

**FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

TABLE OF CONTENTS	Page
Management and Administration	1
Chairman's Report	2
Investment Manager's Report	3-6
Directors' Report	7-10
Independent Auditor's Report to the Shareholders	11-13
Statement of Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements	18-45
Portfolio Statement (unaudited)	46

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

MANAGEMENT AND ADMINISTRATION

For the year ended 31 December 2023

DIRECTORS

Mel Carvill (Non-executive Chairman)
Fintan Kennedy (Non-executive Director)
Peter Gillson (Non-executive Director)

REGISTERED OFFICE

(Effective 13 February 2023)
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

The address of the Directors is the registered office of the Company.

ADMINISTRATOR, REGISTRAR, LISTING SPONSOR AND SECRETARY

Sanne Fund Services (Guernsey) Limited
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

INVESTMENT MANAGER

Ravenscroft Specialist Fund Management Limited
P.O. Box 222
20 New Street
St Peter Port
Guernsey
GY1 4JG

REGISTRATION NUMBER: 62421

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

CHAIRMAN'S REPORT

For the year ended 31 December 2023

On 16 October 2023, the Company announced that it was seeking to change its investment strategy and concentrate its investment in Opera Limited ("Opera"), a newly incorporated company through which the Company now holds its shares in Oak Group Limited ("Oak").

The Company undertook a number of corporate actions in late 2023, including a pre-emptive share issue to raise gross proceeds of £48.5m, a tender offer to buy back 10m of the Company's shares, a bonus issue pursuant to which 3,988,976 bonus shares were issued to shareholders, the amendment of the Company's articles of incorporation and investment objective and finally the delisting of the Company's shares from The International Stock Exchange ("TISE"). The last of the share transactions completed on 8 December 2023 and saw the Company invest net fundraise proceeds of £37.8m into Opera to fund "business as usual" optimisation, rationalisation of Oak's shareholder base, organic growth and the pursuit of acquisitions that are accretive to Oak's business model. The Company believes that Oak provides an excellent platform from which to grow, both organically and inorganically, and ultimately create a leading, global financial services business.

The Company's share capital increased from 51,093,750 ordinary shares in issue to 96,176,476 as a result of the above transactions and the shares were subsequently delisted from TISE on 15 March 2024. A secondary trading facility remains available to allow shareholders to seek to trade their shares to the extent willing purchasers can be identified.

As explained in the Company's prospectus issued on 16 October 2023, the long-term strategy of the Company is now to realise the non-core assets of the existing portfolio and either reinvest the proceeds or return funds to shareholders, with the intention of then distributing the Company's shares in Opera to shareholders and commencing an orderly winding up. The Board and the Investment Manager continue to work with the non-core portfolio companies, endeavouring to achieve an exit at the best possible price for the Company.

I would like to thank the Company's shareholders for their continued support, as well as my fellow Directors and the Manager.

Mel Carvill
Chairman

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2023

Performance overview

Ravenscroft Specialist Fund Management Limited (the "Manager") presents its report on the financial year ended 31 December 2023 for Financial Services Opportunities Investment Fund Limited (the "Company").

2023 was a significant year for the Company as it sought to change its investment objective and focus on Opera Limited ("Opera"), a newly incorporated company through which the Company now holds its shares in Oak Group Limited ("Oak Group"), with a view to creating a leading, global financial services business. The Company successfully completed a pre-emptive share issue, tender offer and bonus issue in December 2023, which ultimately resulted in an increase in the number of shares in issue from 51,093,750 to 96,176,476 and the Company invested the net proceeds of £37.8m into Opera (the "Transactions"). The adjusted net asset value ("NAV") per share immediately following the Transactions was 96.72p.

The published NAV as at 31 December 2023 was 100.66p per share (31 December 2022: 107.84p per share). The NAV per share as per the Statement of Financial Position as at 31 December 2023 was 100.55p per share (31 December 2022: 107.84p per share). This equates to a decrease of 6.76% since 31 December 2022 but a 3.96% increase on the adjusted NAV post-completion of the Transactions.

At the time of writing, Kim Sgarlata has been in the role of CEO of Oak Group for 8 months. Kim and the senior management team have been working hard over the past few months to optimise the group's operational structure and platform so as to build the best possible foundation for future growth.

Portfolio review

Opera Limited (including Oak Group)

Opera Limited ("Opera")	% of the Company's NAV: 82.52%
Investment: Ordinary Shares	% of voting rights held: 91.6%

Opera was established in 2023 to become the new holding company of Oak Group. As part of the Transactions noted above, both the Company and the active management shareholders transferred their shares in Oak Group to Opera in exchange for shares in Opera.

Opera, through Oak Group, offers innovative private client, corporate and fund administration services tailored to its clients' needs. Originally formed in 1999, Oak Trust in Guernsey consolidated with Consortia Partnership in Jersey, Kreston in the Isle of Man and IAG in Guernsey since 2018, forming what is currently known as Oak Group. The group is headquartered in Oak House in Guernsey and has operations in Jersey, the Isle of Man and Mauritius. Oak Group is also able to provide corporate and fund services in Luxembourg through its joint venture arrangement with Fiducenter S.A. Oak Group employs approximately 200 staff across its operations.

Kim Sgarlata was appointed as Group CEO in September 2023, having previously held the positions of Global Head of Strategic Programme Development and Global Head of Wholesale Transformation at HSBC and before that a partner at Capco, a global management consultancy.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023

Portfolio review (continued)

Opera Limited (including Oak Group) (continued)

Kim is striving to create a unique client and employee value proposition based on the premise that “best people plus best technology equals best client service” which will lead to increased profits and shareholder value. The management team now has a clear trilateral strategy to take Opera to the next level. This involves: (i) optimising the operating base of the business by investing in people, processes, technology and data; (ii) growing the business organically by hiring ambitious, talented individuals and incentivising staff to grow the group; and (iii) seeking out opportunities to acquire and integrate businesses that will complement the group's operations.

By mid-2024, the business will have completed the roll-out of Viewpoint across its offices. This is seen as a vital step to achieving a single, modern and robust operating platform which will allow further standardisation and optimisation of its operating processes.

The group has made several senior key hires, including a new Chief Commercial Officer, Chief People Officer, a Group Head of Private Clients and a Chief Operating Officer, as well as several internal promotions.

Oak Group finished its financial year to 31 March 2023 with audited revenues of £21.3, up from £20.3m in the prior year. Between April and December 2023, the group recorded a revenue increase of 6.3% on the same period from 2022. Management is confident of continued organic income growth.

Following completion of the share-for-share exchange and the further investment of £37.8m in December 2023, the Company holds 91.6% of the shares in Opera.

Praxis Group Limited (“Praxis Group”)

Praxis Group Limited (“Praxis”)	% of the Company's NAV: 14.07%
Investment: Ordinary Shares	% of voting rights held: 14.4%

Headquartered in the Channel Islands, Praxis is an independent, leading provider of bespoke private wealth, corporate administration and yacht services to companies, individuals and families across the world.

Over the reporting period, Praxis' share price on TISE has remained static at a bid price of £1.10.

Praxis is now starting to see improvements in performance across the group as a result of its transformation programme, the acquisition of Sarnia Yachts and a focus on new business development. The group reported revenues of £37.9m and adjusted EBITDA of £4.4m for the nine months to 30 September 2023, increases of 8.5% and 32.8% respectively compared with the prior year. Management expects to produce adjusted EBITDA of £7m to £7.5m for full year 2023 depending on the timing of delivering the transformation initiatives at the turn of the year.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023

Portfolio review (continued)

Praxis Group Limited ("Praxis Group") (continued)

In May 2023, Praxis issued £15m 8.25% fixed rate unsecured bonds due on 16 May 2028. The proceeds of the bond issue were used to fully repay the group's outstanding bank debt of £10m and the balance will be used to fund strategic and operational projects.

On 1 July 2023, Praxis completed the acquisition of Sarnia Yachts, a specialist superyacht ownership and operational services business, for consideration of £4.1m. With over 50 years' experience in yacht ownership and operational services, Praxis Yacht Services (formerly Sarnia Yachts) is one of the longest standing businesses in the yacht sector and has offices in Guernsey, Malta and the UK. The acquisition has enabled Praxis to expand its offering in the yachting space and delivered £0.5m of revenue in the first three months.

Praxis paid two dividends to shareholders in the year, totalling 2.5p per share, with the Company receiving £263k. It is good to see the company returning to paying dividends.

Enhance Group Limited ("Enhance")

Enhance Group Limited ("Enhance")	% of the Company's NAV: 2.39%
Investment: Ordinary Shares	
Preference Shares	% of voting rights held: 39.4%

Enhance's overall performance for the year was disappointing, despite generating £3.5m of revenue (a 15% increase on the prior year). It delivered £276k of EBITDA and £180k of net profit, a decrease of 23% and 28% respectively compared with 2022. This was due to lower-than-expected consultancy revenues, subdued markets affecting portfolio revenues and increased staffing costs.

Monitoring continues to be the main driver of the business and the company invested significant time and resource over the year to improve its offering. The effects of this investment and a new pricing plan are expected to be seen in the coming year. Global markets remained subdued in 2023, once again hampering portfolio revenues.

Staffing continues to be a challenge for the business. It is proving difficult to hire high quality and experienced staff locally and at an acceptable cost. Inflationary-based price increases have now been implemented for all clients in order to offset wage inflation pressure.

The focus for 2024 will be on increased marketing to expand the company's pipeline and improve margins. The business is targeting 13% revenue growth and a 12% increase in EBITDA this year.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2023

Portfolio review (continued)

Next Generation Holdings Limited ("NextGen") and Next Gen Worldwide Limited ("NGW")

Next Generation Holdings Limited ("NGHL") and Next Gen Worldwide Limited ("NGW")	% of the Company's NAV:	0.47%
Investment: Ordinary Shares		
Preference Shares	% of voting rights held:	50%
Debt		

The Company has a 50% shareholding in NGHL, a joint venture with the former CEO of a multinational insurance company, which in turn is the majority shareholder in NGW. NGW is the sole owner of Ambon Insurance Brokers Limited, formerly AFL Insurance Brokers Limited ("Ambon"), a UK-based Lloyds broker which is in run-off.

As highlighted previously, the group is continuing the orderly break-up of assets whilst overseeing the wind-down of Ambon itself and the settlement of deferred considerations due on its previous book sales.

The court hearing relating to the claim for the overstatement of historical profits and alleged client account fraud in Ambon took place in June 2023 and judgment was made in NGHL and Ambon's favour in respect of all claims against the previous owners. Action is now being taken to enforce the judgment and obtain payment of the damages awarded to NGHL and Ambon.

CORVID Holdings Ltd ("CORVID")

CORVID Holdings Limited ("CORVID")	% of the Company's NAV:	0.08%
Investment: Ordinary Shares	% of voting rights held:	5%

CORVID wholly owns a subsidiary business, Corvid Protect Holdings Limited ("**Protect**").

Ultra Electronics Holdings plc ("Ultra"), the parent company of CORVID and main customer of Protect, was ultimately acquired by Advent International in July 2022. Advent remains supportive of CORVID's vision whilst it works to complete an exciting new development in its product offering.

Ravenscroft Specialist Fund Management Limited

30 April 2024

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2023

The Directors of Financial Services Opportunities Investment Fund Limited (the "Company") are pleased to present herewith their annual report and audited financial statements (the "Financial Statements") for the year ended 31 December 2023.

The Company

The Company is a Guernsey registered closed-ended investment company which was incorporated under the Companies (Guernsey) Law, 2008 on 30 August 2016 with registration number 62421. On 7 October 2016 the Company was admitted to The International Stock Exchange ("TISE").

Effective 15 March 2024, the Company's ordinary shares of 96,176,476 were delisted from the Official List of TISE.

Investments Objectives and Strategy

The Company has the investment objective of attaining capital growth and an income stream by investment in financial services businesses and related businesses. The Company intends to concentrate its investment in Opera Limited, with a view to creating a leading, global financial services business.

Results and Dividends

The Statement of Comprehensive Income for the year ended 31 December 2023 is set out on page 14. The profit and total comprehensive income for the year ended 31 December 2023 amounted to £3,829,296 (31 December 2022: loss and total comprehensive loss £4,528,643).

On 13 March 2023, the Company paid a dividend to Ordinary Shareholders at 1.5 pence per share totalling £766,406 (31 December 2022: no dividends).

Directors

The Directors, all of whom are non-executive Directors, are listed on page 1.

Directors' Interests

The shareholdings of the Directors in the Company at year end 31 December 2023 and comparative year end 31 December 2022 were as follows:

Name	31 December 2023		31 December 2022	
	Number of Shares	Percentage	Number of Shares	Percentage
Mel Carvill (Chairman)	963,440	1.00%	1,118,906	2.13%
Peter Gillson	1,181,250	1.23%	562,500	1.10%
Fintan Kennedy	46,405	0.05%	42,187	0.08%

At the date of this report, Mel Carvill and Peter Gillson held 70,000 shares (31 December 2022: 70,000 shares), and 25,000 shares (31 December 2022: 25,000 shares), respectively in the ultimate parent company of the Investment Manager.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2023

Significant shareholdings

The following shareholdings represent interests of 10 per cent or more of the shares of the Company as at 31 December 2023 and comparative year ended 31 December 2022:

	2023		2022	
	Ordinary shares	% of shareholdings	Ordinary shares	% of shareholdings
Huntress (CI) Nominees Limited – KGCLT	96,005,704	99.82%	50,625,000	99.08%

Pula Investments Limited holds a substantial interest in the Company of 63.2% through Huntress (CI) Nominees Limited. The Directors consider that the Company has no ultimate controlling party.

Going Concern

The Board of Directors have assessed the financial position of the Company as at 31 December 2023 and the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks and continuing macro-economic factors and inflation) in the forthcoming year.

The Board of Directors has reviewed cashflow forecasts for the next twelve months and, after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months after the signing date of the Financial Statements. Accordingly, the Directors continue to adopt the going concern basis in preparing these Financial Statements.

Directors' Responsibilities Statement

The Companies (Guernsey) Law, 2008 requires 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 profit or loss of the Company for that period. In preparing these Financial Statements the Directors are required to:

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

The Directors are responsible for the keeping of proper accounting records, which 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 the principal documents. 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 or regulations.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

Disclosure of information to the auditor

The Directors make the following statement:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that all steps have been taken by the Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2023

Corporate Governance

The Finance Sector Code of Corporate Governance (the "Code") was issued by the Guernsey Financial Services Commission, published in September 2011 and updated in November 2021. The Directors have considered the effectiveness of their corporate governance practices with regard to the principles set out in the Code. The Directors are satisfied with their degree of compliance with the principles set out in the Code in the context of the nature, scale and complexity of the business.

Anti-Bribery and Corruption

The Company adheres to the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003. In consideration of the UK Bribery Act 2010 which came into force on 1 July 2011, the Board expects all the Company's business activities, whether undertaken directly by the Directors themselves or by third parties on the Company's behalf, to be transparent, ethical and beyond reproach.

On discovery of any activity or transaction that breaches the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003 or the UK Bribery Act 2010, such discovery would be reported to the relevant authorities in accordance with prescribed procedures. The Company is committed to regularly reviewing its policies and procedures to uphold good business practice.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") became effective on 1 January 2013. The legislation is aimed at determining the ownership of assets of US persons in foreign accounts and improving US tax compliance with respect to those assets. On 13 December 2013, the States of Guernsey entered into an intergovernmental agreement ("IGA") with US Treasury, in order to facilitate the requirements under FATCA. The Company registered with the Internal Revenue Service ("IRS") during 2016 as a Foreign Financial Institution ("FFI") and received a Global Intermediary Identification Number. The Company complies with these regulations and reports as necessary.

Common Reporting Standard

The Common Reporting Standard ("CRS"), formally the Standard for Automatic Exchange of Financial Account Information, became effective on 1 January 2016, and is an information standard for the automatic exchange of information developed by the Organisation for Economic Co-operation and Development ("OECD"). CRS is a measure to counter tax evasion and it builds upon other information sharing legislation, such as FATCA, the UK-Guernsey IGA for the Automatic Exchange of Information and the European Union Savings Directive. The first reporting under CRS for Guernsey was made during 2017. The Company complies with these regulations and reports as necessary.

Alternative Investment Fund Managers Directive

The Alternative Investment Fund Manager Directive ("AIFMD"), which was implemented by EU Member States in 2013, covers the management, administration and marketing of alternative investment funds ("AIFs"). Its focus is on regulating alternative investment fund managers ("AIFMs") established in the EU and prohibits such managers from managing any AIFs or marketing shares in such funds to investors in the EU unless an AIFMD authorisation is granted to the AIFM. The Company is registered as a non-EU AIF whose AIFM is the Company itself (i.e. self-managed) for the purpose of the Directive.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2023

UK Criminal Finances Act

The UK Criminal Finances Act (the "CFA") came into force on 30 September 2017 and holds relevant corporate bodies liable where they fail to prevent those who act for, or on their behalf, from criminally facilitating tax evasion, whether in the UK or in a foreign country.

The Directors are aware of the requirements of and the penalties under the CFA and are fully committed to complying with all legislation and appropriate guidelines designed to prevent tax evasion and the facilitation of tax evasion in the jurisdictions in which the Company, its service providers, counterparties and business partners operate. Accordingly, the Directors have assessed the nature and extent of the Company's exposure to the risk of those acting on the Company's behalf facilitating tax evasion offences and have ensured that reasonable, risk-based prevention procedures are in place and have been adopted by the Company to mitigate any identified risks.

The Board takes a zero-tolerance approach towards tax evasion or the facilitation of tax evasion and any involvement of the Company in any form of tax evasion or the facilitation of tax evasion is absolutely prohibited.

Independent Auditor

The independent auditor, Grant Thornton Limited, has expressed its willingness to continue in office and a resolution for its re-appointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Mel Carvill
Director
30 April 2024

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

Opinion

We have audited the financial statements of Financial Services Opportunities Investment Fund Limited (the 'Company') which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information. In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cashflows for the year then ended;
- are in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); 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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRSs as issued by the IASB, 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.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED (CONTINUED)

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 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.

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.

Use of our report

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED (CONTINUED)

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

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	31 December 2023	31 December 2022
		£	£
Income			
Net gains/(losses) on financial assets at fair value through profit or loss	7	4,351,014	(7,725,003)
Investment income	6	1,293,687	4,582,888
Loan interest income	6	-	17,642
Impairment loss	6	(473,566)	-
Bank interest income		38,515	944
Total income/(loss)		5,209,650	(3,123,529)
Expenses			
Investment management fees	4	(829,685)	(845,949)
Expected credit losses on financial assets	6	(7,312)	(227,952)
Administration fees	4	(77,769)	(67,081)
Other administration services	4	(5,615)	(6,161)
Directors' fees	4	(104,463)	(96,726)
Legal and professional fees		(273,975)	(17,227)
Revolving credit facility interest expense	13	-	(39,322)
Other expenses	10	(81,535)	(104,696)
Total expenses		(1,380,354)	(1,405,114)
Profit/(loss) and total comprehensive income/(loss) for the year		3,829,296	(4,528,643)
Earnings/(loss) per share – basic	18	7.04p	(8.56)p
Earnings/(loss) per share – diluted	18	7.04p	(8.56)p

All items in the above statement derive from continuing operations.

There were no items of other comprehensive income/(loss) in the year and accordingly, the profit/(loss) for the year constitutes total comprehensive income/(loss).

The accompanying Notes on pages 18 to 45 form an integral part of these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	31 December 2023	31 December 2022
		£	£
Non-current assets			
Financial assets at fair value through profit or loss	5,7	96,244,436	54,220,262
Loans due from associate and joint venture	6,16	-	14,291
Current assets			
Cash and cash equivalents		1,079,919	725,767
Loans due from associate and joint venture	6,16	150,000	143,021
Trade and other receivables	11	-	481,338
Prepayments		12,739	10,590
Total assets		97,487,094	55,595,269
Current liabilities			
Trade and other payables	12	786,084	496,212
Total liabilities		786,084	496,212
Net assets		96,701,010	55,099,057
Equity			
Share capital	14	89,460,361	50,921,298
Reserves	15	7,240,649	4,177,759
Total equity		96,701,010	55,099,057
Number of shares in issue	14	96,176,476	51,093,750
NAV per share		100.55p	107.84p

The Financial Statements on pages 14 to 45 were approved and authorised for issue by the Board of Directors on 30 April 2024.

Mel Carvill
Director

The accompanying Notes on pages 18 to 45 form an integral part of these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	<i>Notes</i>	Share capital £	Reserves £	Total £
At 1 January 2023		50,921,298	4,177,759	55,099,057
Redemption of shares	14	(10,000,000)	-	(10,000,000)
Share issue	14	48,539,063	-	48,539,063
Profit and total comprehensive income for the year		-	3,829,296	3,829,296
Dividend paid	8	-	(766,406)	(766,406)
At 31 December 2023		89,460,361	7,240,649	96,701,010

	<i>Notes</i>	Share capital £	Reserves £	Total £
At 1 January 2022		55,185,033	8,706,402	63,891,435
Settlement of share options		(289,323)	-	(289,323)
Loss and total comprehensive loss for the year		-	(4,528,643)	(4,528,643)
Redemption of shares	14	(3,974,412)	-	(3,974,412)
At 31 December 2022		50,921,298	4,177,759	55,099,057

The accompanying Notes on pages 18 to 45 form an integral part of these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	<i>Notes</i>	31 December 2023	31 December 2022
		£	£
Cash flows from operating activities			
Profit/(loss) and total comprehensive income/(loss) for the year		3,829,296	(4,528,643)
Adjusted for:			
Net (gains)/losses on financial assets at fair value through profit or loss	7	(4,351,014)	7,725,003
Investment income		(1,293,687)	(4,582,888)
Loan interest income	6	-	(17,642)
Impairment loss	6	473,566	-
Expected credit losses on financial assets	6,16	7,312	227,952
Loan interest	13	-	39,322
Increase in prepayments		(2,149)	(4,368)
Increase/(decrease) in trade and other payables (excluding investment transactions, loan interest payable and dividends payable)		289,872	(292,039)
		<u>(1,046,804)</u>	<u>(1,433,303)</u>
Investment income received		1,301,459	4,569,997
Loan interest income received		-	1,212
Purchases of financial assets	7	(37,780,112)	-
Proceeds from sale of investments	7	106,952	4,243,493
Repayments of loans and interest due from associates	6	-	33,684
Net cash (outflow)/inflow from operating activities		(37,418,505)	7,415,083
Cash flows from financing activities			
Settlement of share options		-	(289,323)
Redemption of shares	14	(10,000,000)	(3,974,413)
Proceeds on issue of shares	14	48,539,063	-
Dividend paid		(766,406)	-
Loan interest paid		-	(45,007)
Repayments on revolving credit facility	13	-	(2,500,000)
Net cash inflow/(outflow) from financing activities		37,772,657	(6,808,743)
Net increase in cash and cash equivalents		354,152	606,340
Cash and cash equivalents at the start of the year		725,767	119,427
Cash and cash equivalents at the end of the year		<u>1,079,919</u>	<u>725,767</u>

The accompanying Notes on pages 18 to 45 form an integral part of these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. The Company

Financial Services Opportunities Investment Fund Limited (the “Company”) is licensed by the Guernsey Financial Services Commission as a registered closed-ended investment company which was incorporated under The Companies (Guernsey), Law 2008 on 30 August 2016 with registration number 62421. The Company is listed on The International Stock Exchange (“TISE”).

The principal objective of the Company is to attain capital growth and an income stream by investment in financial services businesses and related businesses. The Company intends to concentrate its investment in Opera Limited, with a view to creating a leading, global financial services business.

Effective 15 March 2024, the Company’s ordinary shares of 96,176,476 were delisted from the Official List of TISE.

2. Material Accounting Policies

Statement of compliance and basis of preparation and measurement

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and comply with the Companies (Guernsey) Law, 2008.

The preparation of Financial Statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and judgements are discussed in Note 3. The principal accounting policies adopted are set out below.

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of financial assets measured at fair value through profit or loss.

In accordance with the investment entities exemption contained in IFRS 10, “Consolidated Financial Statements”, the Board has determined that the Company satisfies the criteria to be regarded as an investment entity and that the Company provides investment-related services. As a result, the Company is required to only prepare individual financial statements under IFRS and measures its investments in any subsidiaries, associates or joint ventures at fair value. This determination involves a degree of judgement (see Note 3 for further details).

Going Concern

The Board of Directors have assessed the financial position of the Company as at 31 December 2023, and the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks and continuing macro-economic factors and inflation) in the forthcoming year.

The Board of Directors has reviewed cashflow forecasts for the next twelve months and, after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months after the signing date of the Financial Statements. Accordingly, the Directors continue to adopt the going concern basis in preparing these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

2. Material Accounting Policies (continued)

Accounting Standards and interpretations adopted during the year

- IAS 1 (amended), 'Disclosure of Accounting Policies' (effective for accounting periods commencing on or after 1 January 2023); and
- IAS 8 (amended), 'Definition of Accounting Estimates' (effective for accounting periods commencing on or after 1 January 2023).

The amendments to IAS 1 were published in January 2020 and February 2021 and relate to the disclosure of accounting policies. The amendments in Disclosure of Accounting Policies require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IAS 8 were published in February 2021 and relate to the amendments in Definition of Accounting Estimates clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition.

The changes arising from the amendments to these IFRSs are either presentational and/or minor in nature. The adoption of these amended standards has had no material impact on the Financial Statements of the Company.

New Accounting Standards and interpretations applicable to future reporting periods

At the date of approval of these Financial Statements, the following standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective:

- IAS 1 (amended), 'Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants' (effective for accounting periods commencing on or after 1 January 2024);
- IAS 7 (amended), 'Statement of Cash Flows' (effective for accounting periods commencing on or after 1 January 2024); and
- IFRS 7 (amended), 'Financial Instruments: Disclosures' (amendments regarding, effective for accounting periods commencing on or after 1 January 2024).

The amendments to IAS 1 were published in October 2022, which clarify the Standard's guidance on whether a liability should be classified as either current or non-current and aim to improve disclosures about long-term debt with covenants. The amendments to IAS 7 and IFRS 7 were published in May 2023 and relate to supplier finance arrangements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

2. Material Accounting Policies (continued)

Functional and presentation currency

Items included in the Financial Statements are measured in the currency of the primary economic environment in which the Company operates ("the functional currency"). The functional currency of the Company as determined in accordance with IFRS is Pound Sterling (£) because this is the currency that best reflects the economic substance of the underlying events and circumstances of the Company. Pound Sterling has also been selected as the currency in which the Company measures its performance and the Company's presentation currency.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

Financial Instruments

Classification

Under IFRS 9, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost; or
- fair value through profit or loss ("FVTPL"); or
- fair value through other comprehensive income ("FVOCI").

This classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

2. Material Accounting Policies (continued)

Financial Instruments (continued)

Classification (continued)

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash and cash equivalents, loans due from associate and joint venture and trade and other receivables are classified as financial assets at amortised cost.

Financial assets at fair value through profit or loss

Financial assets that are held within a business model where the assets are managed and their performance evaluated on a fair value basis in accordance with the Company's investment strategy are classified as financial assets at fair value through profit or loss. Accordingly, the Company's investments, in accordance with the investment entity exemption of IFRS 10 "Consolidated Financial Statements" and the requirements, and including its subsidiaries, associates and joint ventures, are classified as financial assets at fair value through profit or loss and accounted for under IFRS 9.

Financial liabilities at amortised cost

This category comprises trade and other payables and loan payables.

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. Financial assets at fair value through profit or loss are measured initially at fair value, being the transaction price, on the trade date. Transaction costs on financial assets at fair value through profit or loss are expensed immediately. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Subsequent measurement

Financial assets at amortised cost

After initial recognition, financial assets which are not measured at fair value are measured at amortised cost using the effective interest rate method. The amortised cost of a financial asset is the amount at which the financial asset is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any allowance for expected credit losses ("ECLs").

Under IFRS 9, the Company has elected to apply the simplified approach in relation to its trade and other receivables, under which the Company is required to recognise lifetime ECLs. Practical expedients are available to measure lifetime ECLs incorporating forward-looking information, but there is no need to monitor significant increases in credit risk.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

2. Material Accounting Policies (continued)

Financial Instruments (continued)

Subsequent measurement (continued)

Financial assets at amortised cost (continued)

Discounting is omitted when the effect of discounting is immaterial.

Financial assets at fair value through profit or loss

Investments at fair value through profit or loss are initially recognised at cost, which is deemed to be the fair value of the investment at the point of acquisition. Transaction costs are expensed in the Statement of Comprehensive Income as incurred. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction at the measurement date. Gains and losses arising from changes in the fair value of the 'investments at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise.

Investment income from investments at fair value through profit or loss is recognized in the Statement of Comprehensive Income when the Company's right to receive payment is established.

The fair value measurement is based on the presumption that the transaction to sell the asset takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset is measured using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs.

If there is no quoted price in an active market, the Company uses valuation techniques, in accordance with International Private Equity and Venture Capital ("IPEV") guidelines, that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. Please refer to Note 7 for further details.

The valuation methods/techniques used by the Company in valuing the investments involve critical judgements to be made and therefore the actual value of the investment could differ significantly from the value disclosed in these Financial Statements.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

2. Material Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash at bank with a maturity of less than three months at the date of inception.

Trade and other receivables

Trade and other receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other payables

Trade and other payables are not interest-bearing and are stated at their nominal value.

Shares

Shares are classified as equity. Shareholders will not be entitled to require the Company to redeem their shares at any time. The Company has no planned end date but, as set out in the Company's prospectus dated 16 October 2023, the Directors intend to realise the non-core assets of the Company's portfolio and commence an orderly winding up.

Reserves

Reserves comprises the Company's retained earnings and share based payment reserve. Retained earnings consists of accumulated operating profits and losses. The share-based payment reserve consists of accumulated revaluations of the share options granted to the Investment Manager.

Income

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents. Dividend income is recognised when the right to receive payment is established.

Expenses

Expenses are recognised in the Statement of Comprehensive Income on an accrual basis.

Dividends

Interim dividends paid to Shareholders are recorded through the Statement of Changes in Shareholders' Equity when they are declared to Shareholders. Final dividends are recorded through the Statement of Changes in Shareholders' Equity when they are approved by Shareholders. The payment of any dividend by the Company is subject to the satisfaction of a solvency test as required by the Companies (Guernsey) Law, 2008.

Segmental reporting

The Board has considered the requirements of IFRS 8 – "Operating Segments". The Company has entered into an investment management agreement with the Investment Manager. Subject to its terms and conditions, the investment management agreement requires the Investment Manager to manage the Company's investment portfolio in accordance with the Company's investment guidelines in effect from time to time. However, the Board retains full responsibility to ensure that the Investment Manager adheres to its mandate. Moreover, the Board is fully responsible for the appointment and/or removal of the Investment Manager. Accordingly, the Board is deemed to be the "Chief Operating Decision Maker" of the Company.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

2. Material Accounting Policies (continued)

Segmental reporting (continued)

In the Board's opinion, the Company is engaged in a single segment of business, being investment principally in financial services businesses, that business being conducted from Guernsey.

As at 31 December 2023, the geographical concentration of the Company's investment portfolio is as follows:

	31 December 2023	31 December 2022
	£	£
Guernsey	93,480,158	50,985,896
Jersey	2,314,352	2,060,713
UK	449,926	1,173,653
	<u>96,244,436</u>	<u>54,220,262</u>

3. Critical accounting estimates, assumptions and judgments

Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below:

Judgements

Assessment as an investment entity

Entities that meet the definition of an investment entity in accordance with IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company provides investment management services and has a number of investors who pool their funds to gain access to these services and investment opportunities that they might not have had access to individually. The Company obtains funding from a diverse group of external shareholders, to whom it has committed that its business purpose is to invest funds solely for the returns from capital appreciation and investment income.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

3. Critical accounting estimates, assumptions and judgments (continued)

Judgements (continued)

Assessment as an investment entity (continued)

As at 31 December 2023, the Company holds five investments (31 December 2022: five), one of which is classified as a subsidiary (31 December 2022: one), one as an associate (31 December 2022: one) and one as a joint venture (31 December 2022: one). The fair value method is used to represent and evaluate the performance of all of these investments, including the subsidiary, in its internal reporting to the Board, and to make investment decisions. These investments will be sold if other investments with better risk/reward profiles are identified, or if a very attractive offer to purchase an investment is made to the Company resulting in the opportunity to make a return to shareholders, which the Directors consider demonstrates a clear exit strategy.

The subsidiary does not provide investment-related services.

The Board has concluded the Company has all of the characteristics set out above and thus meets the definition of an investment entity. As a result the Company is not permitted to consolidate the subsidiary, which is measured at fair value through profit or loss. The Company has concluded that the subsidiary meets the definition of an unconsolidated subsidiary under IFRS 12 and has made the necessary disclosures (see Note 17).

Key sources of estimation uncertainty

Fair value measurement

When the fair values of financial assets recorded in the Financial Statements cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. When valuing the underlying investee companies, the Investment Manager reviews information provided by the underlying investee companies and other business partners and applies IPEV methodologies (see Note 7) to estimate a fair value as at the date of the Financial Statements. The Board reviews and considers the fair value arrived at by the Investment Manager before incorporating into the fair value of the investment adopted by the Company.

The variety of valuation bases adopted, quality of management information provided by the underlying investee companies and the lack of liquid markets for the investments mean that there are inherent difficulties in determining the fair value of these investments that cannot be eliminated. Therefore, the amounts realised on the disposal of investments may differ from the fair values reflected in these Financial Statements and the differences may be significant.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

4. Material Agreements

Investment Management fees

Ravenscroft Specialist Fund Management Limited (RSFML) (the “Investment Manager”) is entitled to an amount equal to an annualised 1.5% of the Adjusted Closing NAV (excluding cash and near cash investments). The management fee is calculated on a quarterly basis after calculation of the Adjusted Closing NAV.

There is no performance fee. Previously, the Company had granted options over shares to the Investment Manager, for itself and for onward transfer to members of the management team. As at 31 December 2023 and 31 December 2022, all options had lapsed or cancelled.

The Company also pays the Investment Manager a deal fee equal to 1% of the total amount paid by the Company for any completed investments, within three months after the date of completion of that investment, except in relation to investments where the total amount payable is determined later than three months after completion, in which case the deal fee element referable to any deferred part of the consideration shall be payable within three months of the date of payment of that deferred consideration, but the deal fee element relating to that part of the consideration payable on completion of the investment is payable within three months after the date of completion.

The Investment Manager has waived its fee in relation to the investment of the net proceeds raised by the Company in November 2023 into Opera. The Investment Manager will be entitled to receive a fee of up to 3% of the purchase price of any acquisitions or investments made by Opera, by agreement with the Board and the board of Opera on a case-by-case basis. The level of such fee will depend on the nature, scale and complexity of the transaction and the level of the Investment Manager’s involvement.

During the year, the Investment Manager earned a management fee of £829,685 (31 December 2022: £845,949), of which £625,621 (31 December 2022: £416,999) was outstanding at the end of the year. The Investment Manager earned deal fees of £Nil (31 December 2022: £Nil), of which £Nil (31 December 2022: £Nil) was outstanding at the end of the year. The Investment Management agreement can be terminated by either party giving not less than 18 months’ written notice.

During the year, associated entities within the wider Ravenscroft Group also earned the following fees: £14,229 in respect of a trading account fee (31 December 2022: £18,250), of which £3,556 (31 December 2022: £3,559) was outstanding at the year end, and £10,000 in respect of a market maker retainer fee (31 December 2022: £10,000) of which £5,000 (31 December 2022: £Nil) was outstanding at the year end. These expenses have been included in Other expenses in the Statement of Comprehensive Income.

Administration fees

Sanne Fund Services (Guernsey) Limited was appointed as the Administrator with effect from 27 September 2016. The Administrator charges an annual fee of 0.10% of the NAV of the Company subject to a minimum fee of £73,851 plus disbursements, effective from 1 May 2023 (effective from 1 May 2022: £68,065).

During the year, the Administrator earned a fee for administration services of £77,769 (31 December 2022: £67,081), of which £24,435 (31 December 2022: £34,312) was outstanding at the year end.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

4. Material Agreements (continued)

Administration fees (continued)

The Administrator earns a fee of £5,115 per annum for assisting with reporting under Article 24 of the AIFM Directive, where such Annex IV Reporting is required by the Company. The Administrator also earns an annual fee of £500 for the ongoing provision of an employee to act as the Responsible Officer. Fees are charged on a time spent basis for any additional reporting under FATCA and CRS.

During the year, the Administrator earned a total fee for other administration services of £5,615 (31 December 2022: £6,161), of which £5,136 (31 December 2022: £Nil) was outstanding at the year end.

In addition, in its role as listing sponsor to the Company, the Administrator has also earned a fee of £5,313 for acting as listing sponsor (31 December 2022: £8,379).

Management and Administration fees - summary

The amounts charged and outstanding for the above-mentioned fees during the year ended 31 December 2023 and 31 December 2022 are as follows:

	Charge for the year ended		Outstanding at year end	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	£	£	£	£
Investment management fees	829,685	845,949	625,621	416,999
Administration fee	77,769	67,081	24,435	34,312
Other administration services	5,615	6,161	5,136	-
Total	913,069	919,191	655,192	451,311

Directors' fees

Mel Carvill is entitled to a fee for his services as Chairman of the Board of Directors of £40,625 per annum, effective from 1 January 2023 (31 December 2022: £37,616). The remaining Directors are entitled to a fee for their services as Directors of £31,919 each per annum, effective from 1 January 2023 (31 December 2022: £29,555). The total remuneration paid to the Directors for the year was £104,463 (31 December 2022: £96,726) of which £Nil (31 December 2022: £Nil) was outstanding at the end of the year.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

5. Financial risk management and financial instruments

The Company's investing activities may expose it to a variety of financial risks including market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. Risk management procedures are in place to minimise the Company's exposure to these financial risks. Below is a non-exhaustive summary of the risks that the Company is exposed to as a result of its use of financial instruments:

Market risk

The Company's activities expose it primarily to the market risks of changes in market prices and interest rates.

Price Risk

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

The Investment Manager moderates this risk through a careful selection of investments and other financial instruments within specified limits. The Company's overall market positions are monitored on an ongoing basis by the Investment Manager and are reviewed on a quarterly basis by the Board of Directors.

The maximum exposure to price risk is the carrying amount of the assets as set out below:

	31 December 2023	31 December 2022
	£	£
Financial assets at fair value through profit or loss	<u>96,244,436</u>	<u>54,220,262</u>

Details of the sensitivity of the Company's financial assets at fair value through profit or loss to price risk are disclosed in Note 7.

Currency risk

The Company has no direct foreign currency risk, since all assets and transactions to date have been denominated in Pound Sterling, the Company's functional and presentation currency.

Interest rate risk

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

The Company is exposed to cash flow interest rate risk in respect of its holdings of cash and cash equivalents.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

5. Financial risk management and financial instruments (continued)

Market risk (continued)

Interest rate risk (continued)

The table below summarises the Company's financial instruments and their exposure to interest rate risk:

	Floating rate	Fixed rate	Non-interest bearing	Total
	£	£	£	£
31 December 2023				
Assets				
Cash and cash equivalents	1,079,919	-	-	1,079,919
Financial assets at fair value through profit or loss	-	856,880	95,387,556	96,244,436
Loans due from associate and joint venture	-	150,000	-	150,000
Trade and other receivables	-	-	-	-
Total financial assets	1,079,919	1,006,880	95,387,556	97,474,355
Liabilities				
Trade and other payables	-	-	786,084	786,084
Total financial liabilities	-	-	786,084	786,084
Total interest sensitivity gap	1,079,919	1,006,880	94,601,472	96,688,271

	Floating rate	Fixed rate	Non-interest bearing	Total
	£	£	£	£
31 December 2022				
Assets				
Cash and cash equivalents	725,767	-	-	725,767
Financial assets at fair value through profit or loss	-	1,687,560	52,532,702	54,220,262
Loans due from associate and joint venture	-	143,021	14,291	157,312
Trade and other receivables	-	-	481,338	481,338
Total financial assets	725,767	1,830,581	53,028,331	55,584,679
Liabilities				
Trade and other payables	-	-	496,212	496,212
Total financial liabilities	-	-	496,212	496,212
Total interest sensitivity gap	725,767	1,830,581	52,532,119	55,088,467

At 31 December 2023, the Bank of England base rate was 5.25% (2022: 3.5%). At 31 December 2023, should interest rates have decreased by 5.25%, with all other variables remaining constant, the increase in net assets for the year would be £56,696 (2022: increase by 3.5%, £25,402). Should interest rates have increased by 0.75%, the decrease in net assets would be £8,099 (2022: decrease by 0.75%, £5,443). The possible increase in interest rates of 0.75% is regarded as reasonable in light of the current significant inflationary pressures in the UK economy.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

5. Financial risk management and financial instruments (continued)

Market risk (continued)

Interest rate risk (continued)

The Investment Manager monitors the Company's overall interest rate exposure on a regular basis by reference to prevailing interest rates and the level of the Company's cash and bank loan balances.

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company and will be unable to pay amounts in full when due, resulting in financial loss to the Company. The investments of the Company are recommended by the Investment Manager in accordance with the criteria set out in the Company's Prospectus. Impairment provisions are provided for losses that have been anticipated by the end of the reporting period, if any.

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

	31 December 2023	31 December 2022
	£	£
Cash and cash equivalents	1,079,919	725,767
Loans due from associate and joint venture	150,000	157,312
Trade and other receivables	-	481,338
Total	1,229,919	1,364,417

Amounts in the above table are based on the carrying value of all accounts. The carrying amounts of these assets are considered to represent their fair value. At 31 December 2023, the past due loan interest receivable from NextGen was written down to £Nil (31 December 2022: loan interest receivable £369,041).

The Investment Manager monitors the Company's credit position regularly, and the Board of Directors reviews it on a quarterly basis. The carrying amount of financial assets recorded in these Financial Statements best represents the Company's maximum exposure to credit risk.

The credit risk of the Company's cash and cash equivalents is limited as all cash is placed with reputable banking institutions with a sound credit rating. At 31 December 2023, the Company's cash and cash equivalents are held with Royal Bank of Scotland International Limited. The credit ratings for these institutions are as follows:

Bank	Fitch long-term rating	Balance held
		£
Royal Bank of Scotland International	A	849,923
Investec Bank (Channel Islands) Limited	BB-	195
Other*	N/A	229,801
		1,079,919

**Proceeds of sales of investments held temporarily in a broking account with Ravenscroft. The related credit risk is limited, as these funds are held with various financial institutions with high credit ratings assigned by credit rating agencies.*

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

5. Financial risk management and financial instruments (continued)

Liquidity risk

The Company is exposed to liquidity risk, which is the risk that the Company will encounter in realizing assets or otherwise raising funds to meet financial commitments. The Company is closed-ended and therefore is not exposed to the risk of Shareholder redemptions. In order to mitigate liquidity risk, borrowings may not exceed 25% of the last announced NAV at the time of drawdown of any such borrowings. The Company has one investment which, although traded on TISE, does not have an active market, and all other investments are private companies which are traded in an environment where deal timescales can take place over several months.

As a result, the Company may not be able to quickly liquidate some of its investments at an amount close to their fair value in order to meet liquidity requirements. The Board monitors this risk by reviewing future cash flow projections of the Company to ensure that future liabilities can be met as and when they fall due.

The table below analyses the Company's financial assets and financial liabilities into relevant maturity groups based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At 31 December 2023	Less than 1 year £	1 to 5 years £	Total £
Financial assets			
Cash and cash equivalents	1,079,919	-	1,079,919
Financial assets at fair value through profit or loss	-	96,244,436	96,244,436
Loans due from associate and joint venture	150,000	-	150,000
Total financial assets	1,229,919	96,244,436	97,474,355
Financial liabilities			
Trade and other payables	786,084	-	786,084
Total financial liabilities	786,084	-	786,084
At 31 December 2022	Less than 1 year £	1 to 5 years £	Total £
Financial assets			
Cash and cash equivalents	725,767	-	725,767
Financial assets at fair value through profit or loss	-	54,220,262	54,220,262
Loans due from associate and joint venture	143,021	14,291	157,312
Trade and other receivables	481,338	-	481,338
Total financial assets	1,350,126	54,234,553	55,584,679
Financial liabilities			
Trade and other payables	496,212	-	496,212
Total financial liabilities	496,212	-	496,212

The carrying amounts of financial assets and liabilities recorded at amortised cost in these Financial Statements approximate their fair values.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

5. Financial risk management and financial instruments (continued)

Capital risk management

The Company's capital is represented by its share capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns to Shareholders and to maintain a strong capital base to support the development of the investment activities of the Company.

The Board of Directors has reviewed cashflow forecasts for the next twelve months and has concluded that the Company has adequate financial resources to continue in operational existence for the foreseeable future, and to meet its capital management objectives.

The Company is not subject to externally imposed capital requirement, other than as required under the Companies (Guernsey), Law 2008.

6. Loans advanced at amortised cost

	31 December 2023	31 December 2022
	£	£
Loans held at amortised cost		
Opening loan balance	385,264	418,948
Principal repayments	-	(33,684)
Closing loan balance	385,264	385,264
ECL provision	(235,264)	(227,952)
Closing loan balance at amortised cost, net of ECL	150,000	157,312

Loans to NextGen

At 31 December 2023, the Company had extended a loan, before expected credit losses, of £35,000 (31 December 2022: £35,000) and a secured loan, before expected credit losses, of £350,264 (31 December 2022: £350,264) to NextGen, joint venture of the Company. The terms of the secured loan are interest payable quarterly at a rate of 8% per annum for a term up to three years and the security is a Guernsey law governed security interest agreement pursuant to which NextGen (UK registered company) grants a security interest over shares held by it as shareholder in NextGen (Guernsey registered company) in favour of the lender. There were no repayments of loans during the year (2022: £Nil).

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

6. Loans advanced at amortised cost (continued)

Expected credit losses on loans advanced at amortised cost

During the year ended 31 December 2023, on the implementation of IFRS 9, the Company recognised an ECL on its loan portfolio of £7,312 in the Statement of Comprehensive Income (31 December 2022: £227,952).

As detailed in the Investment Manager's Report, the Fund has a 50% holding in NextGen, a joint venture with the former CEO of a multinational insurance company, which is in turn, the majority stakeholder in NGW. NGW is the sole owner of Ambon Insurance Brokers Limited, formerly AFL Insurance Brokers Limited ("Ambon"), a UK-based Lloyds broker in run-off. The group is continuing the orderly break-up of assets whilst overseeing the winddown of Ambon itself and the settlement of deferred considerations due on its previous book sales. The court hearing relating to the claim for the overstatement of historical profits, and alleged client account fraud in Ambon took place in June 2023 and judgement was made in NextGen and Ambon's favour in respect of all claims against the previous owners. Action is now being taken to enforce the judgement and obtain payment of the damages awarded to NextGen and Ambon. With that, considering the confirmed asset to base the net recovery, it will be unlikely to receive any distribution from the claim. As a result of the above, the Company has written down all dividend and loan interest receivable from NextGen (see note 11).

7. Fair value

Financial assets at fair value through profit or loss

	31 December 2023	31 December 2022
	£	£
Fair value brought forward	54,220,262	66,188,758
Purchases at cost	75,084,687	-
Sales*	(37,411,527)	(4,243,493)
Realised gains/(losses) on investments	8,874,954	(1,075,526)
Unrealised losses on financial assets at fair value through profit or loss	(4,523,940)	(6,649,477)
Fair value carried forward	96,244,436	54,220,262
Closing book cost	94,419,117	47,871,003
Closing revaluation of investments	1,825,319	6,349,259
	96,244,436	54,220,262

*Transfer of the Company's shares in Oak to Opera pursuant to a share-for-share agreement for value £37,304,575 and redemption of 1 D redeemable preference share by Enhance Group Limited amounting to £106,952. The share exchange transaction was non-cash.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

7. Fair value (continued)

Financial assets at fair value through profit or loss (continued)

The Company uses valuation techniques, in accordance with International Private Equity and Venture Capital (“IPEV”) Valuation Guidelines and methodologies to estimate a fair value that is in adherence with the requirements of IFRS 13 as at the valuation date. IFRS 13 requires that a fair value hierarchy be established that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement. Observable data is considered to be market data that is readily available, regularly distributed or updated, reliable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

There are no level 1 financial instruments in the Company’s portfolio.

Level 2 financial instruments are valued based on quoted bid price, dealer quotations or alternative pricing sources supported by observable inputs. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Investment Manager will assess at each valuation date whether a discount should be applied to the quoted market price and provide evidence to the Board (using all observable inputs available) to substantiate their suggestion. If applicable, an appropriate discount rate (calculated in reference to industry norms and all observable inputs available) will be suggested by the Investment Manager for approval by the Board.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

7. Fair value (continued)

Financial assets at fair value through profit or loss (continued)

The investment in PraxisIFM is valued at its quoted bid price on TISE. As PraxisIFM shares are not considered to be traded in an active market, this investment is included in Level 2 of the fair value hierarchy.

Level 3 investments are initially valued at the purchase price of the recent investment, excluding transaction costs. During the initial 12-month period following each investment, an assessment will be made at each valuation date whether any changes or events subsequent to the investment would imply a change in the investment's fair value from the original investment price. In the absence of such changes or events, investments will continue to be valued at the initial cost of the investment itself, excluding transaction costs, or, where there has been subsequent investment, the price at which a significant amount of new investment into the investee company was made. Once maintainable earnings can be identified, the preferred method of valuation is the earnings multiple valuation technique, where a multiple that is an appropriate and reasonable indicator of value (given the industry, geographic location, size, risk profile and earnings growth prospects of the investee company) is applied to the maintainable earnings of the investment.

Occasionally other methods as deemed suitable may be used, such as revenue or gross profit multiples, net assets, break-up value, price of recent investment or discounted cash flows. The techniques used in determining the fair value of the Company's investments will be selected on an investment-by-investment basis so as to maximise the use of market-based observable inputs.

There are no available market prices for the investments in Opera, NextGen, Enhance and CORVID, which are valued using appropriate valuation techniques. These investments are included in Level 3 of the fair value hierarchy.

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities measured at fair value at 31 December 2023:

At 31 December 2023	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit or loss	-	13,606,474	82,637,962	96,244,436
Total	-	13,606,474	82,637,962	96,244,436
At 31 December 2022	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit or loss	-	13,606,474	40,613,788	54,220,262
Total	-	13,606,474	40,613,788	54,220,262

There have been no transfers between levels of the fair value hierarchy during the year (31 December 2022: Nil). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

7. Fair value (continued)

Financial assets at fair value through profit or loss (continued)

Movements in the Company's Level 3 financial instruments during the year were as follows:

	Year ended 31 December 2023	Year ended 31 December 2022
	£	£
Opening balance	40,613,788	39,897,570
Purchases	75,084,687	-
Sales*	(37,411,528)	-
Net gains on financial assets during the year	4,351,014	716,218
Closing balance	82,637,962	40,613,788

**Transfer of the Company's shares in Oak to Opera pursuant to a share-for-share agreement for value £37,304,575 and redemption of 1 D redeemable preference share by Enhance Group Limited amounting to £106,952.*

The Company's policy is to value its Level 3 investments in accordance with the most appropriate valuation methodology for each investment, as determined by the Directors.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

7. Fair value (continued)

Valuation models at 31 December 2023

Level	Valuation Technique	Description	Fair Value (£)	Unobservable Inputs	Sensitivity to changes unobservable inputs	Impact on fair value of changes in unobservable inputs (£)
Level 2	Quoted market bid price	Praxis IFM Group Limited	13,606,474	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on recent purchase price.	Opera Limited (including Oak Group Limited)	79,798,684	N/A	N/A	N/A
Level 3	Net realisable assets	Next Generation Holdings Limited	-	Net realisable assets value	The estimate of fair value would increase/decrease if the net realisable asset value was higher/lower	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Enhance Group Limited A ordinary shares Enhance Group Limited C ordinary shares	1,907,398	Revenue multiple	The estimate of fair value would increase/decrease if the revenue multiple was higher/lower	An increase/decrease of +/-0.5 in the multiple applied would have resulted in an increase/decrease in fair value of £689,275
Level 3	Investment Manager's valuation based on recent offer price	Corvid Holdings Limited B shares	75,000	Recent offer price	The estimate of fair value would increase/decrease if the offer price was higher/lower	A 5% increase/decrease in the offer price would have resulted in an increase/decrease in fair value of £3,750
Level 3	Investment Manager's valuation based on purchase cost	Enhance Group Limited D preference shares	406,954	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on recoverability	Next Gen Worldwide Limited preference shares	449,926	N/A	N/A	N/A
Total			96,244,436			

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

7. Fair value (continued)

Valuation models at 31 December 2022

Level	Valuation Technique	Description	Fair Value (£)	Unobservable Inputs	Sensitivity to changes unobservable inputs	Impact on fair value of changes in unobservable inputs (£)
Level 2	Quoted market bid price	Praxis IFM Group Limited	13,606,474	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Oak Group Limited	37,304,422	Earnings multiple	The estimate of fair value would increase/decrease if the earnings multiple was higher/lower	A 5% increase/decrease in the multiple applied would have resulted in an increase/decrease in fair value of £1,955,705
Level 3	Net realisable assets	Next Generation Holdings Limited	-	Net realisable assets value	The estimate of fair value would increase/decrease if the net realisable asset value was higher/lower	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Enhance Group Limited A ordinary shares Enhance Group Limited C ordinary shares	1,546,806	Revenue multiple*	The estimate of fair value would increase/decrease if the revenue multiple was higher/lower	A 5% increase/decrease in the multiple applied would have resulted in an increase/decrease in fair value of £581,053
Level 3	Investment Manager's valuation based on recent offer price	Corvid Holdings Limited B shares	75,000	Recent offer price	The estimate of fair value would increase/decrease if the offer price was higher/lower	A 5% increase/decrease in the offer price would have resulted in an increase/decrease in fair value of £3,750
Level 3	Investment Manager's valuation based on purchase cost	Enhance Group Limited D preference shares Next Gen Worldwide Limited preference shares	1,687,560	N/A	N/A	N/A
Total			54,220,262			

*Descriptions within the 31 December 2022 Annual Financial Statements were incorrectly presented – note, no change in valuation methodology for the period ended 31 December 2023

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

7. Fair value (continued)

Price sensitivity of investments not valued using unobservable inputs

A 5% increase/decrease in the valuation of the investment valued at quoted market bid price would result in an increase/decrease in fair value of £680,324 (31 December 2022: £680,324).

A 5% increase/decrease in the valuation of the investments valued at their purchase cost would result in an increase/decrease in fair value of £20,348 (31 December 2022: £84,378).

Other financial assets and liabilities

All of the Company's other financial assets and liabilities are measured at amortised cost. The carrying value of these assets and liabilities is considered to be a reasonable approximation of their fair value.

	31 December 2023		31 December 2022	
	Carrying value £	Fair value £	Carrying value £	Fair value £
Assets				
Cash and cash equivalents	1,079,919	1,079,919	725,767	725,767
Loans due from associate and joint venture	150,000	150,000	157,312	157,312
Trade and other receivables	-	-	481,338	481,338
Total	1,229,919	1,229,919	1,364,417	1,364,417
Liabilities				
Trade and other payables	786,084	786,084	496,212	496,212
Total	786,084	786,084	496,212	496,212

Cash and cash equivalents include deposits held with financial institutions.

8. Dividends

The Directors intend that returns should be generated for Shareholders primarily through capital appreciation of their investment. The Directors intend to operate a distribution policy for the Company commensurate with and appropriate to the make-up of its investment portfolio and investment policy from time to time.

On 13 March 2023, the Company paid a dividend to Ordinary Shareholders at 1.5 pence per share totalling £766,406 (31 December 2022: no dividends).

9. Taxation

With effect from 20 December 2019, the Company was granted tax exempt status. The income of the Company is exempt from tax for the year ended 31 December 2023. During the year the Company has incurred withholding tax of £Nil (31 December 2022: £Nil) on dividend income.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

10. Other expenses

	31 December 2023	31 December 2022
	£	£
Audit fees	(31,664)	(38,658)
Directors' and officers' insurance fees	(11,981)	(9,930)
Listing and sponsor's fees	(5,313)	(8,379)
Regulatory fees	(6,045)	(8,930)
Other expenses	(26,532)	(38,799)
	<u>(81,535)</u>	<u>(104,696)</u>

11. Trade and other receivables

	31 December 2023	31 December 2022
Current	£	£
Dividends receivable	-	112,297
Loan interest receivable	-	369,041
	<u>-</u>	<u>481,338</u>

Dividend and loan interest receivable from NextGen has been written off in consideration of the likelihood of non-recoverability on enforcement of the claim (see note 6 for further details).

12. Trade and other payables

	31 December 2023	31 December 2022
Current	£	£
Investment Management fee	625,621	416,999
Other payables	160,463	79,213
	<u>786,084</u>	<u>496,212</u>

13. Revolving credit facility

A revolving credit facility ("RCF") with Investec Bank (Channel Islands) Limited ("Investec") was arranged in November 2019 for an amount up to £1,000,000, subsequently extended to £4,500,000, which was drawn down in full. The purpose of the RCF was to provide working capital in respect of financing current and future commitments and investments.

The RCF consisted of four tranches. The first and second tranches totaling £2,500,000, repayable on or before 9 December 2022 were repaid on 4 May 2022. The third and fourth tranches totaling £2,000,000 were repaid during 2021.

Interest on the RCF was charged at base rate plus a margin ranging between 3.75% and 5.00%, payable quarterly. No interest arose on the RCF during the year (31 December 2022: £39,322).

Following the final repayment of the loans in May 2022, the RCF was fully repaid.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

14. Share capital

The Company's shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised as a deduction in equity and are charged to the share capital account, including the initial set up costs.

The authorised share capital of the Company is represented by an unlimited number of shares of nil par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the Shareholders' meeting.

	Year ended 31 December 2023		Year ended 31 December 2022	
	Number	£	Number	£
Total share capital at the beginning of the year	51,093,750	50,921,298	51,093,750	50,921,298
Share issue	51,093,750	48,539,063	-	-
Redemption of shares	(10,000,000)	(10,000,000)	-	-
Bonus issue	3,988,976	-	-	-
Total share capital at the end of the year	96,176,476	89,460,361	51,093,750	50,921,298

On 4 December 2023, the Company issued 51,093,750 new Ordinary Shares at a subscription price of 95p per share pursuant to a pre-emptive share issue to raise gross aggregate proceeds of £48,539,063. The Company also carried out a tender offer in order to safeguard the interests of the shareholders who elected not to, or who were not able to, participate in the share issue. This resulted in 10,000,000 Ordinary Shares being bought back and cancelled by the Company on 6 December 2023. Following completion of the tender offer, the Company issued 3,988,976 bonus Ordinary Shares to shareholders, depending on the level of their participation in the tender offer. As at 31 December 2023, the Fund has 96,176,476 Ordinary Shares in issue.

15. Reserves

	Year ended 31 December 2023		
	Retained earnings	Share-based payment reserve	Total reserves
	£	£	£
Balance at the beginning of the year	4,177,759	-	4,177,759
Profit and total comprehensive income for the year	3,829,296	-	3,958,033
Settlement of share options	-	-	-
Dividend declared	(766,406)	-	(766,406)
Total	7,240,649	-	7,369,386

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

15. Reserves (continued)

	Year ended 31 December 2022		
	Retained earnings	Share-based payment reserve	Total reserves
	£	£	£
Balance at the beginning of the year	8,422,168	284,234	8,706,402
Loss and total comprehensive loss for the year	(4,528,643)	-	(4,528,643)
Settlement of share options	284,234	(284,234)	-
Dividend declared	-	-	-
Total	4,177,759	-	4,177,759

Retained earnings represents the balance of accumulated profit and total comprehensive income less dividends declared.

Share-based payment reserve represents the balance of accumulated amounts credited to equity in respect of equity-settled share-based payments.

16. Related party transactions

Transactions with related parties

The Directors, the Investment Manager and the Administrator are considered to be related parties of the Company. Ravenscroft Holdings Limited ("RHL") is also considered to be a related party, as it is the ultimate parent Company of the Investment Manager, and certain Directors of the Company are shareholders in RHL. For details of the agreements with the Directors, the Investment Manager and the Administrator and the fees payable to them during the year see Note 4.

Shares held by related parties

The shareholdings of the Directors in the Company at 31 December 2023 were as follows:

Name	31 December 2023		31 December 2022	
	Number of Shares	Percentage	Number of Shares	Percentage
Mel Carvill (Chairman)	963,440	1.00%	1,118,906	2.13%
Peter Gillson	1,181,250	1.23%	562,500	1.10%
Fintan Kennedy	46,405	0.05%	42,187	0.08%

As at the date of this report, Mel Carvill and Peter Gillson hold 70,000 shares and 25,000 shares respectively in the parent company of the Investment Manager.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

16. Related party transactions (continued)

Shares held by related parties (continued)

As at 31 December 2023, companies and key individuals classified as related parties of the Company due to their connection with the Investment Manager and its wider group held 62,465,628 (31 December 2022: 11,534,101) shares in the Company.

Loans held with related parties

At 31 December 2023, the Company had extended a loan of £Nil (31 December 2022: £14,291) and a secured loan of £150,000 (31 December 2022: £143,021) to NextGen, joint venture of the Company (see Note 6 for further details).

During the year, the Company recognised dividend and interest income from its investee companies as follows:

	31 December 2023	31 December 2022
	£	£
Enhance Group Limited	30,834	32,046
Oak Group Limited	1,000,000	-
Praxis IFM	262,853	4,539,163
NextGen (Dividend accrued £34,728; Write-off £(139,252))	(104,524)	29,321

17. Investment in unconsolidated subsidiaries, associates and joint ventures

	Date of acquisition	Domicile	Ownership
Enhance Group Limited	28 November 2016	Jersey	39%
NextGen	28 April 2017	Guernsey	50%
Opera Limited (including Oak Group)	7 December 2023	Guernsey	92%

There are no significant restrictions on the ability of an unconsolidated subsidiary to transfer funds to the Company in the form of cash dividends, nor any current commitments or intentions to provide financial or other support to an unconsolidated subsidiary.

18. Earnings/(loss) per share

	Year ended 31 December 2023	
	Basic	Diluted
Profit for the year	3,829,296	3,829,296
Weighted average number of shares	54,423,248	54,423,248
Earnings per share	7.04p	7.04p
	Year ended 31 December 2022	
	Basic	Diluted
Loss for the year	(4,528,643)	(4,528,643)
Weighted average number of shares	52,922,860	52,922,860
Loss per share	(8.56)p	(8.56)p

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

18. Earnings/(loss) per share (continued)

Basic and diluted loss per share are arrived at by dividing the loss for the financial year by, respectively, the weighted average number of shares in issue and the weighted average number of shares plus the potential shares in issue. The reconciliation of the weighted average number of shares used for the purposes of diluted loss per share to the weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	31 December 2023 Number of Shares	31 December 2022 Number of Shares
Weighted average number of shares used in basic earnings/ loss per share	54,423,248	54,423,248
Weighted average number of potential shares deemed to be issued	-	-
Weighted average number of shares used in diluted earnings/loss per share	54,423,248	54,423,248

The dilution arises from the potential exercise of share options granted to the Investment Manager and the members of the investment management team. As at 31 December 2023 and 31 December 2022, there were no shares with a dilutive effect.

19. NAV Reconciliation

This reconciliation provides transparency regarding the changes in the fund's net asset value against what was reported on TISE over the reporting year. Adjustments were made available after the Company announced its NAV and reported to TISE.

	31 December 2023	
	NAV per share	£
Published per TISE	1.0068	96,829,747
Investment management fees		(157,526)
Administration fees		(7)
Investment revaluation		40,324
Cash and cash equivalents		(11,528)
Adjusted Net assets	1.0055	96,701,010

20. Commitments

At the end of the reporting period no commitments existed.

21. Ultimate Controlling Party

The Directors consider that the Company has no ultimate controlling party.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

22. Events after the end of the reporting period

Effective 15 March 2024, all the company shares have been delisted from the Official List of TISE.

On 28 March 2024, Enhance Group Limited redeemed one third of a D redeemable preference share amounting to £35,651. The Company continues to hold ordinary shares amounting to 40.25% of the equity and 100% of the preference shares (3.475 shares) in Enhance.

There were no other events after the end of the reporting period that require disclosure in these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

PORTFOLIO STATEMENT (unaudited)

As at 31 December 2023

	Holding	Market Value	Percentage of Net Asset Value
		£	%
Listed Investments			
Praxis IFM Group Limited	12,369,522	13,606,474	14.07
Unlisted Investments			
Opera Limited	75,084,534	79,798,684	82.52
Next Generation Holdings Limited	1,203	-	-
Next Gen Worldwide Limited	194,959	449,926	0.47
Enhance Group Limited	502	2,314,352	2.39
Corvid Holdings Limited	10	75,000	0.08
		82,637,962	85.46
Total Investments		96,244,436	99.53
Other net assets		456,574	0.47
Net assets attributable to holders of Ordinary Shares		96,701,010	100.00%