alphabeta access products ltd

Annual report and audited financial statements for the year ended 31 December 2020

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Directors' Report

The Directors present their Report, together with the audited financial statements of alphabeta access products ltd (the "Company"), for the year ended 31 December 2020.

Incorporation and principal activities

The Company was incorporated as a public company on 29 May 2012. The principal activity of the Company is to issue secured and unsecured Certificates (together "the Certificates") under the terms of a US$50,000,000,000 Certificate Programme (increased from US$30,000,000,000 on 13 June 2019). The Certificates are issued in series and provide holders with indirect access to various leveraged products holding investments in a range of trading Programmes. There were three new series of certificates ("Series 20", "Series 24" and "Series 25") issued during the year.

Results and dividends

The results for the year are set out in the Statement of Comprehensive Income on page 9. Dividends for the year of US$6,000 were declared in respect of the year ended 31 December 2020 (2019 : nil).

Directors

The following persons were directors of the Company during the year and up to the date of this report:

S Conroy
M Newton (resigned 19th March 2021)
T Ridgway (appointed 19th March 2021)

Statement of directors' responsibilities

The Directors are responsible for preparing financial statements in accordance with generally accepted accounting principles.

Companies Law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the Company's surplus or deficit for that period. In preparing these financial statements the Directors should:

International Accounting Standard 1 "Presentation of Financial Statements" requires that financial statements present fairly, for each financial period, the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, the Directors are also required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements that are reasonable and prudent; 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 keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with Jersey Company Law. 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.

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

The Directors confirm that so far as they are aware, there is no relevant audit information, of which the Company's auditor is unaware and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of this information.

Directors' Report (continued)

Going Concern

The Directors have prepared the financial statements of the Company on a going concern basis. The expenses of the Company, other than bank charges, are paid by Morgan Stanley & Co International Plc ("Morgan Stanley") and income is received from Morgan Stanley to cover bank charges. The Directors have no reason to believe that Morgan Stanley will not honour this agreement for the foreseeable future and note that this agreement has been in place for a number of years and Morgan Stanley have continued to meet their obligations under it. Also, the Directors have no reason to believe that Morgan Stanley will not continue as a going concern amidst the current uncertain market conditions derived from the outbreak of the COVID-19 Virus. The unsecured Certificates are limited recourse as the principal repayment of each series is linked to the value for the financial assets. The Directors have therefore prepared the financial statements on a going concern basis.

COVID-19

COVID-19, which is a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had a significant impact on global economies and equity, debt and commodity markets. The Company has considered the impact of COVID-19 and other market volatility in preparing its financial statements.

While the specific areas of judgement did not change, the impact of COVID-19 resulted in the application of further judgement within those identified areas. Given the dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic, changes to the estimates and outcomes that have been applied in the measurement of the Company's assets and liabilities may arise in the future.

As a consequence of COVID-19 and in preparing these financial statements, the Directors:

- re-evaluated whether there were any additional areas of judgement or estimation uncertainty beyond what has been disclosed
- reviewed external market communications to identify other COVID-19 related impacts
- reviewed public forecasts and experience from previous downturns
- conducted several internal processes to ensure consistency in the application of the expected impact of COVID-19 across all asset classes
- assessed the carrying values of its assets and liabilities and determined the impact thereon as a result of market inputs and variables impacted by COVID-19
- considered the impact of COVID-19 on the Company's financial statement disclosures.

The Directors have concluded that there were no material matters that needed to be disclosed as a result of COVID-19.

Company Secretary

The Secretary of the Company who has been Secretary for the year under review and up to the date for this report is Crestbridge Corporate Services Limited.

Independent auditors

Grant Thornton Limited were appointed as the Independent Auditor on 6 December 2019 and have expressed their willingness to continue in office.

Approved by the Board of Directors on 30 March 2021.

Registered Office
47 Esplanade
St Helier
Jersey
JE1 0BD

Independent auditor’s report

To the members of Alphabeta Access Products Limited

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Alphabeta Access Products Limited (the ‘Company’) for the year ended 31 December 2020 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2020 and of the Company’s profit for the year then ended;
- are in accordance with IFRSs as issued by the International Accounting Standards Board; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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, the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, 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

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs require us to report to you where:

- the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

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

Key Audit Matter	How the matter was addressed in the audit
Investments maybe materially misstated due to incorrect valuation Investments comprise of positions in leveraged products that hold investments in a range of trading programmes. The fair value of investments (financial assets at fair value through profit or loss) is based on the price of the underlying leveraged products.The fair value may be misstated due to inaccuracies in the underlying products valuations or incorrect calculation of the fair value as at year end.	Our audit work included, but was not restricted to: • we reviewed the Company's accounting policies to confirm their compliance with IFRS requirements; • we assessed the design and implementation of controls relating purchases, disposals and valuation of investments; • we traced samples of subscriptions and redemptions during the year to the relevant valid deal tickets to confirm their occurrence and accuracy; • we reconciled units held under each series at 31 December 2020 to confirmations received direct from independent custodians; and • we recalculated the fair value as at 31 December 2020 using the closing prices and units confirmed by independent custodians. **Key observations** No misstatements were identified from the work performed.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work. Materiality was determined as follows:

Financial statements as a whole:
$9,314,000 which is 2% of total assets. This benchmark is considered the most appropriate because certificate holders consider total assets value to be the main key performance indicator.

Performance materiality used to drive the extent of our testing:
75% of financial statement materiality for the audit of the financial statements.

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk based, and in particular included:

- assessment of the controls designed and implemented by the administrator to ensure that information being recorded in the Company is valid, complete and accurate; and
- understanding the investments cycle and performing the relevant substantive procedures on fair value movement and the fair value as at 31 December 2020.

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 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 of 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 in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- the company financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

Alexander R Langley
For and on behalf of Grant Thornton Limited
Chartered Accountants
St. Helier
Jersey

Date: 31 March 2021

Statement of Financial Position

As at 31 December 2020

	Notes	31 December 2020 US$	31 December 2019 US$
ASSETS			
Current assets			
Financial assets at fair value through profit or loss	4	465,656,614	330,684,454
Receivables	6	-	28,204,208
Cash and cash equivalents		66,996	23,520
Total Assets		465,723,610	358,912,182
LIABILITIES			
Current liabilities			
Financial liabilities at fair value through profit or loss	7	465,656,614	330,684,454
Trade and other payables	8	-	28,204,113
Total Liabilities		465,656,614	358,888,567
EQUITY			
Capital and Reserves Attributable to the Equity Holders of the Company			
Share capital	5	3	3
Retained earnings		66,993	23,612
Total Equity		66,996	23,615
Total Liabilities and Equity		465,723,610	358,912,182

These audited financial statements on pages 8 to 25 were approved and authorised for issue by the Board of Directors on 29 March 2021 and were signed on its behalf by:

Director

The notes on pages 12 to 25 are an integral part of these audited financial statements

Statement of Comprehensive Income

For the year ended 31 December 2020

	Notes	Year ended 31 December 2020 US$	31 December 2019 US$
Income			
Other income		50,756	9,000
Fair value gain on financial liabilities at fair value through profit or loss	7	-	17,227,027
Foreign exchange gain/(loss)		1,307	(775)
Fair value gain on financial assets at fair value through profit or loss		29,962,220	-
		30,014,283	17,235,252
Expenses			
Management fees		-	51,257
Bank charges		2,682	5,558
Fair value loss on financial assets at fair value through profit or loss		-	17,227,027
Fair value loss on financial liabilities at fair value through profit or loss	7	29,962,220	-
		29,964,902	17,283,842
Profit/(loss) for the year		49,381	(48,590)
Total comprehensive income/(loss) attributable to:			
Equity holders of the company		49,381	(48,590)

All results in the current year and prior year result from continuing operations.

The notes on pages 12 to 25 are an integral part of these audited financial statements

Statement of Changes in Equity

For the year ended 31 December 2020

	Share Capital US$	Accumulated Reserves US$	Total US$
Balance at 1 January 2019	3	72,202	72,205
Loss and total comprehensive loss for the year	-	(48,590)	(48,590)
Balance at 31 December 2019	3	23,612	23,615

	Share Capital US$	Accumulated Reserves US$	Total US$
Balance at 1 January 2020	3	23,612	23,615
Profit and total comprehensive income for the year	-	49,381	49,381
Dividends	-	(6,000)	(6,000)
Balance at 31 December 2020	3	66,993	66,996

The notes on pages 12 to 25 are an integral part of these audited financial statements

Statement of Cash Flows

For the year ended 31 December 2020

		Year ended	
		31 December 2020	**31 December 2019**
Cash flows from operating activities	Notes	**US$**	**US$**
Profit/(loss) for the year		49,381	(48,590)
Distribution paid		(6,000)	-
Decrease in payables		-	(67,033)
Decrease in receivables		95	-
Fair value movement on financial liabilities at fair value through profit or loss	7	(29,962,220)	17,227,027
Fair value movement on financial assets at fair value through profit or loss	4	29,962,220	(17,227,027)
Net cash generated from/(used in) operating activities		43,476	(115,623)
Cash flows from investing activities			
Purchase of investments	4	(483,314,304)	(247,118,198)
Proceeds from sale of investments	4	378,304,362	118,163,308
Net cash used in investing activities		(105,009,942)	(128,954,890)
Cash flows from financing activities			
Issue of certificates	7	483,314,304	247,118,198
Redemption of certificates	7	(378,304,362)	(118,096,370)
Net cash generated from financing activities		105,009,942	129,021,828
Net increase/(decrease) in cash and cash equivalents		43,476	(48,685)
Cash and cash equivalents at the beginning of the year		23,520	72,205
Cash and cash equivalents at the end of year		**66,996**	**23,520**

The notes on pages 12 to 25 are an integral part of these audited financial statements

Notes to the Financial Statements

For the year ended 31 December 2020

1 General Information

The Company's principal place of business is at 47 Esplanade, St. Helier, Jersey, JE1 0BD. The Company was incorporated on 29 May 2012 under the Companies (Jersey) Law 1991 and is a public company limited by shares. The principal activity of the Company is to issue secured and unsecured Certificates (together "the Certificates") under the terms of a US$50,000,000,000 Certificate Programmes ("the Programme") (increased from US$30,000,000,000 on 13 June 2019). The Certificates will be issued in series and will provide holders with indirect access to various leveraged products holding investments in a range of trading Programmes.

Ten series of Certificates were in issue at the year end and provide indirect access to the following Programmes:

Series Name:	**Principal Country of Operation**
Lynx (Cayman) Fund Limited (Series 6)	Cayman Islands
IPM (Cayman) Fund Limited (Series 9)	Ireland
Series 16 - Investment basket	Ireland
MSP (Europe) I Limited (Series 17)	Cayman Islands
Two Trees (Capital) Limited (Series 19)	Cayman Islands
RAM (Cayman) Systematic DIVALPHA Limited (Series 20)	Ireland
Series 24 - Investment basket	Ireland
Bayforest (Cayman) Fund Limited (Series 25)	Cayman Islands
Repack Series 1	Gibraltar
Exchanged Traded Products Programme	Sweden

2 Principal Accounting Policies

The following accounting policies have been applied consistently throughout the year presented in dealing with items which are considered to be material in relation to the Company's audited financial statements (the "financial statements").

Basis of preparation

These audited financial statements have been prepared on an historical cost basis, except for financial assets and liabilities designated at Fair Value Through Profit or Loss ('FVTPL') which have all been measured at fair value. The financial statements are presented in United States Dollars ('US$').

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

The Company uses valuations received from the third party administrators of the underlying investments for daily Net Asset Valuation calculations. Financial assets at fair value through profit or loss are independently valued on an individual basis depending on the nature of the investment. Fair value estimates are made at a specific point in time, based on market conditions and other available information. The certificate investments fall under Level 1, 2 and 3 of the fair value hierarchy. The table in note 4 shows a reconciliation of opening balances to the year end balances. The Directors consider there to be no other key sources of estimation uncertainty at the year end date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

2 Principal Accounting Policies (continued)

Going concern

The Directors have prepared the financial statements of the Company on a going concern basis. The expenses of the Company, other than bank charges, are paid by Morgan Stanley & Co International Plc ("Morgan Stanley") and income is received from Morgan Stanley to cover bank charges. The Directors have no reason to believe that Morgan Stanley will not honour this agreement for the foreseeable future and note that this agreement has been in place for a number of years and Morgan Stanley have continued to meet their obligations under it. Also, the Directors have no reason to believe that Morgan Stanley will not continue as a going concern amidst the current uncertain market conditions derived from the outbreak of the COVID-19 Virus. The unsecured Certificates are limited recourse as the principal repayment of each series is linked to the value for the financial assets. The Directors have therefore prepared the financial statements on a going concern basis.

New accounting standards and interpretations

(i) Standards and amendments to existing standards not yet effective for reporting periods beginning on 1 January 2020:

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2020 that have a material effect on the financial statements of the Company.

(ii) New standards, amendments and interpretations not yet effective for reporting periods beginning on 1 January 2020

A number of new standards and amendments to standards and interpretations are not yet effective for reporting periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. The Directors have assessed that these standards will not have material effect on the financial statements of the Company.

Financial instruments

1.1 Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories:

· those to be measured subsequently at fair value; and

· those to be measured at amortised cost.

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

Assets measured at fair value are Financial Assets at FVTPL and Financial Assets at Fair Value through Other Comprehensive Income ("FVOCI"), gains and losses of which will be recorded in profit or loss or other comprehensive income ("OCI") respectively. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. No such irrevocable election has been made.

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

1.2 Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at FVTPL which are measured initially at fair value.

1.3 Subsequent measurement of financial assets and liabilities

Financial assets

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

2 Principal Accounting Policies (continued)

Financial instruments (continued)

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Statement of Comprehensive Income.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Financial liabilities

Financial liabilities are classified and subsequently measured at amortised cost, except for those that are derivative financial instruments or financial liabilities that are held for trading i.e. the Certificates, which are classified as FVTPL. The FVTPL option can also be irrevocably elected at initial recognition of financial liabilities, if it eliminates or significantly reduces an accounting mismatch, the financial liability is part of a portfolio that is managed and evaluated on a fair value basis, in accordance with a documented risk management or investment strategy or there is an embedded derivative in the financial or non-financial host contract and the derivative is not closely related to the host contract.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of FVTPL following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. No such irrevocable election has been made.

Changes in the fair value of financial assets at FVTPL are recognised in fair value gains/(losses) in the Statement of Comprehensive Income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

1.4 Impairment

"The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.5 Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Gains and losses on sales are calculated on an average cost basis.

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

2 Principal Accounting Policies (continued)

Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. For the purpose of the Statement of Cash Flows, cash and cash equivalents are considered to be all highly liquid investments with maturity of three months or less.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the primary currency in which the Company operates. The financial statements are presented in United States Dollar, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Share Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Equity investments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Retained Earnings

Retained earnings represent all current and prior period results of operations as reported in the statement of profit or loss, reduced by the amounts of dividends declared, if any.

Expenses

All the Company expenses other than bank charges are paid by Morgan Stanley & Co. International Plc ("Morgan Stanley") and consequently are not recognised in these financial statements. Bank charges are recognised on an accruals basis.

Revenue

Revenue has been recognised as and when it falls due to the Company. The Company is entitled to transaction fees of US$750 for each series of Certificates issued during the year. In addition, income is received by the Company from Morgan Stanley to cover bank charges.

Taxation

The Company is liable to Jersey income tax at a rate of 0% (2019: 0%).

Valuation of Certificates

The Company held ten series' of Certificates as at the year-end. The Certificates constitute a straight pass through exposure, net of fees, to the underlying investments detailed in note 4. The investments are listed on Euronext Dublin, Gibraltar Stock Exchange or Nasdaq South North.

The Company has designated all of the Certificates at FVTPL which is equivalent to the available quoted price of the underlying investment in the market. The Certificates are initially recognised at fair value and subsequently re-measured at fair value through profit or loss based on the last traded price of the underlying investment. Profits and losses on sales are accounted for on a trade date basis and taken to the Statement of Comprehensive Income.

3 Accounting Estimates and Judgements

Critical accounting judgements

The Directors of the Company have considered there to be no critical accounting judgements made in respect of the preparation of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

3 Accounting Estimates and Judgements (continued)

Key sources of estimation

The Company uses valuations received from the third party administrators of the underlying investments for daily Net Asset Valuation calculations. Financial assets at fair value through profit or loss are independently valued on an individual basis depending on the nature of the investment. Fair value estimates are made at a specific point in time, based on market conditions and other available information. The certificate investments fall under Level 1, 2 and 3 of the fair value hierarchy. The table in note 4 shows a reconciliation of opening balances to the year end balances. The Directors consider there to be no other key sources of estimation uncertainty at the year end date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Capital risk management

When managing capital, the Company's objective is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company aims to deliver these objectives by achieving consistent returns from its assets and maintaining sufficient liquidity to meet the expenses of the Company. Currently, there are no externally imposed capital requirements.

4 Financial Assets at Fair Value through Profit or Loss

Summary as at 31 December 2020	Cost 1 January 2020 US$	Purchases during the year US$	Sales during the year US$	Cost 31 December 2020 US$
Investment Programmes				
Lynx (Cayman) Fund Limited (Series 6)	4,870,352	4,728,096	(6,134,720)	3,463,728
IPM (Cayman) Fund Limited (Series 9)	72,475,265	-	(55,533,947)	16,941,318
Basket Programme (Series 16)	230,666,773	77,214,934	(267,956,329)	39,925,378
MSP (Europe) 1 Limited (Series 17)	700,000	150,000	-	850,000
Two Trees (Cayman) Fund Limited (Series 19)	2,295,000	2,359,999	(2,117,715)	2,537,284
RAM (Cayman) Systematic DIVALPHA Limited (Series 20)	-	3,000,000	-	3,000,000
Basket Programme (Series 24)	-	308,202,232	(19,658,313)	288,543,919
Bayforest (Cayman) Fund Limited (Series 25)	-	22,000,000	-	22,000,000
Swedish ETP Programme	6,404,414	37,454,929	-	43,859,343
Repack Programme (Series 1)	15,000,000	-	-	15,000,000
	332,411,804	455,110,190	(351,401,024)	436,120,970

Summary as at 31 December 2020	Unrealised fair value 1 January 2020 US$	Unrealised movement in year US$	Fair value 31 December 2020 US$
Investment Programmes			
Lynx (Cayman) Fund Limited (Series 6)	201,161	(251,500)	3,413,389
IPM (Cayman) Fund Limited (Series 9)	(8,307,046)	2,824,871	11,459,143
Basket Programme (Series 16)	8,601,534	(3,018,979)	45,507,933
MSP (Europe) 1 Limited (Series 17)	(393,719)	(209,919)	246,362
Two Trees (Cayman) Fund Limited (Series 19)	(269,978)	360,216	2,627,522
RAM (Cayman) Systematic DIVALPHA Limited (Series 20)	-	-	3,000,000
Basket Programme (Series 24)	-	30,188,100	318,732,019
Bayforest (Cayman) Fund Limited (Series 25)	-	-	22,000,000
Swedish ETP Programme	-	-	43,859,343
Repack Programme (Series 1)	(1,559,303)	1,370,206	14,810,903
	(1,727,351)	31,262,995	465,656,614

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

4 Financial Assets at Fair Value through Profit or Loss (continued)

Realised loss on cost	(1,300,775)
Unrealised fair value movement	31,262,995
Fair value movement on assets measured at FVTPL	**29,962,220**

Summary as at 31 December 2019	**Cost 1 January 2019 US$**	**Purchases during the year US$**	**Sales during the year US$**	**Cost 31 December 2019 US$**
Investment Programmes				
Lynx (Cayman) Fund Limited (Series 6)	12,770,522	6,720,986	(14,621,156)	4,870,352
IPM (Cayman) Fund Limited (Series 9)	58,475,265	14,000,000	-	72,475,265
Quantica Capital Cayman Fund (Series 10)	11,830,889	-	(11,830,889)	-
Basket Programme (Series 15)	68,798,590	-	(68,798,590)	-
Basket Programme (Series 16)	28,668,975	201,997,798	-	230,666,773
MSP (Europe) 1 Limited (Series 17)	-	700,000	-	700,000
Two Trees (Cayman) Fund Limited (Series 19)	-	2,295,000	-	2,295,000
Swedish ETP Programme	-	6,404,414	-	6,404,414
Repack Programme (Series 1)	-	15,000,000	-	15,000,000
OM Arbea Fund Ltd (Series 5)	22,912,673	-	(22,912,673)	-
	203,456,914	247,118,198	(118,163,308)	332,411,804

Summary as at 31 December 2019	**Unrealised fair value 1 January 2019 US$**	**Unrealised movement in year US$**	**Fair value 31 December 2019 US$**
Investment Programmes			
Lynx (Cayman) Fund Limited (Series 6)	(2,315,645)	2,516,806	5,071,513
IPM (Cayman) Fund Limited (Series 9)	18,136,792	(26,443,838)	64,168,219
Quantica Capital Cayman Fund (Series 10)	(110,222)	110,222	-
Basket Programme (Series 15)	(5,315,385)	5,315,385	-
Basket Programme (Series 16)	(1,763,058)	10,364,592	239,268,307
MSP (Europe) 1 Limited (Series 17)	-	(393,719)	306,281
Two Trees (Cayman) Fund Limited (Series 19)	-	(269,977)	2,025,023
Swedish ETP Programme	-	-	6,404,414
Repack Programme (Series 1)	-	(1,559,303)	13,440,697
OM Arbea Fund Ltd (Series 5)	6,867,194	(6,867,194)	-
	15,499,676	(17,227,026)	330,684,454

Realised gain on cost	6,258,285
Unrealised fair value movement	(23,485,312)
Fair value movement on assets measured at fair value through profit or loss	(17,227,027)

The Company used the proceeds of each issue of Certificates or notes detailed in note 7 to acquire interest units in a variety of Investment Programmes. Series 6,9,10,13,17,19, 20, 25 Investment Programmes included Ireland and Cayman Islands Limited Liability Companies and the units are listed on the Irish Stock Exchange. The Investment Programmes provide exposure to leveraged derivative instruments and are held for capital appreciation.

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

5 Share Capital

	31 December 2020 US$	31 December 2019 US$
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Alloted, called up and fully paid		
2 ordinary shares of £1 each	3	3

On incorporation 2 ordinary shares were issued and fully paid at £1 each, at a foreign exchange rate of GBP 1.0000:US$ 1.33. The Company has one class of ordinary shares which carry no right to fixed income.

6 Receivables

	31 December 2020 US$	31 December 2019 US$
Proceeds from sale of units in OM Arbea Fund Limited	-	28,204,113
Amount due from Oder Charitable Trust	-	95
	-	28,204,208

7 Financial Liabilities at Fair Value Through Profit or Loss

At 31 December 2020 the Company had three Certificate programmes in operation. Series 6,9,16,17,19,20,24 and 25 are issued under a US$50,000,000,000 secured and unsecured Certificates Programme dated 29 June 2012. Swedish ETP programme certificates are issued under a programme for the Issuance of Exchange Traded Products dated 16 August 2018. Repack Programme Certificates are issued under a US$30,000,000,000 Secured and Unsecured Note Programme dated 17 October 2019. All series currently in issue are unsecured and asset backed. At the year end the Company had ten Series of Certificates in issue under the Programmes, details of the ten series of Certificates in issue are as follows:

Summary as at 31 December 2020	Number of Certificates in Issue 31 December 2020	Number of Subscribed Certificates 31 December 2020	Number of Unsubscribed Certificates 31 December 2020
Series			
Series 6 Certificates	500,000,000	5,097,151	494,902,849
Series 9 Certificates	1,000,000,000	24,792,591	975,207,409
Series 16 Certificates	3,250	350	2,900
Series 17 Certificates	500,000,000	4,927,228	495,072,772
Series 19 Certificates	500,000,000	2,845,760	497,154,240
Series 20 Certificates	500,000,000	3,000,000	497,000,000
Series 24 Certificates	3,000	2,453	547
Series 25 Certificates	1,000,000,000	22,000,000	978,000,000
Swedish ETP Programme	66,000,000	3,592,839	62,407,161
Repack Programme	75	75	-
	4,066,006,325	**66,258,447**	**3,999,747,878**

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

7 Financial Liabilities at Fair Value Through Profit or Loss (continued)

Summary as at 31 December 2020	**Cost of Certificates 31 December 2020 US$**	**Price of Certificates 31 December 2020 US$**	**Fair Value of Certificates 31 December 2020 US$**
Series			
Series 6 Certificates	3,463,728	0.669661	3,413,389
Series 9 Certificates	16,941,318	0.462200	11,459,143
Series 16 Certificate	39,925,378	106,427.843971	45,507,933
Series 17 Certificates	850,000	0.050000	246,362
Series 19 Certificates	2,537,284	0.923311	2,627,522
Series 20 Certificates	3,000,000	1.000000	3,000,000
Series 24 Certificates	288,543,919	106,356.573910	318,732,019
Series 25 Certificates	22,000,000	1.000000	22,000,000
Swedish ETP Programme	43,859,343	-	43,859,343
Repack Programme	15,000,000	69.226000	14,810,903
	436,120,970		465,656,614

Realised gain on cost	1,300,775
Unrealised fair value movement	(31,262,995)
Fair value movement on assets measured at fair value through profit or loss	(29,962,220)

Summary as at 31 December 2019	**Number of Certificates in Issue 31 December 2019 US$**	**Number of Subscribed Certificates 31 December 2019 US$**	**Number of Unsubscribed Certificates 31 December 2019 US$**
Series			
Series 6 Certificates	500,000,000	6,317,941	493,682,059
Series 9 Certificates	1,000,000,000	106,063,156	893,936,844
Series 16 Certificates	3,250	2,039	1,211
Series 17 Certificates	500,000,000	2,784,371	497,215,629
Series 19 Certificates	500,000,000	2,209,295	497,790,705
Repack Series 1	75	75	-
Swedish ETP Programme	69,000,000	634,189	68,365,811
	2,569,003,325	118,011,066	2,450,992,259

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

7 Financial Liabilities at Fair Value Through Profit or Loss (continued)

Summary as at 31 December 2019	Cost of Certificates 31 December 2019 US$	Price of Certificates 31 December 2019 US$	Fair Value of Certificates 31 December 2019 US$
Series			
Series 6 Certificates	4,870,352	0.802711	5,071,481
Series 9 Certificates	72,475,265	0.605000	64,168,209
Series 16 Certificates	230,666,773	7,357.293720	239,268,342
Series 17 Certificates	700,000	0.110000	306,281
Series 19 Certificates	2,295,000	0.916595	2,025,029
Repack Series 1	15,000,000	0.627220	13,440,698
Swedish ETP Programme	6,404,414	-	6,404,414
	332,411,804		330,684,454

Realised loss on cost	(6,258,285)
Unrealsed fair value movement	23,485,312
Fair value movement on liabilities measured at fair value through profit or loss	17,227,027

The Certificates constitute a straight pass through exposure, net of fees, to the underlying investments detailed in note 4. The Certificates are limited recourse to the proceeds of the investments. The Certificate holders shall have no rights or claims against any other assets or future series of the Certificates issued by the Company.

The amount of the Company’s obligations in respect of the Certificates or Notes are dependent on the performance of the underlying investment in the interest units of the Investment Programme that each of the Certificates or Notes are exposed to, which will in turn determine the amounts repaid to the Certificate holders. The investment in the Certificates is not capital protected and therefore any negative performance of interest units in each underlying investment Programme will be reflected in the redemption price, which could result in a total loss on redemption of the Certificates. The Certificates can be redeemed at any time.

The holders of the Certificates have no shareholders rights and no duty to cover losses.

As per the Prospectus, Crestbridge Fund Administrators Limited, where appointed as the Calculation Agent, will determine the termination amount, liquidation repayment amount or the repayment of the repurchase price as the case may be.

Following the issue of the Certificates detailed above US$3,999,747,878 remains available for issue under the Certificate Programme dated 29 June 2012.

8 Trade and Other Payables

	31 December 2020 US$	31 December 2019 US$
Amounts due to associates	-	28,204,113
	-	28,204,113

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

9 Financial Risk Management

The Company’s activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow risk and interest rate risk), capital management risk, credit risk and liquidity risk. The financial risks relate to the following financial instruments: financial assets at fair value through profit or loss, cash and cash equivalents, trade and other payables and financial liabilities at fair value through profit or loss. The accounting policies with respect to these financial instruments are described in note 2. The Company’s risk management policies employed to manage these risks are discussed below.

(a) Market risk

The Company's exposure to market risk is comprised of the following risks:

(i) Foreign exchange risk

The Company is not exposed to foreign exchange risk on Financial assets at FVTPL as any risk is offset by prices changes in the Financial liabilities at FVTPL. However there is insignificant foreign exchange exposure to the cash of the Company.

(ii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer. Price risk is increased due to the leveraged nature of the investments however these are documented in the prospectus and the Certificate holders are aware of the risks.

The Company is exposed to market price risk arising from its Underlying Investments (see note 4 for the fair value of these investments). Any price risk to the Company is managed due to the limited recourse nature of the underlying Certificates as disclosed in note 7. Therefore the Directors do not believe the Company is subject to any price risk; though Certificate holders are exposed to price risk.

(iii) Cash flow and fair value interest rate risk

As the Company has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

The Company is not subject to interest rate risk on any of its liabilities.

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to meet a commitment that it has been entered into with the Company. Credit risk is the potential exposure of the Company to loss in the event of non-performance by the Underlying Investments, the counterparties to the investments. In turn the Company is exposed to a potential loss under the Certificates but this is mitigated by way of a charge over the Underlying Investments. The Directors consider that the Company is not exposed to any material net credit risk as the Certificates issued have limited recourse to the proceeds of the investments and hence, amounts due to the Certificate holders are limited to the amount received from the Underlying Investments.

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

9 Financial Risk Management (continued)

The following table shows the Company's maximum exposure to credit risk:

As at 31 December 2020	Amount US$
Assets	
Cash and cash equivalents	66,996
	66,996

As at 31 December 2019	Amount US$
Assets	
Cash and cash equivalents	23,520
Trade and other receivables	28,204,113
Other receivables	95
	-
	28,227,728

The Company is subject to the ECL model on its financial assets that are carried at amortised cost. While cash and cash equivalents and receivables are also subject to the impairment requirements of IFRS 9, there were no identified impairment losses. The Company is also exposed to credit risk in relation to financial assets that are measured at FVTPL. The maximum exposure at the end of the reporting period is the carrying amount of these financial assets. Due to the nature of the receivables and that they are not past due, there are no expected credit losses.

The fair value of the Company's financial assets and liabilities approximate their carrying amounts at the year end date.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The potential risk of not being able to meet its financial liabilities is mitigated by the fact that the investment interest detailed in note 4 are of highly liquid and the repayment profile of the Certificates, the Company's main liabilities, have been matched to the liquidity profile of the investments which are publicly traded.

As at 31 December 2020	Up to 1 yr US$	1 yr to 5 yrs US$	On demand US$	Total US$
Assets				
Cash and cash equivalents	66,996	-	-	66,996
Financial assets at FVTPL	-	-	465,656,614	465,656,614
	66,996	-	465,656,614	465,723,610

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

9 Financial Risk Management (continued)

As at 31 December 2020	Up to 1 yr	1 yr to 5 yrs	On demand	Total
	US$	US$	US$	US$
Liabilities				
Financial liabilities at FVTPL	-	-	465,656,614	465,656,614
	-	-	465,656,614	465,656,614

As at 31 December 2019	Up to 1 yr	1 yr to 5 yrs	On demand	Total
	US$	US$	US$	US$
Assets				
Cash and cash equivalents	23,520	-	-	23,520
Trade and other receivables	28,204,113	-	-	28,204,113
Other receivables	95	-	-	95
Financial assets at FVTPL	-	-	330,684,454	330,684,454
	28,227,728	-	330,684,454	358,912,182

As at 31 December 2019	Up to 1 yr	1 yr to 5 yrs	On Demand	Total
	US$	US$	US$	US$
Liabilities				
Financial liabilities at FVTPL	-	-	330,684,454	-
Trade and other payables	28,204,113	-	-	28,204,113
Total	28,204,113	-	330,684,454	28,204,113

(d) Capital management

When managing capital the Company's objectives are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and the Certificate holders.

The expenses of the Company are funded by a third party and the Company will issue further Certificates in order to fund further investments. Any capital requirements are known with some certainty and therefore no formal monitoring is considered necessary. There are no externally imposed capital requirements.

Fair value measurements recognised in the Statement of Financial Position

IFRS 13 Fair Value measurement requires disclosure of fair value measurements to be categorised by Level. The Levels are split between three levels:

- 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); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

9 Financial Risk Management (continued)

The Company's financial assets and liabilities were classified as follows:

As at 31 December 2020	**Level 1**	**Level 2**	**Level 3**
Assets	422,910,199	42,746,415	-
Liabilities	422,910,199	42,746,415	-

As at 31 December 2019	**Level 1**	**Level 2**	**Level 3**
Assets	259,113,419	71,571,035	-
Liabilities	259,113,419	71,571,035	-

There were no transfers between Level 1, 2 and 3 during the year.

All liabilities during the year are measured using fair values falling under levels 1, 2 and 3.

The valuation of the majority of the underlying investments falls under level 2 fair value hierarchy. Although these investments are quoted, they are not actively traded. The fair values of quoted investments have been derived using observable market data.

10 Related Party Transactions

S Conroy, N Newton (resigned 19 March 2021), T Ridgway (appointed 19 March 2021), Directors of the Company, are senior employees of Crestbridge Limited ("Crestbridge") who provide ongoing administrative services to the Company at normal commercial rates. During the year £486,750 (31 December 2019: £466,962) was paid to Crestbridge in respect of services, of which £111,289 (31 December 2019: £110,977) was outstanding at the year end. As these expenses are paid by a third party they have not been recognised in these financial statements.

Crestbridge is the affiliate leader of a group of companies of which includes Crestbridge Corporate Services Limited (administrator and company secretary to the Company), Crestbridge Fund Administrators Limited (Calculation Agent) and Crestbridge Corporate Trustees Limited (share trustee for the Company).

11 Segmental Reporting

The Directors, who together are the Chief Operating Decision Makers, consider that the Company comprises of one operating segment and that it operates in the country of incorporation. The Company provides the Directors with the financial information that is on an aggregated level. As such, there is no segmental information to disclose.

12 Immediate Parent and Ultimate Controlling Party

The Immediate Parent of the Company is The Oder Capital Charitable Trust, a trust formed in Jersey for charitable purposes. The Ultimate Controlling Party of the Company is Crestbridge Corporate Trustees Limited as Trustee of The Oder Capital Charitable Trust.

Notes to the Financial Statements

For the year ended 31 December 2020 (continued)

13 Events after the Reporting Period

On 11 January the Company issued the ninth tranche of Securities pursuant to the Exchange Traded Products Programme being 8,100,000 Index Tracker Securities.

On 16 February the company issued a notice of early termination event in relation to the Repack series 1 certificates issued under the $30,000,000,000 secured and unsecured note programme as such all 75 certificates in issue were retired.

On the 1 March 2021 the Company extended the maturity date of Series 23 basket linked certificates to 2 March 2022.