies

Critical accounting judgements made in applying the Company's accounting policies include:

Determination of the functional currency

The Directors considered certain factors including the country (Ireland) and its currency (EUR) whose regulations the Company complies with and the currency that mainly influences the fees and cost of services incurred by the Company, to determine the functional currency which most faithfully represents the economic effects of the underlying transactions, events and conditions.

Valuation of financial instruments

The Company's accounting policy on fair value measurements is discussed in note 3(b) to the financial statements under the sub-heading “Fair Value Measurement Principles” and the critical accounting judgements made in applying the Company’s accounting policies is discussed in note 17(d) to the financial statements under the sub-heading “Determining fair values”. The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

3 Significant accounting policies

(a) Segmental Reporting

The Company has one reportable segment. It involves the repackaging of debt instruments, on behalf of investors, which are bought from the market and subsequently securitised to avail of potential market opportunities and risk-return asymmetries. The Company's resources are allocated in line with the strict terms and eligibility criteria as set out in the Company's prospectus and assess the performance of the investments held by the Company. The Company's prospectus was agreed upon by the Directors shortly after the Company was incorporated and the Directors have approved all subsequent updates to the prospectus. The Directors review the performance of the Company.

Financial results of operating in this segment encompass total assets of EUR 97,407,401 and total liabilities of EUR 97,352,109 as at 31 December 2023 (2022: total asset EUR 86,749,111 and total liabilities EUR 86,693,819).

The following is a geographical analysis of the financial assets held by the Company at market value:

		31-Dec-23	31-Dec-22
	Country	**EUR**	**EUR**
Financial assets at fair value through profit or loss	Cayman Islands	97,310,163	86,624,394
Interest income	Cayman Islands	10,685,769	1,633,051

The interest earned relates to underlying assets held in the United Kingdom and are issued in GBP Sterling. Refer to note 10 to the financial statements for further information on the financial assets held.

Interest expense incurred on financial liabilities from operating in this segment amounted to EUR 2,661,089 (2022: EUR 3,130,832). The financial liabilities relate to Notes issued in Ireland listed on Main Securities Market of Euronext Dublin. Refer to note 14 to the financial statements for further information and analysis of the Notes in issue.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(b) Financial instruments

The financial instruments held by the Company include the following:

- Financial assets at fair value through profit or loss;
- Derivative financial instruments;
- Financial liabilities designated at fair value through profit or loss;
- Other receivables and payables measured at amortised cost; and
- Cash and cash equivalents

Classification and measurement

Financial assets (Notes issued by Skylark Limited) and liabilities (Asset Back Medium Term Note Programme) are classified as financial assets and liabilities at fair value through profit and loss ("FVTPL"). The classification depends on the nature and purpose of the financial instruments and is determined at the time of initial recognition.

The Company has designated its financial assets and financial liabilities at fair value through profit or loss. Derivative financial instruments are carried at fair value through profit or loss.

Designation

Financial assets (Notes issued by Skylark Limited) and liabilities (Asset Back Medium Term Note Programme) designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis. Information about these financial assets and liabilities are evaluated by the Directors on a fair value basis together with other relevant financial information.

3 Significant accounting policies (continued)

(b) Financial instruments (continued)

Financial assets and financial liabilities at FVTPL

The Company classifies and designates its investments in debt securities, notes issued and derivatives as financial assets or financial liabilities designated at fair value through profit or loss. These financial assets and financial liabilities are either held for trading or designated by the Directors at fair value through profit or loss at inception. Financial assets or financial liabilities held for trading are those acquired and incurred principally for the purpose of selling and repurchasing in the near future. All derivatives are also included in this category.

The fair values of the financial assets are provided by Commerzbank AG, which is calculation agent for each Series. The financial assets are not priced manually. Prices are generated by the valuation and risk management systems and models employed by Commerzbank AG to determine the fair values of all its interest rate swaps. The valuation represents Commerzbank's view under prevailing market conditions of the value of the relevant financial instruments derived from either mid-market price, or, when expressed as bid and asked prices, the indicative prices at which Commerzbank would have dealt in the relevant financial instrument, as of the close of business in the relevant financial centre, or as of a different time agreed upon. The valuation may be based in part or whole on the use of proprietary models. Credit Valuation Adjustments and Debt Valuation Adjustments have not been made when preparing this valuation.

Derivative financial instruments

Derivative financial instruments for Series 2007-1 include derivative liabilities that are used to economically hedge each Series from any interest rate and market fluctuations affecting the relevant collateral assets.

Derivatives held for risk management purposes include all derivative liabilities that are categorised as financial liabilities held for trading, as the Company does not designate any derivatives as hedges for hedge accounting purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value, with changes in the fair value recognised immediately in the Statement of comprehensive income.

The fair values of the Derivatives are provided by Commerzbank AG, which is calculation agent for each Series. The derivatives are not priced manually. Prices are generated by the valuation and risk management systems and models employed by Commerzbank AG to determine the Fair Values of all its interest rate swaps. The valuation represents Commerzbank's view under prevailing market conditions of the value of the relevant financial instruments derived from either mid-market price, or, when expressed as bid and asked prices, the indicative prices at which Commerzbank would have dealt in the relevant Financial Instrument, as of the close of business in the relevant financial centre, or as of a different time agreed upon. The valuation may be based in part or whole on the use of proprietary models. Credit Valuation Adjustments and Debt Valuation Adjustments have not been made when preparing this valuation.

Financial liabilities designated at fair value through profit or loss

The financial liabilities designated at fair value through profit or loss, are initially measured at fair value and are designated as liabilities at fair value through profit or loss when either it eliminates or significantly reduces an accounting mismatch or contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract. In the case of the Company, the financial liabilities are designated at fair value through profit or loss.

Recognition and measurement

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. Purchases and sales of financial assets are recognised using trade date accounting. From the trade date, any gains and losses arising from the changes in fair value of the financial assets or financial liabilities are recorded in the Statement of comprehensive income.

Financial assets and financial liabilities not categorised as at fair value through profit or loss are subsequently measured at amortised cost.

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.

3 Significant accounting policies (continued)

(b) Financial instruments (continued)

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.

Fair value measurement principles

The determination of fair values of financial assets and financial liabilities is based on quoted market prices, dealer price quotations for financial instruments traded in active markets, or broker quotes where these are available. For all other financial instruments fair value is determined by using valuation techniques.

Refer to note 17(d) to the financial statements for further details.

(c) Financial liability and equity

The financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company’s own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company’s own equity instruments or is a derivative that will be settled by the Company’s exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

(d) Share capital

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

(e) Cash and cash equivalents

- Cash at bank includes deposit repayable without notice and without penalty. Cash at bank is carried at amortised cost in the Statement of Financial Position.
- Cash at bank is subject to insignificant changes in fair value.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition that are readily convertible to known amounts of cash with insignificant risk of change in value.

(f) Net gain/(loss) from financial assets at fair value through profit or loss

Net gain/(loss) on financial assets at fair value through profit or loss relates to the Note issued by Skylark Limited and includes realised income (including coupon receipt), unrealised and realised fair value changes and foreign exchange differences.

(g) Net (loss)/gain on derivative financial instruments

Net (loss)/gain on derivative financial instruments relates to the fair value movements on derivatives held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

(h) Net (loss)/gain on financial liabilities designated as at fair value through profit or loss

Net (loss)/gain on financial liabilities designated at fair value through profit or loss, relates to Notes issued and includes financing costs (including coupon payments), unrealised fair value changes and foreign exchange differences.

(i) Interest income and interest expense

Interest income relates to coupon receipts on financial assets and interest expense relates to coupon payments on financial liabilities. Interest income and expense are recognised as part of the net gain or loss on financial assets and liabilities designated at fair value through profit or loss in the Statement of Comprehensive Income.

(j) Taxation

Tax on the profit or loss for the financial year comprises current and deferred tax. Tax is recognised in the profit or loss expected to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3 Significant accounting policies (continued)

(j) Taxation (continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the reporting date. Deferred tax balances are not discounted.

Deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

(k) Operating income and expenses

Other income and expenses are accounted on an accruals basis.

(l) Foreign currency transaction

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 using 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 or settlement are recognised through profit or loss in the Statement of comprehensive income and are included under net gains/(losses) from financial assets at fair value through profit or loss, derivative financial instruments and financial liabilities designated at fair value through profit and loss as appropriate.

4 Net gain/(loss) on financial assets at fair value through profit or loss

	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
Net gain/(loss) on financial assets	10,685,769	(56,635,845)
Interest income	1,817,480	1,633,051
	12,503,249	(55,002,794)

All interest income earned by the Company is from unlisted investments.

The net gain/(loss) on financial assets at fair value through profit or loss is mainly due to the fair value movement. The market value of the Variable Index-Linked Note increased from GBP 152.97/share to GBP 168.35/share. The variable index-linked note is denominated in GBP.

5 Net (loss)/gain on financial liabilities designated at fair value through profit or loss

	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
Interest expense	(2,661,089)	(3,130,832)
Net gain on financial liabilities	2,556,149	17,235,551
	(104,940)	14,104,719

The interest expense relates to the fixed interest payable on the Notes.

The net gain on the financial liabilities designated at fair value through profit or loss is mainly attributable to the fair value movement of the financial assets and derivative instruments, given the limited recourse nature of the financial liabilities.

6 Net (loss)/gain from derivative financial instruments

	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
Net swap income	843,609	1,497,781
Net (loss)/gain on derivative financial instruments	(13,241,917)	39,400,294
	(12,398,308)	40,898,075

The net loss on derivative financial instruments is mainly due to the fair value movement. The market value of the Currency Swap incorporating Interest Rate Swap in liability position dropped from GBP 48,713,400 to interest rate swap in asset of GBP 59,239,255. The currency swap incorporating interest rate is denominated in GBP.

7 Other income

	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
Income receivable from the arranger	85,100	81,585
Bank interest	738	-
Foreign exchange gains	2	-
	85,840	81,585

Under the agreement between the Company and Commerzbank AG (the "Arranger"), the Arranger agreed to provide funding to cover for the operating expenses of the Company. The fees reimbursable to the Company are accounted for as other income. Refer to Note 19 for further details.

8 Other expenses

	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
Audit fees	29,520	31,581
Tax advisory	18,450	4,920
Administration expenses	14,376	30,147
Other expenses	12,308	5,503
Directors fees	11,047	9,416
Bank charges	140	11
Foreign exchange loss	-	7
	85,841	81,585

The Company is administered by Apex IFS Limited in accordance with an executed corporate services agreement. The Company had no employees for the financial year (2022: none).

Auditor's Remuneration	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
Statutory audit fee (VAT inclusive)	29,520	31,581

Directors' remuneration	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
Emoluments in respect of qualifying services	11,047	9,416

The Company has two non executive Directors who both receive a fee of EUR 6,000 annually (2022: EUR 5,000) respectively. The Directors do not receive any other forms of benefits.

9 Taxation

(a) Analysis of charge in a financial year	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
Profit before taxation	-	-
Current tax at 25%	-	-
Current tax charge	-	-

9 Taxation (continued)

(b) Factors affecting tax charge in the financial year

Corporation tax has been calculated based on the results for the financial year and the resulting tax charge is as follows:

	Financial year ended 31-Dec-23 EUR	Financial year ended 31-Dec-22 EUR
Result on ordinary activities before tax	-	-
Current tax at 25% (2022: 25%)	-	-
Current tax for the year at a rate of 25% (2022: 25%)	-	-

The Company will continue to be taxed at 25% (2022: 25%) in accordance with Section 110 of the Taxes Consolidation Act, 1997.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two), and various governments around the world have issued, or are in thevprocess of issuing, legislation on this. In Ireland, the government released legislation on Pillar Two in 31 December 2023. The Company is in the process of assessing the full impact of this.

10 Financial assets at fair value through profit or loss

	31-Dec-23 EUR	31-Dec-22 EUR
Note issued by Skylark Limited	97,310,163	86,624,394
Movement during the financial year		
At beginning of the financial year	86,624,394	143,260,239
Net changes in fair value during the financial year	10,685,769	(56,635,845)
At end of financial year	97,310,163	86,624,394

These financial assets at fair value through profit or loss are held as security for the corresponding financial liabilities detailed in note 14 to the financial statements.

Refer to note 17(a) to the financial statements for credit risk disclosure relating to the investments.

Series 2007-1	**31-Dec-23**	**31-Dec-22**
Financial assets	£50,000,000 Variable Index-Linked Notes due 2039 (ISIN: XS0298486290)	£50,000,000 Variable Index-Linked Notes due 2039 (ISIN: XS0298486290)
Issuing Company	Skylark Limited	Skylark Limited
Nominal Value	£ 50,000,000	£ 50,000,000
Fair Value	EUR 97,310,163	EUR 86,624,394
Maturity	4-Apr-2039	4-Apr-2039
Interest terms	Variable	Variable
Interest rate	1.7744% multiply by UK RPI ratio	1.7744% multiply by UK RPI ratio

RPI ratio refers to the measurement of inflation where it measures the change in the cost of a representative sample of retail goods and services.

The financial assets at fair at value through profit or loss have increased by 12%, this is mainly attributable to the significant increase in the price of fair value movement of the Variable index-linked note. See Note 4 for further details.

11 Derivative financial instruments

Movement in derivative financial instruments	31-Dec-23 EUR	31-Dec-22 EUR
At beginning of the financial year	(54,923,612)	(94,323,906)
Net changes in fair value during the financial year	(13,241,917)	39,400,294
At end of the financial year	(68,165,529)	(54,923,612)

At the financial year end, the Company has one remaining Series of ‘Classic Assets Backed Medium Term Notes’ (the “Notes”) to investors and one related Swap Agreement (the “Cross Currency Swaps” and “Interest Rate Swaps” etc.) with Commerzbank AG, linked to the Charged Assets.

11 Derivative financial instruments (continued)

Under the terms of the Swap Agreements entered into by the Company an amount equal to the Note interest expense plus the operating expenses is paid to the Company by Commerzbank Bank AG. The Swap Agreements also cover foreign exchange movements.

Series 2007-1	**31-Dec-23**	**31-Dec-22**
Swap type	Currency Swap incorporating Interest Rate Swap	Currency Swap incorporating Interest Rate Swap
Nominal value	NOK 592,000,000	NOK 592,000,000
Fair value	EUR 68,165,529	EUR 54,923,612
Maturity	4-Apr-2039	4-Apr-2039
Currency swap	Income leg (NOK)/ Expense leg (GBP)	Income leg (NOK)/ Expense leg (GBP)
Interest swap	Income leg (Fixed)/ Expense leg (1.7744% multiply by UK RPI ratio)	Income leg (Fixed)/ Expense leg (1.7744% multiply by UK RPI ratio)

The derivative financial instruments has increased by 24%, this is mainly attributable to the fair value movement of the of Currency Swap incorporating Interest Rate Swap. See Note 6 for further details.

12 Cash and cash equivalents

	31-Dec-23	**31-Dec-22**
	EUR	**EUR**
Cash at bank	44,511	42,793

Cash at bank is held with Allied Irish Banks Plc and HSBC Bank Plc.

Refer to note 17(a) to the financial statements for credit risk disclosure relating to cash and cash equivalents.

13 Other assets

	31-Dec-23	**31-Dec-22**
	EUR	**EUR**
Other income receivable	35,664	60,616
Transaction fees receivable	21,253	21,253
Expenses prepaid	66	55
	56,983	81,924

14 Financial liabilities designated at fair value through profit or loss

	31-Dec-23	**31-Dec-22**
	EUR	**EUR**
Financial liabilities	(29,144,634)	(31,700,783)

Details of the nominal values, fair values and terms of the Series as at 31 December 2023 and 31 December 2022 are disclosed below:

Series	**Description of securities**	**Interest rate basis**	**Maturity date**	**CCY**	**31-Dec-23 Nominal CCY**	**31-Dec-23 Fair value EUR**	**31-Dec-22 Nominal CCY**	**31-Dec-22 Fair value EUR**
Asset Backed Notes								
2007-1	Asset Backed Medium Term Note	Fixed - 5.05%	04-Apr-39	NOK	592,000,000	(29,144,634)	592,000,000	(31,700,783)
					592,000,000	(29,144,634)	592,000,000	(31,700,783)

Movement in financial liabilities

	31-Dec-23	**31-Dec-22**
	EUR	**EUR**
At beginning of the financial year	(31,700,783)	(48,936,334)
Net changes in fair value during the financial year	2,556,149	17,235,551
At end of the financial year	(29,144,634)	(31,700,783)

Maturity analysis

	31-Dec-23	**31-Dec-22**
	EUR	**EUR**
Within 1 year	-	-
More than 1 year and less than 2 years	-	-
More than 2 years and less than 5 years	-	-
More than 5 years	(29,144,634)	(31,700,783)
	(29,144,634)	(31,700,783)

All Notes issued bear interest at fixed rates.
Each series of Notes has recourse only to the assets comprising the collateral for that Series.

14 Financial liabilities designated at fair value through profit or loss (continued)

The Company's obligations under the Notes and swaps are secured by qualifying assets transferred to the Company by the Swap counterparty. These assets have an aggregate value equal to the aggregate value of the principal amounts outstanding of each class of Notes. The investors' recourse per Series is limited to the assets of that particular Series.

In relation to the Notes where an early unwind event has occurred then, the Company shall give notice thereof to the calculation agent which shall in turn promptly give notice thereof to the Trustee, the Counterparty and the Rating Agency.

The Notes issued as at 31 December 2023 were listed on the Main Securities Market of Euronext Dublin. The Company's obligations under the Notes issued and related Swap Agreements are secured by collateral purchased as noted in note 10 to the financial statements.

The movement on the financial liabilities at fair value through profit or loss during the year is mainly attributable to the fair value movement of financial assets at fair value through profit or loss and derivative financial instruments. Refer Note 4, 5 & 6 for further details.

15 Other liabilities	**31-Dec-23**	**31-Dec-22**
	EUR	**EUR**
Accrued expenses	(46,202)	(69,424)

16 Called up share capital presented as equity	**31-Dec-23**	**31-Dec-22**
Authorised:	**EUR**	**EUR**
40,000 ordinary shares of EUR1 each	40,000	40,000
Issued and fully paid	**EUR**	**EUR**
40,000 ordinary shares of EUR1 each - fully paid	40,000	40,000
Presented as follows:	**EUR**	**EUR**
Called up share capital presented as equity	40,000	40,000

17 Financial instruments

Introduction and overview

As at the financial year end the Company has one Series of Classic Assets Backed Medium Term Notes issued to investors and has entered into interest rate swaps with the Swap Counterparty, in each case linked to the creditworthiness of the Charged Assets. The proceeds from the issue of the Notes have been used to purchase financial assets to be held as collateral as disclosed in note 10 to the financial statements.

The Company was set up as a segregated multi issuance Special Purpose Vehicle (the "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 other Series of Notes. The segregation criteria include the following:

- The Company is a bankruptcy remote SPV, organised in Ireland;
- The Company issues separate Series of debt securities;
- Assets relating to any particular Series of financial liabilities are held separate and apart from the assets relating to any other Series;
- Any swap transaction entered into by the issuer for a Series is separate from any other swap transaction for any other Series;
- For each Series of financial liabilities, only the trustee is entitled to exercise remedies on behalf of the Noteholders; and
- Each Series of issued financial liability is reviewed by rating agency prior to issuance regardless of whether it is to be rated or not.

At the financial year end the Company had one remaining Series in issue, Series 2007-1 NOK 592,000,000 Classic Asset Backed Medium Term Note due 2039.

The Charged Assets backing Series 2007-1 is a Note issued by Skylark Limited, which take their valuation from a bond issued by National Grid Gas plc. Skylark Limited invested whole amount of the Note issued in National Grid Gas Plc.

Termination of the prospectus agreements can take place where any change in law occurs which makes it unlawful for the Company to perform its obligations under agreements entered into, or where any adverse action is taken by a taxing authority, or where the Company becomes an investment company, within the meaning of the Investment Companies Act. No such event occurred as at 31 December 2023.

17 Financial instruments (continued)

Risk management framework
The Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk profile of the Company is such that market, credit, liquidity and other risks of the financial assets and derivatives financial instruments held for risk management are borne fully by the holders of Notes issued.

The Company has exposure to the following risks from its use of financial instruments:
(a) Credit risk;
(b) Liquidity risk;
(c) Market risk; and
(d) Operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

(a) Credit risk
Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from financial assets.

The Company limits its exposure to credit risk by only investing in securities and only with counterparties that have a credit rating defined in the documentation of the relevant Series. The risk of default on these assets is borne by the Swap Counterparty of the asset or the holders of the Notes issued for the relevant Series.

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at financial year-end was as follows:

	31-Dec-23	**31-Dec-22**
	EUR	**EUR**
Financial assets at fair value through profit or loss	97,310,163	86,624,394
Cash and cash equivalents	44,511	42,793
Other assets	56,983	81,869
	97,411,657	86,749,056

The credit risk profile of the financial assets is as follows:

Cash and cash equivalents
The Company's cash balances are held with Allied Irish Banks Plc which has a credit rating of P-1 (2022: P-1) from Moody's and with HSBC Bank Plc which has a credit rating of P-1 (2022: P-1) from Moody's. Credit risk related to cash balances is short term.

Derivative financial instruments:
The Company has entered into various Swap Agreements with Commerzbank AG, to eliminate the mismatch between the amount payable in respect of the Notes issued and the return from the financial assets held by the Company.

Commerzbank AG, Germany has a credit rating of P-1 (2022: P-1) from Moody's and A-2 (2022: A-2) rating from Standard & Poor's and BBB (2022: BBB) from Fitch. The credit ratings issued by Moody's, Standard and Poor's and Fitch are short term ratings.

Financial assets
As at the financial year end, the Company's investments were concentrated in the following assets types:

	31-Dec-23	**31-Dec-22**
	EUR	**EUR**
Note issued by Skylark Limited	(97,310,163)	(86,624,395)

17 Financial instruments (continued)

(a) Credit risk (continued)

Financial assets (continued)

As at the financial year end, the credit rating of the Company's financial assets was as follows:

	31-Dec-23	31-Dec-22
S&P Rating	**%**	**%**
BBB+	100	100

At the financial year end, the Company's financial assets were concentrated in the following geographical area:

	31-Dec-23	31-Dec-22
	%	**%**
United Kingdom	100	100

The Noteholders are fully exposed to the credit risks of the underlying collateral which due to the Charged Assets deriving their value from the National Grid Gas Plc, the Company's exposure is deemed to be linked to the United Kingdom. Therefore, if the credit defaults occur on the underlying collateral the value of the Notes will decrease in proportion to the amount of the loss.

Upon termination of the swaps, the Company will pay the proceeds received from the disposal of the collateral to the Swap Counterparty and the Swap Counterparty will pay the Company an amount equal to the value of the aggregate outstanding principal amount of the Notes. The Noteholders' recourse per Series is limited to the assets of that particular Series.

Other assets

Other assets relates mainly to income receivable from Commerzbank AG, to meet the operating expenses of the Company.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset or that such obligation will have to be settled in a manner disadvantageous to the Company.

The Company ensures that on the incurrence of any liability the Company matches that liability under a swap transaction until the date of maturity of the Notes. Any liquidity risk that arises is embedded in the credit risk that Noteholders take on both the Swap Counterparty and the underlying collateral.

The table below shows the contractual maturities of financial liabilities including undiscounted interest payments and excluding the impact of netting agreements:

31-Dec-23	**Carrying Amount**	**Gross contractual cash flows**	**Less than one year**	**Between one to five years**	**Over five years**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**
Derivative financial instruments	(68,165,529)	(80,475,652)	(1,709,663)	(6,838,651)	(71,927,338)
Financial liabilities designated at fair value through profit or loss	(29,144,634)	(93,275,820)	(2,659,668)	(10,638,672)	(79,977,480)
Other liabilities	(46,202)	(46,202)	(46,202)	-	-
	(97,356,365)	(173,797,674)	(4,415,533)	(17,477,323)	(151,904,818)

31-Dec-22	**Carrying Amount**	**Gross contractual cash flows**	**Less than one year**	**Between one to five years**	**Over five years**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**
Derivative financial instruments	(54,923,612)	(84,035,747)	(1,606,000)	(6,423,999)	(76,005,748)
Financial liabilities designated at fair value through profit or loss	(31,700,783)	(102,566,425)	(2,843,501)	(11,374,004)	(88,348,920)
Other liabilities	(69,424)	(69,424)	(69,424)	-	-
	(86,693,819)	(186,671,596)	(4,518,925)	(17,798,003)	(164,354,668)

The derivative balance represents the value of all future cash flows including the payment of the nominal of the assets that are linked to each swap, unadjusted for inflation based on the contractual maturity of these instruments.

17 Financial instruments (continued)

(b) Liquidity risk (continued)

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 or it having any funds to make the repayment. Should the net proceeds be insufficient to make all payments or if the Swap Counterparty and the collateral issuer defaults and the collateral securities have zero value 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 the established priorities. In certain circumstances unwind costs are deducted from collateral realisation proceeds and paid to the Swap Counterparty where the Swap Counterparty was not at fault for terminating the Swap Agreement.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and securities prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Market risk embodies the potential for both loss and gains and includes interest rate risk, currency risk and price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk profile of the Company is as follows:

31-Dec-23	**Floating rate**	**Fixed rate**	**Non-interest bearing**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
Financial assets at fair value through profit or loss	97,310,163	-	-	97,310,163
Cash and cash equivalents	44,511	-	-	44,511
Other assets	-	-	56,983	56,983
Total assets	97,354,674	-	56,983	97,411,657

	Floating rate	**Fixed rate**	**Non-interest bearing**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
Financial liabilities designated at fair value through profit or loss	-	(29,144,634)	-	(29,144,634)
Derivative financial instruments	-	(68,165,529)	-	(68,165,529)
Other liabilities	-	-	(46,202)	(46,202)
Total liabilities	-	(97,310,163)	(46,202)	(97,356,365)
Net exposure	97,354,674	(97,310,163)	10,781	55,292

31-Dec-22	**Floating rate**	**Fixed rate**	**Non-interest bearing**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
Financial assets at fair value through profit or loss	86,624,394	-	-	86,624,394
Cash and cash equivalents	42,793	-	-	42,793
Other assets	-	-	81,924	81,924
Total assets	86,667,187	-	81,924	86,749,111
Financial liabilities designated at fair value through profit or loss	-	(31,700,783)	-	(31,700,783)
Derivative financial instruments	-	(54,923,612)	-	(54,923,612)
Other liabilities	-	-	(69,424)	(69,424)
Total liabilities	-	(86,624,395)	(69,424)	(86,693,819)
Net exposure	86,667,187	(86,624,395)	12,500	55,292

As interest rate exposure presented above is based on the fair value of the financial assets, derivative financial instruments and the Notes issued at the financial year end. The Company manages its interest rate risk by entering into Swap Agreements with Commerzbank AG.

17 Financial instruments (continued)

(c) Market risk (continued)

Sensitivity analysis

The Company does not bear any interest rate risk as the interest rate risk associated with the financial assets held by the Company is neutralised by entering into Swap Agreements whereby the Swap Counterparty pays the Company amounts equal to the interest payable to the holders of the financial liabilities in return for the interest earned by the Company on its financial assets. Therefore, any change in the interest rates would not affect the profit or loss of the Company.

The interest rate to Noteholders is fixed, there would be no impact on the amount of interest received by the Noteholders from the Company.

(ii) Currency risk

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

The Company's exposure to foreign currency risk as at 31 December 2023 is as follows:

31-Dec-23	**GBP EUR**	**NOK EUR**	**Total EUR**
Financial assets at fair value through profit or loss	97,310,163	-	97,310,163
Total assets	97,310,163	-	97,310,163
Derivative financial instruments	-	(68,165,529)	(68,165,529)
Financial liabilities designated at fair value through profit or loss	-	(29,144,634)	(29,144,634)
Total liabilities	-	(97,310,163)	(97,310,163)
Net exposure	97,310,163	(97,310,163)	-

The Company's exposure to foreign currency risk as at 31 December 2022 is as follows:

31-Dec-22	**GBP EUR**	**NOK EUR**	**Total EUR**
Financial assets at fair value through profit or loss	86,624,394	-	86,624,394
Total assets	86,624,394	-	86,624,394
Derivative financial instruments	-	(54,923,612)	(54,923,612)
Financial liabilities designated at fair value through profit or loss	-	(31,700,783)	(31,700,783)
Total liabilities	-	(86,624,395)	(86,624,395)
Net exposure	86,624,394	(86,624,395)	(1)

The exchange rate used at financial year end was:	**31-Dec-23**	**31-Dec-22**
GBP:EUR	0.87	0.89
NOK:EUR	11.24	10.51

Sensitivity analysis

The functional currency of the Company is EUR.

The foreign currency risk of the NOK denominated 2007-1 Notes are mitigated by entering into a Cross Currency NOK/GBP swap. Any difference is borne by the Swap Counterparty and thus the exchange rate changes have no net impact on the equity or the profit or loss of the Company.

From the Noteholders' perspective, the interest received from the Charged Assets which is denominated in pound sterling is swapped under the Swap Agreement for fixed interest denominated in NOK which reflects the fixed interest payable on the financial liabilities. Therefore, the Noteholders are not exposed to currency risk.

(iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its Company or all factors affecting all instruments traded in the market.

17 Financial instruments (continued)

(c) Market risk (continued)

(iii) Price risk (continued)

Other price risks may include risks such as equity price risk, commodity price risk, prepayment risk (i.e. the risk that one party to a financial asset will incur a financial loss because the other party repays earlier or later than expected), and residual value risk.

As all the Company's derivative financial instruments are at fair value through profit or loss, any changes of the fair value will be recognised in the Statement of Comprehensive Income and will have a corresponding impact on the financial liabilities.

Sensitivity analysis

Any changes in the prices of the financial assets at fair value through profit or loss would not have any effect on the equity or net profit or loss of the Company as any fair value fluctuations in prices are ultimately borne by the Noteholders and/or the Swap Counterparty. As at 31 December 2023, exposure to price risk relates directly to the value of financial assets amounting to EUR 97,310,163 (2022: EUR 86,624,394).

For Series 2017-01, an increase of 10% in the market prices of the financial assets and derivative financial instruments at the reporting date would result in an equivalent increase in the fair values of the Notes amounting to EUR 2,914,463 (2022: EUR 3,170,078). A decrease of 10% in the market prices of the financial assets and derivative financial instruments at the reporting date would result in an equivalent decrease in the fair values of the Notes amounting to EUR 2,914,463 (2022: EUR 3,170,078).

(d) Accounting classifications and fair value of financial assets and liabilities

The table below shows the classification of financial asset and liability in the Statement of Financial Position.

31-Dec-23	**At amortised cost**	**Designated at fair value through profit or loss**	**Fair value through profit or loss**	**Total**
Assets	**EUR**	**EUR**	**EUR**	**EUR**
Financial assets at fair value through profit or loss	-	97,310,163	-	97,310,163
Other assets	56,983	-	-	56,983
Cash and cash equivalents	44,511	-	-	44,511
	101,494	97,310,163	-	97,411,657
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	(29,144,634)	-	(29,144,634)
Derivative financial instruments	-	-	(68,165,529)	(68,165,529)
Other liabilities	(46,202)	-	-	(46,202)
	(46,202)	(29,144,634)	(68,165,529)	(97,356,365)

31-Dec-22	**At amortised cost**	**Designated at fair value through profit or loss**	**Fair value through profit or loss**	**Total**
Assets	**EUR**	**EUR**	**EUR**	**EUR**
Financial assets at fair value through profit or loss	-	86,624,394	-	86,624,394
Other assets	81,924	-	-	81,924
Cash and cash equivalents	42,793	-	-	42,793
	124,717	86,624,394	-	86,749,111
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	(31,700,783)	-	(31,700,783)
Derivative financial instruments	-	-	(54,923,612)	(54,923,612)
Other liabilities	(69,424)	-	-	(69,424)
	(69,424)	(31,700,783)	(54,923,612)	(86,693,819)

17 Financial instruments (continued)

(d) Accounting classifications and fair value of financial assets and liabilities (continued)

Fair value

The Company's financial assets, derivatives financial instruments and financial liabilities are carried at fair value on the Statement of Financial Position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities at the balance sheet reporting date approximated their fair values.

Determining fair values

The determination of fair value for financial assets and liabilities for which there are no observable market price requires the use of valuation techniques as described in note 3(b) to the financial statements under the sub-heading "Fair Value Measurement Principles". For derivative financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgements made in applying the Company's accounting policies in relation to valuation of fair value for each Series of financial instruments are as follows:

Financial assets	Valuation Techniques - using unobservable parameters
Derivatives financial instruments	Valuation Techniques - using observable parameters
Financial liabilities	Valuation Techniques - using unobservable parameters

Financial assets are index-linked long-dated (2039) Notes issued by Skylark Limited, which take their valuation from Commerzbank AG. The Director's preference would be to consider price from Commerzbank AG if there are no significant difference from price obtained from Bloomberg. The valuation techniques used to value the financial assets are based using unobservable parameters as Commerzbank confirmed that the bond of the Company is illiquid and hence has been classified as Level 3. Derivative financial instruments are used to strip out the indexation risk and offer the Noteholders a fixed rate return. The Series share a common Swap Counterparty, Commerzbank AG. The financial assets, derivative financial instruments and financial liabilities are each fair-valued using the principles detailed above.

The financial liabilities are not actively traded and there are no market prices available. As a result the levelling of Notes issued are dependent on the financial asset and derivative financial instruments. The valuation techniques used to value the financial liabilities are based using unobservable parameters. The Notes are classified in the lowest level observed of the financial assets and derivative financial instruments on a Series by Series basis.

The following table analyses the Company's financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The Notes are classified at Level 3

Fair value hierarchy

31-Dec-23	**Level 1**	**Level 2**	**Level 3**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
Financial assets at fair value through profit or loss	-	-	97,310,163	97,310,163
Derivative financial instruments	-	(68,165,529)	-	(68,165,529)
Financial liabilities designated at fair value through profit or loss	-	-	(29,144,634)	(29,144,634)
	-	(68,165,529)	68,165,529	-

31-Dec-22	**Level 1**	**Level 2**	**Level 3**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
Financial assets at fair value through profit or loss	-	-	86,624,394	86,624,394
Derivative financial instruments	-	(54,923,612)	-	(54,923,612)
Financial liabilities designated at fair value through profit or loss	-	-	(31,700,783)	(31,700,783)
	-	(54,923,612)	54,923,611	(1)

The Company measures fair values using the following hierarchy of methods:

Level 1 Quoted market price (unadjusted) in an active market for an identical instrument.

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

17 Financial instruments (continued)

(d) Accounting classifications and fair value of financial assets and liabilities (continued)

Fair value (continued)

Fair value hierarchy (continued)

The Company measures fair values using the following hierarchy of methods (continued):

Level 3 Valuation techniques using significant unobservable inputs. This category includes all instruments that are illiquid or where the valuation technique includes inputs not based on observable data. The unobservable inputs could have a significant effect on the instrument's valuation.

Level 2 prices uses widely recognised valuation models for determining the fair value of common and more simple financial instruments such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives, e.g. interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For level 3 instruments proprietary valuation models can be used which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market or where there are no tradeable prices due to the illiquidity of the instrument. Examples of instruments involving significant unobservable inputs include certain over the counter derivatives and certain securities for which there is no active market.

The Company has performed a sensitivity analysis to analyse changes in the significant unobservable inputs used in arriving at the valuation of the financial assets and liabilities at fair value through profit or loss categorised as Level 3. This sensitivity analysis considers reasonably possible changes in unobservable inputs at the reporting date. This would have the following effect on profit or loss at the financial year ended 31 December 2023 and 31 December 2022:

Description	**31-Dec-23**	**31-Dec-22**
	EUR	**EUR**
5% net movement in fair value of financial assets through profit or loss	4,865,508	4,331,220
Adjustment on financial liabilities at fair value through profit or loss	(4,865,508)	(4,331,220)
Changes in profit for the financial year	-	-

Due to limited recourse nature of the financial liabilities, the fair value is based on the relevant financial assets. As a result, the levelling of the financial liabilities is dependent of the levelling of the financial assets. The financial liabilities are classified at the lowest at level observed in the assets.

(e) Operational risk exposure

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

Operational risks arise from all of 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.

(f) Charges

The Notes issued by the Company are secured by way of a mortgage over the corresponding collateral purchased by the Company, and by the assignment of a charge of the Company's rights, title and interest under the relevant Swap agreements. HSBC Trustee (C.I.) Limited being the party who has charge over such items.

18 Ownership of the Company

There are seven Shareholders of the Company, all of which hold shares in a trust for Apex Group Services Limited. The seven Shareholders are Apex Group Nominees Limited who holds 39,994 shares and Apex Group Nominees 2 Limited, Apex Group Nominees 1 (UK) Limited, Apex Group Nominees 3 Limited, Apex Group Nominees 4 Limited, Apex Group Nominees 2 (UK) Limited and Apex Group Nominees 5 Limited who all hold 1 share respectively. The shareholders act solely as share trustees and have no beneficial ownership in the Company. All shares are held under the terms of declarations of trust dated 18 July 2003, under which the relevant share trustee holds the issued shares of the Company on trust for a charity.

The Directors have considered the issue as to who is the controlling party of the Company. It has determined that the control of the day-to-day activities of the Company rests with the Directors.

19 Related party transactions and key contracts

Entities with significant influence over the Company

Commerzbank AG act as Arranger, Swap Counterparty and listing agent for the Company. The Company has entered into Swap Agreements with Commerzbank as Swap Counterparty and all values for financial assets held by the Company are provided by Commerzbank. Transactions with the Swap counterparty have been outlined in note 11 to the financial statements. Under an arrangement between the Company and Commerzbank, Commerzbank has agreed to reimburse the Company against any costs, fees, expenses or out-goings incurred. During the financial year, fees reimburse to the Company amounted to EUR 85,839 (2022: EUR 81,585) and fees reimburse that are still receivable to the Company amounted to EUR 30,144 (2022: EUR 60,616).

Key contracts

Apex IFS Limited provides administration and company secretary services to the Company. During the financial year, fees charged by Apex IFS Limited amounted to EUR 25,009 (2022: EUR 30,147). The outstanding balance for Apex IFS Limited fee at financial year end were EUR nil (2022: EUR 10,469).

Key management personnel

The Directors of the Company, Roddy Stafford and Christian Currivan, are each entitled to fees of EUR per annum 6,000 (2022: EUR 5,000). The outstanding balance for Director fee at financial year end were EUR 4,100 (2022: EUR 4,042).

20 Events after the reporting year

There were no material events since the Statement of Financial Position date, up to the date of this report that require disclosure in the financial statements.

21 Capital management

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to Noteholders through the optimisation of the debt and equity balances. The capital managed by the Company comprises of ordinary shares outstanding and the Notes issued and outstanding as at the year end. The Company also uses derivatives for risk management purposes. The Company is not subject to externally imposed capital requirements. There were no changes to the policies and procedures during the year with respect to the Company's approach to its capital management program.

22 Approval of financial statements

The Directors approved and authorised these financial statements for issue on 14 November 2024.