

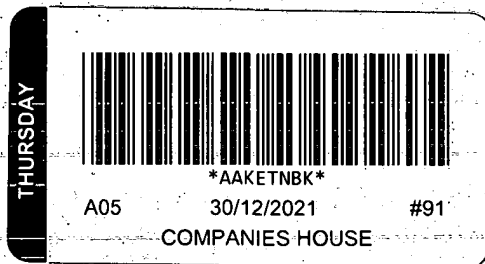
HANetf Limited

Annual report and audited financial statements

For the year ended 31 March 2021

Company No: 10697042

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HANeff Limited

Audited financial statements
for the year ended 31 March 2021

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HANetf Limited

Directors and other information

Directors	N R Bienkowski I D H McNeil
Registered office	City Tower 40 Basinghall Street London EC2V 5DE United Kingdom
Company number	10697042
Company secretary	Doran & Minchane UK Limited 25 East Street Bromley BR1 1QE United Kingdom
Accountants	Doran & Minchane UK Limited 25 East Street Bromley BR1 1QE United Kingdom
Auditor	MHA MacIntyre Hudson 6th Floor 2 New London Wall Place London EC2Y 5AU United Kingdom

HANetf Limited

Strategic report

for the year ended 31 March 2021

The Directors present the strategic report together with the audited financial statements of HANetf Limited (the "Company") for the financial year ended 31 March 2021.

Review of the business and future developments

The Company is 100% owned by HANetf Holdings Limited (the "HoldCo"). The HoldCo also holds 100% of the share capital of HANetf Management Limited (the "ManCo") and together these entities form the HANetf group ("the Group").

The ManCo was authorised by the Central Bank of Ireland on 12 December 2018 to operate as a management company for the purposes of the European Communities (Undertakings for Collective Investment in Transferable Securities) ("UCITS") Regulations 2011. The Company has been appointed as the ManCo's marketing agent, pursuant to a marketing agreement. The Company also acts as marketing agent for the exchange traded fund ("ETF") and exchange traded commodity ("ETC") products and other investment vehicles in a number of jurisdictions. The Company also provides operational support to the clients, where required.

The statement of comprehensive income is set out on page 10 and shows the loss after taxation for the year ended 31 March 2021 was £1,737,537 (2020: £2,932,611). At 31 March 2021, the Company has a Shareholder's deficit of £7,223,792 (2020: £5,532,636). Total revenue has increased from £629,876 for the year ended 31 March 2020 to £3,197,623 for the year ended 31 March 2021. By comparison, the expenses have less than doubled being recorded at £3,562,517 for the year ended 31 March 2020 and increasing to £4,935,162 for the year ended 31 March 2021.

The increase in revenue during the year ended 31 March 2021 was due to the Company being the marketing promotor of thirteen products (2020: eight). More than ten further products are expected to have launched by 31 August 2021. Also during the year ended 31 March 2021, the level of assets under management ("AUM") increased from £204 million to £1.7 billion.

The Directors are not aware of any likely changes to the Company's activities or changes to the investments held in the coming years.


Key performance indicators

The key indicator of investment performance for the Company are the following:

	31 March 2020	31 March 2021
Income	£629,876	£3,197,623
AUM	£203,929,945	£1,702,780,141
Number of sub-funds and products	8	13

The number of ETF and ETC products contracting with the Company have increased from eight at 31 March 2020 to thirteen at 31 March 2021. The AUM of which the Company provides services to, increased from £203,929,945 at 31 March 2020 to £1,702,780,141 as of 31 March 2021. The income streams of the Company are based on AUM therefore the income increases as AUM and the number of products increase.

On behalf of the Board of Directors:


Nik Bienkowski (Dec 21, 2021 19:16 GMT+1)

Director
21 December 2021

HANetf Limited

Directors' report for the year ended 31 March 2021

The Directors present their report and financial statements of the Company for the year ended 31 March 2021.

Results and dividends

The statement of comprehensive income is set out on page 10 and shows the loss after taxation for the year ended 31 March 2021 was £1,737,537 (2020: £2,932,611). At 31 March 2021, the Company has shareholder's deficit of £7,223,792 (2020: £5,532,636). At 31 March 2020 the Company was the marketing promotor of eight products. At 31 March 2021 this has increased to thirteen products. More than ten further products are expected to have launched by 31 August 2021. Along with the increase in revenue reported for the year ended 31 March 2021 of £3,197,623 compared to £629,876 reported for the year ended 31 March 2020, there has been an increase in administrative expenses from £3,562,517 to £4,935,162 for the year ended 31 March 2021. The majority of this increase relates to wages and salaries as the Company has invested in resources that will help to drive its revenue.

The Directors have not recommended the payment of a dividend for the year ended 31 March 2021 (31 March 2020: £Nil).

Principal activity and development

The Company is 100% owned by HANetf Holdings Limited, a holding company which also holds 100% of the shares of HANetf Management Limited (the "ManCo"). The ManCo is the management company of HANetf ICAV ("the ICAV").

The Company has been appointed as the ManCo's marketing agent, pursuant to a marketing agreement. The Company acts as marketing agent for the ETF and ETC products and other investment vehicles in a number of jurisdictions. The Company provides operational support, where required. Subject to prior written approval from the ManCo, the Company may delegate all or part of its duties and powers to affiliated or non-affiliated agents.

Directors

The names of persons who were Directors at any time during the year ended 31 March 2021 and up to the date of approval of this report were:

N R Bienkowski
I D H McNeil

The Company's approach to risk and capital management

The Company operates within the governance structure and priority framework of the HANetf Group. It also has its own established governance framework, with clear terms of reference for the Directors including a clear organisational structure. The Company manages its capital to ensure that it is able to continue as a going concern.

Principal risks and uncertainties

The Company is an independent ETF specialist set up to bring innovative UCITS ETF and ETC products to investors via its white-label platform. The Company is exposed to risks including the following: market risk, credit risk, liquidity risk and operational risk.

HEA Netf Limited

Directors' report *(continued)*
for the year ended 31 March 2021

Principal risks and uncertainties *(continued)*

The principal risk of the Company includes market risk and relates to the ability of the Company to generate sufficient revenue to cover its costs and to continually appoint new products onto its investment portfolio. The HoldCo has committed to providing funding until such time as revenue in the Company exceeds costs.

The Company is subject to liquidity risk in the event that the Company would not be able to pay its expenses as they fall due. This risk is mitigated by the HoldCo providing cash injections as needed so that the Company can pay its expenses as they fall due.

The Company is subject to credit risk in the event that the clients fail to pay its fees and third-party expenses. The Company requires its clients to provide a pre-funding deposit as protection against non-payment of expenses. These amounts will be held by the Company in accordance with the client agreements. If an ETF/ETC product is terminated, the relevant pre-funding deposit would be returned to the client after all expenses are settled.

Operational risk arises for the Company in the event of inadequate or failed internal processes, people, systems or external events. The Directors have put policies and procedures in place to mitigate this risk. The key staff and management of the Company are of the highest calibre and experience.

Disclosure of information to auditors

The Directors note that:

- (a) there is no relevant audit information of which the Company's auditor is unaware; and
- (b) the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

MHA Macintyre Hudson will present themselves for reappointment at the annual general meeting.

Directors' duties

The Directors are committed to acting in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. To date, the Directors have built strong relationships with their clients with a number of existing clients preparing to launch further products. The Directors maintain healthy relationships with their suppliers and service providers and are recognised as an attractive employer in the marketplace.

The Directors have third party indemnity insurance in place.

HANett Limited

Directors' report *(continued)* for the year ended 31 March 2021

Going concern

The Directors have undertaken a review on the ability of the Company to continue as a going concern for the next twelve months from the date of approval of these financial statements, which includes an assessment of the impact of COVID-19.

Although the Company has made a loss for the year ended 31 March 2021 budgets and forecasts have been prepared, which include assessments of possible impacts of COVID-19. These budgets and forecasts demonstrate that the Company will generate sufficient revenue and have sufficient resources to meet its liabilities for at least twelve months from the date of approval of these financial statements.

The audited financial statements are prepared on a going concern basis. The Directors have made an assessment of the Company's ability to continue in operation and based on the HoldCo's commitment to financially support the Company, the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. Given the provision of cash injections that have taken place and that will continue as needed, the Directors are of the opinion that the Company will continue to meet its liabilities as they fall due. The Directors has also considered the growth in revenue streams being recorded by the Company post year end and the extensive budgets prepared.


While the extent and duration of the impact of COVID-19 on global and local economies, financial markets and sectors is uncertain at this point, the outbreak has the potential to adversely affect the financial position of the Company. The Board of Directors are monitoring COVID-19 and its potential impact on the Company. To date, the impact has been managed successfully.

Accordingly, the Directors have adopted the going concern basis of preparation in preparing these financial statements.

Post balance sheet events

At 31 March 2021 the Company was the marketing promotor of ten sub-funds and three ETCs. At 30 November 2021 this has increased to twenty-two sub-funds and six ETCs.

On behalf of the Board of Directors:


Nik Bienkowski (Dec 21, 2021 19:16 GMT+1)

N R Bienkowski
Director
21 December 2021

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for the Company for each financial year. Under that law, the Directors have elected to prepare the audited financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including Financial Reporting Standards 102; *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102")) and applicable law. Under company law, the Directors must not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at the year end date and of the profit or loss of the Company for the financial year.

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed for the Company 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 also responsible for ensuring the Company keeps, or causes to be kept, adequate accounting records which:

- correctly explain and record the transactions of the Company;
- enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy;
- allow the Directors to ensure that the financial statements and Directors' report of the Company comply with the Companies Act 2006; 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board of Directors:


Nik Bienkowski (Dec 21, 2021 19:16 GMT+1)

N R Bienkowski
Director

Date: 21 December 2021

Independent auditor's report to the Members of HANetf Limited

Opinion

We have audited the financial statements of HANetf Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent auditor's report to the Members of HANetf Limited (continued)



Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the year ended 31 March 2021 for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

David King, ACA
Senior Statutory Auditor

For and on behalf of:
MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditors
London, United Kingdom
22 December 2021

HANetf Limited

Statement of comprehensive income for the year ended 31 March 2021

	<i>Note</i>	For the year ended 31 March 2021 £	For the year ended 31 March 2020 £
Revenue	4	3,197,623	629,876
Administrative expenses	5	(4,935,162)	(3,562,517)
Operating loss		(1,737,539)	(2,932,641)
Interest receivable		2	30
Loss on ordinary activities before taxation		(1,737,537)	(2,932,611)
Tax on loss on ordinary activities	7	-	-
Loss on ordinary activities after taxation		(1,737,537)	(2,932,611)

There were no other items of comprehensive income for the current or prior year other than those included in the statement of comprehensive income above.

All amounts relate to continuing operations.


The accompanying notes on pages 13 to 20 form an integral part of these audited financial statements.

HANetf Limited

Statement of financial position as at 31 March 2021

	<i>Note</i>	31 March 2021 £	31 March 2020 £
Fixed assets			
Tangible assets	8	14,821	11,420
Total fixed assets		14,821	11,420
Current assets			
Debtors	9	1,452,423	637,484
Cash and cash equivalents		408,165	244,641
Total current assets		1,860,588	882,125
Creditors: amounts falling due within one year			
Creditors	10	(9,099,201)	(6,426,181)
Total current liabilities		(9,099,201)	(6,426,181)
Net current liabilities		(7,238,613)	(5,544,056)
Net liabilities		(7,223,792)	(5,532,636)
Capital and reserves			
Issued share capital	11	8,000	8,000
Share premium account	11	31,992	31,992
Retained deficit		(7,263,784)	(5,572,628)
Shareholder's deficit		(7,223,792)	(5,532,636)

The financial statements on pages 10 to 20 were authorised for issue by the Board of Directors on 21 December 2021 and were signed on its behalf by:


NIP Bienkowski (pec 21. 3321 19/16 GMP+)

N R Bienkowski
Director

The accompanying notes on pages 13 to 20 form an integral part of these audited financial statements.

HANetf Limited

Statement of changes in equity for the year ended 31 March 2021

	Ordinary share capital £	Share premium £	Retained deficit £	Total equity £
At 1 April 2019 (unaudited)	8,000	31,992	(2,640,017)	(2,600,025)
Net loss	-	-	(2,932,611)	(2,932,611)
At 31 March 2020	<u>8,000</u>	<u>31,992</u>	<u>(5,572,628)</u>	<u>(5,532,636)</u>
At 1 April 2020	8,000	31,992	(5,572,628)	(5,532,636)
Adjustment*	-	-	46,381	46,381
Net loss	-	-	(1,737,537)	(1,737,537)
At 31 March 2021	<u>8,000</u>	<u>31,992</u>	<u>(7,263,784)</u>	<u>(7,223,792)</u>

**reclassification adjustment in prior year*

The accompanying notes on pages 13 to 20 form an integral part of these audited financial statements.

HANetf Limited

Notes to the audited financial statements for the year ended 31 March 2021

1. General information

HANetf Limited (“the Company”) is a private company limited by shares and is incorporated and domiciled in England (registration number 10697042). The address of its registered office is City Tower, 40 Basinghall Street, London, England, EC2V 5DE.

The Company is 100% owned by HANetf Holdings Limited (“the HoldCo”), a holding company which also holds 100% of the shares of HANetf Management Limited (“the ManCo”). The ManCo is the management company of HANetf ICAV (“the ICAV”).

The Company has been appointed as the ManCo's marketing agent, pursuant to a marketing agreement. The Company acts as marketing agent for the ETF and ETC products and any other investment vehicle in a number of jurisdictions. The Company will provide operational support, where required.

Subject to prior written approval from the ManCo, the Company may delegate all or part of its duties and powers to affiliated or non-affiliated agents.

2. Summary of significant accounting policies

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

(a) Basis of preparation

The audited financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, specifically Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland* (“FRS 102”) and the Companies Act 2006. There were no material departures from the standard.

The audited financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with FRS 102 and applicable law.

(b) Going concern

The audited financial statements are prepared on a going concern basis. The Directors have made an assessment of the Company's ability to continue in operation and based on the HoldCo's commitment to financially support the Company, the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. Given the provision of cash injections that have taken place and that will continue as needed, the Directors are of the opinion that the Company will continue to meet its liabilities as they fall due. The Directors has also considered the growth in revenue streams being recorded by the Company post year end and the extensive budgets prepared.

While the extent and duration of the impact of COVID-19 on global and local economies, financial markets and sectors is uncertain at this point, the outbreak has the potential to adversely affect the financial position of the Company. The Board of Directors are monitoring COVID-19 and its potential impact on the Company. To date, the impact has been managed successfully.

Accordingly, the Directors have adopted the going concern basis of preparation in preparing these financial statements.

2. Summary of significant accounting policies *(continued)*

(c) Exemptions

The Company has taken advantage of the exemption stated in paragraph 3.17 (d) of FRS 102 and has not presented a statement of cash flows for the Company. The Company meets the requirements of a qualifying entity as the Company is a member of a group where the parent of that group, HANetf Holdings Limited, prepares publicly available consolidated financial statements which are intended to give a true and fair value of the assets, liabilities, financial position and profit or loss and that member is included in the consolidation. This Company is included in the consolidated financial statements of that group.

(d) Foreign currency

Functional and presentation currency

The Company's functional and presentation currency is British Pound Sterling ("£") rounded to the nearest £. The Directors consider that £ reflects the primary economic environment in which the Company operates.

Transactions and balances

Transactions in currencies other than the functional currency of the Company (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(e) Interest income and interest expense

Interest income and interest expense, if any, are recognised in the statement of comprehensive income as they accrue, using the effective interest rate of the financial instrument.

Fee income includes fees charged to the clients which are calculated as a percentage of the AUM of the sub-funds and ETCs and subject to a minimum fee.

Other income includes directly attributable expenses paid by the Company that are recharged to the clients on a periodic basis.

(f) Expenses

All expenses are accounted for on an accruals basis.

(g) Taxation

Taxation expense for the year represents current tax recognised in the reporting period and is recognised in the statement of comprehensive income. Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end. Current taxation assets and liabilities are not discounted.

Deferred tax assets are recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply in the periods in which any timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

2. Summary of significant accounting policies *(continued)*

(h) Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management over its useful life.

Tangible assets, comprising of computer equipment, are stated at cost less accumulated depreciation and are depreciated over their estimated useful lives, of three years, on a straight line basis.

(i) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. The Company had an operating lease in place for the year ended 31 March 2020 and for a portion of the year ended 31 March 2021. Rentals payable under operating leases are charged to the statement of comprehensive income on a straight line basis over the total lease term. Lease incentives are recognised over the total lease term on a straight line basis. As a result of the COVID-19 pandemic, the lease was cancelled in August 2020 and the operating lease is no longer in place.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank overdrafts and deposits held at call with banks with maturities of less than 3 months.

(k) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest rate method. At the end of each reporting period financial assets measured at amortised costs are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate method. The impairment loss is recognised in the statement of comprehensive income. There was no impairment in the current or prior financial years.

Financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest rate method. Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from service providers and are classified as current liabilities if payment is due within one year or less. Creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Amounts payable to, or receivable from, other group companies are unsecured, interest free, have no fixed date of repayment, are repayable on demand and are disclosed as current liabilities/assets on the statement of financial position.

HANetf Limited

Notes to the audited financial statements (*continued*) for the year ended 31 March 2021

3. Significant judgements and estimates

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.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The estimated useful lives for tangible fixed assets is three years.

Impairment of debtors

The Company makes an estimate of the recoverable value of debtors. When assessing impairment of debtors, management considers factors including the ageing profile of debtors and historical experience.

4. Revenue

	For the year ended 31 March 2021 £	For the year ended 31 March 2020 £
Fee income	1,945,845	419,309
Other income	1,251,778	210,567
	3,197,623	629,876

Fee income includes fees charged to the clients which are calculated as a percentage of the AUM of the sub-funds and ETCs and subject to a minimum fee. The geographical markets of the fee income is broken down as follows:

	For the year ended 31 March 2021 £	For the year ended 31 March 2020 £
<i>Geographical markets</i>		
United Kingdom	1,110,035	255,508
Rest of the World	820,810	163,801
Europe	15,000	-
	1,945,845	419,309

HANetf Limited

Notes to the audited financial statements *(continued)* for the year ended 31 March 2021

4. Revenue *(continued)*

Other income includes directly attributable expenses paid by the Company that are recharged to the clients on a periodic basis. Expenses paid by the Company on behalf of the ManCo are also recharged to the ManCo.

<i>Geographical markets</i>	For the year ended 31 March 2021 £	For the year ended 31 March 2020 £
United Kingdom	873,657	67,422
Europe	365,838	143,145
Rest of the World	12,283	-
	1,251,778	210,567

5. Operating losses are stated after charging:

	For the year ended 31 March 2021 £	For the year ended 31 March 2020 £
Included in administrative expenses:		
Audit fees	(4,000)	(3,000)
Foreign exchange loss	(8,316)	(8,102)
Depreciation of computer equipment	(9,834)	(8,281)
Operating lease costs	(68,562)	(164,090)
Staff costs	(3,030,685)	(2,213,898)

6. Employees and Directors' remuneration

The Company incurred the following costs in relation to its employees and Directors:

	For the year ended 31 March 2021 £	For the year ended 31 March 2020 £
Wages and salaries including bonuses	2,797,927	1,950,437
Social security costs	174,293	204,854
Pension	31,393	29,468
Medical benefits	27,072	29,139
	3,030,685	2,213,898

Total Directors' remuneration included in the statement of comprehensive income is £116,974 (31 March 2020: £422,746).

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Notes to the audited financial statements *(continued)* for the year ended 31 March 2021

6. Employees and Directors' remuneration *(continued)*

The average number of employees of the Company during the year ended 31 March 2021 was:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Senior management	2	2
Operations employees	14	12
	16	14

At 31 March 2021 the Company had fifteen (2020: thirteen) employees in addition to two (2020: two) executive Directors

7. Income tax

The tax charge is based on the profit for the year and represents:

	For the year ended 31 March 2021 £	For the year ended 31 March 2020 £
Corporation tax		
Current tax on profits for the year	-	-
Total current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Taxation on profit on ordinary activities	-	-

The reconciliation between the total tax charge for the year and the standard rate of corporation tax in the UK applied to the profit for the year is as follows:

	For the year ended 31 March 2021 £	For the year ended 31 March 2020 £
Loss on ordinary activities before tax	(1,737,537)	(2,932,611)
Expected tax charge based on the standard of corporation tax in the UK of 19%	(330,132)	(557,196)
Non-deductible expenses	371	4,317
Unutilised tax losses	329,761	552,879
Total tax on profits on ordinary activities	-	-

HANetf Limited

Notes to the audited financial statements *(continued)* for the year ended 31 March 2021

7. Income tax *(continued)*

At 31 March 2021 and 31 March 2020 no deferred tax asset has been recognised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted as at the date of the statement of financial position. Deferred tax assets are only recognised to the extent that it is probably that they will be recovered against future taxable profits. At 31 March 2021 the amount of unutilised tax losses carried forward are £7,286,685 (31 March 2020: £5,551,102).

8. Tangible assets

	31 March 2021 £	31 March 2020 £
Cost – computer equipment		
At 1 April	27,706	22,773
Additions	13,236	4,933
At 31 March	40,942	27,706
Amortisation – computer equipment		
At 1 April	(16,286)	(8,006)
Charge for the year	(9,835)	(8,280)
At 31 March	(26,121)	(16,286)
Net book value at 31 March	14,821	11,420

9. Debtors

	31 March 2021 £	31 March 2020 £
Prepayments and deferred income	773,956	126,401
Debtors	494,159	147,593
Amounts due from group companies (see note 13)	178,908	272,680
Rent deposit	5,400	44,850
VAT recoverable	-	45,960
Total debtors	1,452,423	637,484

HANetf Limited

Notes to the audited financial statements *(continued)* for the year ended 31 March 2021

10. Creditors

	31 March 2021 £	31 March 2020 £
Amounts owed to group companies (see note 13)	(7,172,805)	(5,453,643)
Accruals	(1,283,942)	(484,169)
Other creditors	(388,659)	(378,873)
PAYE and pension contributions payable	(211,673)	(109,496)
VAT liability	(42,122)	-
Total creditors	(9,099,201)	(6,426,181)

Amounts owed to group companies are unsecured, interest free, have no fixed date of repayment and are payable on demand.

11. Called-up share capital

	31 March 2021 £	31 March 2020 £
Authorised, allotted and fully paid: 80,000 Ordinary shares of £0.10 each	8,000	8,000
	8,000	8,000

On 3 October 2017, the two Directors acquired 80,000 of £0.10 nominal for consideration of £40,000 resulting in share premium of £31,992. Consideration for this share issuance was the existing directors' loans of £20,000 each.

12. Immediate and ultimate controlling party

The Company's ultimate parent company is HANetf Holdings Limited, an entity incorporated in England and Wales. The Company is included in the audited consolidated financial statements of HANetf Holdings Limited.

13. Related parties

HANetf Limited is 100% owned by HANetf Holdings Limited, a holding company which also holds 100% of the shares of HANetf Management Limited (the "ManCo"). The ManCo is the management company of HANetf ICAV (the "ICAV").

Related parties include:

- the Directors; and
- other group companies.

The Company has used the exemption in paragraph 33.1(a) of FRS 102 which permits a qualifying entity to not provide disclosures on related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction, is wholly owned by such a member.