Docusign Envelope ID: A8581876-6C76-4A0C-AC23-5EAB9A22A6CE

SPARK CHANGE JERSEY ISSUER LIMITED

Directors' report and audited financial statements for the year ended 31 March 2024

Docusign Envelope ID: A8581876-6C76-4A0C-AC23-5EAB9A22A6CE

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Administrator:

Apex Financial services

Registered address:

IFC 5,
St. Helier,
JE1 1ST,
Jersey

Company Auditors:

Moore Stephens' Accounting and Taxation services (Jersey) Limited
1 Waverly Place, Union Street.
St Helier
Jersey
JE4 8SG

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The Directors present their report together with the audited financial statements of Spark Change Jersey Issuer Limited ("the Company") for the year ended 31 March 2024.

Incorporation

The Company was incorporated in Jersey on 03 February 2021 as a private company limited by shares.

Principal activities

Spark Change Jersey Issuer Limited acts solely to support the programme of HANetf ETC Securities plc ("HANetf") for the issuance of carbon securities (known as "ETC"). Spark Change Jersey Issuer Limited holds the carbon allowances that ultimately back the carbon securities and ensure that the notes it issues to HANetf are kept in line with its physical holdings.

The only permitted activity of Spark Change Jersey Issuer Limited is to hold carbon allowances (known as "EUA Allowance") in the holding account and issue backing notes (known as "EUA Backing Notes") to HANetf.

The Spark Change Group Inc ("SCGI") is a US headquartered group, comprising several experts in the global carbon allowances market, whose core business is to support the creation of investment products using carbon allowances, which in turn enables investors worldwide to play their part in reversing global warming.

Directors

The Directors of the Company, who served during the year and subsequently, are:

Paul Monahan
Vinod Rajput

None of the Directors hold any interest in the shares of the Company.

Statement of Directors' responsibilities with regard to the financial statements

The Directors are required by the Companies (Jersey) Law 1991, as amended, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping accounting records that are sufficient to show and explain the Company's transactions. These records must disclose with reasonable accuracy at any time the financial position of the Company and to enable the Directors to ensure that any financial statements prepared comply with the Companies (Jersey) Law 1991, as amended. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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Results and dividends

The results for the year are shown in the statement of comprehensive income.

The Directors do not recommend the payment of a dividend in respect of the year ended 31 March 2024 (2023: EUR Nil).

Secretary

The Secretary of the Company during the year and subsequently, is:

Apex Financial Services (Secretaries) Limited

Auditors

The auditors of the 2024 financial statements, Moore Stephens' Accounting & Taxation Services (Jsy) Limited, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the next meeting.

Going concern

The Directors have considered the position and, in accordance with note 3 to the financial statements, note that the financial statements continue to be prepared on a going concern basis

By Order of the Board

Vinod Rajput
.....
Director

March 18, 2025 | 3:49 PM GMT
.....
Date

Registered Office

IFC5
St Helier
Jersey
JE1 1ST
Channel Islands

MOORE Stephens

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF SPARK CHANGE JERSEY ISSUER LIMITED

Opinion

We have audited the financial statements of Spark Change Jersey Issuer Limited (the 'Company') which comprise the Statement of Comprehensive Income, Statement of Financial Position as at 31 March 2024, and Statement of Changes in Equity for the 31 March 2024, Statement of Cash flows for the year ended 31 March 2024 and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation the International Accounting Standards Board (IASB) and Interpretations (Collectively IFRS) and the Companies (Jersey) Law, 1991, as amended.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with the International Accounting Standards Board (IASB) and Interpretations (Collectively IFRS).
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991as amended.

Basis for opinion

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

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

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

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. 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 or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if in our opinion:

- proper accounting records have not been kept, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

• We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the Companies (Jersey) Law 1991.

• We understood how the Company is complying with those laws by making inquiries of management. We corroborated our inquiries through our review of minutes of Board of Directors meetings and the review of various correspondence examined in the context of our audit and noted that there was no contradictory evidence.

• We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence management to manage earnings and revenue by overriding internal controls. We performed specific procedures to respond to the fraud risk of inappropriate revenue recognition. Our procedures also included a risk - based sample of journal entries that may have been posted with the intention of overriding internal controls to manipulate earnings. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

• Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entries testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business, inquiries of senior management of the company.

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

Use of our report

This report is made solely to the Company's member as a body, in accordance with Article 111 (3) and 112 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Stephens

For and on behalf of Moore Stephens Accounting and Taxation Services (Jersey) Limited

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	Notes	**Year ended 31 March 2024**		Year ended 31 March 2023	
		EUR	**EUR**	EUR	EUR
Income					
TER on EUAs	3		**836,186**		1,169,743
Deposit interest			**2,845**		1,121
			839,031		1,170,864
Expenses					
Professional fees	6	**1,149,158**		910,889	
Bank interest and charges		**3,726**		6,376	
			(1,152,884)		(917,265)
			(313,853)		253,599
Other operating (losses)/gains					
Net movement on financial assets at fair value through profit or loss	8		**(28,746,218)**		21,582,352
(Loss)/profit on foreign exchange			**(328)**		3,019
Net movement on financial liabilities at fair value through profit or loss			**28,746,218**		(21,582,352)
Comprehensive (loss)/income for the year			**(314,181)**		256,618

All the items dealt with in arriving at the comprehensive income for the year relate to continuing operations.

The notes on pages 10 to 19 are an integral part of these financial statements

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	Notes	**31 March 2024 EUR**	31 March 2023 EUR
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	8	**137,520,944**	128,490,998
Current assets			
Debtors and prepayments	9	**114,201**	633,441
Cash and cash equivalents		**29,860**	58,589
		144,061	692,030
Total assets		**137,665,005**	129,183,028
Equity and liabilities			
Share capital	12	**2**	2
Retained earnings		**(20,246)**	293,935
Total equity		**(20,244)**	293,937
Liabilities			
Non-current liabilities			
Financial liabilities at fair value through profit or loss	10	**137,520,944**	128,490,998
Current liabilities			
Trade and other payables		**3,443**	50,867
Accrued expenses	11	**160,862**	347,226
		164,305	398,093
Total liabilities		**137,644,761**	128,889,091
Total equity and liabilities		**137,665,005**	129,183,028

The financial statements on pages 6 to 19 were approved and authorised for issue by the Board of Directors on 18 March 2025 **and were signed on its behalf by:**

.....
Director

Vinod Rajput

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	Share capital	Retained earnings	Total
	EUR	EUR	EUR
Balance at 01 April 2022	2	37,317	37,319
Comprehensive income for the year	-	256,618	256,618
Balance at 31 March 2023	**2**	**293,935**	**293,937**

	Share capital	Retained earnings	Total
	EUR	EUR	EUR
Balance at 01 April 2023	2	293,935	293,937
Comprehensive loss for the year	-	(314,181)	(314,181)
Balance at 31 March 2024	**2**	**(20,246)**	**(20,244)**

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	Notes	**Year ended 31 March 2024 EUR**	Year ended 31 March 2023 EUR
Cash flows from operating activities			
Cash generated (used in)/from operations	13	**(28,729)**	58,093
Net cash (used in)/generated from operating activities		**(28,729)**	58,093
Net (decrease)/increase in cash and cash equivalents		**(28,729)**	**58,093**
Cash and cash equivalents at start of the year		**58,589**	496
Cash and cash equivalents at end of the year		**29,860**	58,589

The notes on pages 10 to 19 are an integral part of these financial statements

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1 General information

Spark Change Jersey Issuer Limited (the 'Company') is a special purpose vehicle in connection with an exchange traded securities programme to be launched by HANetf.

The Company is incorporated and domiciled in Jersey. The address of its registered office is:

IFC5
St Helier
Jersey
JE1 1ST
Channel Islands

2 Statement of compliance

The financial statements of the Company have been prepared in compliance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs) and the Companies (Jersey) Law, 1991, as amended.

3 Accounting policies

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

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss, and in accordance with IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

A summary of the more important policies adopted in dealing with items that are considered material to the Company are shown below:

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Accounting standards and interpretations

The Company applied all applicable standards and all applicable interpretations published by the International Accounting Standards Board ("IASB") for the year ended 31 March 2024.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the IASB that are mandatory for the current reporting year.

Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

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3 Accounting policies (continued)

Accounting standards and interpretations (continued)

Standards issued but not yet effective

There are no IFRSs or IFRIC interpretations that are effective on or 01 April 2024 that would be expected to have a material impact on the Company.

Revenue recognition

Each EUA Backing Note issued carries "carbon entitlement" through the relevant amount of EUA allowance. This carbon entitlement shall be subject to adjustment from the date the EUA backing notes were issued, and on a daily basis, in order that it shall at all times equal the number of carbon entitlement of the ETCs issued and redeemed.

The carbon entitlement is reduced daily from the date it was first issued by the total expense ratio. The total expense ratio ("TER") is a deduction used to pay for the expenses incurred in relation to the ETCs and EUA Backing Notes issuance.

Allowances from the total expense ratio are recognised by the Company as income and are accounted for on an accruals basis.

Expenses

Expenses are accounted for on an accruals basis.

Foreign currency

Functional and presentation currency

The Company's functional and presentation currency is the Euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment.

The Company designates the EUA Allowances it holds as financial assets at fair value through profit or loss on the trade date, which is the date that the Company becomes a party to the contractual provision of the instrument.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of comprehensive income. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial assets is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty.

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3 Accounting policies (continued)

Financial instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

The Company designates the EUA Backing Notes issued as financial liabilities at fair value through profit or loss on initial recognition.

The Company issues EUA Backing Notes to support HANetf's obligation to ETC security holders by creating matching obligations owed by the Company to HANetf.

The exchange quoted price of the EUA Backing Notes is determined by reference to the underlying EUA Allowances. Changes in the fair value of the EUA Backing Notes are recognised in the Statement of comprehensive income. The EUA Backing Notes have been designated as at fair value through profit or loss in order to eliminate an accounting mismatch, that would otherwise arise with the EUA Allowancess, enabling both the EUA Backing Notes and the EUA Allowances to be measured at fair value with gains or losses on both being recognised in the Statement of comprehensive income.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

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3 Accounting policies (continued)

Financial instruments (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

4 Critical accounting judgements and estimation uncertainty

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the year are detailed in note 7 to the financial statements.

5 Taxation

Jersey taxation

The Company is currently taxed in Jersey at the standard rate of 0% (2023: 0%).

The Company is categorised as an International Service Entity ('ISE') and as such is required to pay an annual ISE fee, accordingly the professional fees include an amount of GBP 300 in respect of the ISE fee. As an ISE, the Company is exempt from Goods and Services Taxation.

6 Professional fees

	31 March 2024 EUR	31 March 2023 EUR
Audit fees	**16,255**	14,039
Information/data providers	**1,063,501**	828,093
Other professional fees	**69,402**	68,757
	1,149,158	910,889

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7 Financial risk management

Financial risk factors

Introduction and overview

The Company has been established as a SPV for the purpose of issuing EUA Backing Notes under the Physical Carbon Securities Programme between the Company and HANetf (the "Programme"). The aggregate number of Carbon Securities issued under the Programme will not at any time exceed 10,000,000,000, being the Programme's maximum number of Carbon Securities.

The Company is not engaged in any other activities aside from (a) issuing the Backing Note, (b) holding property securing the Backing Note (including the underlying allowances and activities incidental to them), (c) ensuring that the Issuer is the only holder of Backing Notes, and (d) ensuring that the Carbon Entitlement of the Backing Note always matches the Carbon Entitlement of all ETC then outstanding.

Risk management framework

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and fair value interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Market risk

Market risk is the risk that changes in market prices of the EUA Allowances will affect the Company's income or the value of its holdings of financial instruments. Market risk embodies the potential for both gains and losses and price risk.

(i) Foreign exchange risk

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

The tables below summarise the Company's exposure to foreign currency risk at 31 March 2024. The Company's assets and liabilities at carrying amounts are included in the table, categorised by the currency at their carrying amount:

	GBP	USD	EUR	Total
As at 31 March 2024 in EUR				
Financial assets at fair value through profit or loss	-	-	137,520,944	137,520,944
Debtors and prepayments	12,506	-	101,695	114,201
Cash and cash equivalents	-	74	29,786	29,860
Total assets	12,506	74	137,652,425	137,665,005
Financial liabilities at fair value through profit or loss	-	-	137,520,944	137,520,944
Creditors	-	-	3,443	3,443
Accrued expenses	47,400	96,583	16,879	160,862
Total liabilities	47,400	96,583	137,541,266	137,685,249
Net liabilities	(34,894)	(96,509)	111,159	(20,244)

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7 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

Price risk is the risk that the fair value of EUA Allowances or EUA Backing Notes will fluctuate because of changes in market prices whether those changes are caused by factors specific to the EUA Allowances, the individual ETCs, or factors affecting similar assets or ETCs traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Company and market prices of its investments.

The Company does not consider market risk to be a significant risk to the Company as any fluctuation in the value of the EUA Allowances will ultimately be borne by the Securityholders of the ETCs.

(iii) Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of the EUA Backing Notes will fluctuate because of changes in market interest rates. Changes in exchange rates and interest rates may have a positive or negative impact on the price, demand, production costs, direct investment costs of EUA Allowances and the returns from investments in ETCs are therefore influenced by and may be correlated to these factors. The Company has deemed the effect of these valuation fluctuations insignificant. As a result, the Company is not subject to significant interest rate risk.

(b) Credit risk

Credit risk is the risk that a counter party will be unable to meet a commitment that it has been entered into with the Company.

The Company is exposed to credit risk from its exposures to customers, including outstanding receivables and committed transactions. The maximum exposure to credit risk is represented by the carrying amount of the financial assets that are carried in the Statement of financial position.

The Company's secured holding account for EUAs is held in the name of the Company in the Luxembourg section of the Union Registry and has been pledged to the Company's Security Trustee, The Law Debenture Trust Corporation p.l.c. If the Company became subject to an insolvency proceeding the National Administrator for Luxembourg would have the right to suspend the Company's holding account which would prevent redemptions from that account until the National Administrator receives official information about who has the rights to represent the Company as the account holder.

(c) Liquidity risk

The Company monitors rolling forecasts of the Company's liquidity requirement to ensure it will have sufficient cash to meet operational needs.

Contractual undiscounted cashflows

At any time, the price at which ETCs trade on any secondary stock exchange may not reflect accurately the value of the EUA Backing Notes that backs such ETCs. Therefore, the subscription and redemption procedures for ETCs are intended to minimise this potential difference. However, the market price of ETCs will be a function of supply and demand amongst investors wishing to buy and sell EUA Allowances.

Investors are dependent on there being Authorised Participants making a market in ETCs to minimise the difference between the secondary market price and the value of the ETCs, and to provide investors with liquidity. There can be no assurance as to the depth of the secondary market (if any) in ETCs, which could affect their liquidity and market price.

An Authorised Participant is under no obligation to make a market in ETCs and it is impossible to guarantee that one or more Authorised Participants would purchase ETCs on a given day and/or at a particular price, which may result in a lack of liquidity at any given time. If there is limited liquidity, the price at which a Securityholder may be able to sell its ETCs at any time may be substantially less than the price paid by that Securityholder for the same ETCs.

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7 Financial risk management (continued)

The financial liabilities are carried at fair value through profit or loss. The ultimate amount repaid to the Securityholders will depend on the proceeds from the EUA Allowances.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	31 March 2024 EUR	31 March 2023 EUR
Financial assets - current		
Debtors and prepayments	**114,201**	633,441
Cash and cash equivalents	**29,860**	58,589
	144,061	692,030
Financial liabilities - current		
Trade and other payables	**3,443**	50,867
Accrued expenses	**160,862**	347,226
	164,305	398,093

(d) Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people, systems or external events. This risk is mitigated by the presence of qualified professionals in the appointment of Apex Financial Services (Jersey) Limited as administrators and corporate service providers and experienced directors and designated persons involved in and reviewing the processes of the Company.

Fair value estimation

The Company has adopted the amendment to IFRS 7, Financial instruments: Disclosures, for financial instruments that are measured in the statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value.

As at 31 March 2024	**Level 1**	**Level 2**	**Total**
Assets			
Financial assets at fair value through profit or loss	**137,520,944**	**-**	**137,520,944**
Liabilities			
Financial liabilities at fair value through profit or loss	**-**	**(137,520,944)**	**(137,520,944)**

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7 Financial risk management (continued)

Fair value estimation (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

8 Financial assets at fair value through profit or loss

	Nominal	**31 March 2024 Market Value EUR**	31 March 2023 Market Value EUR
EU Carbon Emission Allowances ("EUA")	**2,292,780**	**137,520,944**	128,490,998

EUAs are issued via the European Union Emission Trading System and permit the holder to emit one tonne of carbon dioxide equivalent or other greenhouse gas.

EUAs are held by the Company, in a Holding Account exclusively used for this Programme, as the underlying physical asset of the EUA Backing Note. EUAs can be moved out of the Company's Holding Account either when ETCs are redeemed or periodically to pay the daily accrued TER fee.

EUAs are traded spot on the EEX exchange (part of the Deutsche Borse group) and also in the EU Member State auctions which take place almost every day. In addition, the fair value of EUAs is reduced daily by the percentage of carbon entitlement per security.

The movements of EUA during the year are as follow:

	31 March 2024 Nominal	**31 March 2024 EUR**
Balance at 01 April 2023	**1,458,006**	128,490,998
Subscriptions	**1,558,953**	96,382,129
Redemptions	**(724,179)**	(58,605,965)
Net movement on financial assets at fair value through profit or loss	**-**	(28,746,218)
Balance at 31 March 2024	**2,292,780**	137,520,944

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	31 March 2023 Nominal	31 March 2023 EUR
Balance at 01 April 2022	2,618,523	198,944,801
Subscriptions	1,036,949	85,683,997
Redemptions	(2,197,466)	(177,720,152)
Net movement on financial assets at fair value through profit or loss	-	21,582,352
Balance at 31 March 2023	**1,458,006**	128,490,998

9 Debtors and prepayments

	31 March 2024 EUR	31 March 2023 EUR
TER on EUAs	**101,695**	633,439
Other debtors	**12,504**	-
Unpaid shares issued	**2**	2
	114,201	633,441

10 Financial liabilities at fair value through profit or loss

	31 March 2024 EUR	31 March 2023 EUR
Non-current borrowings		
EUA Backing Notes	**137,520,944**	128,490,998

The EUA Backing Note is a specific undated security, issued by the Company to HANetf, which gives HANetf an entitlement to those underlying EUAs. The EUA Backing notes are secured by The Law Debenture Trust Corporation p.l.c.

11 Accrued expenses

	31 March 2024 EUR	31 March 2023 EUR
Audit fees	**15,804**	15,388
Information/data providers	**96,583**	307,166
Other professional fees	**48,475**	24,672
	160,862	347,226

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12 Share capital

The authorised share capital of the Company is GBP 10,000 divided into 10,000 shares of GBP 1 each

	31 March 2024 EUR	31 March 2023 EUR
Issued and fully paid:		
2 Ordinary Shares of GBP 1 each	**2**	2

13 Cash generated from operations

	31 March 2024 EUR	31 March 2023 EUR
Comprehensive (loss)/income for the year	**(314,181)**	256,618
Decrease/(increase) in debtors	**519,240**	(63,453)
Decrease in creditors	**(233,788)**	(135,072)
Increase in EUAs held	**(137,520,944)**	(128,490,998)
Increase in EUA Backing Notes issued	**137,520,944**	128,490,998
Cash (used in)/generated from operations	**(28,729)**	58,093

14 Related party transactions

Paul Monahan and Vinod Rajput who served as Directors during the year and subsequently are also Directors of entities that are part of the Apex Group. The Apex Group provides administrative, accounting and safe custody services to the Company. Fees recognised by the Company in respect of such services are included in the Statement of comprehensive income and any outstanding liability at the year-end is reflected in the Statement of financial position.

Ciaran Connolly, Michael Carroll and Niall Vaughan who served as Directors of HANetf during the year and subsequently are/were also Directors of entities that are part of the Apex Group.

The Company has appointed SCGI as its technology provider, whereby SCGI licenses its software platform to the Company to enable it to fulfil certain internal position-keeping and reconciliation functions. Fees recognised by the Company in respect of information/data providers services are included in the Statement of comprehensive income and any outstanding liability at the year-end is reflected in the Statement of financial position. SCGI also provides financial support to the Company.

15 Ultimate controlling party

The ultimate controlling party of the Company is Apex Financial Services (Trust Company) Limited as Trustee of The Spark Change Jersey Purpose Trust.