

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INTERIM REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

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FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED
MANAGEMENT AND ADMINISTRATION

DIRECTORS

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

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

REGISTERED OFFICE

Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 1GR

ADMINISTRATOR, REGISTRAR, LISTING SPONSOR AND SECRETARY

Sanne Fund Services (Guernsey) Limited
Sarnia House
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St Peter Port
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INVESTMENT MANAGER

Ravenscroft Specialist Fund Management Limited
P.O. Box 222
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St Peter Port
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INDEPENDENT AUDITOR

Grant Thornton Limited
Lefebvre House
Lefebvre Street
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REGISTERED NUMBER: 62421

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT OBJECTIVES AND STRATEGY

Financial Services Opportunities Investment Fund Limited (the "Company") has an investment objective of achieving long term capital growth and delivering an income stream to shareholders with the aim of spreading risk by investing in a diversified portfolio of investments principally in financial services businesses, which will in the main be based in offshore financial centres.

The Company may invest in unquoted stocks and private companies.

Businesses in which the Company is expected to invest are likely to have one or more of the following attributes:

- i. potential to increase the scale of its operations;
- ii. a need to replace a retiring owner-manager, or early stage, investors;
- iii. a need to change strategy and invest to make it an attractive sale or flotation prospect;
- iv. a need to make a strategic acquisition or some other transformation to make it an attractive sale or flotation prospect.

Up to 15% of the Net Asset Value of the Company (the "NAV") can be invested into businesses which, while not strictly falling within the definition of financial services business, are related to the sector and appear to the Investment Manager to fit well within the proposed portfolio of the Company.

Investment Restrictions

The Company will seek to invest (or commit to invest) in accordance with guidelines determined by the Board and notified to the Investment Manager from time to time.

The Company intends that no more than 60 % of the Company's NAV may be committed to any single investment, and no more than 60 % of the Company's NAV committed to investments considered by the Board to be "special situations" (such as in companies that are already listed) in each case at the time of investment (or commitment).

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT

For the period from 1 January 2022 to 30 June 2022

Published Net Asset Value ("NAV") as at 30 June 2022 was 115.83p per share (31 December 2021: 116.36p per share).

Net Asset Value ("NAV") per the Statement of Financial Position as at 30 June 2022 was 115.83p per share (31 December 2021: 117.23p per share).

Current share price spread: **108p – 118p**

Performance overview

Ravenscroft Specialist Fund Management Limited (the "**Manager**") is pleased to report on the first six months of the 2022 financial year for Financial Services Opportunities Investment Fund Limited (the "**Fund**").

The cornerstone investments of Oak Group and PraxisIFM have delivered mixed results over the period. Oak Group reported a strong set of results for its financial year ended March 2022 and the Manager is encouraged by its performance over the last few months. Following the completion of the sale of its Fund Services division for £54m, PraxisIFM returned £40m to shareholders, including the Fund, by way of a tender offer for shares. The focus for PraxisIFM for the coming months will be on its existing core services with a view to improving performance.

The Manager maintains confidence in the Fund's portfolio and believes that these companies will continue to enable the Fund to achieve its objective of long-term capital growth whilst also delivering an income stream to shareholders.

On 11 May 2022, the Board of the Fund announced in its results for the year ended 31 December 2021 that the Fund intended to distribute c.£4 million to shareholders by way of a tender offer. Shareholders were given the opportunity to tender 1 Ordinary Share for every 16 Ordinary Shares held at a tender price of 116.68p. The maximum number of 3,406,250 Ordinary Shares were duly acquired, resulting in a payment to participating shareholders of £3.97m. The Ordinary Shares purchased by the company pursuant to the Tender Offer were cancelled upon settlement on 15 July 2022 and the Fund now has 51,093,750 Ordinary Shares in issue.

As at 30 June 2022, the published NAV of the Fund had reduced by 0.46% during the period and increased by 15.83% since launch.

Portfolio review

Oak Group Limited ("Oak Group")

Oak Group is a private client, corporate services and fund administration business formed through the consolidation of four carefully selected businesses which employs just over 200 staff across these six jurisdictions.

Under the leadership of CEO Graham McCormack, Oak Group is pursuing an ambitious programme of integration and growth. An Executive Committee was formed in late 2021, comprising key senior management, to take responsibility for the day-to-day strategic and operational matters aligned with the business' development plans.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT (continued)

For the period from 1 January 2022 to 30 June 2022

Portfolio review (continued)

Oak Group Limited ("Oak Group") (continued)

The first half of 2022 saw the business commence implementation of a group-wide administration system; a key step in modernising and digitising Oak Group's processes and unlocking operating model efficiencies. It is anticipated that this project will be completed by Q2 2023. Other initiatives begun in H1 2022 which will launch before the end of the year include digital marketing, a brand and website refresh, and continued investment into Oak Group's people through well-being solutions and benefit improvements.

Oak Group finished its financial year to 31 March 2022 with audited revenues of £20.3m and the Group is confident of continuing growth. Progress against budget for the first quarter of Oak Group's current financial year has been positive, with underlying EBITDA 13% ahead of budget.

Oak Group comprised 60.22% of the Fund's published NAV as at 30 June 2022.

PraxisIFM

PraxisIFM is an independent financial services group, headquartered in the Channel Islands, which provides global professional administration services across Private Wealth and Corporate and Pensions.

Over the reporting period, PraxisIFM's share price on The International Stock Exchange fell from a bid price of £1.45 as at 31 December 2021 to £1.30 as at 30 June 2022.

On 29 March 2022, the Fund received £8.64m in cash from PraxisIFM through its tender offer for shares that followed the sale of the sale of its fund services division. This reduced the Fund's interest in PraxisIFM from 16.1% to 14.39%.

On 19 May 2022, PraxisIFM released its annual report and financial statements for the eight months ended 31 December 2021.

Revenue for the eight-month period of £30.6m equates to an approximate 12 month run rate of £45.9m, slightly lower than 2020's revenue of £47.1m. This is largely due to the seasonality of client invoicing, the effects of which should be reduced in the next reporting period. Gross margin increased to 58.5% for the eight months to December 2021, compared to 57.2% for the 12 months to April 2021. This increase is attributable to the annualised impact of cost savings made in the 2021 financial year. As at the year end, PraxisIFM had net debt of £4.7m (adjusted for the £40m cash return from the sale of the Funds Services division).

Whilst the group's performance in the period has been somewhat lacklustre, there is a clear focus on the future direction and strategy of the company following the disposal of the Fund Services division. The company will concentrate on its core strengths, Private Wealth and Corporate Services, and management will be working to reduce the company's cost base to an appropriate level for the size of the business going forwards. There is also an intention to return to paying a regular dividend in H2 2022 whilst retaining access to sufficient capital to allow the business to grow. It is anticipated that a dividend will be declared following the release of the interim results for the six months ended 30 June 2022, with payment in October 2022. The Manager remains confident that performance will improve in the latter half of the year as the restructuring of the group takes effect and management look to focus on the core parts of the business.

The Fund's 14.39% interest in PraxisIFM comprised 25.47% of the Fund's published NAV as at 30 June 2022.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT (continued)

For the period from 1 January 2022 to 30 June 2022

Enhance Group Limited ("Enhance")

After the challenges of 2021, Enhance has enjoyed a strong first half of the year, generating £1.78m of revenue for the seven months to the end of July 2022, and EBITDA of £257k, nearly 30% ahead of budget.

These figures have resulted from a number of new business wins, higher revenue from existing clients and budgeted fee increases. The Monitoring business remains the key driver behind Enhance's improved performance and the momentum seen here is expected to continue into the second half of the year.

A significant new business win was onboarded in May 2022 and the business will start to see the financial effects of this in the coming months. The pipeline for further new business is steady and the ability to travel and meet with potential and existing clients face-to-face again will help the business convert new opportunities.

As at 30 June 2022, the Fund held 38% of the ordinary shares in issue in Enhance, along with £514k in preference shares. Enhance comprised 3.06% of the Fund's published NAV as at 30 June 2022.

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

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.

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. It continues to explore all possible avenues with regards to the overstatement of historical profits in Ambon by the previous ownership but progress with the court case has been frustratingly slow due to delays from COVID-19. The Manager remains confident that Ambon and NGW have a valid claim and is working towards the court hearing which has been scheduled to take place in June 2023.

NextGen and NGW comprised 2.24% of the Fund's published NAV as at 30 June 2022.

CORVID Holdings Ltd ("CORVID")

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

Ultra Electronics Holdings plc ("**Ultra**"), the parent company and main customer of Protect, was acquired by a wholly owned indirect subsidiary of Cobham Group Holdings Limited ("**Cobham**") on 28 July 2022 by way of a court sanctioned scheme of arrangement. The shares of Ultra were de-listed from the London Stock Exchange on 2 August 2022.

The Manager continues to communicate regularly with management who are excited about the future vision for Protect following the acquisition by Cobham.

The Fund's 5% holding in CORVID comprised 0.35% of the Fund's published NAV as at 30 June 2022.

Future Opportunities

The Manager continues to evaluate potential opportunities, both for the Fund and via its investee companies.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT (continued)

For the period from 1 January 2022 to 30 June 2022

Conclusion

The Manager is encouraged by the performance of the portfolio, despite the challenges faced by a number of the individual businesses. It is particularly pleasing to see an increase in new business and revenues as the financial services sector looks to move forward with projects that were put on hold as a result of the COVID-19 pandemic. Oak Group and Enhance in particular seem to be on the cusp of sustained and meaningful growth and we anticipate further positive updates from them, as well as from others, in the second half of the year.

Several of the portfolio companies are experiencing a period of change and restructuring. Together with the Board, the Manager remains committed to ensuring the active management of the investment portfolio and continues to work with the principals of the respective businesses and their management teams to navigate these challenges so as to deliver the best possible return on investment for the Fund and its shareholders.

Ravenscroft Specialist Fund Management Limited

21 September 2022

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

REPORT ON THE REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

Introduction

We have reviewed the accompanying Condensed Statement of Financial Position of Financial Services Opportunities Investment Fund Limited as at 30 June 2022 and the related Condensed Statement of Comprehensive Income, Condensed Statement of Changes in Equity and Condensed Statement of Cash Flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation and fair presentation of the interim financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Our responsibility is to express a conclusion on the interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of the Company as at 30 June 2022, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey, Channel Islands

21 September 2022

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2022 to 30 June 2022

	<i>Notes</i>	1 January 2022 to 30 June 2022 (unaudited) £	1 January 2021 to 30 June 2021 (unaudited) £
Income			
Net gains on financial assets at fair value through profit or loss	4	113,108	2,349,197
Dividend income		15,291	1,051,605
Loan interest income		3,566	70,352
Total income		<u>131,965</u>	<u>3,471,154</u>
Expenses			
Investment management fees	3	428,950	476,524
Administration fees	3	34,826	34,641
Directors' fees	3	48,363	46,754
Legal and professional fees		250	7,325
Share based payment write-back		-	(43,254)
Revolving credit facility interest	9	39,322	92,388
Other expenses		53,433	45,602
Total expenses		<u>605,144</u>	<u>659,980</u>
(Loss)/profit and total comprehensive (loss)/income for the period		<u>(473,179)</u>	<u>2,811,174</u>
(Loss)/earnings per share – basic	14	(0.87)p	5.17p
(Loss)/earnings per share – diluted	14	(0.87)p	4.90p

All items in the above statement derive from continuing operations.

The accompanying notes on pages 12 to 28 form an integral part of these Unaudited Condensed Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	<i>Notes</i>	30 June 2022 (unaudited) £	31 December 2021 (audited) £
Non-current assets			
Financial assets at fair value through profit or loss	4	57,658,368	66,188,758
Loans due from associate and joint venture	12	35,000	35,000
Current assets			
Cash and cash equivalents		5,086,810	119,427
Loans due from associate and joint venture	12	358,885	383,948
Other receivables	7	454,388	452,017
Prepayments		6,802	6,221
Total assets		<u>63,600,253</u>	<u>67,185,371</u>
Current liabilities			
Trade and other payables	8	471,320	793,936
Revolving credit facility	9	-	2,500,000
Total liabilities		<u>471,320</u>	<u>3,293,936</u>
Net assets		<u>63,128,933</u>	<u>63,891,435</u>
Equity			
Share capital	10	54,895,710	55,185,033
Reserves		8,233,223	8,706,402
Total equity		<u>63,128,933</u>	<u>63,891,435</u>
Number of shares in issue	10	<u>54,500,000</u>	<u>54,500,000</u>
NAV per share	15	<u>115.83p</u>	<u>117.23p</u>

The Unaudited Condensed Financial Statements on pages 8 to 28 were approved by the Board of Directors and authorised for issue on 21 September 2022.

Mel Carvill

Director

The accompanying notes on pages 12 to 28 form an integral part of these Unaudited Condensed Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2022 to 30 June 2022

	<i>Notes</i>	Share capital £	Reserves £	Total £
(Unaudited)				
At 1 January 2022		55,185,033	8,706,402	63,891,435
Settlement of share options	11	(289,323)	-	(289,323)
Loss and total comprehensive loss for the period		-	(473,179)	(473,179)
At 30 June 2022		54,895,710	8,233,223	63,128,933

	<i>Notes</i>	Share capital £	Reserves £	Total £
(Unaudited)				
At 1 January 2021		54,604,160	6,396,997	61,001,157
Exercise of share options	11	580,873	-	580,873
Profit and total comprehensive income for the period		-	2,811,174	2,811,174
Charge to equity for equity-settled share-based payments	11	-	(43,254)	(43,254)
At 30 June 2021		55,185,033	9,164,917	64,349,950

The accompanying notes on pages 12 to 28 form an integral part of these Unaudited Condensed Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

For the period from 1 January 2022 to 30 June 2022

	<i>Notes</i>	1 January 2022 to 30 June 2022 (unaudited) £	1 January 2021 to 30 June 2021 (unaudited) £
Cash flows from operating activities			
(Loss)/ profit for the period		(473,179)	2,811,174
Adjusted for:			
Net gains on financial assets at fair value through profit or loss	4	(113,108)	(2,349,197)
Dividend income		(15,291)	(1,051,605)
Loan interest income		(3,566)	(70,352)
Loan interest expense	9	39,322	92,388
Share based payment write-back	11	-	(43,254)
(Increase)/decrease prepayments		(581)	5,758
(Decrease)/increase in trade and other payables (excluding investment transactions, loan interest and dividend payable)		(316,931)	248,106
		<u>(883,334)</u>	<u>(356,982)</u>
Dividend income received		15,376	1,015,355
Loan interest received		1,109	3,372
Repayments of loans due from associate		25,064	22,800
Purchases of financial assets		-	(64,498)
Proceeds from sales of investments		8,643,498	-
Net cash inflow from operating activities		7,801,713	620,047
Cash flows used in financing activities			
Share options exercised	11	-	580,873
Settlement of share options	11	(289,323)	-
Repayments on revolving credit facility	9	(2,500,000)	(500,000)
Loan interest paid		(45,007)	(90,427)
Dividend paid		-	(539,191)
Net cash outflow from financing activities		(2,834,330)	(548,745)
Net increase in cash and cash equivalents		4,967,383	71,302
Cash and cash equivalents at the start of the period		119,427	609,440
Cash and cash equivalents at the end of the period		5,086,810	680,742

The accompanying notes on pages 12 to 29 form an integral part of these Unaudited Condensed Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

1. General Information

Financial Services Opportunities Investment Fund Limited (the “Company”) is authorised 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 long term capital growth and deliver an income stream to shareholders with the aim of spreading risk by investing in a diversified portfolio of investments principally in financial services businesses. The Company has an indefinite life.

2. Significant Accounting Policies

Statement of compliance

The Unaudited Condensed Interim Financial Statements (the “Financial Statements”), which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and comply with The Companies (Guernsey) Law, 2008.

Basis of preparation

These Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34 ‘Interim Financial Reporting’, the Listing Rules of The International Stock Exchange (“TISE”) and applicable legal and regulatory requirements. These Financial Statements have been condensed and as a result do not include all of the information and disclosures required in Annual Financial Statements, they therefore should be read in conjunction with the Company’s last Annual Audited Financial Statements for the year ended 31 December 2021.

The accounting policies applied in these Financial Statements are consistent with those applied in the last Annual Audited Financial Statements for the year ended 31 December 2021, which were prepared in accordance with IFRS, as adopted by the EU.

Going Concern

The Directors have assessed the financial position of the Company as at 30 June 2022 and the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine, uncertainty and continuing macro-economic factors, inflation and the risk of further COVID-19). The Directors note that the Company’s portfolio has not been materially adversely affected in terms of value or cashflows by the on-going crisis in Ukraine, inflation and the macro-economic factors.

Having considered the Company’s objectives and available resources along with its projected income and expenditure, the Directors are satisfied that the Company has adequate resources to meet its liabilities as they fall due and continue in operational existence for the next 12 months after the signing of these financial statements.

These Financial Statements were authorised for issue by the Company’s Board of Directors on 21 September 2022.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

2. Significant Accounting Policies (continued)

Significant judgements and estimates

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the Company's Audited Annual Financial Statements for the year ended 31 December 2021.

New, revised and amended standards applicable to future periods

The Directors considered all relevant new standards, amendments and interpretation to existing standards effective for the half-yearly report for the six months ended 30 June 2022. Their adoption has not yet led to any changes in the Company's accounting policies and they had no material impact on the financial statements of the Company.

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), "Presentation of Financial Statements" (amendments regarding the classification of liabilities and the disclosure of accounting policies, effective for periods commencing on or after 1 January 2023); and
- IAS 8 (amended), "Accounting Policies, Changes in Accounting Estimates and Errors" (amendments regarding the definition of accounting estimates, effective for periods commencing on or after 1 January 2023); and
- IAS 37 (amended), "Provisions, Contingent Liabilities and Contingent Assets" (amendments regarding the costs to include when determining whether a contract is onerous, effective for periods commencing on or after 1 January 2023).

Amended accounting standards effective and adopted

There are no relevant new or amended standards applied for the first time which have had a material impact on these Financial Statements.

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.

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

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

3. Material Agreements

Management fees

Ravenscroft Specialist Fund Management Limited (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. Instead, the Company grants options over shares to the Investment Manager, for itself and for onward transfer to members of the management team. Further details on the options granted are disclosed in note 11.

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.

During the period, the Investment Manager earned a management fee of £428,950 (30 June 2021: £476,524), of which £428,950 (31 December 2021: £726,290) was outstanding at the end of the period. The Investment Manager earned no deal fees in the period (30 June 2021: £Nil), with £Nil (31 December 2021: £Nil) still outstanding at the end of the period.

The Investment Management agreement can be terminated by either party giving not less than 18 months’ written notice.

Administration fees

Sanne Fund Services (Guernsey) Limited (formerly Praxis Fund Services Limited) was appointed as the Administrator with effect from 27 September 2016. The Administrator earns an annual fee of 0.10% of the NAV of the Company subject to a minimum fee of £68,065 plus disbursements, effective from 1 May 2022 (effective from 1 May 2021: £65,071).

The Administrator earns a fee for assisting with reporting under Article 24 of the AIFM Directive of £5,000 per annum, 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 earned on a time spent basis for any additional reporting under FATCA and CRS.

On 4 August 2022, the entire share capital of Sanne Group Plc, the ultimate parent company of Sanne Fund Services (Guernsey) Limited, the Administrator, was acquired by Apex Acquisition Company Limited, a wholly owned subsidiary of Apex Group Limited.

During the period, the Administrator earned a total fee for other administration services of £2,558 (30 June 2021: £2,479), of which £Nil (31 December 2021: £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 £1,240 for acting as listing sponsor (30 June 2021: £2,240).

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

3. Material Agreements (continued)

The amounts earned for the above-mentioned fees during the period ended 30 June 2022 and outstanding at 30 June 2022 are as follows:

	Charge for the period		Outstanding at period/year end	
	1 January 2022 to 30 June 2022	1 January 2021 to 30 June 2021	30 June 2022	31 December 2021
	£	£	£	£
	(unaudited)	(unaudited)	(unaudited)	(audited)
Investment management fees	428,950	476,524	428,950	726,290
Administration fee	32,268	32,162	16,134	16,134
Administrator's other fees	2,558	2,479	-	-
Total	463,776	511,165	445,084	742,424

Directors' fees

Mel Carvill is entitled to a fee for his services as Chairman of the Board of Directors of £37,616 per annum, effective from 1 January 2022 (31 December 2021: £36,414). The remaining Directors are entitled to a fee for their services as Directors of £29,555 each per annum, effective from 1 January 2022 (31 December 2021: £28,611). The total remuneration paid to the Directors for the period was £48,363 (30 June 2021: £46,754) of which £Nil (31 December 2021: £Nil) was outstanding at the end of the period.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

4. Fair value

Financial assets at fair value through profit or loss

	30 June 2022 (unaudited) £	31 December 2021 (audited) £	30 June 2021 (unaudited) £
Cost at the beginning of the period/year	53,190,022	53,125,524	53,125,524
Investment purchases during the period/year (cash transactions)	-	64,498	64,498
Total purchases	-	64,498	64,498
Sales	(8,643,498)	-	-
Total sales	(8,643,498)	-	-
Realised gain on sales	3,324,481	-	-
Cost at the end of the period/year	47,871,005	53,190,022	53,190,022
Net unrealised gains on financial assets at the end of the period/year	9,787,363	12,998,736	12,864,752
Financial assets at fair value through profit or loss at the end of the period/year	57,658,368	66,188,758	66,054,774
Non-current financial assets at fair value through profit or loss	57,658,368	66,188,758	66,054,774
Total financial assets at fair value through profit or loss	57,658,368	66,188,758	66,054,774
<i>Net gains on financial assets at fair value through profit or loss</i>			
Realised gains on sales	3,324,481	-	-
Movement in net unrealised (losses)/gains during the period/year	(3,211,373)	2,483,181	2,349,197
Net (losses)/gains on financial assets at fair value through profit or loss	113,108	2,483,181	2,349,197

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

4. 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.

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 UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

4. Fair value (continued)

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

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 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.

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.

There are no available market prices for the investments in Oak Group, 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 Group's financial assets and liabilities measured at fair value at 30 June 2022 and 31 December 2021:

At 30 June 2022 (unaudited)	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit or loss	-	16,080,379	41,577,989	57,658,368
Total	-	16,080,379	41,577,989	57,658,368
At 31 December 2021 (audited)	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit or loss	-	26,291,188	39,897,570	66,188,758
Total	-	26,291,188	39,897,570	66,188,758

There have been no transfers between levels of the fair value hierarchy during the period (31 December 2021: 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 UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

4. Fair value (continued)

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

Valuation models at 30 June 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	16,080,379	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Oak Group Limited	38,013,885	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 £1,959,840
Level 3	Net realisable assets	Next Generation Holdings Limited	238,380	Net realisable assets value	The estimate of fair value would increase/decrease if the net realisable asset value was higher/lower	A 5% increase/decrease in the net realisable asset value would have resulted in an increase/decrease in fair value of £11,919
Level 3	Investment Manager's valuation based on recent transaction supported by analysis	Enhance Group Limited A ordinary shares Enhance Group Limited C ordinary shares	1,418,752	Recent transaction price	The estimate of fair value would increase/decrease if the transaction price was higher/lower	A 5% increase/decrease in the transaction price would have resulted in an increase/decrease in fair value of £70,937
Level 3	Investment Manager's valuation based on revenue multiple and net realisable assets	Corvid Holdings Limited B shares	219,412	Revenue multiple	The estimate of fair value would increase/decrease if the revenue multiple of 0.75 was higher/lower	A shift of +/- 0.5 in absolute value of the weighted average input would have resulted in an increase/decrease in fair value of £73,025
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			57,658,368

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

4. Fair value (continued)

Valuation models at 31 December 2021

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	26,291,188	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Oak Group Limited	36,182,201	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 £1,925,128
Level 3	Net realisable assets	Next Generation Holdings Limited	389,647	Net realisable assets value	The estimate of fair value would increase/decrease if the net realisable asset value was higher/lower	A 5% increase/decrease in the net realisable asset value would have resulted in an increase/decrease in fair value of £19,482
Level 3	Investment Manager's valuation based on recent transaction supported by analysis	Enhance Group Limited A ordinary shares Enhance Group Limited C ordinary shares	1,418,752	Recent transaction price	The estimate of fair value would increase/decrease if the transaction price was higher/lower	A 5% increase/decrease in the transaction price would have resulted in an increase/decrease in fair value of £70,937
Level 3	Investment Manager's valuation based on revenue multiple and net realisable assets	Corvid Holdings Limited B shares	219,410	Revenue multiple	The estimate of fair value would increase/decrease if the revenue multiple of 0.75 was higher/lower	A shift of +/- 0.5 in absolute value of the weighted average input would have resulted in an increase/decrease in fair value of £67,475
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	66,188,758			

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

4. Fair value (continued)

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

Valuation models (continued)

The investment in PraxisIFM is valued at the quoted bid price on TISE at 30 June 2022.

The equity investments in Oak Group Limited and CORVID Holdings Limited are valued using the earnings or revenue multiple techniques as at 30 June 2022, in line with the IPEV Valuations Guidelines which came into effect during the year ended 31 December 2020. These valuation techniques are consistent with those used as at 31 December 2021.

The preference share investments in Enhance and Next Gen Worldwide Limited have been valued at purchase cost. The investments in Enhance (A and C ordinary shares) are valued at the price of a recent transaction supported by analysis. Next Generation Holdings Limited has been valued using net realisable assets. The Investment Manager considers that these bases for valuation provide a reliable representation of the fair value at 30 June 2022.

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 £804,019 (31 December 2021: £1,314,559).

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

	30 June 2022	31 December 2021
	(unaudited)	(audited)
	£	£
Opening balance	39,897,570	41,882,854
Purchases	-	64,498
Net unrealised gains/(losses) in the period/year	1,680,419	(2,049,782)
Closing balance	41,577,989	39,897,570

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 UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

4. Fair value (continued)

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.

	30 June 2022 (unaudited)		31 December 2021 (audited)	
	Carrying value £	Fair value £	Carrying value £	Fair value £
Assets				
Cash and cash equivalents	5,086,810	5,086,810	119,427	119,427
Loans due from associate and joint venture	393,885	393,885	418,948	418,948
Other receivables	454,388	454,388	452,017	452,017
Total	5,935,083	5,935,083	990,392	990,392
Liabilities				
Trade and other payables	471,320	471,320	793,936	793,936
Total	471,320	471,320	793,936	793,936

Cash and cash equivalents include deposits held with banks.

5. 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.

The Board of Directors do not recommend the payment of a dividend for the period from 1 January 2022 to 30 June 2022 (30 June 2021: £Nil).

6. 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 ending 31 December 2022.

7. Other receivables

	30 June 2022 (unaudited)	31 December 2021 (audited)
	£	£
Current		
Loan interest receivable	99,321	99,406
Dividends receivable	355,067	352,611
	454,388	452,017

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

8. Trade and other payables

	30 June 2022 (unaudited)	31 December 2021 (audited)
	£	£
Current		
Investment Management fee	428,950	726,290
Other payables	42,370	67,646
	471,320	793,936

9. Revolving credit facility

	30 June 2022 (unaudited)	31 December 2021 (audited)
	£	£
Revolving credit facility – Investec CI	-	2,500,000
	-	2,500,000

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 totalling £2,500,000, repayable on or before 9 December 2022 were repaid on 4 May 2022. The third and fourth tranches totalling £2,000,000 were repaid during the prior year.

Interest on the RCF was charged at base rate plus a margin ranging between 3.75% and 5.00%, payable quarterly. At 30 June 2022, the weighted average applicable interest rate on the RCF was 4.51% per annum. Security on the RCF was provided in the form of shares in PraxisIFM Group Limited. The covenants of the RCF were tested quarterly.

During the period, the Company was charged an amount of £39,322 (30 June 2021: £92,388), in respect of interest on the RCF, of which £Nil (31 December 2021: £9,877) was outstanding at the end of the period.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

10. 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.

	30 June 2022 (unaudited)		31 December 2021 (audited)	
	Number	£	Number	£
Share capital	54,500,000	54,895,710	54,500,000	55,185,033

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

11. Share-based payments

The following options for shares of the Company were granted to Ravenscroft (CI) Limited (“RL”) (formerly Ravenscroft Limited), in its capacity as investment manager to the Company to 1 June 2020, excluding options which have lapsed. Following the change in the investment manager on 1 June 2020 from RL to Ravenscroft Specialist Fund Management Limited (“RSFML”), the share options granted to RL were novated to RSFML on 19 January 2021. The options were exercisable at a price in accordance with the agreements on the date of grant.

During the period, the remaining options in Tranches 1b, 2b, 3b, totalling 2,893,225 shares, were net settled by the Company at a value of 10p per option, and the options in Tranches 4a and 4b were cancelled (31 December 2021: the options in Tranches 1a and 2a expired and lapsed with no value and the dates of expiry of the options in tranches 1b, 2b and 3b were extended to 22 March 2022. 580,873 share options in Tranche 1b were exercised at a price of £1 per share during the year). No new share options were issued during the period (31 December 2021: Nil).

As a result of the cancellations during the period, as at 30 June 2022, there were no share options in issue.

As at 31 December 2021, 3,982,929 share options were in issue, of which 2,893,225 were exercisable and in the money, with an estimated fair value of £284,234.

As at 31 December 2021

Options granted solely to the Investment Manager

	Date of grant	Vesting date	Date of expiry	Remaining contractual life (days)	Number of share options	Estimated fair value £	Expensed/ (written back) through Profit or Loss during the year £
Tranche 1a	07/10/2016	08/10/2018	08/10/2021	-	-	-	(10,588)
Tranche 2a	16/12/2016	17/12/2018	17/12/2021	-	-	-	(4,351)
Tranche 3a	06/02/2017	07/02/2021	07/02/2022	38	119,117	810	21
Tranche 4a	11/04/2018	12/04/2020	12/04/2023	467	323,529	7,021	-

Options granted to the Investment Manager, transferrable to members of the Investment Management team

Tranche 1b	07/10/2016	08/10/2018	22/03/2022	81	1,748,538	130,265	(43,275)
Tranche 2b	16/12/2016	17/12/2018	22/03/2022	81	994,599	76,485	-
Tranche 3b	06/02/2017	07/02/2019	22/03/2022	81	150,088	11,482	-
Tranche 4b	11/04/2018	12/04/2020	12/04/2023	467	647,058	58,171	-
					3,982,929	284,234	(58,193)

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

11. Share-based payments (continued)

The fair values of the options were estimated using a Black Scholes simulation model using the following inputs:

	Tranche 1a	Tranche 2a	Tranche 3a	Tranche 4a	Tranche 1b	Tranche 2b	Tranche 3b	Tranche 4b
Exercise price	£1.50	£1.50	£1.50	£1.50	£1.00	£1.00	£1.00	£1.18
Share price at grant date	£1.00	£1.00	£1.00	£1.18	£1.00	£1.00	£1.00	£1.18
Expected volatility	12.65%	12.65%	12.65%	11.53%	12.65%	12.65%	12.65%	11.53%
Expected dividend yield	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Discount rate	0.52%	0.66%	0.85%	1.14%	0.52%	0.66%	0.64%	1.14%

As the options did not contain market vesting conditions, the Black Scholes model is considered to be the most appropriate method of estimating the fair value of the options.

12. 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 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 3.

Shares held by related parties

The Shareholdings of the Directors in the Company at 30 June 2022 and 31 December 2021 were as follows:

Name	30 June 2022		31 December 2021	
	Number of Shares	Percentage	Number of Shares	Percentage
Mel Carvill (Chairman)	1,193,500	2.19%	1,160,000	2.13%
Peter Gillson	600,000	1.10%	600,000	1.10%
Fintan Kennedy	45,000	0.08%	45,000	0.08%

On 18 July 2022 the Directors in the Company made the following share dealings in relation to the Tender Offer (see Note 17): Mel Carvill sold 74,594 shares in the company resulting in a shareholding of 1,118,906, (2.19% of voting rights), Peter Gillson sold 37,500 shares resulting in a shareholding of 562,500 (1.10% of voting rights) and Fintan Kennedy sold 2,813 shares resulting in a shareholding of 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.

As at 30 June 2022, companies and key individuals classified as related parties of the Company due to their connection with the Investment Manager and its wider group held 11,378,373 (31 December 2021: 11,394,223) shares in the Company and options for nil (31 December 2021 3,982,929) shares in the Company (see Note 11).

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

12. Related party transactions (continued)

The Company had extended a loan of £35,000 (31 December 2021: £35,000) and a secured loan of £1,688,397 (31 December 2021: £1,688,397) to Next Generation Holdings Limited, joint venture of the Company. During the prior year, the borrower repaid £1,338,133 of the secured loan. 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 Next Generation Holdings Limited (UK registered company) grants a security interest over shares held by it as shareholder in Next Generation Holdings Limited (Guernsey registered company) in favour of the lender. The borrower made no repayments during the period resulting in a balance outstanding at the end of the period of £350,264 (31 December 2021: £350,264).

The Company had extended an unsecured loan of £95,000 (31 December 2021: £95,000) to Enhance Group Limited, associate of the Company. The terms of the unsecured loan are interest payable monthly at a rate of 9.5% per annum, with the loan due to be repaid on or before 1 August 2022. As at 30 June 2022, Enhance Group Limited had made repayments totaling £86,379, resulting in a balance outstanding at the end of the period of £8,621 (31 December 2021: £33,684). No loan interest was outstanding at 30 June 2022 (31 December 2021: £Nil). On 31 August 2022, following the period end, the outstanding loan balance of £8,621 was repaid in full.

13. Investment in unconsolidated subsidiaries, associates and joint ventures

		30 June 2022	
	Date of acquisition	Domicile	Ownership
Enhance Group Limited	28 November 2016	Jersey	38%
Next Generation Holdings Limited	28 April 2017	Guernsey	50%
Oak Group Limited	7 September 2018	Guernsey	74%

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.

14. Earnings per share

	30 June 2022 (unaudited)	
	Basic	Diluted
Loss for the period	£(473,179)	£(473,179)
Weighted average number of shares	54,500,000	54,500,000
Loss per share	(0.87)p	(0.87)p
	30 June 2021 (unaudited)	
	Basic	Diluted
Profit for the period	£2,811,174	£2,811,174
Weighted average number of shares	54,362,003	57,393,225
Earnings per share	5.17p	4.90p

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2022 to 30 June 2022

14. Earnings per share (continued)

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

	30 June 2022	30 June 2021
	Number of shares	Number of shares
Weighted average number of shares used in basic earnings per share	54,500,000	54,362,003
Weighted average number of potential shares deemed to be issued	-	3,031,222
Weighted average number of shares used in diluted earnings per share	54,500,000	57,393,225

The dilution arises from the potential exercise of share options granted to the Investment Manager and the members of the investment management team (see note 11). As at 30 June 2022, there was no dilution (30 June 2021; only those share options granted to the members of the investment management team in tranches 1b, 2b and 3b (see note 11) had a dilutive effect and remaining share options were out of the money, as the price of the Company's shares at 30 June 2021 was less than the exercise price). As at 30 June 2022 there were no remaining share options.

15. NAV per share

The NAV per share is calculated based on the net assets attributable to Shareholders of £63,128,933 and on 54,500,000 shares in issue at 30 June 2022.

16. Controlling Parties

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

17. Events after the end of the reporting period

On 12 July 2022, in relation to the Tender Offer dated 27 June 2022, the Company confirmed that a total of 3,406,250 Ordinary Shares had been tendered for. Tenders for up to and including the Tender Offer entitlement of 1 Ordinary Share for every 16 Ordinary Shares at 116.68 had been met in full.

On 15 July 2022, in relation to the above Tender Offer, the Company made a payment of £3,974,413 to its shareholders and delisted 3,406,250 ordinary no par value shares from the official list of TISE. 51,093,750 ordinary no par value shares remain listed on TISE.

On 18 July 2022 the Directors of the Company made the following share dealings in relation to the Company's Tender Offer: Mel Carvill sold 74,594 shares in the company resulting in a shareholding of 1,118,906, (2.19% of voting rights), Peter Gillson sold 37,500 shares resulting in a shareholding of 562,500 (1.10% of voting rights) and Fintan Kennedy sold 2,813 shares resulting in a shareholding of 42,187 (0.08%).

On 4 August 2022, the entire share capital of Sanne Group Plc, the ultimate parent company of Sanne Fund Services (Guernsey) Limited, the Administrator, was acquired by Apex Acquisition Company Limited, a wholly owned subsidiary of Apex Group Limited.

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

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

PORTFOLIO STATEMENT (unaudited)

As at 30 June 2022

	Holding	Market Value	Percentage of Net Asset Value
		£	%
Listed Investments			
Praxis IFM Group Limited	11,417,896	16,080,379	25.47
Unlisted Investments			
Oak Group Limited	284,377	38,013,885	60.22
Next Generation Holdings Limited	1,203	238,380	0.38
Next Gen Worldwide Limited	194,959	1,173,653	1.86
Enhance Group Limited	503	1,932,659	3.06
Corvid Holdings Limited	10	219,410	0.35
		41,577,989	65.86
Total Investments		57,658,368	91.33
Other net assets		5,470,565	(8.67)
Net assets attributable to holders of Ordinary Shares		63,128,933	100.00