

BRITANNIC OPPORTUNITIES LIMITED

Annual Report and Financial Statements

For the year ended 30 September 2024

BRITANNIC OPPORTUNITIES LIMITED

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BRITANNIC OPPORTUNITIES LIMITED

REPORT AND FINANCIAL STATEMENTS GENERAL INFORMATION

DIRECTORS:

J Lewis
D Stephenson
K Lancaster-King

**ADMINISTRATOR, SECRETARY
AND REGISTRAR:**

Sanne Fund Services (Guernsey) Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

INVESTMENT ADVISER:

Investec Corporate and Institutional Banking
36 Hans Strijdom Avenue
Foreshore
Cape Town 8001
South Africa

REGISTERED OFFICE:

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

INDEPENDENT AUDITOR:

Grant Thornton Limited
St James Place
St James Street
St Peter Port
Guernsey
GY1 2NZ

BANKERS:

Investec Bank (Channel Islands) Limited
PO Box 188
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 3LP

COMPANY REGISTRATION NO:

57717

BRITANNIC OPPORTUNITIES LIMITED

REPORT OF THE DIRECTORS

For the year ended 30 September 2024

The Directors present the annual report and the audited financial statements ("the financial statements") of Britannic Opportunities Limited ("the Company") for the year ended 30 September 2024.

Principal Activity

The principal activity of the Company is that of a limited life investment holding company.

The Company is a Guernsey Registered closed-ended investment company and is subject to the Registered Collective Investment Scheme Rules and Guidance, 2021. The Company is listed on the Bermuda Stock Exchange.

Going concern

Subsequent to shareholder approval of a special resolution at an Extraordinary General Meeting of the Company in December 2022, the Company conducted a fund raising in April 2023, which closed on 5 May 2023 and was successful. Accordingly, under the terms of the Company's prospectus, and in the absence of a further special resolution to extend the life of the Company, the Company's shares will be redeemed and the Company will terminate in May 2028.

During the year, the war in Ukraine and the heightened level of conflict in the Middle East have continued to impact upon financial markets. However, the Board does not consider that there will be any significant impact on the Company's ability to continue as a going concern, for the following reasons:

- The Company is closed-ended, as a result of which the Board has the power to decline requests to redeem shareholdings if it believes that such redemptions are not in the best interests of the Company;
- Should the Board agree to a redemption, it would be offered to the investor at a price that the assets can be redeemed in the market. The Company itself would not be exposed to any losses that may arise;
- The Company is less exposed to the risk of widespread investor sell-off, because of the defensive nature of the Company's investment profile. Other than through default or insolvency of the debt provider, investors will be aware that a key element of the Company's investment strategy is to provide capital protection, therefore limiting their exposure to falls in the markets of the kind that are currently being experienced; and
- During the year and subsequent to the reporting date, the Board has received no enquiries, either directly or via the Investment Adviser, from investors wishing to redeem their shareholdings at any other time other than at the predetermined planned date of redemption.

As a result of the above considerations, and as the Company has sufficient working capital and adequate resources to continue in operations and meet its liabilities as they fall due for the foreseeable future, the Directors have determined that these financial statements should be prepared on a going concern basis.

Results and Dividends

The Statement of Comprehensive Income is set out on page 10. The Directors do not propose a dividend for the year ended 30 September 2024 (2023: Nil).

Directors

The Directors of the Company during the year and to the date of this report are detailed below.

Janine Lewis

David Stephenson

Keri Lancaster-King

Directors' and Other Interests

Janine Lewis and Keri Lancaster-King are Directors of the Company and directors of Sanne Fund Services (Guernsey) Limited ("SFSG"), the Company's Administrator, Secretary, Custodian and Registrar, and David Stephenson is a Director of the Company and an employee of SFSG.

During the year, no Director has had any beneficial interest in the shares of the Company.

BRITANNIC OPPORTUNITIES LIMITED

REPORT OF THE DIRECTORS (continued) For the year ended 30 September 2024

Directors' and Other Interests (continued)

No Director of the Company, or Investec Corporate and Institutional Banking ('ICIB'), the Investment Advisor to the Company, holds any right, either contingent or otherwise, to subscribe for shares in the Company.

Details of fees paid to SFSG and ICIB during the year are contained in notes 5, 10 and 18 to these Financial Statements.

No fees were paid to the Directors by the Company during the year.

Historical Results

The results and assets and liabilities of the Company for the last five years are as follows:

	Total Assets	Total Liabilities	Total Comprehensive Income
	£	£	£
Year ended 30 September 2024	131,101,809	164,079	11,524,795
Year ended 30 September 2023	119,441,292	28,357	6,808,605
Year ended 30 September 2022	79,990,975	251,975	12,028,119
Year ended 30 September 2021	67,737,473	26,592	5,432,555
Year ended 30 September 2020	62,301,378	23,052	1,154,379

Investment Portfolio

The Company's investment portfolio comprises the following investments:

	Percentage of portfolio	Cost	Carrying Value
		£	£
Morgan Stanley Finance LLC Credit Linked Notes	68.3%	87,914,680	85,786,101
BNP Paribas Index Option	31.7%	21,995,849	39,839,499
		<u>109,910,529</u>	<u>125,625,600</u>

Morgan Stanley Finance LLC and BNP Paribas are providers of financial services.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with The Companies (Guernsey) Law, 2008.

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of the profit or loss for the financial year.

Under that law, the Directors have prepared the financial statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

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

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

BRITANNIC OPPORTUNITIES LIMITED

REPORT OF THE DIRECTORS (continued) For the year ended 30 September 2024

Statement of Directors' Responsibilities (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 and with The Protection of Investors (Bailiwick of Guernsey) Law, 2020. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware;
- each Director has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information; and
- the financial statements give a true and fair view and have been prepared in accordance with IFRS, with The Companies (Guernsey) Law, 2008 and with The Protection of Investors (Bailiwick of Guernsey) Law, 2020.

Independent Auditor

Grant Thornton Limited have expressed their willingness to continue in office and a resolution to re-appoint them as auditor to the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Keri Lancaster-King
Director
20 December 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Britannic Opportunities Limited

Opinion

We have audited the financial statements of Britannic Opportunities Limited (the "Company") for the year ended 30 September 2024, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the financial statements, including material accounting policy information. The financial statements framework that has been applied in their preparation is applicable law and IFRS Accounting Standards as issued by the International Accounting Standards Board.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 30 September 2024, and of its financial performance and its cashflows for the year then ended;
- are in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board; and
- comply with the Companies (Guernsey) Law, 2008.

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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited financial statements, but does not include 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, 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.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on pages 5 and 6, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 the Directors.
- Conclude on the appropriateness of the Directors' 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 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 the directors 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 the directors 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, actions taken to eliminate threats or safeguards applied.

The engagement partner on the audit resulting in this independent auditor's report is Jeremy Ellis.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. 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.

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 (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Company's 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.

Grant Thornton Limited

Chartered Accountants

St Peter Port

Guernsey

20 December 2024

BRITANNIC OPPORTUNITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2024

	Notes	2024 £	2023 £
INCOME			
Interest income	6	5,474,831	3,890,057
GAINS ON INVESTMENTS			
Realised gains on investments at fair value through profit or loss	7	-	8,061,754
Unrealised gains on investments at fair value through profit or loss	7	19,692,120	1,615,781
Gains on derivative at fair value through profit or loss	9	-	185,464
		25,166,951	13,753,056
Operating expenses	10	(1,724,618)	(1,122,192)
Foreign exchange gains/(losses)		75	(5,855)
PROFIT FOR THE YEAR		23,442,408	12,625,009
OTHER COMPREHENSIVE LOSS			
<i>Items that may be reclassified to profit and loss</i>			
Foreign exchange translation losses	17	(11,917,613)	(5,816,404)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		11,524,795	6,808,605
Earnings per share			
Basic and diluted earnings per A Class share	11	GBP 382.95	GBP 249.63
Basic and diluted earnings per B Class share	11	GBP 382.95	GBP 249.63

There are no recognised gains or losses other than those reported above.

The notes on pages 14 to 28 are an integral part of these financial statements.

BRITANNIC OPPORTUNITIES LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	2024 £	2023 £
NON-CURRENT ASSETS			
Investments at fair value through profit and loss	7	39,839,499	23,284,711
Investments at amortised cost	8	85,786,101	88,818,410
		125,625,600	112,103,121
CURRENT ASSETS			
Trade and other receivables	12	889,004	931,164
Long-term deposits		4,445,330	5,734,885
Cash and cash equivalents		141,875	672,122
		5,476,209	7,338,171
CURRENT LIABILITIES			
Trade and other payables	13	(9,300)	(25,184)
NET CURRENT ASSETS			
		5,466,909	7,312,987
NON-CURRENT LIABILITIES			
Trade and other payables	13	(154,779)	(3,173)
		130,937,730	119,412,935
CAPITAL AND RESERVES			
Share capital	14	540	540
Share premium	15	88,479,176	88,479,176
Retained earnings	16	50,904,138	27,461,730
Translation reserve	17	(8,446,124)	3,471,489
EQUITY SHAREHOLDERS' FUNDS			
		130,937,730	119,412,935
Number of fully paid A Class shares		21,276.831	21,276.831
Number of fully paid B Class shares		39,937.903	39,937.903
Net Asset Value per A Class Share		GBP 2,138.99	GBP 1,950.72
Net Asset Value per B Class Share		USD 2,866.67	USD 2,381.05

The financial statements were approved and authorised for issue by the Board on 20 December 2024 and signed on its behalf by:

Keri Lancaster-King
Director

The notes on pages 14 to 28 are an integral part of these financial statements.

BRITANNIC OPPORTUNITIES LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 30 September 2024

	Management	A Class and B Class				Total
	Shareholders	Shareholders				
	Share Capital £	Share Capital £	Share Premium £	Retained Earnings £	Translation reserve £	Total £
Year ended 30 September 2023						
At 1 October 2022	10	396	51,135,535	19,278,116	9,324,943	79,739,000
Net profit for the year	-	-	-	12,625,009	-	12,625,009
<i>Other comprehensive loss</i>						
Foreign exchange translation losses (see note 17)	-	-	-	-	(5,816,404)	(5,816,404)
<i>Transactions with owners</i>						
Redemption of shares (notes 14,15,16,17)	-	(88)	(13,424,204)	(4,441,395)	(37,050)	(17,902,737)
Issue of shares (notes 14,15)	-	222	50,792,947	-	-	50,793,169
Share issue costs (note 15)	-	-	(25,102)	-	-	(25,102)
At 30 September 2023	10	530	88,479,176	27,461,730	3,471,489	119,412,935
Year ended 30 September 2024						
Net profit for the year	-	-	-	23,442,408	-	23,442,408
<i>Other comprehensive loss</i>						
Foreign exchange translation losses (see note 17)	-	-	-	-	(11,917,613)	(11,917,613)
Total comprehensive income for the year	-	-	-	23,442,408	(11,917,613)	11,524,795
At 30 September 2024	10	530	88,479,176	50,904,138	(8,446,124)	130,937,730

The notes on pages 14 to 28 are an integral part of these financial statements.

BRITANNIC OPPORTUNITIES LIMITED

STATEMENT OF CASH FLOWS

For the year ended 30 September 2024

		2024	2023
		£	£
	Notes		
Cash flows from operating activities			
Profit for the year		23,442,408	12,625,009
Adjustments for:			
Interest income	6	(5,474,831)	(3,890,057)
Interest expense	10	160,525	2,352
Realised gains on investments at fair value through profit or loss	7	-	(8,061,754)
Unrealised gains on investments at fair value through profit or loss	7	(19,692,120)	(1,615,781)
Gains on derivatives at fair value through profit and loss	9	-	(185,464)
Decrease/(increase) in trade and other receivables (excluding interest receivable)		81,628	(417,903)
Decrease in trade and other payables (excluding interest payable)		(11,603)	(5,569)
Net cash outflow from operating activities		<u>(1,493,993)</u>	<u>(1,549,167)</u>
Cash flows from investing activities			
Interest income		263,230	316
Transfers from/(to) long-term deposits		1,289,555	(5,734,885)
Proceeds of disposal of investments	7,8	-	83,408,903
Cost of purchases of investments	7,8	-	(109,910,529)
Net cash inflow/(outflow) from investing activities		<u>1,552,785</u>	<u>(32,236,195)</u>
Cash flows from financing activities			
Issues of share capital		-	50,793,169
Redemptions of share capital		-	(17,902,737)
Share issue costs	15	-	(25,102)
Interest paid		(13,200)	(20,542)
Net cash (outflow)/inflow from financing activities		<u>(13,200)</u>	<u>32,844,788</u>
Increase/(decrease) in cash and cash equivalents for the year		45,592	(940,574)
Cash and cash equivalents at the beginning of the year		672,122	154,515
Foreign exchange translation (losses)/gains		(575,839)	1,458,181
Cash and cash equivalents at the end of the year		<u>141,875</u>	<u>672,122</u>

The notes on pages 14 to 28 are an integral part of these financial statements.