FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INTERIM REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

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MANAGEMENT AND ADMINISTRATION

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

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

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ADMINISTRATOR, REGISTRAR, LISTING SPONSOR AND SECRETARY
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INVESTMENT MANAGER
Ravenscroft Specialist Fund Management Limited
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INDEPENDENT AUDITOR
Grant Thornton Limited
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REGISTERED NUMBER: 62421

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT OBJECTIVES AND STRATEGY

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

The Company may invest in unquoted stocks and private companies.

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

i. potential to increase the scale of its operations;

ii. a need to replace a retiring owner-manager, or early stage, investors;

iii. a need to change strategy and invest to make it an attractive sale or flotation prospect;

iv. a need to make a strategic acquisition or some other transformation to make it an attractive sale or flotation prospect.

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

Investment Restrictions

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

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

INVESTMENT MANAGER'S REPORT
For the period from 1 January 2023 to 30 June 2023

Published Net Asset Value ("NAV") as at 30 June 2023 was 107.12p per share (31 December 2022: 107.84p per share).

Net Asset Value ("NAV") per the Statement of Financial Position as at 30 June 2023 was 107.12p per share (31 December 2022: 107.84p per share).

Current share price spread: **105p – 115p**

Performance overview

Ravenscroft Specialist Fund Management Limited (the "Manager") presents its report on the first six months of the 2023 financial year for Financial Services Opportunities Investment Fund Limited (the "Fund").

As at 30 June 2023, the published NAV of the Fund had reduced by 0.7% during the period and increased by 7.12% since launch. The total return to shareholders since launch is 19.9% when buy-backs and dividends are factored in.

Portfolio review

Oak Group Limited ("Oak Group")

Oak Group is a purpose-led, private client, corporate services and fund administration business formed in 2018 through the consolidation of four carefully selected businesses, bringing together a collective 60 years of experience between them. With over 200 employees, the group is headquartered in Oak House in Guernsey and has operations in Jersey, the Isle of Man, and Mauritius. It is also able to provide corporate and fund services in Luxembourg through its joint venture arrangement with Fiducenter S.A.

The business is currently mid-way through an ambitious three-year programme, which will achieve a cultural, operational and commercial transformation of the business. Key to this is the implementation of a group-wide administration system which is well underway and is the largest project ever undertaken by Oak Group. Once complete in early 2024, the business will boast a single, modern and robust operating platform with standardised, optimised operating processes.

Following a rigorous selection process, we are delighted to report that Kim Sgarlata has been appointed as Chief Executive Officer of Oak Group with effect from 1 September 2023. Kim has over 20 years of experience in financial services. She held the positions of Global Head of Strategic Programme Development and Global Head of Wholesale Transformation at HSBC from 2020 and 2021 respectively. Before that, she worked for over 9 years at Capco, a global management consultancy, where she was partner for nearly 8 years. Kim is a successful client relationship manager with demonstrated leadership skills and extensive experience in change delivery. As a career management consultant practitioner, Kim has defined business models and strategies, executed change programs and motivated teams to achieve common goals.

At HSBC, Kim drove the transformation of the Commercial Bank, covering trade finance, payments, treasury, lending, client services, channels and the underlying technology and data to support all functions. This resulted in significant benefits delivered including new business launches, increased margin related to cost reductions implemented, increased client retention, capital saves, operational risk reduction and regulatory compliance.

Kim is also particularly skilled in transitioning teams to agile ways of operating and embedding ESG-linked behavioural changes when mandated and has substantial experience in managing large teams and investment budgets to strategically transform large financial institutions.

INVESTMENT MANAGER'S REPORT
For the period from 1 January 2023 to 30 June 2023

Portfolio review (continued)

Oak Group Limited ("Oak Group") (continued)
We are excited to hear Kim's thoughts on the business, opportunities and plans for the future once she has settled into the role. The Board and the Manager believe that there is still potential in the finance sector which Oak can be positioned to take advantage of. With this in mind, the Fund is proposing a series of corporate transactions designed, amongst other things, to fund Oak, under new brand Opera, to pursue a strategy to become a leading global financial services business. Further details are set out below under *Future Opportunities*.

Oak Group finished its financial year to 31 March 2023 with audited revenues of £21.3m, representing a 5% annual increase. The group is broadly on track to deliver budget after the first four months of its 2023/24 financial year. Delays in onboarding new clients have caused a slight drag but management is confident that this will be recovered over the remainder of the year.

Oak Group comprised 68.16% of the Fund's published NAV as at 30 June 2023.

Praxis Group Limited ("Praxis Group")
Praxis Group (formerly PraxisIFM) is an independent financial services group, headquartered in the Channel Islands, which provides global professional administration services across Private Wealth and Corporate and Pensions.

In its annual report and financial statements for the financial year ended 31 December 2022, Praxis Group reported revenue of £47.3m, an increase of 4.2%, and underlying EBITDA of £5.2m. Net debt had reduced to £0.7m from £4.7m at the end of the prior year. This improved performance has resulted from initiatives to improve the group's service offerings, benefits from operational efficiencies and reductions in its cost base. Praxis Group has also established a London-based business development team to help accelerate its growth through the year.

In May 2023, the company issued £15m 8.25% fixed rate unsecured bonds due 16 May 2028. The proceeds of the bond issue were used to fully repay the group's outstanding bank debt and to fund strategic and operational projects. Praxis Group subsequently completed the purchase of the entire issued share capital of Olympic Holdings Limited, the parent company of specialist superyacht ownership and operational services business Sarnia Yachts in July 2023.

A dividend of 1.25p per share was paid at the start of August in line with the new dividend policy implemented last year. Praxis' share price on The International Stock Exchange has remained at a bid price of £1.10 since the year end.

The Manager has been encouraged by the progress made by Praxis Group over the past twelve months and is confident that it can continue to build on this over the course of the year.

The Fund's 14.39% interest in PraxisIFM comprised 24.86% of the Fund's published NAV as at 30 June 2023.

Enhance Group Limited ("Enhance")
Following a period of underperformance that culminated in a trading loss in 2021, management implemented a turnaround plan and invested heavily in the company's systems capability. It is pleasing to see it is now reaping the benefits of this approach and delivering sustainable profits. For the year ended 31 December 2022, the company delivered revenue of £3.04m and EBITDA of £353k. Management is forecasting a pleasing increase of 20% in revenue for 2023 to £3.6m.

INVESTMENT MANAGER'S REPORT
For the period from 1 January 2023 to 30 June 2023

Portfolio review (continued)

Enhance Group Limited ("Enhance") (continued)
This revenue increase is expected to result in an increased EBITDA growth of 11% compared to the 2022 number. The overall margin is likely to slip however by nearly 1%. This slippage is due to cost inflationary pressures. In addition, like many Channel Island based businesses, attracting and retaining quality staff is very challenging in the current macro-economic climate and has unavoidably resulted in higher than expected costs. Management is aware of the importance of maintaining and indeed increasing margins and are confident that its Mosaic platform will enable them to grow and allow margin expansion to be delivered in the years to come.

The business has experienced some delays in onboarding new clients, a common difficulty faced across the financial services sector, but it expects to catch up and recover this shortfall by the end of the year. This will give the business a welcome boost in the new year.

The Monitoring service remains the key driver for the business and has brought in a number of large client wins, which have off-set onboarding delays.

Management is confident that the business will deliver another robust performance in 2023, in line with budget for the year and at least matching the 15-20% group revenue growth they have delivered in recent years. Management are also confident that this level of growth is comfortably sustainable for at least the next 5 years, with potential to considerably overshoot.

Enhance comprised 3.77% of the Fund's published NAV as at 30 June 2023.

Next Generation Holdings Limited ("NextGen") and Next Gen Worldwide Limited ("NGW")
The Fund has a 50% holding in NextGen, a joint venture with the former CEO of a multinational insurance company, which is in turn, the majority stakeholder in NGW. NGW is the sole owner of Ambon Insurance Brokers Limited, formerly AFL Insurance Brokers Limited ("Ambon"), a UK-based Lloyds broker in run-off.

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

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

NextGen and NGW comprised 2.14% of the Fund's published NAV as at 30 June 2023.

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

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

The Manager maintains communication with CORVID's management, with a view to receiving further detail about the future vision for Protect following the acquisition by Cobham soon.

The Fund's 5% holding in CORVID comprised 0.14% of the Fund's published NAV as at 30 June 2023.

INVESTMENT MANAGER'S REPORT
For the period from 1 January 2023 to 30 June 2023

Future Opportunities

The Fund announced on 16 October 2023 that it is proposing a series of corporate actions ultimately designed to achieve greater returns for shareholders and offer a partial exit opportunity for those who do not wish to remain fully invested. The Fund's portfolio is currently heavily weighted in Oak Group. The Board and the Manager believe that Oak Group provides an excellent platform from which to grow the business, both organically and inorganically, and ultimately create a leading, global, financial services business. However, it currently lacks the funding to do so. If the proposals are successful, Opera Limited ("Opera"), a newly formed subsidiary of the Fund will hold the Fund's shares in Oak Group. As Opera is enlarged through acquisitions and integrations, it is anticipated that it will benefit from synergies across the group, thereby enabling it to compete more effectively on a global scale. The Board and the Manager believe that this strategy will enhance value for shareholders in the long term.

Shareholders will be given an opportunity and incentive to remain invested in the Company or an option to obtain a partial or potentially full cash exit depending on the appetite of other shareholders for the same. The share offer and tender offer will close at 1pm on 13 November 2023, with shareholders being asked to approve certain resolutions to enable the proposals to proceed at an extraordinary general meeting to be held at 1pm on 15 November 2023.

If the proposals are approved by shareholders and the corporate actions subsequently completed, it is intended that the Fund will delist from TISE and that the Board and the Manager will work to realise the non-core assets of the Fund's portfolio before commencing an orderly wind up and distributing shares in Opera to its shareholders.

Environmental, Social and Corporate Governance ("ESG")

The Manager incorporates ESG issues into its investment analysis and seeks appropriate Disclosures on ESG issues by the entities into which the Company invests. The Manager, as a member of the Ravenscroft Group, became a signatory to the UN Principles for Responsible Investment on 3 July 2020. The six principles are voluntary and aspirational and offer a menu of possible actions for incorporating ESG matters into investment practice with the aim of contributing to the development of a more sustainable global financial system. Details of Ravenscroft Group's commitment to responsible investing can be found on its website: https://www.ravenscroftgroup.com/.

Conclusion

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

Ravenscroft Specialist Fund Management Limited

13 October 2023

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

Introduction

We have reviewed the interim report and unaudited condensed financial statements of Financial Services Opportunities Investment Fund Limited ("the Company") for the six-month period ended 30 June 2023, which comprise the unaudited condensed statement of comprehensive income, unaudited condensed statement of financial position, unaudited condensed statement of changes in equity, unaudited condensed statement of cash flows and notes to the unaudited condensed 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 ("IFRS") as adopted by the European Union ("EU").

Directors' responsibility for the interim report and unaudited condensed financial statements

The directors are responsible for the preparation of the interim report and unaudited condensed financial statements and for being satisfied that they give a true and fair view.

Accountants' responsibility

Our responsibility is to express a conclusion on the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the IFRS.

Scope of the assurance review

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, applying analytical procedures, and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared, in all material respects:

- so as to give a true and fair view of the state of the Company's affairs as at 30 June 2023, and of its profit for the year then ended;
- in accordance with IFRS as adopted by the EU; and
- in accordance with the requirements of the Companies (Guernsey) Law 2008.

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with the terms of our engagement letter dated 29 August 2023. Our review work has been undertaken so that we might state to the Company's shareholders those matters we have agreed to state to them in a reviewer's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our review work, for this report, or for the conclusions we have formed.

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

13 October 2023

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2023 to 30 June 2023

	Notes	**1 January 2023 to 30 June 2023 (unaudited) £**	**1 January 2022 to 30 June 2022 (unaudited) £**
Income			
Net gains/(losses) on financial assets at fair value through profit or loss[1]	5	-	(4,286,897)
Dividend income[1]		1,177,471	4,415,296
Loan interest income		14,046	3,566
Interest income		5,965	-
Total income		1,197,482	131,965
Expenses			
Investment management fees	3	407,738	428,950
Administration fees	3	34,720	32,268
Other administration services	3	2,536	2,558
Directors' fees	3	52,232	48,363
Legal and professional fees		257,400	250
Revolving credit facility interest	10	-	39,322
Other expenses		44,788	53,433
Total expenses		799,414	605,144
Profit/(loss) and total comprehensive income/(loss) for the period		**398,068**	**(473,179)**
Earnings/(loss) per share – basic and diluted	16	**0.78p**	**(0.87)p**

All items in the above statement derive from continuing operations.

The accompanying Notes on pages 12 to 27 form an integral part of these Unaudited Condensed Financial Statements.

[1] Restated – refer to Note 2 for further details.

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Notes	30 June 2023 (unaudited) £	31 December 2022 (audited) £
Non-current assets			
Financial assets at fair value through profit or loss	5	54,220,262	54,220,262
Loans due from associate and joint venture	14	14,291	14,291
Current assets			
Cash and cash equivalents		625,031	725,767
Loans due from associate and joint venture	14	143,021	143,021
Trade and other receivables	8	649,793	481,338
Prepayments		5,263	10,590
Total assets		55,657,661	55,595,269
Current liabilities			
Trade and other payables	9	728,542	496,212
Provision – legal and professional fees	11	198,400	-
Total liabilities		926,942	496,212
Net assets		**54,730,719**	**55,099,057**
Equity			
Share capital	12	50,921,298	50,921,298
Reserves		3,809,421	4,177,759
Total equity		**54,730,719**	**55,099,057**
Number of shares in issue	12	**51,093,750**	**51,093,750**
NAV per share	17	**107.12p**	**107.84p**

The Unaudited Condensed Financial Statements on pages 8 to 27 were approved by the Board of Directors and authorised for issue on 13 October 2023.

Mel Carvill

Director

The accompanying Notes on pages 12 to 27 form an integral part of these Unaudited Condensed Financial Statements.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
For the period from 1 January 2023 to 30 June 2023

	Notes	Share capital £	Reserves £	Total £
(Unaudited)				
At 1 January 2023		**50,921,298**	**4,177,759**	**55,099,057**
Profit and total comprehensive loss for the period		-	398,068	398,068
Dividend paid		-	(766,406)	(766,406)
At 30 June 2023		**50,921,298**	**3,809,421**	**54,730,719**

	Notes	Share capital £	Reserves £	Total £
(Unaudited)				
At 1 January 2022		**55,185,033**	**8,706,402**	**63,891,435**
Settlement of share options	13	(289,323)	-	(289,323)
Loss and total comprehensive loss for the period		-	(473,179)	(473,179)
At 30 June 2022		**54,895,710**	**8,233,223**	**63,128,933**

The accompanying Notes on pages 12 to 27 form an integral part of these Unaudited Condensed Financial Statements.

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
For the period from 1 January 2023 to 30 June 2023

	Notes	1 January 2023 to 30 June 2023 (unaudited) £	1 January 2022 to 30 June 2022 (unaudited) £
Cash flows from operating activities			
Profit/(loss) for the period		398,068	(473,179)
Adjusted for:			
Net gains on financial assets at fair value through profit or loss[1]	5	-	4,286,897
Dividend income[1]		(1,177,471)	(4,415,296)
Loan interest income		(14,046)	(3,566)
Loan interest expense	10	-	39,322
Decrease/(increase) in prepayments		5,327	(581)
Increase in provisions		198,400	-
Increase/(decrease) in trade and other payables (excluding investment transactions, loan interest and dividend payable)		232,330	(316,931)
		(357,392)	(883,334)
Dividend income received[1]		1,023,062	4,415,381
Loan interest received		-	1,109
Repayments of loans due from associate		-	25,064
Proceeds from sales of investments[1]		-	4,243,493
Net cash inflow from operating activities		**665,670**	**7,801,713**
Cash flows used in financing activities			
Settlement of share options	13	-	(289,323)
Repayments on revolving credit facility	10	-	(2,500,000)
Loan interest paid		-	(45,007)
Dividend paid	6	(766,406)	-
Net cash outflow from financing activities		**(766,406)**	**(2,834,330)**
Net (decrease)/increase in cash and cash equivalents		(100,736)	4,967,383
Cash and cash equivalents at the start of the period		**725,767**	**119,427**
Cash and cash equivalents at the end of the period		**625,031**	**5,086,810**

The accompanying Notes on pages 12 to 27 form an integral part of these Unaudited Condensed Financial Statements.

[1] Restated – refer to Note 2 for further details.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

1. General Information

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

The principal objective of the Company is to attain long term capital growth and deliver an income stream to shareholders with the aim of spreading risk by investing in a diversified portfolio of investments principally in financial services businesses. The Company has an indefinite life.

2. Significant Accounting Policies

Statement of compliance

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

Basis of preparation

These Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting', the Listing Rules of The International Stock Exchange ("TISE") and applicable legal and regulatory requirements. These Financial Statements have been condensed and as a result do not include all of the information and disclosures required in Annual Financial Statements, they therefore should be read in conjunction with the Company's last Annual Audited Financial Statements for the year ended 31 December 2022.

The accounting policies applied in these Financial Statements are consistent with those applied in the last Annual Audited Financial Statements for the year ended 31 December 2022, which were prepared in accordance with IFRS, as adopted by the EU.

Going Concern

The Directors have assessed the financial position of the Company as at 30 June 2023 and the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine and continuing macro-economic factors and inflation) in the forthcoming year. The Directors note that the Company's portfolio has not been materially adversely affected in terms of value or cashflows by the current crisis in Ukraine.

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

These Financial Statements were authorised for issue by the Company's Board of Directors on 13 October 2023.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

2. Significant Accounting Policies (continued)

Significant judgements and estimates

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the Company's Audited Annual Financial Statements for the year ended 31 December 2022.

Standards and amendments in issue but not yet effective

The following relevant amended standards, which have not been applied in these Financial Statements, were in issue at the reporting date but not yet effective:

- IAS 1 (amended), 'Presentation of Financial Statements' (effective for accounting periods commencing on or after 1 January 2024);
- IAS 7 (amended), 'Statement of Cash Flows' (effective for accounting periods commencing on or after 1 January 2024); and
- IFRS 7 (amended), 'Financial Instruments: Disclosures' (amendments regarding, effective for accounting periods commencing on or after 1 January 2024).

The amendments to IAS 1 were published in October 2022 and relate to the classification of debt covenants. The amendments to IAS 7 and IFRS 7 were published in May 2023 and relate to supplier finance arrangements.

The changes arising from the amendments to these standards are either presentational and/or minor in nature. It is therefore anticipated that the adoption of these amended standards will have no material impact on the Financial Statements of the Company.

In addition, the International Sustainability Standards Board (ISSB) published the following Sustainability Disclosure Standards in June 2023:

- IFRS S1, 'General Requirements for Disclosure of Sustainability-related Financial Information' (effective for accounting periods commencing on or after 1 January 2024); and
- IFRS S2, 'Climate-related Disclosures' (effective for accounting periods commencing on or after 1 January 2024)

IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities. The purpose of both standards is to provide information that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Directors considered all relevant new standards, amendments and interpretation to existing standards effective for the half-yearly report for the six months ended 30 June 2023. Their adoption has not yet led to any changes in the Company's accounting policies and they had no material impact on the financial statements of the Company.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

2. Significant Accounting Policies (continued)

Amended accounting standards effective and adopted

The following relevant IFRSs are effective and have been adopted in the period:

- IAS 1 (amended), 'Presentation of Financial Statements' (effective for accounting periods commencing on or after 1 January 2023); and
- IAS 8 (amended), 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for accounting periods commencing on or after 1 January 2023).

The amendments to IAS 1 were published in January 2020 and February 2021 and relate to the classification of liabilities and disclosure of accounting policies respectively. The amendments to IAS 8 were published in February 2021 and clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

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

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

Restatement of comparative period information

The comparative period, 30 June 2022, has been restated in relation to the presentation of the dividend income and net gain/(loss) on investments. This restatement relates to the Praxis dividend received 29 March 2022 and the recognition of income, which has been reclassification from gains on investments to dividend income.

The net impact of the restatements to the Statement of Comprehensive income and Statement of Cash Flows at 30 June 2022 is £Nil. In accordance with IAS 8, a reconciliation of the impact of these restatements on the primary statements can be summarised as follows:

Statement of Comprehensive Income

1 January 2022 to 30 June 2022	30 June 2022 Previously reported	Adjustment	30 June 2022 Restated
Income	**£**	**£**	**£**
Net gains/(losses) on financial assets at fair value through profit or loss	113,108	(4,400,005)	(4,286,897)
Dividend income	15,291	4,400,005	4,415,296
Loan interest income	3,566	-	3,566
Total income	131,965	-	131,965

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

2. Significant Accounting Policies (continued)

Restatement of comparative period information (continued)

Statement of Cash flows

1 January 2022 to 30 June 2022 Cash flows from operating activities	30 June 2022 Previously reported £	Adjustment £	30 June 2022 Restated £
Loss for the period	(473,179)	-	(473,179)
Adjusted for:			
Net gains on financial assets at fair value through profit or loss	(113,108)	4,400,005	4,286,897
Dividend income	(15,291)	(4,400,005)	(4,415,296)
Loan interest income	(3,566)	-	(3,566)
Loan interest expense	39,322	-	39,322
Increase in prepayments	(581)	-	(581)
Decrease in trade and other payables (excluding investment transactions, loan interest and dividend payable)	(316,931)	-	(316,931)
	(883,334)	-	(883,334)
Dividend income received	15,376	4,400,005	4,415,381
Loan interest received	1,109	-	1,109
Repayments of loans due from associate	25,064	-	25,064
Proceeds from sales of investments	8,643,498	(4,400,005)	4,243,493
Net cash inflow from operating activities	**7,801,713**	-	**7,801,713**

Segmental reporting

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

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

3. Material Agreements

Management fees

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

There is no performance fee. Instead, the Company grants options over shares to the Investment Manager, for itself and for onward transfer to members of the management team. As at 31 December 2022 and 30 June 2023, all options had lapsed or been cancelled. No new options were granted during the period.

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

During the period, the Investment Manager earned a management fee of £407,738 (30 June 2022: £428,950), of which £612,406 (31 December 2022: £416,999) was outstanding at the end of the period. The Investment Manager earned no deal fees in the period (30 June 2022: £Nil), with £Nil (31 December 2022: £Nil) still outstanding at the end of the period.

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

Administration fees

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

The Administrator earns a fee for assisting with reporting under Article 24 of the AIFM Directive of £5,000 per annum, where such Annex IV Reporting is required by the Company. The Administrator also earns an annual fee of £500 for the ongoing provision of an employee to act as the Responsible Officer. Fees are earned on a time spent basis for any additional reporting under FATCA and CRS.

During the period, the Administrator earned a total fee for other administration services of £2,536 (30 June 2022: £2,558), of which £Nil (31 December 2022: £Nil) was outstanding at the period end.

In addition, in its role as listing sponsor to the Company, the Administrator has also earned a fee of £1,364 for acting as listing sponsor (30 June 2022: £1,240).

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

3. Material Agreements (continued)

The amounts earned for the above-mentioned fees during the period ended 30 June 2023 and outstanding at 30 June 2023 are as follows:

	Charge for the period		Outstanding at period/year end	
	1 January 2023 to 30 June 2023 £ (unaudited)	1 January 2022 to 30 June 2022 £ (unaudited)	30 June 2023 £ (unaudited)	31 December 2022 £ (audited)
Investment management fees	407,738	428,950	612,406	416,999
Administration fee	34,720	32,268	17,936	34,312
Administrator's other fees	2,536	2,558	-	-
Total	**444,994**	**463,776**	**630,342**	**451,311**

Directors' fees

Mel Carvill is entitled to a fee for his services as Chairman of the Board of Directors of £40,625 per annum, effective from 1 January 2023 (31 December 2022: £37,616). The remaining Directors are entitled to a fee for their services as Directors of £31,919 each per annum, effective from 1 January 2023 (31 December 2022: £29,555). The total remuneration paid to the Directors for the period was £52,232 (30 June 2022: £48,363) of which £Nil (31 December 2022: £Nil) was outstanding at the end of the period.

4. Loans advanced at amortised cost

	30 June 2023 £	31 December 2022 £
Loans held at amortised cost		
Opening loan balance	385,264	418,948
Principal repayments	-	(33,684)
Closing loan balance	**385,264**	**385,264**
Expected credit loss provision ("ECL")	(227,952)	(227,952)
Closing loan balance at amortised cost, net of ECL	**157,312**	**157,312**

During the year ended 31 December 2022, in accordance with IFRS 9, the Company recognised an ECL provision on its loan portfolio of £227,952 in the Statement if Comprehensive Income. The expected credit losses of £20,709 and £207,242 relate to the extended loan with Next Generation Holdings and the secured loan with Next Generation Holdings respectively.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

5. Fair value

Financial assets at fair value through profit or loss

	30 June 2023 (unaudited) £	31 December 2022 (audited) £	30 June 2022 (unaudited) £
Fair value brought forward	54,220,262	66,188,758	66,188,758
Sales[1]	-	(4,243,493)	(4,243,493)
Realised gains/(losses) on investments[1]	-	(1,075,526)	(1,075,526)
Unrealised gains/(losses) on financial assets at fair value through profit or loss[1]	-	(6,649,477)	(3,211,371)
Fair value carried forward	**54,220,262**	**54,220,262**	**57,658,368**
Closing book cost	47,871,003	47,871,003	47,871,005
Closing revaluation of investments	6,349,259	6,349,259	9,787,363
	54,220,262	**54,220,262**	**57,658,368**
Net (losses)/gains on financial assets at fair value through profit or loss			
Realised gains/(losses) on sales[1]	-	(1,075,526)	(1,075,526)
Movement in net unrealised gains/(losses) during the period/year	-	(6,649,477)	(3,211,371)
Net gains/(losses) on financial assets at fair value through profit or loss[1]	-	**(7,725,003)**	**(4,286,897)**

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.

[1] Restated – refer to Note 2 for further information.

5. Fair value (continued)

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

– 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.

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.

5. Fair value (continued)

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

The following table analyses within the fair value hierarchy the Group's financial assets and liabilities measured at fair value at 30 June 2023 and 31 December 2022:

At 30 June 2023 (unaudited)	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Assets				
Financial assets at fair value through profit or loss	-	13,606,474	40,613,788	54,220,262
Total	**-**	**13,606,474**	**40,613,788**	**54,220,262**

At 31 December 2022 (audited)	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Assets				
Financial assets at fair value through profit or loss	-	13,606,474	40,613,788	54,220,262
Total	**-**	**13,606,474**	**40,613,788**	**54,220,262**

There have been no transfers between levels of the fair value hierarchy during the period (31 December 2022: no transfers). 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 UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

5. Fair value (continued)

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

Valuation models at 30 June 2023

Level	Valuation Technique	Description	Fair Value (£)	Unobservable Inputs	Sensitivity to changes unobservable inputs	Impact on fair value of changes in unobservable inputs (£)
Level 2	Quoted market bid price	Praxis IFM Group Limited	13,606,474	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Oak Group Limited	37,304,422	Earnings multiple	The estimate of fair value would increase/decrease if the earnings multiple was higher/lower	A 5% increase/decrease in the multiple applied would have resulted in an increase/decrease in fair value of £1,955,705
Level 3	Net realisable assets	Next Generation Holdings Limited	-	Net realisable assets value	The estimate of fair value would increase/decrease if the net realisable asset value was higher/lower	N/A
Level 3	Investment Manager's valuation based on comparable revenue multiple	Enhance Group Limited A ordinary shares Enhance Group Limited C ordinary shares	1,546,806	Revenue multiple	The estimate of fair value would increase/decrease if the revenue multiple was higher/lower	A shift of +/- 0.5 in absolute value of the weighted average input would have resulted in an increase/decrease in fair value of £581,053
Level 3	Investment Manager's valuation based on recent offer price	Corvid Holdings Limited B shares	75,000	Recent offer price	The estimate of fair value would increase/decrease if the offer price was higher/lower	A 5% increase/decrease in the offer price would have resulted in an increase/decrease in fair value of £3,750
Level 3	Investment Manager's valuation based on purchase cost	Enhance Group Limited D preference shares Next Gen Worldwide Limited preference shares	1,687,560	N/A	N/A	N/A
		Total	**54,220,262**			

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

5. Fair value (continued)
Valuation models at 31 December 2022

Level	Valuation Technique	Description	Fair Value (£)	Unobservable Inputs	Sensitivity to changes unobservable inputs	Impact on fair value of changes in unobservable inputs (£)
Level 2	Quoted market bid price	Praxis IFM Group Limited	13,606,474	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Oak Group Limited	37,304,422	Earnings multiple	The estimate of fair value would increase/decrease if the earnings multiple was higher/lower	A 5% increase/decrease in the multiple applied would have resulted in an increase/decrease in fair value of £1,955,705
Level 3	Net realisable assets	Next Generation Holdings Limited	-	Net realisable assets value	The estimate of fair value would increase/decrease if the net realisable asset value was higher/lower	N/A
Level 3	Investment Manager's valuation based on comparable revenue multiple	Enhance Group Limited A ordinary shares Enhance Group Limited C ordinary shares	1,546,806	Revenue multiple*	The estimate of fair value would increase/decrease if the revenue multiple was higher/lower*	A shift of +/- 0.5 in absolute value of the weighted average input would have resulted in an increase/decrease in fair value of £581,053*
Level 3	Investment Manager's valuation based on recent offer price	Corvid Holdings Limited B shares	75,000	Recent offer price	The estimate of fair value would increase/decrease if the offer price was higher/lower	A 5% increase/decrease in the offer price would have resulted in an increase/decrease in fair value of £3,750
Level 3	Investment Manager's valuation based on purchase cost	Enhance Group Limited D preference shares Next Gen Worldwide Limited preference shares	1,687,560	N/A	N/A	N/A
		Total	**54,220,262**			

**Descriptions within the 31 December 2022 Annual Financial Statements were incorrectly presented – note, no change in valuation methodology for the period ended 30 June 2023.*

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

5. Fair value (continued)

Price sensitivity of investments not valued using unobservable inputs
A 5% increase/decrease in the valuation of the investment valued at quoted market bid price would result in an increase/decrease in fair value of £680,324 (31 December 2022: £680,324).

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

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

	30 June 2023 (unaudited) £	31 December 2022 (audited) £
Opening balance	40,613,788	39,897,570
Purchases	-	-
Net unrealised gains in the period/year	-	716,218
Closing balance	**40,613,788**	**40,613,788**

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.

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

	30 June 2023 (unaudited)		31 December 2022 (audited)	
	Carrying value £	Fair value £	Carrying value £	Fair value £
Assets				
Cash and cash equivalents	625,031	625,031	725,767	725,767
Loans due from associate and joint venture	157,312	157,312	157,312	157,312
Trade and other receivables	649,793	649,793	481,338	481,338
Total	**1,432,136**	**1,432,136**	**1,364,417**	**1,364,417**
Liabilities				
Trade and other payables	728,542	728,542	496,212	496,212
Provisions	198,400	198,400	-	-
Total	**926,942**	**926,942**	**496,212**	**496,212**

Cash and cash equivalents include deposits held with banks.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

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

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

7. Taxation
With effect from 20 December 2019, the Company was granted tax exempt status. The income of the Company is exempt from tax for the year ending 31 December 2023.

8. Trade and other receivables

	30 June 2023 (unaudited)	31 December 2022 (audited)
Current	**£**	**£**
Loan interest receivable	383,088	369,041
Dividends receivable	266,705	112,297
	649,793	**481,338**

9. Trade and other payables

	30 June 2023 (unaudited)	31 December 2022 (audited)
Current	**£**	**£**
Investment Management fee	612,406	416,999
Other payables	116,136	79,213
	728,542	**496,212**

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

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

Interest on the RCF was charged at base rate plus a margin ranging between 3.75% and 5.00%, payable quarterly. Following the final repayment of the loans in May 2022, no interest arose on the RCF during the period (30 June 2022: £39,322).

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

11. Provisions

	30 June 2023 (unaudited)	31 December 2022 (audited)
Current	**£**	**£**
Legal and professional fees	198,400	-
	198,400	**-**

The Fund announced on 16 October 2023 that it is proposing a series of corporate actions ultimately designed to achieve greater returns for shareholders and offer a partial exit opportunity for those who do not wish to remain fully invested. The provision of legal and professional fees relates to these corporate actions and the payment of these costs is expected by the end of the year (for further information see page 6).

12. Share capital

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

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

	30 June 2023 (unaudited)		31 December 2022 (audited)	
	Number	**£**	**Number**	**£**
Share capital	51,093,750	50,921,298	51,093,750	50,921,298

13. Share-based payments

As at 30 June 2023, all share options had lapsed or been cancelled therefore, there were no share options in issue (31 December 2022: no share options in issue).

During the year ended 31 December 2022, the remaining options in Tranches 1b, 2b, 3b, totalling 2,893,225 shares, were net settled by the Company at a value of 10p per option, and the options in Tranches 4a and 4b were cancelled.

14. Related party transactions

Transactions with related parties

The Directors, the Investment Manager and the Administrator are considered to be related parties of the Company. Ravenscroft Holdings Limited ("RHL") is also considered to be a related party, as it is the ultimate parent Company of the Investment Manager, and certain Directors of the Company are shareholders in RHL. For details of the agreements with the Directors, the Investment Manager and the Administrator and the fees payable to them during the year see Note 3.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

14. Related party transactions (continued)

Shares held by related parties
The shareholdings of the Directors in the Company at 30 June 2023 were as follows:

	30 June 2023		31 December 2022	
Name	**Number of Shares**	**Percentage**	**Number of Shares**	**Percentage**
Mel Carvill (Chairman)	1,118,906	2.13%	1,118,906	2.13%
Peter Gillson	562,500	1.10%	562,500	1.10%
Fintan Kennedy	42,187	0.08%	42,187	0.08%

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

As at 30 June 2023, companies and key individuals classified as related parties of the Company due to their, connection with the Investment Manager and its wider group held 11,557,176 (31 December 2022: 11,534,101) shares in the Company and options for Nil (31 December 2022: Nil) shares in the Company.

Loans held with related parties
At 30 June 2023, the Company had extended a loan of £14,291 (31 December 2022: £14,291) and a secured loan of £143,021 (31 December 2022: £143,021) to Next Generation Holdings Limited, joint venture of the Company. The terms of the secured loan are interest payable quarterly at a rate of 8% per annum for a term up to three years and the security is a Guernsey law governed security interest agreement pursuant to which Next Generation Holdings Limited (UK registered company) grants a security interest over shares held by it as shareholder in Next Generation Holdings Limited (Guernsey registered company) in favour of the lender.

At 30 June 2023, expected credit losses of £227,952 were recognised and there were no repayments of loans during the period (2022: expected credit losses of £227,952 and no repayments) (see Note 4 for further details).

During the period, the Company recognised dividend and interest income on the statement of comprehensive income, from its investee companies, as follows:

	30 June 2023	31 December 2022
	£	£
Enhance Group Limited	15,291	32,046
Oak Group Limited	1,000,000	-
Praxis IFM	139,157	4,539,163
Next Generation Holdings Limited	37,069	29,321
Total	1,191,517	4,600,530

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)
For the period from 1 January 2023 to 30 June 2023

15. Investment in unconsolidated subsidiaries, associates and joint ventures

		30 June 2023	
	Date of acquisition	**Domicile**	**Ownership**
Enhance Group Limited	28 November 2016	Jersey	38%
Next Generation Holdings Limited	28 April 2017	Guernsey	50%
Oak Group Limited	7 September 2018	Guernsey	74%

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

16. Basic and diluted earnings/(loss) per share

	30 June 2023 (unaudited)	**30 June 2022 (unaudited)**
Profit/(loss) for the period	£398,068	£(473,179)
Weighted average number of shares	51,093,750	54,500,000
Basic and diluted earnings/(loss) per share	**0.78p**	**(0.87)p**

Basic and diluted earnings per share are arrived at by dividing the profit/(loss) for the financial period by, respectively, the weighted average number of shares in issue and the weighted number of shares and potential shares in issue.

17. Net asset value per ordinary share

The net asset value per ordinary share of 107.12p (31 December 2022: 107.84p) is calculated based on the net assets attributable to ordinary shareholders of £54,730,719 and on 51,093,750 ordinary shares in issue at 30 June 2023 (31 December 2022: net assets attributable to ordinary shareholders of £55,099,057 and 51,093,750 ordinary shares in issue).

18. Controlling Parties

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

19. Events after the end of the reporting period

Next Generation Holdings Limited
The court hearing relating to the claim for the overstatement of historical profits, and alleged client account fraud in Ambon took place in June 2023 and, on 27 September 2023, judgment was made in Next Gen and Ambon's favour in respect of all claims against the previous owners. Action is now being taken to enforce the judgement and obtain payment of the damages awarded to NextGen and Ambon.

Corporate Actions
The Fund announced on 16 October 2023 that it is proposing a series of corporate actions ultimately designed to achieve greater returns for shareholders and offer a partial exit opportunity for those who do not wish to remain fully invested. For further information see page 6.

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

PORTFOLIO STATEMENT (unaudited)
As at 30 June 2023

	Holding	Market Value	Percentage of Net Asset Value
Listed Investments		**£**	**%**
Praxis IFM Group Limited	12,369,522	13,606,474	24.86
Unlisted Investments			
Oak Group Limited	284,377	37,304,422	68.16
Next Generation Holdings Limited	1,203	-	-
Next Gen Worldwide Limited	194,959	1,173,653	2.14
Enhance Group Limited	503	2,060,713	3.77
Corvid Holdings Limited	10	75,000	0.14
		40,613,788	74.21
Total Investments		**54,220,262**	**99.07**
Other net assets		510,457	0.93
Net assets attributable to holders of Ordinary Shares		**54,730,719**	**100.00**