FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2019

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

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FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

MANAGEMENT AND ADMINISTRATION

For the year ended 31 December 2019

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.

ADMINISTRATOR, REGISTRAR, LISTING SPONSOR AND SECRETARY
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Le Truchot
St Peter Port
Guernsey
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INVESTMENT MANAGER, PLACING AGENT AND MARKET MAKER
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20 New Street
St Peter Port
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REGISTERED OFFICE
Sarnia House
Le Truchot
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Guernsey
GY1 1GR

INDEPENDENT AUDITOR
Grant Thornton Limited
Lefebvre House
Lefebvre Street
St Peter Port
Guernsey
GY1 3TF

REGISTERED NUMBER: 62421

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

CHAIRMAN'S REPORT

For the year ended 31 December 2019

2019 was another busy year for Financial Services Opportunities Investment Fund Limited during which good progress was made despite some challenges.

During the year we completed the consolidation and integration of our existing fiduciary related investments under Oak Group and later in the year we increased our investment in Oak Group to facilitate the acquisition of the fund administration group IAG Fund Services. IAG, now operating as Oak Fund Services, is a specialist fund administration house headquartered in Guernsey, which delivers fund administration and depositary services to private equity, open-ended, listed and alternative asset fund structures. More detail on our investment activity is set out in the Investment Manager's report.

At 31 December 2019 the Published NAV per share was £1.2143 (2018: £1.2297), a decrease of 1.54p over 2019, representing a decline of 1.25% but still remaining over 21% above its value at launch.

This decrease in 2019 was principally driven by the fall in share price of PraxisIFM Group Ltd which retreated 13.5% compared to 31st December 2018 after a period of outstanding growth. While this decline has been disappointing, I am encouraged by the underlying performance of PraxisIFM's core businesses and also the recent announcements concerning a refocusing of strategy back to core activity and a change in leadership.

I am also pleased to note that the decrease in NAV per share resulting from the deterioration in the share price of PraxisIFM was largely offset by unrealised gains made by our investment in Oak Group. I would also note that the majority of our other investments have made significant headway towards achieving their growth and profitability targets.

We were disappointed, ultimately, not to pay a dividend in 2019, following the delay and eventual suspension of the expected dividend from PraxisIFM. The dividend subsequently declared in March 2020 was then suspended through an abundance of caution following the outbreak of COVID-19, however we look forward to reinstating dividend payments in the future.

Investment performance and responsible ownership are fundamental to delivering sustainable long-term growth in capital and income for our shareholders and therefore an important responsibility of the Directors is exercising a robust evaluation of our Manager's performance capabilities and resource. This year's setbacks were an opportunity to see the Manager's strengths as our company acted as an engaged and active shareholder in our investments. Your Board continues to support and challenge our Investment Manager and the management teams of the investee entities in order to provide the best possible return on investment and achieve our objective of attaining long term capital growth and an income stream. The Board also regularly evaluates the performance of our other service providers.

There is no industry left unaffected by the COVID-19 pandemic, and the financial services sector is no exception. Whilst the ultimate effect on our company of COVID-19 is at this stage unknown, the Board is monitoring the effects as they develop, and the Investment Manager is in regular contact with our investee companies to support them and assess the impact on each. We have been reassured to read the very positive Investor Update issued by PraxisIFM, and also to learn of the positive measures our other investee companies have taken to address the impacts as they enact their Business Continuity Plans and continue to successfully service their clients with the vast majority of staff working remotely. Further details are contained in the Investment Manager's report.

I would like to record my thanks to our shareholders for their continued support, as well as my fellow Directors and the Investment Manager.

Mel Carvill
Chairman
29 April 2020

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2019

Published Net Asset Value ("NAV") as at 31 December 2019 was 121.43p per share (31 December 2018: 122.97p per share).

Net Asset Value ("NAV") per the Statement of Financial Position as at 31 December 2019 was 122.75p per share (31 December 2018: 124.44p per share).

Current share price: **95p – 105p**

Performance overview

Ravenscroft Limited (the "Manager") is pleased to report on an encouraging year for Financial Services Opportunities Investment Fund Limited (the "Fund"), despite some challenges experienced in 2019 and some economic uncertainty in the future.

Having completed the consolidation of its existing fiduciary investments through Oak Group Limited ("Oak Group"), the Fund increased its investment in Oak Group to fund the acquisition of the Guernsey based corporate services and fund administration group International Administration Group ("IAG") and has seen the combined entity go from strength to strength over the course of the year.

The Manager is content with the overall performance of its investee companies and continues to believe that these will continue to enable the Fund to achieve its objective of long-term capital growth whilst also delivering an income stream to shareholders.

As at 31 December 2019, the published NAV of the Fund had decreased by 1.25% during the period, largely driven by a decline in the share price of PraxisIFM, but remained 21.43% above launch price.

Portfolio review

Oak Group Limited ("Oak Group")

In Q1 2019 the Fund's existing investments in Consortia, Kreston and Oak Trust were consolidated into Oak Group, followed by its acquisition of IAG in May 2019. These businesses have rebranded and are all now operating under the umbrella of Oak Group.

The Fund purchased additional shares in Oak Group in May and July 2019 in order to enable it to settle the initial cash consideration for the IAG acquisition, and the final deferred consideration for the Kreston acquisition respectively, thus bringing the fund's stake in Oak Group to 74.88% as at 31 December 2019.

Oak Group now comprises over 200 staff in 6 jurisdictions, with more than £20 billion of assets under administration, and is exploring opportunities to increase both staff numbers and geographical presence through future targeted acquisitions.

Oak Group's aim is to become the service provider of choice in servicing trusts, companies and funds within the jurisdictions in which it operates. It aims to capitalise on a strong client base, management and reputation in order to build revenue and market share. As intended, it has become a cornerstone investment for the Fund alongside PraxisIFM.

Oak Group's financial year end has been set as 31 March, and its subsidiary companies are being aligned to this date. The group as a whole has enjoyed a strong performance so far this year, with management accounts for the financial year to date showing revenue and underlying profit on target to achieve significant growth compared to acquisition levels. The group budget for the financial year to March 2021 set out goals for further, significant progress, with some major new clients in its pipeline.

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

The Manager is delighted that Oak Group's consolidation has been completed and that the new group has made such significant progress to date. We retain full confidence in its management team and look forward to further success in 2020.

Oak Group comprised 50.21% of the Fund's published NAV as at 31 December 2019.

PraxisIFM

PraxisIFM's share price performed well during the first half of the year, with its mid-price increasing from £1.85 to £1.95. However this price subsequently retreated to £1.60 at the year end following announcements to the market including a delay in the release of its annual report and accounts. Subsequent to the year end, further announcements detailing the resignation of the company's CEO and CFO, along with the suspension of its dividend, saw the mid-price reduce further to £1.35 at the end of March 2020.

Despite this apparent hit to shareholder confidence in late 2019 and early 2020, the Manager continues to be encouraged by the PraxisIFM's underlying financial performance. We were pleased with the annual results released in November 2019, which saw group revenue and EBITDA climb by 57% and 32% respectively from the prior year, driven by acquisitions and also through organic growth. The interim results released in January 2020 reported a 12% revenue increase compared to the same period in the prior year, including 4.5% organic growth from a strong pipeline of business.

PraxisIFM has grown its global presence to 19 jurisdictions and increased staff numbers from 300 to 550 over the last 2 years and is now focussing on the continuing integration of the businesses it has acquired and the realisation of its potential efficiencies. We are pleased with the consistently strong performance of its core business, and look forward to further progress in 2020.

The Fund sold a small number of shares into investor demand in January 2019 which saw its interest reduced from 16.42% to 16.10% but otherwise was content to maintain its holding.

PraxisIFM comprised 42.93% of the Fund's published NAV as at 31 December 2019.

Next Generation Holdings Limited ("NextGen")

The Fund has a 50% holding in NextGen which is a joint venture with Toby Esser, the former CEO of a multinational insurance company, and in turn NextGen is the majority stakeholder in NextGen Worldwide Limited ("NGW"). NGW is the sole owner of AFL Insurance Brokers Limited ("AFL"), a Lloyds broker based in Manchester and London, and majority shareholder in Zodiac Insurance Services LLC ("Zodiac"), a managing general agent (MGA) based in the USA.

In early 2019, the Fund increased its £1m term loan to NextGen to £1.688m. This increase was used to fund the deferred consideration on the 2018 acquisition of Zodiac through NextGen's subsidiaries. The Fund also made a further £195k equity injection, alongside its joint venture partner, to assist AFL on its planned path to meaningful growth.

Following its acquisition activity in 2018, NGW focused its efforts in 2019 on the quality of its offering and achieving organic growth. The management team has undertaken a significant overhaul of AFL's broker team, and positive results are being seen alongside consistently strong performance from Zodiac. The Manager was encouraged to receive the 2019 annual report showing group revenue up 51% on 2018, and a £2.9m positive swing in group EBITDA to record a profit for the year. The Manager regularly attends NGW's board meetings and continues to be pleased with its management and their determination to grow the business effectively.

NextGen comprised 3.74% of the Fund's published NAV as at 31 December 2019.

Enhance Group Limited ("Enhance")

Challenging trading conditions in 2019 meant that Enhance was unable to fully capitalise on the significant progress made in 2018 and achieve meaningful growth over the year, although an increase in EBITDA of 16% compared to 2018 was a positive sign. Enhance maintains a very strong business pipeline and a key focus for management in 2020 will be to convert this pipeline and to secure large, global accounts driven by its new proprietary software that will come online during the year.

In December 2019, the Fund subscribed for £300,000 in preference shares to support the completion of the software development project. The Manager has been impressed with this software and eagerly anticipates news of its contribution to Enhance's success in 2020.

Enhance comprised 2.95% of the Fund's published NAV as at 31 December 2019.

CORVID Holdings Ltd ("CORVID")

The Fund has a 5% equity holding in CORVID, which in turn owned two subsidiary businesses, Corvid Paygate Limited ("Paygate") and Corvid Protect Holdings Limited ("Protect").

In June 2019 the management of Ultra Electronics plc ("Ultra"), the parent company and main customer of CORVID, confirmed that it had completed the sale of Paygate, having previously flagged this intention to the Fund. Confirmation of any distribution of sales proceeds is still awaited from Ultra, with the sale crystallising an indicative loss for the Fund. Negotiations are pending between the Manager and Ultra regarding the future of the remaining holding in Protect, with a view to negotiating the best possible outcome for the Fund.

CORVID comprised 0.34% of the Fund's published NAV as at 31 December 2019.

Future Opportunities

The Manager continues to explore a number of suitable opportunities, both for the Fund and via its investee companies.

Conclusion

We are content with the performance of the investment portfolio over the year, and are confident that it can achieve the Fund's stated objectives.

At the time of writing, the global pandemic COVID-19 is a developing situation and at this stage it is impossible to say what the ultimate impact on the Company will be. However, whilst in the strictest sense this pandemic falls outside of the period of these financial statements, these extraordinary circumstances are of course relevant to the Fund and all its investee companies. The pandemic is causing widespread disruption across the world, with many countries on lockdown and all sectors impacted by its effects. Together with the Board, we are monitoring closely the developments of COVID-19 and are working alongside the Fund's investee companies to assess its impact on them and also their responses. To date we have been very impressed by the proactive steps taken by all the portfolio companies, and their commitment to ongoing success whilst maintaining as a priority the wellbeing of their staff and clients. PraxisIFM has issued a positive investor update to the market whilst Oak Group, Enhance and NextGen have all been feeding back directly to us with updates on their progress in the face of this challenge. We are very happy to report that across the board, these companies have successfully enacted their Business Continuity Plans (BCPs), made use of their investment in technology to operate effectively from hundreds of private offices as staff work remotely, and continue to engage with clients and colleagues to provide excellent services just as before. Whilst there will inevitably be some negative impact experienced on the growth plans of these companies as the situation develops further, we are encouraged by the collective actions of their staff and management teams to date, and will continue to monitor each of them closely.

INVESTMENT MANAGER'S REPORT (continued)

For the year ended 31 December 2019

Conclusion (continued)

Together with the Board, the Manager remains committed to ensuring the active management of the investment portfolio and continues to work alongside the principals of the businesses and their management teams to provide the best possible return on investment for the Fund and its shareholders.

Ravenscroft Limited

29 April 2020

DIRECTORS' REPORT

For the year ended 31 December 2019

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 2019.

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").

Results and Dividends

The Statement of Comprehensive Income for the year ended 31 December 2019 is set out on page 17. The loss and total comprehensive loss for the year ended 31 December 2019 amounted to £(927,569) (31 December 2018: profit and total comprehensive income of £5,063,640). No dividends were declared and paid to Shareholders during the year ended 31 December 2019 (31 December 2018: 1.50 pence per share).

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 31 December 2019 were as follows:

	31 December 2019		31 December 2018	
Name	**Number of Shares**	**Percentage**	**Number of Shares**	**Percentage**
Mel Carvill (Chairman)	910,000	1.69%	600,000	1.11%
Peter Gillson	600,000	1.11%	600,000	1.11%
Fintan Kennedy	45,000	0.08%	-	-

At the date of this report, Mel Carvill and Peter Gillson held 70,000 shares (31 December 2018: 70,000 shares), and 25,000 shares (31 December 2018: 25,000 shares), respectively in the Investment Manager.

Going Concern

The Company has adequate financial resources and after making enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis in preparing these Financial Statements.

The Board of Directors acknowledges the coronavirus (COVID-19) outbreak and its potentially adverse economic impact globally and on the locations in which the Company invests and operates. At 31 December 2019, there were few reported cases and little confirmed evidence of its spread amongst humans. Consistent with many others in the same industry, the Company considers the emergence and spread of COVID-19 to be a non-adjusting event after the end of the reporting period; as such, no adjustment is made in these annual financial statements.

Due to the rapid development of COVID-19 and the degree of uncertainty involved, it is not possible to estimate its financial impact at this stage. The Board of Directors does not underestimate the seriousness of the situation and the potentially adverse effect the coronavirus outbreak will have on the global economy and many businesses across the world. The Directors believe that the impact of COVID-19 will be material on the general economy, and some governments and central banks have acted by reducing interest rates, restricting travel and movement of people and taking other measures. This situation will have implications for the Company's business and the underlying investment portfolio, however these are difficult to quantify at this time.

Going Concern (continued)
The Board of Directors notes that all investee companies have successfully enacted plans to work remotely, and to make use of technology to continue to provide their services just as before. PraxisIFM has recently issued a positive investor update, and the Investment Manager continues to work closely with the Company's unlisted investments to monitor their progress.

The Company recognises that this situation requires continued attention. The Board closely monitors the latest developments relating to COVID-19 given its rapid spreading and potentially negative impact on the global economy and many businesses locally and across the globe.

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 to 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.

Corporate Governance
Following the publication by the Guernsey Financial Services Commission (the "GFSC") of the Finance Sector Code of Corporate Governance in September 2011 (the "Code"), 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.

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.

Alternative Investment Fund Managers Directive
The Alternative Investment Fund Managers Directive (''AIFMD'') is European Union ("EU") legislation aimed at increasing investor protection and reducing systematic risk by creating a harmonised EU framework for managers of alternative investment funds in the EU. The Company is a non-EU Fund with a non-EU Investment Manager and it is listed on a non-EU exchange. As the Company has not sought to raise new capital in the EU, it is not considered to be marketed in the EU, and therefore is not captured by AIFMD.

Investments Objectives and Strategy
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; or
iv. a need to make a strategic acquisition or some other transformation to make it an attractive sale or flotation prospect.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2019

Investments Objectives and Strategy (continued)
Up to 15% of 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 in 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). These limits will not apply if at any stage the Company has fewer than three investments.

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
29 April 2020

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

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Financial Services Opportunities Investment Fund Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of the Company's loss for the year then ended;
- are in accordance with IFRSs as adopted by the European Union; and
- comply with The Companies (Guernsey) Law, 2008.

Basis for opinion

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

Conclusions relating to going concern

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

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

Emphasis of matter – subsequent events relating to COVID-19

We draw attention to note 19 of the financial statements, 'Events after the reporting period', which explains that while the Directors remain confident that the going concern basis remains appropriate in preparing the financial statements and they consider COVID-19 to be an non-adjusting event and therefore no adjustment has been made to the valuation of its investments as at 31 December 2019, the Directors will be closely monitoring the latest market developments relating to COVID-19 and the possible future impact on the Company. Our opinion is not modified in this respect.

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

Key audit matters

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

Key Audit Matter	How the matter was addressed in the audit
Risk 1 Investments at fair value through profit or loss The Company's financial assets consist of an investment portfolio of companies that are principally financial services businesses. The portfolio is valued at £65,579,701. These financial assets are defined as Level 2 and Level 3 financial instruments under IFRS 13 fair value hierarchy. The Company exercises considerable judgment in valuing its Level 3 investments at fair value, as the selection of the appropriate valuation techniques involves making significant assumptions and the inputs used are not based on observable data. The Company's policy is to initially value its investments at purchase price, excluding the transaction cost. The valuation technique used is selected on an investment by investment basis so as to provide the most reliable representation of fair value. The bases of valuation that have been adopted include unadjusted bid price, recent transaction with supported analysis, expected sales proceeds, earnings multiple, and purchased cost. Given the extent of judgment involved in valuing these financial instruments, we considered this to be a key audit matter.	Our audit work included, but was not restricted to: • Obtaining an understanding of the valuation method the Company applies to its Level 3 investments and assessing whether it is based on an acceptable valuation framework and consistent with IFRS; • Reviewing key assumptions made in selecting and applying the valuation methods used; • Verifying key inputs used in the calculation model by inspecting supporting documentation such as financial information of the investee companies and valuation methodologies of companies in the same industry as the investee companies; • Performing recalculations of valuations provided and agreeing the market values determined to financial statements. The Company's accounting policy on investments at fair value through profit or loss is shown in notes 2 and 3 and related disclosures are included in note 6. **Key observations** We did not identify any material issues from the procedures performed in this area.

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

Key Audit Matter	How the matter was addressed in the audit
Risk 2 Valuation of share options The Company issued equity-settled share-based payments to its investment manager and members of the investment management team during the period. The equity-settled share-based payments are measured at fair value at the date of grant. Using the Black Scholes model involves significant judgment and estimates and therefore the valuation of share-based payments require particular audit attention.	Our audit work included, but was not restricted to: • Obtaining an understanding of the valuation method applied, together with the significant assumptions and inputs used; • Reviewing key assumptions used in selecting the valuation method; and • Verifying key inputs used in the valuation model by inspecting supporting documentation such as share option agreements and agreeing other inputs such as the risk free rate and volatility to independent sources. The Company's accounting policy on valuation of share options is shown in notes 2 and 3 and related disclosures are included in note 11. **Key observations** We did not identify any material issues from the procedures we performed in this area.
Risk 3 Management override of internal control Under the ISAs (UK), for all our audits we are required to consider the risk of management override of internal controls. As there are significant areas of judgment and estimation in the financial statements we have assessed this as a significant risk requiring special audit consideration.	Our audit work included, but was not restricted to, specific procedures relating to the risk that are required by ISA (UK) 240 "The auditor's responsibilities relating to fraud in an audit of the financial statements". This included: • Reviewing the financial reporting process of the Company; • Evaluation of judgments and assumptions in management's estimates; • Testing a sample of journal entries; and • Testing of significant and unusual transactions, including related party transactions outside the normal course of business, if any. **Key observations** We did not note any indication of the existence of management override of internal controls.

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

Our application of materiality

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

Materiality was determined as follows:

Materiality measure	Company
Financial statements as a whole	£1,323,732 which is 2% of equity/net assets. This benchmark is considered the most appropriate because the investors would usually track the performance of the Company by looking at the net asset value. Due to the Company being listed and considering that the investors or potential investors will be sensitive to changes in the net asset value, it was deemed that 2% would be the most appropriate percentage. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2018 driven by the change of our audit methodology in the determination of materiality. This is also resulting from the stable performance of the Company and that there was no significant change in ownership during the year. Lastly, this is already the third year that we have been auditing the Company giving us sufficient knowledge of the Company and its business.
Performance materiality used to drive the extent of our testing	70% of financial statement materiality
Communication of misstatements to the audit committee	£66,187 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's Report, Investment Manager's Report, Directors' Report and Portfolio Statement set out on pages 2 to 10 and on page 50, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Other information (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (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 financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cyril Swale
For and on behalf of Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey
29 April 2020

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Notes	31 December 2019 £	31 December 2018 £
Income			
Net (losses)/gains on financial assets at fair value through profit or loss	6	(742,362)	5,655,244
Dividend income		1,096,453	1,148,330
Loan interest income		122,096	20,164
Bank interest income		1,667	3,457
Total income		477,854	6,827,195
Expenses			
Investment management fees	4	1,029,944	838,082
Investment manager's deal fees	4	41,214	115,925
Investment manager's other fees	4	43,308	40,995
Administration fees	4	68,664	68,254
Administrator's other fees	4	6,265	5,750
Directors' fees	4	90,000	80,000
Legal and professional fees		19,915	398,760
Share-based payment expense	11,12	18,406	97,226
Other expenses		52,451	118,142
Total expenses		1,370,167	1,763,134
(Loss)/profit and total comprehensive (loss)/ income for the year before tax		**(892,313)**	**5,064,061**
Withholding tax for the year		35,256	421
(Loss)/profit and total comprehensive (loss)/ income for the year		**(927,569)**	**5,063,640**
(Loss)/earnings per share – basic	15	**(1.72)p**	**10.38p**
(Loss)/earnings per share – diluted	15	**(1.60)p**	**9.54p**

All items in the above statement derive from continuing operations.

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

The accompanying notes on pages 21 to 49 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	31 December 2019 £	31 December 2018 £
Non-current assets			
Financial assets at fair value through profit or loss	6	65,579,701	62,913,713
Loans due from associates	13	1,723,397	1,035,000
Current assets			
Cash and cash equivalents		352,449	6,092,384
Financial assets at fair value through profit or loss	6	-	23,215
Other receivables		83,082	20,164
Prepayments		13,053	15,378
Total assets		67,751,682	70,099,854
Current liabilities			
Trade and other payables	9	1,265,059	2,039,104
Non-current liabilities			
Trade and other payables	9	300,000	964,964
Total liabilities		1,565,059	3,004,068
Net assets		**66,186,623**	**67,095,786**
Equity			
Share capital	10	54,604,160	54,604,160
Reserves	12	11,582,463	12,491,626
Total equity		**66,186,623**	**67,095,786**
Number of shares in issue	10	**53,919,127**	**53,919,127**
NAV per share	16	**122.75p**	**124.44p**

The Financial Statements on pages 17 to 49 were approved by the Board of Directors and authorised for issue on 29 April 2020.

Mel Carvill
Director

The accompanying notes on pages 21 to 49 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	Notes	Share capital £	Reserves £	Total £
At 31 December 2018		**54,604,160**	**12,491,626**	**67,095,786**
Loss and total comprehensive loss for the year		-	(927,569)	(927,569)
Credit to equity for equity-settled share based payments	11,12	-	18,406	18,406
At 31 December 2019		**54,604,160**	**11,582,463**	**66,186,623**

Year ended 31 December 2018	*Notes*	Share capital £	Reserves £	Total £
At 31 December 2017		**42,779,083**	**8,139,547**	**50,918,630**
Issue of shares during the year, net of issue costs	10	11,825,077	-	11,825,077
Profit and total comprehensive income for the year		-	5,063,640	5,063,640
Dividend paid	7	-	(808,787)	(808,787)
Credit to equity for equity-settled share based payments	11,12	-	97,226	97,226
At 31 December 2018		**54,604,160**	**12,491,626**	**67,095,786**

The accompanying notes on pages 21 to 49 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	Notes	31 December 2019 £	31 December 2018 £
Cash flows from operating activities			
(Loss)/profit and total comprehensive (loss)/income for the year		(927,569)	5,063,640
Adjusted for:			
Net losses/(gains) on financial assets at fair value through profit or loss	6	742,362	(5,655,244)
Dividend income		(1,096,453)	(1,148,330)
Loan interest income		(122,096)	(20,164)
Share-based payment expense	11,12	18,406	97,226
Decrease in prepayments and other receivables		2,325	16,168
Increase in loans due from associates		(688,397)	(1,000,000)
Increase in trade and other payables (excluding settlement of investment purchases)	9	276,040	101,429
		(1,795,382)	(2,545,275)
Dividend income received		1,095,467	1,148,330
Loan interest income received		60,164	-
Purchases of financial assets	6	(5,147,969)	(10,228,446)
Proceeds from sale of financial assets	6	47,785	50,100
Net cash outflow from operating activities		**(5,739,935)**	**(11,575,291)**
Cash flows from financing activities			
Net proceeds from issue of shares	10	-	11,825,077
Dividend paid	7	-	(808,787)
Net cash inflow from financing activities		**-**	**11,016,290**
Net decrease in cash and cash equivalents		(5,739,935)	(559,001)
Cash and cash equivalents at the start of the year		6,092,384	6,651,385
Cash and cash equivalents at the end of the year		**352,449**	**6,092,384**

All bank interest recognised in the Statement of Comprehensive Income has been received in cash. As at the 31 December 2019 there is a debtor of £82,096 (31 December 2018: £20,164) relating to loan interest receivable.

The accompanying notes on pages 21 to 49 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1. The Company

Financial Services Opportunities Investment Fund Limited (the "Company") is a Guernsey authorised 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 and has an indefinite life.

With effect from 27 September 2016, Ravenscroft Limited (the "Investment Manager") was appointed as the Investment Manager.

2. Significant Accounting Policies

Basis of Preparation
These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, 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 Company has adequate financial resources and after making enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis in preparing these Financial Statements.

The Board of Directors acknowledges the coronavirus (COVID-19) outbreak and its potentially adverse economic impact globally and on the locations in which the Company invests and operates. At 31 December 2019, there were few reported cases and little confirmed evidence of its spread amongst humans. Consistent with many others in the same industry, the Company considers the emergence and spread of COVID-19 to be a non-adjusting event after the end of the reporting period; as such, no adjustment is made in these annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2. Significant Accounting Policies (continued)

Going Concern (continued)
Due to the rapid development of COVID-19 and the degree of uncertainty involved, it is not possible to estimate its financial impact at this stage. The Board of Directors does not underestimate the seriousness of the situation and the potentially adverse effect the coronavirus outbreak will have on the global economy and many businesses across the world. The Directors believe that the impact of COVID-19 will be material on the general economy, and some governments and central banks have already started to act by reducing interest rates, restricting travel and movement of people and taking other measures. This situation will have implications for the Company's business and the underlying investment portfolio, however these are difficult to quantify at this time.

The Board of Directors notes that all investee companies have successfully enacted plans to work remotely, and to make use of technology to continue to provide their services just as before. PraxisIFM has recently issued a positive investor update, and the Investment Manager continues to work closely with the Company's unlisted investments to monitor their progress.

The Company recognises that this situation requires continued attention. The Board closely monitors the latest developments relating to COVID-19 given its rapid spreading and potentially negative impact on the global economy and many businesses locally and across the globe.

New, revised and amended standards applicable to future reporting periods
At the date of authorisation of these Financial Statements, the following relevant standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective:

- IFRS 3 (amended), "Business Combinations" (amendments to clarify the definition of a business, effective for periods commencing on or after 1 January 2020, not yet endorsed by the EU);
- IAS 1 (amended), "Presentation of Financial Statements" (amendments regarding the classification of liabilities effective for periods commencing on or after 1 January 2022).
- IFRS 9, IAS 39 and IFRS 7 (amended), "Interest rate benchmark reform" (amendments issued on 26 September 2019 and endorsed by the EU on 15 January 2020, effective date 1 January 2020, earlier application permitted).

In March 2018, the IASB published its revised 'Conceptual Framework for Financial Reporting', effective immediately, which made amendments to IFRS 2, 3, 6, 14, IAS 1, 8, 34, 37, 38, IFRIC 12, 19, 20, 22 and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework. These amendments were effective for annual periods commencing on or after 1 January 2020, endorsed by the EU on 29 November 2019.

In addition, the IASB published 'Definition of Material (Amendments to IAS 1 and IAS 8)' in October 2018. This project has amended IAS 1 and IAS 8 to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards, effective for accounting periods commencing on or after 1 January 2020, endorsed by the EU on 9 November 2019.

The Directors do not anticipate that the adoption of these amended standards in future periods will have a material impact on the Financial Statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2. Significant Accounting Policies (continued)

New accounting standards effective and adopted
The following relevant amended standards have been applied for the first time in these Financial Statements:

- IAS 12 (amended), “Income Taxes” (amendments resulting from the IASB’s Annual Improvements 2015-2017 Cycle project regarding the income tax consequences of dividends, effective for periods commencing on or after 1 January 2019, endorsed by the EU on 14 March 2019);
- IAS 28 (amended), "Investments in Associates and Joint Ventures" (amendments regarding long-term interest in associates and joint ventures, effective for periods commencing on or after 1 January 2019, endorsed by the EU on 8 February 2019);
- IFRS 3 (amended), “Business Combinations” (amendments regarding the remeasurement of a previously held interest resulting from the IASB’s Annual Improvements 2015-2017 Cycle project, effective for periods commencing on or after 1 January 2019; endorsed by the EU on 14 March 2019);
- IFRS 11 (amended), “Joint Arrangements” (amendments resulting from the IASB’s Annual Improvements 2015-2017 Cycle project regarding the remeasurement of a previously held interest, effective for periods commencing on or after 1 January 2019, endorsed by the EU on 14 March 2019);
- IFRS 9 (amended), "Financial Instruments" (amendments regarding prepayment features with negative compensation and modifications of financial liabilities, effective for periods commencing on or after 1 January 2019, endorsed by the EU on 22 March 2018);

The adoption of these amended standards has had no material impact on the Financial Statements of the Company.

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 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.

2. Significant 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 associates 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, including, in accordance with the investment entity exemption of IFRS 10 "Consolidated Financial Statements", its subsidiaries, associates and joint ventures, are classified as financial assets at fair value through profit or loss.

Financial liabilities at amortised cost

This category comprises trade and other 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 reduction for impairment. Discounting is omitted when the effect of discounting is immaterial.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

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 recognised 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 6 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2. Significant Accounting Policies (continued)

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
The Company has no planned end date and Shareholders will not be entitled to require the Company to redeem their shares at any time. Shares are classified as equity.

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 accruals basis.

Share-based payments (equity-settled)
In lieu of the payment of performance fees, the Company grants options for shares in the Company to the Investment Manager, for the Investment Manager itself and for onward transfer to members of the investment management team. All assets and services received in exchange for the grant of any share-based payment are measured at their fair values. Fair value is measured by use of the Black Scholes model (see note 11). All share-based payments are recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2. Significant Accounting Policies (continued)

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 financial services businesses, that business being conducted from Guernsey.

As at 31 December 2019, the geographical concentration of the Company's investment portfolio is as follows:

	31 December 2019	31 December 2018
	£	£
Guernsey	63,427,630	45,242,893
Jersey	1,932,659	11,224,538
UK	219,412	219,412
Isle of Man	-	6,250,085
	65,579,701	62,936,928

3. Critical accounting estimates 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 and assumptions 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:

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.

3. Critical accounting estimates and judgments (continued)

Assessment as an investment entity (continued)
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, being listed on TISE, 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.

As at 31 December 2019, the Company holds five investments (31 December 2018: seven), one of which is classified as a subsidiary (31 December 2018: three), one as an associate (31 December 2018: one) and one as a joint venture (31 December 2018: 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, 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, under the terms of IFRS 10, the Company is not permitted to consolidate the subsidiary, associate or joint venture, but must measure these investments at fair value through profit or loss. The Company has concluded that the subsidiary meets the definition of a unconsolidated subsidiary under IFRS 12 and has made the necessary disclosures (see note 14).

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 6) 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.

Functional currency
The Board of Directors considers the currency of the primary economic environment in which the Company operates to be Pound Sterling as this is the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Pound Sterling is also the currency in which the Company measures its performance and reports its results.

Share based payments
The valuations of the share options granted to the Investment Manager and members of the investment management team are determined by means of valuation models and are dependent on estimates and assumptions relating to the inputs to those models. Details of the inputs used can be found in note 11.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

4. Material Agreements

Management fees

Ravenscroft Limited was appointed as the Investment Manager with effect from 27 September 2016. 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 year, the Investment Manager charged a management fee of £1,029,944 (31 December 2018: £838,082), of which £251,648 (31 December 2018: £251,109) was outstanding at the end of the year. The Investment Manager also charged deal fees of £41,214 (31 December 2018: £115,925), of which £12,650 (31 December 2018: £40,514) was outstanding at the end of the year.

In addition, the Investment Manager has also charged the following fees: £33,308 in respect of a trading account fee (31 December 2018: £30,995), of which £7,255 (31 December 2018: £8,590) was outstanding at the year end and £10,000 in respect of a market maker retainer fee (31 December 2018: £10,000).

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

Administration fees

Praxis Fund Services 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 £62,546 plus disbursements, effective from 1 May 2019 (effective from 1 May 2018: £61,140).

The Administrator charges a fee for assisting with reporting under Article 24 of the AIFM Directive of £5,000 per annum, for each regulatory authority, where such Annex IV Reporting is required by the Company. The Administrator also charges 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 charged a total fee for administration services of £68,664 (31 December 2018: £68,254), of which £3,093 (31 December 2018: £2,085) was outstanding at the year end.

In addition, in its role as listing sponsor to the Company, the Administrator has also charged the following fees: £5,095 in respect of acting as listing sponsor (31 December 2018: £9,067) and £2,498 in respect of the annual TISE listing fee (31 December 2018: £11,514).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

4. Material Agreements (continued)

Management and Administration fees - summary
The amounts charged for the above-mentioned fees during the year ended 31 December 2019 and outstanding at 31 December 2019 are as follows:

	Charge for the year		Outstanding at year end	
	1 January 2019 to 31 December 2019 £	1 January 2018 to 31 December 2018 £	31 December 2019 £	31 December 2018 £
Investment management fees	1,029,944	838,082	251,648	251,109
Investment manager's deal fees	41,214	115,925	12,650	40,514
Investment manager's other fees	43,308	40,995	7,255	8,590
Administration fee	68,664	68,254	3,093	2,085
Administrator's other fees	6,265	5,750	-	-
Total	**1,189,395**	**1,069,006**	**274,646**	**302,298**

Directors' fees
Mel Carvill is entitled to a fee for his services as Chairman of the Board of Directors of £35,000 per annum, effective from 1 January 2019 (31 December 2018: £30,000). The remaining Directors are entitled to a fee for their services as Directors of £27,500 each per annum, effective from 1 January 2019 (31 December 2018: £25,000). The total remuneration paid to the Directors for the year was £90,000 (31 December 2018: £80,000) of which £Nil (31 December 2018: £Nil) was outstanding at the end of the year.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

5. Financial risk management and financial instruments (continued)

Market risk (continued)

Price Risk (continued)

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 2019	31 December 2018
	£	£
Financial assets at fair value through profit or loss	**65,579,701**	**62,936,928**

Details of the sensitivity of the Company's financial assets at fair value through profit or loss to price risk are disclosed in note 6.

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.

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

31 December 2019	**Floating rate** £	**Fixed rate** £	**Non-interest bearing** £	**Total** £
Assets				
Cash and cash equivalents	352,449	-	-	352,449
Investments at fair value through profit or loss	-	-	65,579,701	65,579,701
Loans due from associates	-	1,688,397	35,000	1,723,397
Other receivables	-	-	83,082	83,082
Total financial assets	**352,449**	**1,688,397**	**65,697,783**	**67,738,629**
Liabilities				
Trade and other payables	300,000	-	1,265,059	1,565,059
Total financial liabilities	**300,000**	**-**	**1,265,059**	**1,565,059**
Total interest sensitivity gap	**52,449**	**1,688,397**	**64,432,724**	**66,173,570**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

5. Financial risk management and financial instruments (continued)

Market risk (continued)
Interest rate risk (continued)

31 December 2018	Floating rate £	Fixed rate £	Non-interest bearing £	Total £
Assets				
Cash and cash equivalents	6,092,384	-	-	6,092,384
Investments at fair value through profit or loss	-	-	62,936,928	62,936,928
Loans due from associates	-	1,000,000	35,000	1,035,000
Other receivables	-	-	20,164	20,164
Total financial assets	**6,092,384**	**1,000,000**	**62,992,092**	**70,084,476**
Liabilities				
Trade and other payables	-	-	3,004,068	3,004,068
Total financial liabilities	**-**	**-**	**3,004,068**	**3,004,068**
Total interest sensitivity gap	**6,092,384**	**1,000,000**	**59,988,024**	**67,080,408**

On 11 March 2020, the Bank of England cut its base rate by 0.5%. At 31 December 2019, should interest rates have decreased by 0.5%, with all other variables remaining constant, the decrease in net assets for the year would be £845 (31 December 2018: decreased by 0.25%, £3,457). Should interest rates have increased by 0.5%, the increase in net assets would be £845 (31 December 2018: increased by 0.25%, £15,231).

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

Credit risk
The Company takes on exposure to credit risk, which is the risk that a counterparty 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 2019 £	31 December 2018 £
Cash and cash equivalents	352,449	6,092,384
Loans due from associates	1,723,397	1,035,000
Other receivables	83,082	20,164
Total	**2,158,928**	**7,147,548**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

5. Financial risk management and financial instruments (continued)

Credit risk (continued)

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. As at 31 December 2019, no receivables are impaired, however loan interest receivable from Next Generation Holdings Limited of £47,749 is past due.

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.

In accordance with IFRS 9, the Company has assessed the loan receivable from Next Generation Holdings Limited for expected credit losses at the reporting date. The Board has concluded that no credit losses are expected over the term of the loan.

The credit risk of the Company's cash and cash equivalents is mitigated as all cash is placed with reputable banking institutions with a sound credit rating. At 31 December 2019, the Company's cash and cash equivalents are held with Royal Bank of Scotland International Limited. The credit rating of this institution is as follows:

Bank	Fitch long-term rating	Balance held
		£
Royal Bank of Scotland International	A	341,990
Other *	N/A	10,459
		352,449

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

Liquidity risk

The Company takes on exposure to liquidity risk, which is the risk that the Company will encounter in realising 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 draw down of any such borrowings. Apart from one investment which is traded on TISE, 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

5. Financial risk management and financial instruments (continued)

Liquidity risk (continued)

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 2019	Less than 1 year	1 to 5 years	Total
	£	£	£
Financial assets			
Cash and cash equivalents	352,449	-	352,449
Investments	-	65,579,701	65,579,701
Loans due from associates	-	1,723,397	1,723,397
Other receivables	83,082	-	83,082
Total financial assets	**435,531**	**67,303,098**	**67,738,629**
Financial liabilities			
Trade and other payables	1,265,059	300,000	1,565,059
Total financial liabilities	**1,265,059**	**300,000**	**1,565,059**

At 31 December 2018	Less than 1 year	1 to 5 years	Total
	£	£	£
Financial assets			
Cash and cash equivalents	6,092,384	-	6,092,384
Investments	23,215	62,913,713	62,936,928
Loans due from associates	-	1,035,000	1,035,000
Other receivables	20,164	-	20,164
Total financial assets	**6,135,763**	**63,948,713**	**70,084,476**
Financial liabilities			
Trade and other payables	2,039,104	964,964	3,004,068
Total financial liabilities	**2,039,104**	**964,964**	**3,004,068**

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

6. Fair value

Financial assets at fair value through profit or loss

	31 December 2019 £	31 December 2018 £
Cost at the beginning of the year	48,132,013	37,585,651
Settlement of earn out payment	(964,964)	-
Investment purchases settled in full during the year (non-cash transactions)	15,091,879	-
Investment purchases settled in full during the year (cash transactions)	5,147,969	10,228,446
Investment purchases outstanding during the year	-	364,140
Total purchases	19,274,884	10,592,586
Sales (cash transactions)	(47,785)	(50,100)
Sales (non-cash transactions)	(15,841,964)	-
Total sales	(15,889,749)	(50,100)
Realised gain on sales	24,570	3,876
Cost at the end of the year	51,541,718	48,132,013
Net unrealised gains on financial assets at the end of the year	14,037,983	14,804,915
Financial assets at fair value through profit or loss at the end of the year	**65,579,701**	**62,936,928**
Non-current financial assets at fair value through profit or loss	65,579,701	62,913,713
Current financial assets at fair value through profit or loss	-	23,215
Total financial assets at fair value through profit or loss	**65,579,701**	**62,936,928**
Net (losses)/gains on financial assets at fair value through profit or loss		
Realised gain on sales during the year	24,570	3,876
Movement in net unrealised (losses)/gains during the year	(766,932)	5,651,368
Net (losses)/gains on financial assets at fair value through profit or loss	**(742,362)**	**5,655,244**

6. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

6. 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 Company's financial assets and liabilities measured at fair value at 31 December 2019:

At 31 December 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Assets				
Financial assets at fair value through profit or loss	-	28,104,374	37,475,327	65,579,701
Total	**-**	**28,104,374**	**37,475,327**	**65,579,701**

At 31 December 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Assets				
Financial assets at fair value through profit or loss	-	33,590,457	29,346,471	62,936,928
Total	**-**	**33,590,457**	**29,346,471**	**62,936,928**

There have been no transfers between levels of the fair value hierarchy during the year (31 December 2018: Nil). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

6. 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 2019 £	Year ended 31 December 2018 £
Opening balance	29,346,471	20,229,972
Purchases	19,274,884	10,592,586
Sales	(15,841,964)	(50,100)
Net realised gains on financial assets at the end of the year	-	3,876
Net unrealised gains/(losses) on financial assets at the end of the year	4,695,936	(1,429,863)
Closing balance	**37,475,327**	**29,346,471**

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

6. Fair value (continued)

Valuation models at 31 December 2019

Level	Valuation Technique	Description	Fair Value (£)	Unobservable Inputs	Weighted average input	Sensitivity to changes unobservable inputs	Impact on fair value of changes in unobservable inputs (£)
Level 2	Quoted market bid price	Praxis IFM Group Limited	28,104,374	N/A	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on earnings multiple	Oak Group Limited Next Generation Holdings Limited	35,027,038	EBITDA multiple	10.7	The estimate of fair value would increase/decrease if the EBITDA multiple was higher/lower	A shift of +/- 1 in absolute value of the weighted average input would have resulted in an increase/decrease in fair value of £3,350,533
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	N/A	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 expected sales proceeds	Corvid Holdings Limited B shares	219,412	Adjustment based on expected sales proceeds	N/A	The estimate of fair value would increase/decrease if the proposed sales price was higher/lower	A 5% increase/decrease in the proposed sales price would have resulted in a increase/decrease in fair value of £10,971
Level 3	Investment Manager's valuation based on purchase cost	Next Generation Holdings Unsecured Convertible Loan Enhance Group Limited D preference shares	810,125	N/A	N/A	N/A	N/A
		Total	**65,579,701**				

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

6. Fair value (continued)

Valuation models at 31 December 2018

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	33,590,457	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on recent transaction	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 the price of proposed sale	Corvid Holdings Limited B shares	219,412	Adjustment based on proposed sale price	The estimate of fair value would increase/decrease if the proposed sales price was higher/lower	A 5% increase/decrease in the proposed sales price would have resulted in a increase/decrease in fair value of £10,971
Level 3	Investment Manager's valuation based on purchase cost	Oak Group Limited Consortia Partnership Limited A shares and ordinary shares Kreston IOM Ltd Next Generation Holdings Ltd Enhance Group Limited D preference shares	27,708,307	N/A	N/A	N/A
		Total	**62,936,928**			

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

6. Fair value (continued)

Valuation models (continued)

The investment in CORVID Holdings Limited has been written down from cost based on a gross profit metric to the expected sales proceeds for the year ended 31 December 2019.

The investment in PraxisIFM is valued at the quoted bid price on TISE at 31 December 2019.

The equity investments in Oak Group Limited and Next Generation Holdings Limited are valued using the earnings multiple technique as at 31 December 2019, in line with the IPEV Valuations Guidelines which came into effect for the current year. These were valued at purchase cost as at 31 December 2018.

The investments in Next Generation Holdings Limited (unsecured convertible loan) and Enhance (D preference shares) 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. The Investment Manager considers that these bases for valuation provide a reliable representation of the fair value at 31 December 2019.

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 £1,405,219 (31 December 2018: £1,679,523).

A 5% increase/decrease in the valuation of the investments valued at their purchase cost or recent transaction supported by analysis would result in an increase/decrease in fair value of £111,444 (31 December 2018: £1,456,353).

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 be a reasonable approximation of their fair value.

	31 December 2019		31 December 2018	
	Carrying value	Fair value	Carrying value	Fair value
	£	£	£	£
Assets				
Cash and cash equivalents	352,449	352,449	6,092,384	6,092,384
Loans due from associates	1,723,397	1,723,397	1,035,000	1,035,000
Other receivables	83,082	83,082	20,164	20,164
Total	**2,158,928**	**2,158,928**	**7,147,548**	**7,147,548**
Liabilities				
Trade and other payables	1,565,059	1,565,059	3,004,068	3,004,068
Total	**1,565,059**	**1,565,059**	**3,004,068**	**3,004,068**

Cash and cash equivalents include deposits held with banks.

7. 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 15 November 2019, the Board of Directors confirmed their decision to defer any dividend declaration (31 December 2018: 1.5p per share). The total dividend paid was £nil (31 December 2018: £808,787).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

8. Taxation

The Company is a Guernsey income tax company and is subject to the standard rate of tax of 0%. During the year the Company has incurred withholding tax of £35,256 (31 December 2018: £421) on dividend income.

9. Trade and other payables

	31 December 2019	31 December 2018
Current	**£**	**£**
Settlement of investment purchases	964,964	1,715,050
Investment Management fee	251,648	251,109
Investment Manager's deal fee	12,650	40,514
Other payables	35,797	32,431
	1,265,059	2,039,104
Non-current		
Settlement of investment purchases	-	964,964
Revolving credit facility – Investec CI	300,000	-
	1,565,059	**3,004,068**

Amounts due in respect of outstanding investment purchases include deferred settlements in respect of the purchase of the Company's investments in Oak Group Limited (see note 17), contingent on specific performance targets. A revolving credit facility with Investec Bank (Channel Islands) Limited was arranged on 20 November 2019 for an amount up to £1,000,000. The purpose of the facility is to provide working capital in respect of financing current and future commitments and investments. The facility is for a term of 36 months, with interest charged at base rate plus a margin of 3.75% per annum, payable quarterly. At 31 December 2019, the applicable interest rate was 4.5% per annum. Security on the facility is provided in the form of shares in PraxisIFM Group Limited. The covenants of the facility will be tested quarterly. On 9 March 2020, the Company drew down the remaining balance of £700,000 on its revolving credit facility with Investec Bank (Channel Islands) Limited.

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.

	Year ended 31 December 2019		Year ended 31 December 2018	
	Number	**£**	**Number**	**£**
Share capital at the beginning of the year	53,919,127	54,604,160	43,766,810	42,779,083
Share capital issued and fully paid	-	-	10,152,317	12,057,821
Share issue costs	-	-	-	(232,744)
Total share capital at the end of the year	**53,919,127**	**54,604,160**	**53,919,127**	**54,604,160**

During the year, no shares (31 December 2018: 10,152,317 shares) in the Company were issued; (31 December 2018: 9,731,653 shares through capital placements at an average price of £1.20 per share and 420,664 shares through the exercise of share options at £1.00 per share).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

11. Share-based payments

The following options for shares of the Company have been granted to the Investment Manager (excluding options which have lapsed). The options are exercisable at a price in accordance with the agreements on the date of grant.

As at 31 December 2019
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 through Profit or Loss during the year
						£	**£**
Tranche 1a	07/10/2016	08/10/2018	08/10/2021	647	1,764,706	10,588	-
Tranche 2a	16/12/2016	17/12/2018	17/12/2021	717	690,694	4,351	-
Tranche 3a	06/02/2017	07/02/2021	07/02/2022	769	119,117	810	202
Tranche 4a	11/04/2018	12/04/2020	12/04/2023	1,198	323,529	7,021	3,501
Options granted to the Investment Manager, transferrable to members of the Investment Management team							
Tranche 1b	07/10/2016	08/10/2018	08/10/2021	647	2,329,411	173,540	(14,900)
Tranche 2b	16/12/2016	17/12/2018	17/12/2021	717	994,599	76,485	-
Tranche 3b	06/02/2017	07/02/2019	07/02/2022	769	150,088	11,482	597
Tranche 4b	11/04/2018	12/04/2020	12/04/2023	1,198	647,058	58,171	29,006
					7,019,202	**342,448**	**18,406**

The fair values of the options are 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%

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

11. Share-based payments (continued)

As at 31 December 2018
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 through Profit or Loss during the year £
Tranche 1a	07/10/2016	08/10/2018	08/10/2021	1,012	1,764,706	10,588	4,070
Tranche 2a	16/12/2016	17/12/2018	17/12/2021	1,082	690,694	4,351	2,089
Tranche 3a	06/02/2017	07/02/2021	07/02/2022	1,134	119,117	810	202
Tranche 4a	11/04/2018	12/04/2020	12/04/2023	1,563	323,529	7,021	2,532
Options granted to the Investment Manager, transferrable to members of the Investment Management team							
Tranche 1b	07/10/2016	08/10/2018	08/10/2021	1,012	2,529,411	188,441	39,272
Tranche 2b	16/12/2016	17/12/2018	17/12/2021	1,082	994,599	76,485	24,246
Tranche 3b	06/02/2017	07/02/2019	07/02/2022	1,134	150,088	11,482	3,835
Tranche 4b	11/04/2018	12/04/2020	12/04/2023	1,563	647,058	58,171	20,980
					7,219,202	**357,349**	**97,226**

The fair values of the options are 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 do 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.

During the year, no share options were exercised (31 December 2018: 420,664), no new share options were issued (31 December 2018: 970,587), and 200,000 share options lapsed (31 December 2018: 669,984).

At the end of the year there were 3,474,098 (31 December 2018: 3,524,010) exercisable options that were in the money.

As at 31 December 2019, 7,019,202 (31 December 2018: 7,219,202) share options were in issue, with an estimated fair value of £342,448 (31 December 2018: £357,349).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

12. Reserves

	Year ended 31 December 2019		
	Retained earnings	Share-based payment reserve	Total reserves
	£	£	£
Balance at the beginning of the year	12,176,980	314,646	12,491,626
Loss and total comprehensive loss for the year	(927,569)	-	(927,569)
Credit to equity for equity-settled share-based payments	-	18,406	18,406
Total	**11,249,411**	**333,052**	**11,582,463**

	Year ended 31 December 2018		
	Retained earnings	Share-based payment reserve	Total reserves
	£	£	£
Balance at the beginning of the year	7,922,127	217,420	8,139,547
Profit and total comprehensive income for the year	5,063,640	-	5,063,640
Dividend paid during the year	(808,787)	-	(808,787)
Credit to equity for equity-settled share-based payments	-	97,226	97,226
Total	**12,176,980**	**314,646**	**12,491,626**

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

Share-based payment reserve represents the balance of accumulated amounts credited to equity in respect of equity-settled share-based payments (see note 11).

13. Related party transactions

Transactions with related parties
The Directors, the Investment Manager and the Administrator are considered to be related parties of the Company. 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.

The Company invests in PraxisIFM Group Limited, which is the parent company of the Administrator of the Company and of PraxisIFM Treasury Services Limited, which provides cash management services to the Company.

Shares held by related parties
The shareholdings of the Directors in the Company at 31 December 2019 were as follows:

	31 December 2019		31 December 2018	
Name	**Number of Shares**	**Percentage**	**Number of Shares**	**Percentage**
Mel Carvill (Chairman)	910,000	1.69%	600,000	1.11%
Peter Gillson	600,000	1.11%	600,000	1.11%
Fintan Kennedy	45,000	0.08%	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

13. Related party transactions (continued)

On 25 March 2019, Mel Carvill acquired a further 150,000 shares in the Company, and Fintan Kennedy acquired 25,000 shares in the Company, at a price of £1.16 per share.

On 22 August 2019, Mel Carvill acquired a further 160,000 shares in the Company, and Fintan Kennedy acquired a further 20,000 shares in the Company, at a price of £1.20 per share.

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

As at 31 December 2019, the Investment Manager held 18,825 (31 December 2018: 18,850) shares in the Company and options for 3,003,850 (31 December 2018: 3,003,850) shares in the Company and members of the board of the investment manager and investment management team held 10,787,500 (31 December 2018: 12,087,500) shares in the Company and options for 4,015,352 (December 2018: 4,215,352) shares in the Company (see note 11).

As at 31 December 2019, the Company had extended a loan of £35,000 (31 December 2018: £35,000) and a secured loan of £1,688,397 (31 December 2018: £1,000,000) to Next Generation Holdings Limited. The terms of the secured loan are interest payable quarterly at a rate of 8% per annum for a term up to three years.

As at 31 December 2019, the Company had outstanding deferred settlements in respect of the purchase of the investments in Oak Group Limited of £964,964 (31 December 2018: £2,680,014).

As at the date of this report, the Investment Manager holds 20,975 (31 December 2018: 1,925) shares in the Company and members of the board of the investment manager and investment management team hold 10,787,500 (31 December 2018: 12,087,500) shares in the Company.

14. Investment in unconsolidated subsidiaries, associates and joint ventures

	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	75%

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

15. (Loss)/earnings per share

	Year ended 31 December 2019	
	Basic	**Diluted**
Loss for the year	£(927,569)	£(927,569)
Weighted average number of shares	53,919,127	58,040,283
Loss per share	**(1.72)p**	**(1.60)p**

	Year ended 31 December 2018	
	Basic	**Diluted**
Profit for the year	£5,063,640	£5,063,640
Weighted average number of shares	48,759,375	53,080,531
Earnings per share	**10.38p**	**9.54p**

Basic and diluted (loss)/earnings per share are arrived at by dividing the (loss)/profit for the financial year 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 (loss)/earnings per share to the weighted average number of ordinary shares used in the calculation of basic (loss)/earnings per share is as follows:

	31 December 2019 Number of Shares	31 December 2018 Number of Shares
Weighted average number of shares used in basic (loss)/earnings per share	53,919,127	48,759,375
Number of potential shares deemed to be issued	4,121,156	4,321,156
Weighted average number of shares used in diluted (loss)/earnings per share	58,040,283	53,080,531

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 31 December 2019, only the exercisable share options granted to the members of the investment management team have a dilutive effect, as they are in the money, as the price of the Company's shares at 31 December 2019 exceeded the exercise price.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

16. NAV per share

The NAV per share is calculated based on the net assets attributable to Shareholders of £66,186,623 and on 53,919,127 shares in issue at 31 December 2019.

The table below shows a reconciliation of the difference between the Financial Statements NAV per share and the NAV per share reported on the TISE.

	NAV £	Number of shares	NAV per share
Published NAV	65,473,104	53,919,127	121.43p
Share issue costs	(54,315)	53,919,127	(0.10)p
Dilution levy	767,834	53,919,127	1.42p
Financial Statements NAV	**66,186,623**	53,919,127	**122.75p**

The adjustment in respect of share issue costs represents the unamortised balance of costs incurred in relation to the setting up of the Company. For the purposes of these Financial Statements, these costs have been charged in full, however for the purposes of the published NAV they are amortised over a period of five years.

The dilution levy represents an adjustment to the published NAV to reflect the dilutive effect of the share options granted to the Investment Manager and members of the investment manager's management team, however under IFRS this adjustment is not recognised in these Financial Statements.

17. Commitments

In 2017, the Company acquired 85% of Kreston IOM Limited ("Kreston") for £6,250,000, of which a second deferred consideration of £750,000 was due to be paid by 23 November 2019, contingent on earnings reaching specific targets. Upon the purchase of Kreston by Oak Group Limited from the Company in March 2019, the Company agreed to fund this deferred payment as consideration for further shares in Oak Group Limited. On 8 August 2019, the second deferred payment relating to the acquisition of Kreston was made. In accordance with the original SPA, as a result of the adjusted EBITDA of Kreston falling short of its target, the second Earn Out payment was reduced from £750,000 to £668,000.

On 7 September 2018, the Company agreed to provide funding to Oak Group Limited of £9,649,642, in order to purchase Oak Trust Group (Guernsey) Limited ("Oak Trust"). The Company made an initial payment of £7,719,714 (80% of commitment), with an agreement to make two subsequent payments of £964,964 to Oak Group Limited, contingent on Oak Trust's earnings reaching specific targets as at 31 December 2018 and 31 December 2019. On 8 March 2019, the Company paid the first of the two agreed payments of £964,964 to Oak Group Limited.

At the end of the reporting period no other commitments existed.

18. Controlling Party

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

19. Events after the end of the reporting period

On 9 March 2020 the Board of Directors announced that the Company would pay a dividend to Ordinary Shareholders at the rate of 1.0 pence per share, with payment due to be made on 25 March 2020. On the 24 March 2020 the Board of Directors announced that the dividend declared on 9 March 2020 was to be suspended.

On 9 March 2020, the Company drew down the remaining balance of £700,000 on its revolving credit facility with Investec Bank (Channel Islands) Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

19. Events after the end of the reporting period (continued)

On 11 March 2020 the Board of Directors made an application to subscribe for 69 ordinary shares in Next Generation Holdings Limited at a price of £2,293 per share, resulting in a total subscription price of £158,217.

The Board of Directors acknowledges the coronavirus (COVID-19) outbreak and its potentially adverse economic impact globally and on the locations in which the Company invests and operates. At 31 December 2019, there were few reported cases and little confirmed evidence of its spread amongst humans. Consistent with many others in the same industry, the Company considers the emergence and spread of COVID-19 to be a non-adjusting event after the end of the reporting period; as such, no adjustment is made in these annual financial statements.

Due to the rapid development of COVID-19 and the degree of uncertainty involved, it is not possible to estimate its financial impact at this stage. The Board of Directors does not underestimate the seriousness of the situation and the potentially adverse effect the coronavirus outbreak will have on the global economy and many businesses across the world. The Directors believe that the impact of COVID-19 will be material on the general economy, and some governments and central banks have already started to act by reducing interest rates, restricting travel and movement of people and taking other measures. This situation will have implications for the Company's business and the underlying investment portfolio, however these are difficult to quantify at this time.

The Board of Directors notes that all investee companies have successfully enacted plans to work remotely, and to make use of technology to continue to provide their services just as before. PraxisIFM has recently issued a positive investor update, and the Investment Manager continues to work closely with the Company's unlisted investments to monitor their progress.

The Company recognises that this situation requires continued attention. The Board closely monitors the latest developments relating to COVID-19 given its rapid spreading and potentially negative impact on the global economy and many businesses locally and across the globe.

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

PORTFOLIO STATEMENT (unaudited)
As at 31 December 2019

	Holding	Market Value £	Percentage of Net Asset Value %
Listed Investments			
Praxis IFM Group Limited	18,131,854	28,104,374	42.46
Unlisted Investments			
Oak Group Limited	284,377	32,876,824	49.67
Next Generation Holdings Limited	297,085	2,446,432	3.70
Enhance Group Limited	503	1,932,659	2.92
Corvid Holdings Limited	10	219,412	0.33
		37,475,327	56.62
Total Investments		**65,579,701**	**99.08**
Other net assets		606,922	0.92
Net assets attributable to holders of Ordinary Shares		**66,186,623**	**100.00**