Oakley Capital
Investments Limited

ANNUAL REPORT AND ACCOUNTS 2013

CONTENTS

CONTENTS

CHAIRMAN'S STATEMENT

I am pleased to report another year of solid progress for Oakley Capital Investments Limited ("the Company"). The Company showed an increase in its net asset value per share from £1.81 at 31 December 2012 to £2.00 at 31 December 2013. The Company invests principally in Oakley Capital Private Equity L.P. ("Fund I L.P."), OCPE II Master L.P. ("Fund II L.P."), a successor fund to Fund I, (collectively the "Limited Partnerships") and their portfolio companies. Fund II L.P. has three feeder funds: Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P. and Oakley Capital Private Equity II-C L.P. (collectively the "Feeder Funds"). The Company invests in Fund II L.P. through its investment in Oakley Capital Private Equity II-A L.P.

The Company has a capital commitment of €187.7 million in Fund I L.P. of which 81.5% had been called at 31 December 2013. Within Fund I L.P.'s portfolio companies, Intergenia Holdings GmbH ("intergenia") continued to perform strongly in 2013 and was sold to Fund II L.P. during the first quarter of 2014. Fund I L.P. made several follow-on investments in Broadstone Pensions and Investments Limited ("Broadstone") and certain Time Out Group companies during 2013. Fund I L.P. sold its investments in Emesa Group Holdings B.V. ("Emesa"), Headland Media Limited ("Headland Media"), Daisy Data Centre Solutions ("Daisy Data Centre") and Monument Securities 11 Limited ("Monument Securities") during 2013. The sale of these investments, together with dividends received by Fund I L.P., resulted in aggregate distributions by Fund I L.P. of £34.9 million to the Company. Following the acquisition of Reddam Schools Holdings Limited ("Reddam") through Educas Investment LLP ("Educas") in July 2013, Fund I L.P. is for all practical purposes fully invested, given the anticipated programme of follow-on investments in certain of the existing portfolio companies.

The Company committed €100 million to Fund II L.P. during 2013, of which 3% had been called as at 31 December 2013. Fund II L.P. had no investments as at 31 December 2013.

PERFORMANCE

The Company's net asset value increased in the year by £19.3 million to £246.9 million as at 31 December 2013. Of this total net asset value, £128.9 million represented the fair value of the investment in Fund I L.P., £1.7 million represented the fair value of the investment in Fund II L.P. and £29.1 million represents investments made directly to certain of Fund I L.P.'s portfolio companies in the form of mezzanine finance and senior loan notes.

The Company has short-term revolving credit facilities with Fund I L.P. and Oakley Capital G.P. II Limited ("GP II"), the general partner of Fund II L.P. and the Feeder Funds. At 31 December 2013 Fund I L.P. had borrowed £22.2 million under its facility with the Company, and GP II had borrowed £2.5 million from the Company. The net balance of £62.6 million was held by the Company as cash and cash equivalents and other assets.

Whilst the Company does not generally invest directly in portfolio companies, other than by the provision of debt finance, it is possible to "look through" each Limited Partnership to understand the impact of the performance of those portfolio companies on the investment values attributed to each Limited Partnership in the Company.

It is the policy of the Limited Partnership to review valuations of its portfolio companies twice a year. These determinations of fair value have been established in accordance with The International Private Equity and Venture Capital Valuation Guidelines adopted by Oakley Capital Limited (the "Investment Adviser"), the Investment Adviser to the general partner of each Limited Partnership. Additionally, a review of the Investment Adviser's fair value calculations of the portfolio companies of each Limited Partnership is performed by an independent third-party valuer.

The fair value of the underlying portfolio investments in Fund I L.P. attributable to the Company has increased by £11.0 million to £128.9 million at 31 December 2013. This increase arose as a result of a net increase in the fair values of the underlying portfolio companies arising from performance considerations and the addition of Reddam, more than offsetting the reduction driven by the 2013 disposals.

In addition to its investments in the Limited Partnerships, the Company has provided debt finance directly to a number of Fund I L.P.'s portfolio companies. These typically take the form of mezzanine loans with fixed interest rates of 10% – 15%. The Company has also provided secured senior debt to certain of Fund I L.P.'s portfolio companies at interest rates typically of 8.5% – 10%. These investments in loan instruments increased by £4.5 million net from £24.6 million as at 31 December 2012 to £29.1 million at 31 December 2013, due principally to the repayment of loans by intergenia and Time Out Group companies and new loans provided to intergenia. The Company has revolving credit facilities with Fund I L.P. and GP II, in each case at an interest rate of 6.5%. The balance owed by Fund I L.P. to the Company at 31 December 2013 was £22.2 million. The balance owed by GP II to the Company at 31 December 2013 was £2.5 million.

POST BALANCE SHEET EVENTS

Fund I L.P. completed the sale of intergenia to Fund II L.P. for €54.9 million during the first quarter of 2014. The rationale for the disposal by Fund I L.P. was that, notwithstanding intergenia's growth and development to date, the Investment Adviser believed there was further upside to be generated by building up intergenia through a hosting roll up. Fund I L.P. lacked the capital to fund this strategy. The sale and purchase between the Limited Partnerships gave rise to a number of conflicts of interest on which the respective general partners of each Limited Partnership took independent legal advice, resulting in the implementation by the Investment Adviser of a number of measures designed to ensure that the transaction was undertaken on arm's-length terms. Following completion of the sale, Fund I L.P. distributed €52.6 million to its limited partners, net of performance fees, of which the Company received €34.4 million. To date, Fund I L.P. has returned 87% of total commitments to its limited partners.

During February 2014, the Company provided additional debt finance of €11.3 million to intergenia to fund an acquisition.

Fund I L.P. made a capital call of 7% (€13.1 million) in March 2014 resulting in aggregate calls by Fund I L.P. of 88.5% of total committed capital.

Following the sale of intergenia, the Company increased its capital commitments in Fund II L.P. from €100 million to €150 million and subsequently Fund II L.P. made a capital call of €13.5 million. In total, Fund II L.P. has called 27% of commitments.

On 6 March 2014, Fund II L.P. acquired a majority stake in North Technology Group LLC ("NTG") through its wholly owned subsidiary, Oakley NS (Bermuda) L.P., at an investment cost of €45.7 million. NTG is a leading marine technology group which includes a worldwide leading sail maker, North Sails. The group comprises three market leading marine brands, all focused on providing innovative and high performance products and solutions to the world's sailors and yachtsmen.

OUTLOOK

2014 started very positively for the Limited Partnerships with the sale of intergenia by Fund I L.P. to Fund II L.P. and the acquisition by Fund II L.P. of North Sails. The Investment Adviser expects to consider additional realisation opportunities for Fund I L.P. and is actively seeking new investment opportunities for Fund II L.P. in 2014.

Given that 88.5% of total commitments of Fund I L.P. have now been called, and bearing in mind the requirement to retain headroom to fund follow-on investments in certain of the existing portfolio companies, Fund I L.P. is now effectively fully invested.

Christopher Wetherhill

Chairman

15 April 2014

MANAGER'S REPORT

THE COMPANY AND THE LIMITED PARTNERSHIPS

The Company provides investors with exposure to the Limited Partnerships. The Limited Partnerships are unlisted UK and European mid-market private equity funds with the aim of providing investors with significant long-term capital appreciation.

Oakley Capital (Bermuda) Limited (the "Manager"), a Bermudian company, is the manager of the Company and Fund I L.P.. The Manager has appointed Oakley Capital Limited (the "Investment Adviser") as the investment adviser to the Manager with respect to Fund I L.P.. The Investment Adviser is also the investment adviser to GP II with respect to Fund II L.P. and the Feeder Funds. The Investment Adviser is primarily responsible for advising the Manager and GP II on the investment and realisation of the assets of Fund I L.P. and Fund II L.P. respectively.

The Limited Partnerships' investment strategy is to invest in sectors that are growing or where consolidation is taking place. Within the core sector interests, the Limited Partnerships invest in both performing and under-performing companies, supporting buy-and-build strategies, businesses encountering rapid growth, or businesses undergoing significant operational or strategic change. Investing in a diverse range of portfolio companies, the Limited Partnerships' objective is to work proactively with the portfolio companies' management teams, together with other stakeholders, in order to create substantial shareholder value.

The Limited Partnerships look to acquire a controlling interest in companies with an enterprise value of between £20 million and £150 million, although companies with a lower enterprise value are considered where the Investment Adviser believes that anticipated returns justify the investment. The Limited Partnerships aim to deliver in excess of 25% gross internal rate of return (IRR) per annum on investments. The life of each Limited Partnership is expected to be approximately 10 years, which includes a five-year investment period.

MARKET BACKGROUND

After a long period of stagnation, recovery in Europe has finally begun. The main impetus behind the recovery in the Eurozone is Germany where GDP is forecast to grow by 1.8% in 2014. The UK is also experiencing a robust recovery with GDP set to grow by 2.5% this year. In the US, the economy finished 2013 on a weaker footing than expected and is anticipated to continue at a steady, if unremarkable, pace. In 2013 Fund I L.P. invested outside its core of Europe and the US with an acquisition in South Africa. The Rand has slid against the major currencies, falling by 16% against the Euro since the acquisition in July 2013. Despite this apparent fragility, the economy has already slowed and efforts aimed at tackling the country's current account deficit should be reflected in stabilisation of the currency.

FINANCIAL HIGHLIGHTS

Assets at:	31 Dec 2007	31 Dec 2008	31 Dec 2009	31 Dec 2010	31 Dec 2011	31 Dec 2012	31 Dec 2013	% change 2013/2007
Net assets (£m)	99.4	99.9	180.1	214.9	218.9	227.6	246.9	148%
Net assets per share (£)	0.99	1.08	1.41	1.68	1.71	1.81	2.00	102%
Share price (mid-market) (p)	101.6	63.5	95.0	145.5	132.5	136.5	188.3	85%
FTSE All Share Index	3,287	2,209	2,751	3,063	2,858	3,105	3,610	10%
FTSE Small-Cap Index	3,418	1,854	2,777	3,229	2,749	3,416	4,431	30%
Operational performance								
Resulting from operations (£m)	(0.6)	5.1	55.0	34.8	4.0	11.1	22.8	
Net gain per share (£)	(0.01)	0.06	0.47	0.27	0.03	0.09	0.18	

ANALYSIS OF MOVEMENTS IN NET ASSET VALUE FOR THE YEAR ENDED 31 DECEMBER 2013

	£m
Opening net asset value as at 1 January 2013	227.6
Gross revenue	5.5
Other expenditure	(2.0)
Realised gain on investments	24.0
Net unrealised (depreciation) of investments (excluding accrued interest)	(4.8)
Net purchase of treasury shares	(3.4)
Closing net asset value as at period end	**246.9**

The Company's net asset value increased in 2013 by £19.3 million from £227.6 million to £246.9 million. As at 31 December 2013, the Company's net asset value per share was £2.00, an increase of £0.19 (10.5%) from £1.81 per share as at 31 December 2012. The Company's operational performance for 2013 was £22.8 million, an increase over 2012 of £11.7 million. This was mainly due to net realised and unrealised gains on the Company's investment in Fund I L.P..

During the year 2013 the Company repurchased in aggregate 2.4 million shares which are held in treasury.

PERFORMANCE

The total value of investments held by the Company increased by £22.6 million to £184.4 million at 31 December 2013. The increase comprises £28.2 million of capital calls, £49.6 million in new or additional loans made to intergenia, Fund I L.P. and GP II, offset by loan repayments of £39.5 million; net realised and unrealised gains on all investments of £19.2 million; offset by distribution proceeds of £34.9 million from Fund I L.P.

The 2013 transactional activity for the Company's investment portfolio is summarised in the table over:

Loans comprise mezzanine and senior finance loans to certain of Fund I L.P.'s portfolio companies and a short-term revolving credit facility to Fund I L.P. and GP II; thereby ensuring that uninvested cash continues to work for the Company, earning a positive return. At 31 December 2013 the total value of loans outstanding was £53.7 million (2012: £43.9 million).

The Company provided both mezzanine finance and senior debt finance to the Time Out Group. On 4 April 2013 the loans to Time Out London were restructured and the interest rate adjusted to 10% per annum. On 10 April 2013, £1.9 million of the loans was repaid by Time Out Group. Certain mezzanine loan and senior loan notes to Time Out Group are subject to US withholding tax, reducing the effective rates of interest to 10.5% and 5.95% respectively.

INVESTMENTS HELD AT 31 DECEMBER 2013 (£m)

Investment	Opening cost (1 Jan 2013)	Opening fair value	Investment additions	Realisations	Closing cost	Change in unrealised gain/(loss)	Closing fair value
Investments in Limited Partnerships							
Fund I L.P.	58.35	117.94	25.69	(10.93)	73.11	(3.76)	128.94
Fund II L.P.	–	–	2.52	–	2.52	(0.83)	1.69
Total	**58.35**	**117.94**	**28.21**	**(10.93)**	**75.63**	**(4.59)**	**130.63**
Senior Loans							
Time Out Group	7.11	7.09	–	(1.93)	5.18	(0.04)	5.12
intergenia	2.23	2.16	2.09	(2.23)	2.09	0.06	2.08
Total	**9.34**	**9.25**	**2.09**	**(4.16)**	**7.27**	**0.02**	**7.20**
Mezzanine Loans							
Time Out Group	9.30	9.28	–	–	9.30	(0.06)	9.22
Broadstone	6.00	6.00	–	–	6.00	–	6.00
Total	**15.30**	**15.28**	**–**	**–**	**15.30**	**(0.06)**	**15.22**
Financing Loans							
intergenia	–	–	6.83	–	6.83	(0.18)	6.65
Total	**–**	**–**	**6.83**	**–**	**6.83**	**(0.18)**	**6.65**
Revolving Loan Facility							
Fund I L.P.	19.34	19.34	38.18	(35.35)	22.17	–	22.17
Oakley Capital G.P. II Ltd	–	–	2.50	–	2.50	–	2.50
Total	**19.34**	**19.34**	**40.68**	**(35.35)**	**24.67**	**–**	**24.67**
Total Investments	**102.33**	**161.81**	**77.81**	**(50.44)**	**129.70**	**(4.81)**	**184.37**

INVESTMENTS REALISED 2013 (£m)

Investment	Cost realised	Proceeds	Realised gain
Fund I L.P.	10.93	34.91	23.98
Time Out Group	1.93	1.93	–
intergenia	2.23	2.22	(0.01)
Fund I L.P. Revolver	35.35	35.35	–
Total	**50.44**	**74.41**	**23.97**

The Company issued senior debt finance to intergenia of £8.4 million in 2011 bearing an annual interest rate of 8.5%. During 2012, intergenia repaid £6.2 million of the debt plus interest. The balance of the debt plus interest was fully repaid on 20 December 2013. During the year ending 31 December 2013, the Company provided additional debt finance and a finance loan facility to intergenia. The senior loan note was provided on 20 December 2013 and amounted to £2.1 million at an interest rate of 10% per annum maturing November 2014. The finance loan note was provided on 21 June 2013 and amounted to £6.8 million at an interest rate of 10% per annum maturing in December 2014.

The Company provides a revolving credit facility to Fund I L.P.. Each drawing under this facility is generally for a term of six months at an interest rate of 6.5%. The loans are used by Fund I L.P. to fund short-term cash requirements. The interest generated from the revolving credit facility exceeds the interest earned on the Company's bank deposits, allowing the Company to earn higher returns on part of its cash reserves. As at 31 December 2013, the principal amount available under the revolving credit facility was £24 million, of which £22.2 million had been drawn down.

The Company provided a revolving loan facility to GP II during 2013 of £2.5 million at an interest rate of 6.5%. The entire balance was drawn down by GP II during 2013.

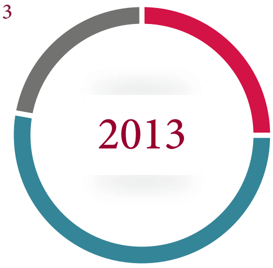
During 2013, the Company made a capital commitment to Fund II L.P. of £83 million (€100 million). Fund II L.P. has three Feeder Funds. The Company invests in Fund II L.P. through its investment in Oakley Capital Private Equity II-A L.P. As at 31 December 2013, Fund II L.P. had not made any investments. The Company's share of the aggregate capital called by Fund II L.P. as at 31 December 2013 was £2.5 million (€3 million) representing 3% of the Company's capital commitment at that date. The fair value of the Company's investment in Fund II L.P. was £1.7 million as at 31 December 2013.

Fund I L.P. made two capital calls during 2013, the first of 7% on 8 February 2013 and the second of 9% on 24 June 2013. During the year the Company acquired an additional interest in Fund I L.P. comprising a commitment of €300,000, accounting for 0.10% of committed capital. As at 31 December 2013, the Company's share of total capital calls by Fund I L.P. was £128.8 million representing 81.5% of the Company's total capital commitment (2012: 65.5%).

The fair value the Company's investment in Fund I L.P. increased by £11.0 million from £117.9 million as at 31 December 2012 to £128.9 million as at 31 December 2013. The increase is mainly attributable to capital calls of £25.7 million made by Fund I L.P. to fund follow-on investments in Broadstone and certain Time Out Group companies and a new investment, in Educas, offset by £10.9 million distributions made. During 2013, Fund I L.P. sold its investments in Emesa, Headland Media, Daisy Data Centre and Monument Securities. The Company received distributions from Fund I L.P. of £34.9 million during the year.

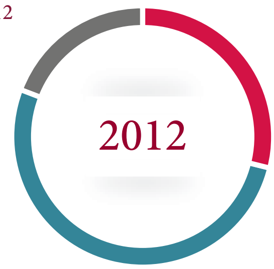
COMPANY ASSET TYPES 2013

- 25% Cash and other assets
- 53% Limited Partnership
- 22% Mezzanine, senior loan and revolving credit facility



COMPANY ASSET TYPES 2012

- 29% Cash and other assets
- 52% Limited Partnership
- 19% Mezzanine, senior loan and revolving credit facility



At 31 December 2013 the Company's assets were divided between its investments in the Limited Partnerships (53%), cash and cash equivalents (25%) and loans provided directly to Fund I L.P. portfolio companies, Fund I L.P. and GP II (22%). This is broadly consistent with prior years.

FUND I L.P. PORTFOLIO INVESTMENT PERFORMANCE FOR THE YEAR 2013

The table below summarises the investment activity of Fund I L.P. during 2013. The values are denominated in Euros and the Company holds 65.25% interest in Fund I L.P. The EUR:GBP exchange rate as at 31 December 2013 was 1:0.8312.

INVESTMENT PERFORMANCE 2013 (€m)

Investment	Opening cost (1 Jan 2013)	Opening fair value	Investment additions/ (disposals)	Closing cost	Change in unrealised gain/(loss)	Closing fair value	Money multiple	Gross IRR
Investments held at 31 December 2013								
Verivox	–	53.28	–	–	–	53.28	11.7	87%
Broadstone	24.20	25.20	7.01	31.21	(0.46)	31.75	1.0	1%
Time Out Group	29.56	30.93	18.26	47.82	(1.26)	47.93	1.0	0%
Daisy	2.21	41.21	–	2.21	36.67	77.88	36.0	87%
intergenia	30.19	51.16	0.18	30.37	3.62	54.96	1.8	35%
Educas	–	–	17.66	17.66	–	17.66	1.0	0%
Total	**86.16**	**201.78**	**43.11**	**129.27**	**38.57**	**283.46**		
Investments realised 2013								
Monument Securities	4.28	3.44	(2.09)	–	0.84	–	0.5	-15%
Emesa	14.74	51.90	(51.90)	–	(37.16)	–	3.5	109%
Headland Media	4.95	12.67	(14.48)	–	(7.71)	–	2.9	27%
Daisy Data Centre	–	–	(1.18)	–	–	–	3.0	high
Total	**23.97**	**68.01**	**(69.65)**	**–**	**(44.03)**	**–**		
Total Investments	**110.13**	**269.79**	**(26.54)**	**129.27**	**(5.46)**	**283.46**	**2.3**	**43%**

Investment	Cost	Proceeds	Realised gain	Distributions	Money multiple	Gross IRR
Realisations 2013						
Monument Securities	4.28	2.09	(2.19)	–	–	-15%
Emesa	14.74	51.90	37.16	45.60	1.2	109%
Headland Media	4.95	14.48	9.53	11.84	1.2	27%
Daisy Data Centre Solutions	0.58	1.77	1.19	0.95	0.8	high
Total	**24.55**	**70.24**	**45.69**	**58.39**	**1.3**	**43%**
Dividend Income 2013						
Verivox		2.75		2.32		
Daisy		1.69		1.69		
Total		**4.44**		**4.01**		
Total distributions to Limited Partners 2013				**62.40**		
Total distributions to OCIL 2013				**£34.91m**		

The total increase in the year in the investment value of the portfolio companies of Fund I L.P. was €13.7 million. The change in values of the portfolio companies is attributable to three key factors:

Increase of €43.1 million as a result of additional funding into existing portfolio companies and new investments made by Fund I L.P.:

Fund I L.P. provided further equity funding to Broadstone of €7.0 million and to certain Time Out Group companies of €18.3 million during 2013. The additional investment in Time Out Group was used to fund further development of its global technology platform, which has driven significant audience and traffic growth (43% year-on-year to 18 million monthly unique users); further international expansion, which after the acquisition of Time Out Chicago completed the consolidation of worldwide IP rights in the brand under common ownership; and investment in digital and commercial operations. With this additional investment, the strategic transformation of Time Out Group from one characterised by a geographically fragmented ownership structure and a paid-for, print-based revenue model to one with consolidated ownership and with its business model fundamentally transformed to one based on a global digital platform with free-sheet print editions is now largely complete, in line with the original investment thesis. Digital and licensing revenues continue to grow, and now comprise almost half of group turnover, and the new global digital platform, which now hosts 14 cities, is poised for further global growth in 2014.

Additionally, Fund I L.P. made a new investment in Educas during 2013 of €17.7 million.

Increase of €38.6 million as a result of a net increase to the fair values of the underlying portfolio companies of Fund I L.P. held at year end:

Two of the portfolio companies, intergenia and Daisy Group plc ("Daisy"), showed a marked increase in fair value in 2013.

intergenia performed well since its acquisition by Fund I L.P. in December 2011. During January 2014 the investment was sold by Fund I L.P. to Fund II L.P. which increased the fair value of this investment by €3.6 million.

Daisy's share price increased from 92 pence on 31 December 2012 to 176.75 pence on 31 December 2013. This represents an increase in the fair value of Daisy of €36.7 million.

Foreign exchange movements account for the remaining changes in fair values.

Decrease of €68.0 million as a result of investments in the underlying portfolio companies sold by Fund I L.P.:

Monument Securities, Daisy Data Centre, Emesa and Headland Media, were sold in 2013 by Fund I L.P.

DIRECTORS' REPORT

DIRECTORS' FUNCTIONS

The Directors are responsible for the overall management and control of the Company. The Directors review the operations of the Company at regular meetings and meet at least quarterly. For this purpose, the Directors receive periodic reports from the Manager detailing the Company's performance, and receive from the Manager such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

The Directors do not make investment decisions on behalf of the Limited Partnerships, nor do they have any role or involvement in selecting or implementing transactions by the Limited Partnerships.

DIRECTORS

The Directors of the Company are:

James Keyes

James Keyes was the Managing Director of Renaissance Capital from 2008 to 2013. He established the Bermuda office of Renaissance, for which he had responsibility, in 2008. He was previously a partner of Appleby, the offshore law firm, for 11 years. James joined Appleby in 1993 and was team leader of the Funds and Investment Services Team. Prior to Appleby, he was employed in the corporate department of Freshfields law firm, and worked in the London, New York and Hong Kong offices. James attended Oxford University in England as a Rhodes Scholar and graduated with a degree in Politics, Philosophy and Economics (MA with Honours) in 1985. He was admitted as a solicitor in England and Wales in 1991 and called to the Bermuda Bar in 1993. He became a Notary Public in 1998. James is a resident of Bermuda.

Tina Burns

Tina Burns is a Tax Director at Markel Corporation. Prior to joining Markel, Tina was tax consultant with Schroders Private Equity Services in Bermuda. From 1996 to 2006, Tina was a Director in the tax services practice of KPMG in Bermuda. Tina joined KPMG in Bermuda in 1995. Prior to joining KPMG in Bermuda, she was a tax senior with KPMG in Atlanta, Georgia. Tina graduated from the University of North Carolina with a Masters of Accounting in 1994, and is a member of the American Institute of Certified Public Accountants and the Georgia Society of Certified Public Accountants. Tina is a resident of Bermuda.

Peter Dubens

Peter Dubens is the founder of Oakley Capital, a privately owned asset management and advisory group comprising private equity, fund of funds, corporate finance, capital introduction and venture capital operations managing over US$1 billion that was founded in 2002. Peter is the Managing Partner of Oakley Capital Limited, the investment adviser to Oakley Capital Private Equity L.P. and OCPE II Master L.P.. During the last 23 years, Peter has acquired, restructured and consolidated public and private companies. As Executive Chairman, he led the formation of two public companies, being 365 Media Group plc and Pipex Communications plc (now Daisy Group plc). The 365 Media platform consolidated 12 businesses within the online sports information and gambling industry and the Pipex platform consolidated 14 businesses within the telecoms and internet industries. 365 Media was sold for over £102 million to BSkyB and the main operating divisions of Pipex were sold for approximately £370 million. Peter is a resident of the United Kingdom.

Laurence Blackall

Laurence Blackall has had a 30-year career in the information, media and communication industries. A former vice-president of McGraw Hill, Laurence was one of the pioneers of the UK internet industry. In 1994 he established Global Internet, the award winning ISP, which he took public as Internet Technology Group in 1996. He is also a non-executive director of fully listed Pembroke VCT, AIM-listed Daisy Group plc and an Investment Partner in PROfounders Capital. He additionally holds a number of directorships in private UK companies as well as being a trustee of various charities. He has an MA in marketing. Laurence is a United Kingdom resident.

Ian Pilgrim

Ian Pilgrim is Chief Executive Officer of the Company's Administrator, Mayflower Management Services (Bermuda) Limited, a corporation which provides consultancy and other services to hedge funds. Prior to founding the Administrator in January 2006, he was the Managing Director of Citco Fund Services (Bermuda) Limited and also served as General Counsel to Citco Fund Services from January 2001 until December 2005. Before joining Citco, he practiced from January 1997 until December 2000 as a Barrister and Attorney with M.L.H. Quin & Co. (now Wakefield Quin) in Bermuda. From 1994 to 1996, he practiced as a solicitor with Allen & Overy in Hong Kong where he was involved primarily in banking and project finance, and prior to that from 1991 to 1994 with Deacons in Hong Kong. He was admitted to practice as a solicitor in England and Wales in 1989 and in Hong Kong in 1992. He was admitted to the Bar in Bermuda in 1998. He is a Director of the Manager and of Oakley Capital G.P. Limited, the general partner of Fund I L.P.. Ian is a resident of Bermuda.

Christopher Wetherhill

Christopher Wetherhill founded and was Chief Executive Officer of Hemisphere Management Limited (now known as Citi Hedge Fund Services Limited), a financial services company in Bermuda, from 1981 until 2000. Since 2000, he has served as a board member of, and a consultant to, a number of investment companies. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Canadian and Bermudian Institutes of Chartered Accountants, a Fellow of the Institute of Directors and a Freeman of the City of London. Christopher is a resident of Bermuda.

During 2013, James Keyes resigned as Chairman of the Board of Directors and Christopher Wetherhill was appointed as Chairman in his stead.

MANAGER

Oakley Capital (Bermuda) Limited was incorporated in Bermuda on 18 June 2007 under the Bermuda Companies Act. The Manager is responsible for the day-to-day management of the assets of the Company pursuant to the Management Agreement. Under the Management Agreement, the Manager has full discretion, subject to the review by the Directors, to invest the assets of the Company in a manner consistent with the investment objective, approach and restrictions described in the Company's admission document. Oakley Capital (Bermuda) Limited is also the manager of Fund I L.P.

Peter Dubens and Ian Pilgrim are directors of both the Manager and the Company, and cannot vote on any Board decision relating to the Management Agreement whilst they have an interest.

INVESTMENT ADVISER

Oakley Capital Limited was incorporated in England and Wales on 12 October 2000 under the Companies Act 1985. The Company and the Manager have appointed the Investment Adviser as investment adviser to the Company. The Manager has appointed the Investment Adviser as its investment adviser with respect to Fund I L.P.. Oakley Capital G.P. II Limited – the General Partner to Fund II L.P. and the Feeder Funds – has appointed the Investment Adviser as investment adviser to Fund II L.P.

The Investment Adviser is authorised and regulated by the Financial Conduct Authority. The Investment Adviser is not registered as an "investment adviser" under the US Investment Advisors Act, but may in the future seek to register.

Peter Dubens and David Till (who are both Directors of the Investment Adviser) with a team of eight investment professionals are together primarily responsible for performing the investment advisory obligations of the Investment Adviser.

CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and have adopted policies and procedures which reflect those principles of Good Governance and Code of Best Practice as published by the Committee on Corporate Governance (commonly known as the "Combined Code") as are appropriate to the Company's size and AIM listing. The Directors note that Bermuda, the country of incorporation of the Company, has no specific corporate governance regime.

The Company has established an audit committee and a remuneration committee, each with formally delegated duties and responsibilities. The audit committee and the remuneration committee each comprise all the Independent Directors. The audit committee is chaired by Tina Burns and the remuneration committee is chaired by James Keyes.

The audit committee determines the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. The audit committee receives and reviews reports from management and the Company's auditors relating to the annual accounts and the accounting and internal control systems in the Company. The audit committee has unrestricted access to and oversees the relationship with the Company's auditors.

The remuneration committee reviews the scale and structure of the Directors' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements if any. The remuneration and terms and conditions of the non-executive Directors are set by the Board. No Director or manager of the Company may participate in any meeting at which discussion or any decision regarding his own remuneration takes place.

In addition to establishing an audit committee and a remuneration committee, the Company has established a fund committee, comprising all of the Independent Directors. The fund committee receives and reviews all matters and contracts where there are potential conflicts of interest between the Company and the Limited Partnerships. No Director, other than the Independent Directors, may participate in any meeting of the fund committee. The fund committee is chaired by James Keyes.

The Board complies with Rule 21 of the AIM Rules relating to Directors' dealings as applicable to AIM companies and also takes all reasonable steps to ensure compliance by the Company's applicable employees (if any) and has adopted a share dealing code for this purpose.

DIRECTORS' INTERESTS

As at 15 April 2014, Directors who are beneficial owners of shares in the Company are:

Laurence Blackall	200,000
Christopher Wetherhill	160,000
James Keyes	10,000

Save as disclosed above, none of the Directors nor any member of their respective immediate families, nor any person connected with a Director, has any interest whether beneficial or non-beneficial in the share capital of the Company.

DIRECTORS' REMUNERATION

The emoluments of the individual Directors for the year were as follows:

James Keyes	£31,500
Tina Burns	£31,500
Peter Dubens	£nil
Laurence Blackall	£31,500
Ian Pilgrim	£31,500
Christopher Wetherhill	£32,958

The above fees do not include reimbursed expenses.

SUBSTANTIAL SHAREHOLDINGS

As at 15 April 2014, the Company has been notified by the following that they have a disclosable beneficial interest in 3% or more of the issued ordinary share capital of the Company:

Invesco Perpetual	31.5%
Ruffer LLP	18.0%
Rothschild Bank, Zurich	10.2%
Henderson Volantis Capital	9.6%
Sarasih & Partners	7.7%
Fidelity Worldwide Investments	6.1%

INDEPENDENT AUDITOR'S REPORT
to the Board of Directors and Shareholders of Oakley Capital Investments Limited

We have audited the accompanying financial statements of Oakley Capital Investments Limited (the "Company"), which comprise the statements of assets and liabilities, including the schedules of investments as of 31 December 2013 and 2012, and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with US generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Oakley Capital Investments Limited as of 31 December 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with US generally accepted accounting principles.

This report, including our opinion, has been prepared for the Board of Directors and Shareholders and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

KPMG Audit Limited
Chartered Accountants
Hamilton, Bermuda
15 April 2014

FINANCIAL STATEMENTS

STATEMENTS OF ASSETS AND LIABILITIES

FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Expressed in British Pounds)

	Notes	2013 £	2012 £
Assets			
Investments (cost 2013: £129,708,435; 2012: £102,333,819)	5, 7	184,358,872	161,806,610
Cash and cash equivalents	3	53,789,371	56,036,923
Accrued interest and accounts receivable		9,373,806	10,087,914
Other receivables		42,646	33,993
Total assets		**247,564,695**	**227,965,440**
Liabilities			
Accounts payable and accrued expenses	4	624,417	401,043
Total liabilities		**624,417**	**401,043**
Net assets attributable to shareholders		**246,940,278**	**227,564,397**
Represented by:			
Share capital		1,287,090	1,281,250
Share premium		120,274,734	119,276,094
Retained earnings		132,309,902	109,519,050
		253,871,726	**230,076,394**
Less: Treasury stock	9	(6,931,448)	(2,511,997)
		246,940,278	**227,564,397**
Number of shares outstanding	9	**123,699,050**	**126,061,350**
Net asset value per share		**2.00**	**1.81**

Signed on behalf of the Board on 15 April 2014

Christopher Wetherhill — Director

Tina Burns — Director

The notes following form an integral part of these financial statements.

SCHEDULES OF INVESTMENTS
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012
(Expressed in British Pounds)

31 December 2013	Fair value as a % of net assets	Percentage interest	Principal amount/ Quantity	Cost £	Fair value £
Investments in Limited Partnerships					
Bermuda					
Oakley Capital Private Equity L.P.	52.21%	65.25%		73,118,049	128,939,558
Oakley Capital Private Equity II-A L.P.	0.68%	48.86%		2,517,600	1,685,288
Total investments in Limited Partnerships	**52.89%**			**75,635,649**	**130,624,846**
Unquoted debt securities					
Investments in senior loan notes					
United Kingdom					
Time Out London Interest at 10% p.a. Maturity date March 2016	1.24%		£3,070,482	3,070,482	3,070,482
United States					
Time Out New York Interest at 8.5% p.a. Maturity date May 2014	0.83%		$3,400,000	2,109,020	2,051,560
Germany					
intergenia Interest at 10% p.a. Maturity date November 2014	0.84%		€2,500,000	2,090,000	2,078,000
Total senior loan notes	**2.91%**			**7,269,502**	**7,200,042**
Investments in mezzanine loans					
United Kingdom					
Broadstone Interest at 15% p.a. Maturity date November 2015	2.43%		£6,000,000	6,000,000	6,000,000
Time Out London Interest at 10% p.a. Maturity date November 2015	2.51%		£6,200,000	6,200,000	6,200,000
United States					
Time Out New York Interest at 15% p.a. Maturity date May 2016	1.22%		$5,000,000	3,101,500	3,017,000
Total mezzanine loans	**6.16%**			**15,301,500**	**15,217,000**
Investments in financing loan facility					
Germany					
intergenia Interest at 10% p.a. Maturity date December 2014	2.69%		€8,000,000	6,834,400	6,649,600
Total finance loans	**2.69%**			**6,834,400**	**6,649,600**
Investments in revolving loan facility					
Bermuda					
Oakley Capital Private Equity L.P.	8.98%		£22,167,384	22,167,384	22,167,384
Oakley Capital G.P. II Limited	1.01%		£2,500,000	2,500,000	2,500,000
Total revolving loans	**9.99%**			**24,667,384**	**24,667,384**
Total investments	**74.64%**			**129,708,435**	**184,358,872**

The notes following form an integral part of these financial statements.

SCHEDULES OF INVESTMENTS

FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Expressed in British Pounds)

31 December 2012	Fair value as a % of net assets	Percentage interest	Principal amount/ Quantity	Cost £	Fair value £
Investments in Limited Partnerships					
Bermuda Oakley Capital Private Equity L.P.	51.83%	65.15%		58,354,206	117,940,422
Total investments in Limited Partnerships	**51.83%**	**65.15%**		**58,354,206**	**117,940,422**
Unquoted debt securities					
Investments in senior loan notes					
United Kingdom Time Out London Interest at 8.5% p.a. Maturity date March 2013	2.20%		£5,000,000	5,000,000	5,000,000
United States Time Out New York Interest at 8.5% p.a. Maturity date May 2014	0.92%		$3,400,000	2,109,020	2,091,000
Germany intergenia Interest at 8.5% p.a. Maturity date November 2013	0.95%		€2,660,415	2,226,236	2,157,331
Total senior loan notes	**4.07%**			**9,335,256**	**9,248,331**
Investments in mezzanine loans					
United Kingdom Broadstone Interest at 15% p.a. Maturity date November 2015	2.64%		£6,000,000	6,000,000	6,000,000
Time Out London Interest at 15% p.a. Maturity date November 2015	2.72%		£6,200,000	6,200,000	6,200,000
United States Time Out New York Interest at 15% p.a. Maturity date May 2016	1.35%		$5,000,000	3,101,500	3,075,000
Total mezzanine loans	**6.71%**			**15,301,500**	**15,275,000**
Investments in revolving loan facility					
Bermuda Oakley Capital Private Equity L.P.	8.50%		£19,342,857	19,342,857	19,342,857
Total revolving loans	**8.50%**			**19,342,857**	**19,342,857**
Total investments	**71.11%**			**102,333,819**	**161,806,610**

The notes following form an integral part of these financial statements.

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012
(Expressed in British Pounds)

	Notes	2013 £	2012 £
Investment income			
Interest		5,726,795	5,821,871
Withholding tax on interest		(253,922)	(210,897)
Other		324	–
		5,473,197	**5,610,974**
Expenses			
Management fees	4	1,243,376	665,995
Performance fees	4	57,718	81,465
Professional fees	6,10	360,827	330,617
Other		392,287	331,392
Interest		1,059	6,595
Total expenses		**2,055,267**	**1,416,064**
Net investment income		**3,417,930**	**4,194,910**
Realised and unrealised gains (losses) on foreign exchange and investments			
Net realised gains (losses) on foreign exchange		300,438	(409,762)
Net change in unrealised losses on foreign exchange		(82,529)	(26,119)
Net realised gains (losses) on sales of investments		23,977,364	(693,178)
Net change in unrealised (depreciation) appreciation on investments		(4,822,352)	8,081,831
Net realised and unrealised gains on foreign exchange and investments		**19,372,921**	**6,952,772**
Net earnings		22,790,851	11,147,682
Net earnings per share	9	**0.18**	**0.09**

The notes following form an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Expressed in British Pounds)

	2013 £	2012 £
Net increase in net assets resulting from operations		
Net investment income	3,417,930	4,194,910
Net realised gains (losses) on foreign exchange	300,438	(409,762)
Net change in unrealised losses on foreign exchange	(82,529)	(26,119)
Net realised gains (losses) on sales of investments	23,977,364	(693,178)
Net change in unrealised (depreciation) appreciation on investments	(4,822,352)	8,081,831
Net increase in net assets resulting from operations	22,790,851	11,147,682
Net decrease in net assets resulting from capital transactions		
Shares sold	8,882,671	–
Shares repurchased	(12,297,641)	(2,511,997)
Net decrease in net assets resulting from capital transactions	(3,414,970)	(2,511,997)
Net increase in net assets	**19,375,881**	**8,635,685**
Net assets at beginning of the year	**227,564,397**	**218,928,712**
Net assets at end of the year	**246,940,278**	**227,564,397**

The notes following form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Expressed in British Pounds)

	2013 £	2012 £
Cash flows from operating activities		
Net increase in net assets resulting from operations	22,790,851	11,147,682
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realised and unrealised gains on foreign exchange and investments	(19,372,921)	(6,952,772)
Payments for purchases of investments	(82,311,259)	(19,582,473)
Proceeds on disposal of investments	78,914,009	10,308,303
Change in accrued interest receivable	714,108	(6,126,537)
Change in other receivables	(8,653)	(18,355)
Change in accounts payable and accrued expenses	223,374	100,083
Net cash provided by (used in) operating activities	**949,509**	**(11,124,069)**
Cash flows from financing transactions		
Proceeds from shares sold	1,004,480	–
Payments for shares repurchased	(4,419,450)	(2,511,997)
Net cash used in financing transactions	(3,414,970)	(2,511,997)
Net effect of foreign exchange	217,909	(435,881)
Net decrease in cash and cash equivalents	(2,247,552)	(14,071,947)
Cash and cash equivalents at beginning of the year	56,036,923	70,108,870
Cash and cash equivalents at end of the year	**53,789,371**	**56,036,923**
Interest paid during the year	1,059	6,595

The notes following form an integral part of these financial statements.

1. THE COMPANY

Oakley Capital Investments Limited (the "Company") is a closed-ended investment company which was incorporated under the laws of Bermuda on 28 June 2007. The principal objective of the Company is to achieve capital appreciation through investments in a diversified portfolio of private mid-market UK and European businesses. The Company achieves its investment objective primarily through its investments in Oakley Capital Private Equity L.P. ("Fund I L.P."), an exempted limited partnership established in Bermuda on 10 July 2007 and Oakley Capital Private Equity II-A L.P. ("Fund II L.P."), an exempted limited partnership established in Bermuda on 27 September 2012 (collectively the "Limited Partnerships"). The manager is Oakley Capital (Bermuda) Limited (the "Manager") and the investment adviser is Oakley Capital Limited (the "Investment Adviser"). The Company and the general partner of the Limited Partnerships have two directors in common.

The Company listed on the AIM market of the London Stock Exchange on 3 August 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

The accompanying financial statements are prepared in accordance with US generally accepted accounting principles.

b) Use of estimates

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets during the reporting period. Actual results could differ from those estimates.

c) Investment valuation

Limited Partnerships

Security transactions are accounted for on a trade-date basis, based on the capital drawdown and proceeds distribution dates for proceeds received from the Limited Partnerships. The Company's investments in the Limited Partnerships are valued at the balance of the Company's capital account in the Limited Partnerships as at the reporting date. Any difference between the capital introduced and the balance on the Company's capital account in the Limited Partnerships is recognised in net change in unrealised appreciation and depreciation on investments in the Statements of Operations.

The Limited Partnerships value their investments at fair value and recognise gains and losses on security transactions using the specific cost method.

Unquoted debt securities (mezzanine loans, senior loans and revolving loan facilities)

Mezzanine loans, senior loans and revolving loan facilities are initially valued at the price the loan was granted. Subsequent to initial recognition the loans are valued on a fair value basis taking into account market conditions and the operating performance and financial condition of the borrower.

Realised gains and losses are recorded when the security acquired is realised. The net realised gains and losses on sale of securities are determined using the specific cost method.

The Company is subject to the provisions of the FASB guidance on Fair Value Measurements and Disclosure (ASC 820). ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with US generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 establishes a hierarchical disclosure framework which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active market quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring their fair value.

The hierarchy of inputs is summarised below.

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit spreads, etc.)

Level 3 – significant unobservable inputs (including the Investment Adviser's own assumptions in determining the fair value of investments)

The inputs and methodologies used in valuing the securities are not necessarily an indication of the risks associated with investing in those securities.

Securities traded on a national stock exchange are valued at the last reported price on the valuation date and are categorised as Level 1 within the fair value hierarchy.

When prices are not readily available, or are determined not to reflect fair value, the Company may value these securities at fair value as determined in accordance with the procedures approved by the Investment Adviser in consultation with the Manager.

Level 2 securities are valued using representative brokers' prices, quoted prices for similar investments, published reports or third-party valuations.

Level 3 securities are valued at the discretion of the Investment Adviser in consultation with the Manager. In these circumstances, the Manager will use consistent fair valuation criteria and may obtain independent appraisals.

The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

d) Income recognition

Interest income and expenses are recognised on the accruals basis.

e) Foreign currency translation

Investments and other monetary assets and liabilities denominated in foreign currencies are translated into British Pound amounts at exchange rates prevailing at the reporting date. Capital drawdowns and proceeds of distributions from the Limited Partnerships in foreign currencies and income and expense items denominated in foreign currencies are translated into British Pound amounts at the exchange rate on the respective dates of such transactions.

Foreign exchange gains and losses on other monetary assets and liabilities are recognised in the net realised and unrealised gain or loss from foreign exchange in the Statements of Operations.

The Company does not isolate unrealised or realised foreign exchange gains and losses arising from changes in the fair value of investments. All such foreign exchange gains and losses are included with the net realised and unrealised gain or loss on investments in the Statements of Operations.

f) Cash and cash equivalents

The Company considers all short-term deposits with a maturity of 90 days or less as equivalent to cash.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 31 December 2013 and 2012 consist of the following:

	2013 £	2012 £
Cash	11,343,074	14,437,917
Short-term deposits	42,446,297	41,599,006
	53,789,371	**56,036,923**

4. MANAGEMENT AND PERFORMANCE FEES

(a) The Company has entered into a Management Agreement with the Manager to manage the Company's investment portfolio. The Manager will not receive a management fee from the Company in respect of funds either committed to or invested by the Company in the Limited Partnerships managed by the Manager. The Manager will receive a management fee at the rate of 1% per annum in respect of those funds that are not committed to the Limited Partnerships (but including the proceeds of any realisations), which are invested in cash, cash deposits or near cash deposits and a management fee at the rate of 2% per annum in respect of those funds which are invested directly in co-investments. The management fee is payable monthly in arrears.

As part of the Company's investment in Fund II L.P., the Company has agreed to pay Oakley Capital G.P. II Limited an establishment fee equal to 2% per annum of the Company's initial commitment to Fund II L.P.. The establishment fee is payable semi-annually in advance and terminates upon the completion of Fund II L.P.'s initial close. The establishment fee is included in Management fees in the Statements of Operations.

During the year ended 31 December 2013, the Company incurred management fees of £1,243,376 (2012: £665,995). As at 31 December 2013 no management fees were payable to the Manager (2012: £38,641).

The Manager may also receive a performance fee of 20% of the excess of the amount earned by the Company over and above an 8% hurdle rate per annum on any monies invested as a co-investment with the Limited Partnerships. Any co-investment will be treated as a segregated pool of investments by the Company. If the calculation period is greater than one year, the hurdle rate shall be compounded on each anniversary of the start of the calculation period for each segregated co-investment. If the Manager does not exceed the hurdle rate on any given co-investment, that co-investment shall be included in the next calculation so that the hurdle rate is measured across both co-investments. No previous payments of performance fee will be affected if any co-investment does not reach the hurdle rate of the return. During the year ended 31 December 2013, the Company incurred performance fees of £57,718 (2012: £81,465).

(b) The Manager has entered into an Investment Adviser Agreement with the Investment Adviser to advise the Manager on the investment of the assets of the Company. The Investment Adviser will not receive a management or performance fee from the Company. Any fees due to the Investment Adviser will be paid by the Manager out of the management fees it receives from the Company.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following is a summary of the inputs used in valuing the Company's assets carried at fair value:

Investments in Securities	31 December 2013 £	31 December 2012 £
Quotes prices (Level 1)	–	–
Other significant observable inputs (Level 2)	–	–
Significant unobservable inputs (Level 3)	184,358,872	161,806,610

The instruments comprising investments in securities are disclosed in the Schedules of Investments.

The Company has investments in private equity limited partnerships. The investments are included at fair value based on the Company's balance of its capital account in the Limited Partnerships. The valuation of non-public investments requires significant judgment by the Limited Partnerships' investment adviser in consultation with the manager and/or general partner of the Limited Partnerships due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such assets. Private equity investments are valued initially based upon transaction price. Valuations are reviewed periodically utilising available market data to determine if the carrying value of these investments should be adjusted. Such market data primarily includes observations of the trading multiples of public companies considered comparable to the private companies being valued. In addition, a variety of additional factors are considered by the Limited Partnerships' investment adviser, including, but not limited to, financing and sales transactions with third parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third-party financing environment.

Because of the inherent uncertainty of valuing unquoted private equity investments, the estimated fair values may differ from the values that would have been used had a ready market for such investments existed and such differences may be material. Mezzanine loans, senior loans and revolving loan facilities are initially valued at the price the loan was granted. Subsequent to initial recognition, the loans are valued on a fair value basis taking into account market conditions and the operating performance and financial condition of the borrower. The fair values have been determined based on a discounted cash flow valuation approach consistent with prior years. The discount rate used to value the mezzanine loans is 15% (2012: 15%), the secured loans 8.5% (2012: 8.5%), the financing loan 10% and the revolving loan facility 6.5% (2012: 6.5%). A discount rate of 10% is used for the mezzanine and secured loans provided to Time Out London and intergenia.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Investment in securities 2013 £	Investment in securities 2012 £
Investment in Limited Partnerships		
Fair value at beginning of the year	117,940,422	112,553,747
Purchases	28,208,475	239,616
Proceeds on disposal	(34,906,526)	(2,737,153)
Realised gain (loss) on disposal	23,979,492	(476,619)
Net change in unrealised (depreciation) appreciation on investments	(4,597,017)	8,360,831
Limited Partnerships, fair value at end of the year	**130,624,846**	**117,940,422**
Unquoted debt securities		
Fair value at beginning of the year	43,866,188	32,590,040
Purchases	54,102,784	19,342,857
Proceeds on disposal	(44,007,483)	(7,571,150)
Net realised loss on disposal	(2,128)	(216,559)
Net change in unrealised depreciation on investments	(225,335)	(279,000)
Unquoted debt securities, fair value at end of the year	**53,734,026**	**43,866,188**
Fair value at end of the year	**184,358,872**	**161,806,610**

The Company's policy is to recognise transfers into and out of the various levels as of the end of the period or change in circumstances that caused the transfer. For the year ended 31 December 2013, the Company did not have any transfers between Levels 1, 2 or 3.

Of the investments held by the Limited Partnerships, 27% (2012: 15%) are classified as Level 2 investments and 73% (2012: 85%) are classified as Level 3 investments.

6. ADMINISTRATION FEE

Under the terms of the Administration Agreement dated 30 July 2007 between Mayflower Management Services (Bermuda) Limited (the "Administrator") and the Company, the Administrator receives an annual administration fee at prevailing commercial rates. During the year ended 31 December 2013, the Company incurred administration fees of £182,438 (2012: £157,060), which is included in professional fees in the Statements of Operations.

7. INVESTMENTS

Limited Partnerships

The Company has committed substantially all of its capital to the Limited Partnerships. The Limited Partnerships' primary objective is to invest in a diversified portfolio of private mid-market UK and European businesses, aiming to provide investors with significant long-term capital appreciation. The investments in the Limited Partnerships are denominated in Euros. Fund I L.P. has an initial period of ten years from its final closing date of 30 November 2009 and Fund II L.P. has an initial period of ten years from its final closing date; however the life of the Limited Partnerships may be extended, at the discretion of the General Partner, by up to three additional one-year periods, to provide for the orderly realisation of investments. The Limited Partnerships will make distributions as their investments are realised.

The Company's share of the total capital called by Fund I L.P. to 31 December 2013 was £127,152,057 (€152,974,082) (2012: £99,534,618 (€122,745,860)). Of the Company's total capital commitments 81.5% (2012: 65.5%) has been called. During the year ended 31 December 2012 the Company acquired an additional interest in Fund I L.P. comprising a commitment of €398,260, accounting for 0.14% of the committed capital. During the year ended 31 December 2013, the Company acquired an additional interest in Fund I L.P. comprising a commitment of €300,000, accounting for 0.10% of the committed capital.

The Company's share of the total capital called by Fund II L.P. to 31 December 2013 was £2,493,600 (€3,000,000) representing 3% of the Company's total capital commitment.

The Company may also make co-investments with the Limited Partnerships based on the recommendations of the Manager.

At 31 December 2013 all of the Limited Partnerships' investments are carried at fair value. The Limited Partnerships appointed a third-party valuation specialist to assess the investment adviser's determination of the fair value of certain underlying businesses.

Fund I L.P.

Fund I L.P. made follow-on investments in four of the portfolio companies in 2013. These investments were made in Broadstone, intergenia, Time Out London and Time Out New York. Fund I L.P. funded the follow-on investments using a combination of capital calls and loans drawn under a revolving loan facility made available to Fund I L.P.. Fund I L.P. bought a new investment, Educas Investments LLP, and sold its investments in Headland Media, Daisy Data Centre, Monument and Emesa during 2013.

Verivox
Fund I L.P. through VVX (Bermuda) Limited, acquired 51% of Verivox Holdings Limited ("Verivox"), an online consumer energy price comparison service in Germany. The company receives commissions from energy suppliers when consumers elect to switch providers through its website.

Broadstone
Fund I L.P. through its wholly owned subsidiary, Broadstone Holdco (Bermuda) Limited, acquired 84.4% of Broadstone Finance Limited ("Broadstone"), a UK-wide independent provider of investment advice and solutions to private individuals and corporates, from BDO LLP.

Time Out Group
The Time Out Group consists of investments in Time Out Group HC Limited ("Time Out London") and Time Out America LLC ("Time Out New York").

Fund I L.P. through its wholly owned subsidiary, TO (Bermuda) Limited, acquired 50% of Time Out London, an international multi-channel publisher. Time Out London provides services across traditional print, digital channels and live events. At 31 December 2013, Fund I L.P. owned 51% of Time Out London.

Fund I L.P. through its wholly owned subsidiary, TONY (Bermuda) Limited, acquired 65.7% of Time Out New York. In combination, the Time Out Group control the worldwide rights to the Time Out brand (excluding Chicago). At 31 December 2013, Fund I L.P. owned 76.4% of Time Out New York.

Educas
Fund I L.P. acquired 51% of Educas Investments LLP ("Educas"), an entity investing in private schools in several countries.

intergenia
Fund I L.P. through its wholly owned subsidiary, WHDI (Bermuda) Limited, acquired a 51% stake in Intergenia Holdings GmbH ("intergenia"), a web-hosting company providing managed, dedicated and cloud hosting.

Headland Media
Headland Media Limited ("Headland Media") is a leading business-to-business media content provider of news digest services to the hotel and shipping sectors; as well as a leading provider of entertainment and training services to offshore industries. Fund I L.P. sold its investment in Headland Media during the year ending 31 December 2013.

Emesa
Fund I L.P. acquired 68.0% of Sun Cooperatief U.A. ("Emesa"), an e-commerce company active in the Dutch online leisure market. Emesa enables online customers to find and book leisure deals such as short holidays, weekend breaks, spa/beauty visits, event tickets and restaurant visits through its websites. Fund I L.P. sold its investment in Emesa during the year ending 31 December 2013.

Monument Securities
Fund I L.P. through its wholly owned subsidiary, Monument Securities Group Limited, acquired 51% of Monument Securities 11 Limited ("Monument Securities"). Monument Securities is a global equity, derivatives and fixed income broker with a 20-year history. Monument Securities provides services to institutions, fund managers, market professionals, corporate and hedge funds. Fund I L.P. sold its investment in Monument Securities during the year ending 31 December 2013.

Certain directors of the Company and the general partner of the Limited Partnerships are also directors of the investee companies.

Fund II L.P.

Fund II L.P. has three feeder funds: Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P. and Oakley Capital Private Equity II-C L.P. (collectively the "Feeder Funds"). The Company invests in Fund II L.P. through an investment in Oakley Capital Private Equity II-A L.P.. As at 31 December 2013, no investments had been made by Fund II L.P.

Mezzanine financing investments

Headland Media
As part of Fund I L.P.'s acquisition of Newslink through Headland Media, the Company provided £1,645,945 of debt finance, in the form of a secured mezzanine instrument. The instrument carries a fixed interest rate of 15% and was due in December 2014. The debt was fully repaid on 16 February 2012.

Time Out London
As part of Fund I L.P.'s acquisition of Time Out London, the Company provided debt finance of £6,200,000 in the form of a mezzanine loan to TO (Bermuda) Limited. The instrument carried a fixed interest rate of 15% maturing on 30 November 2013. On 4 April 2013 the instrument was restructured and now carries a fixed interest rate of 10% maturing on 30 November 2015. The fair value of the loan is considered to approximate its amortised cost at 31 December 2013.

Broadstone
As part of Fund I L.P.'s acquisition of Broadstone, the Company provided debt finance of £6,000,000 in the form of a mezzanine loan to Broadstone Holdco (Bermuda) Limited. The instrument carries an interest rate of 15% and matures on 30 November 2015. The fair value of the loan is considered to approximate its amortised cost at 31 December 2013.

Time Out New York
As part of Fund I L.P.'s acquisition of Time Out New York, the Company provided debt finance of $5,000,000 (£3,101,500) to TONY OCIL (Bermuda) Limited in the form of a mezzanine loan. The instrument carries a fixed interest rate of 15% before withholding tax and 10.5% after withholding tax and matures on 26 May 2016. Interest income on the loan is shown net of withholding tax. The fair value of the loan is considered to approximate its amortised cost at 31 December 2013.

Daisy Data Centre Solutions
As part of Fund I L.P.'s acquisition of Daisy Data Centre Solutions, the Company provided debt finance of £4,500,000 in the form of a mezzanine loan. The instrument carried a fixed interest rate of 15% and was repaid in full on 14 February 2013.

Senior Loan notes

Time Out London
As part of Fund I L.P.'s acquisition of Time Out London, the Company provided a secured senior loan of £5,000,000 to Time Out Group BC Limited, a wholly owned subsidiary of Time Out London. The instrument carried a fixed interest rate of 8.5% and matured on 31 March 2013. On 4 April 2013 the instrument was restructured and now carries a fixed interest rate of 10% maturing on 31 March 2016. On 10 April 2013, £1,929,518 of this loan was repaid. The fair value is considered to approximate its amortised cost at 31 December 2013.

Time Out New York
As part of Fund I L.P.'s acquisition of Time Out New York, the Company provided a secured senior loan of $3,400,000 (£2,109,020) to TONY OCIL (Bermuda) Limited. The instrument carries a fixed interest rate of 8.5% before withholding tax and 5.95% after withholding tax. The instrument matures no later than May 2014. The fair value is considered to approximate its amortised cost at 31 December 2013.

intergenia
As part of Fund I L.P.'s acquisition of intergenia, the Company provided a secured senior loan of €10,000,000 (£8,368,000). The instrument carried a fixed interest rate of 8.5%. On 8 March 2012 €7,339,585 (£6,141,764) of this loan was repaid and the balance of the debt was fully repaid on 20 December 2013. On 20 December 2013 the Company provided a secured senior loan of €2,500,000 (£2,090,000). The instrument carries a fixed interest rate of 10%. The instrument matures no later than November 2014. The fair value is considered to approximate its amortised cost at 31 December 2013.

Financing Loan note

intergenia
On 21 June 2013, the Company provided a finance loan of €8,000,000 (£6,834,400). The instrument carries a fixed interest rate of 10%. The instrument matures no later than December 2014. The fair value of the loan is considered to approximate its amortised cost at 31 December 2013.

Revolving loan facility

Oakley Capital Private Equity L.P.
On 19 March 2012, the Company provided a revolving loan facility of £23,000,000 to Fund I L.P. at an interest rate of 6.5%. The loan facility was increased to £26,000,000 on 19 November 2013. As at 31 December 2013 £22,167,384 of the funding had been drawn under the facility. The fair value is considered to approximate its amortised cost at 31 December 2013.

Oakley Capital G.P. II Limited
On 2 December 2013, the Company provided a loan facility of £2,500,000 to Oakley Capital G.P. II Limited at an interest rate of 6.5%. The fair value is considered to approximate its amortised cost at 31 December 2013.

8. CAPITAL COMMITMENT

The Company has the following capital commitments:

	Capital commitments 2013 €	Capital commitments 2012 €
Fund I L.P.		
Total capital commitment (2013: £156,014,794 (2012: £151,961,249))	187,698,260	187,398,260
Called capital at beginning of the year	122,745,860	122,485,000
Capital calls during the year		
8 February 2013 7% call	13,117,879	–
24 June 2013 9% call	16,865,843	–
Additional interests acquired (2013: 0.10% (2012: 0.14%))	244,500	260,860
Called capital at end of the year (2013: £127,152,057 (2012: £99,534,618))	**152,974,082**	**122,745,860**
Capital commitment available (2013: £28,862,737 (2012: £52,426,631))	**34,724,178**	**64,652,400**
Fund II L.P.		
Total capital commitment (2013: £83,120,000)	100,000,000	–
Called capital at beginning of the year	–	–
Capital calls during the year		
8 November 2013 3% call	3,000,000	–
Called capital at end of the year (2013: £2,493,600)	**3,000,000**	**–**
Capital commitment available (2013: £80,626,400)	**97,000,000**	**–**

The Limited Partnerships may draw upon the capital commitment at any time, subject to two weeks' notice, on an as-needed basis.

9. SHARE CAPITAL

(a) Share capital

The authorised share capital of the Company consists of 200,000,000 Ordinary Shares with the issued share capital of the Company consisting of 100,000,000 Ordinary Shares.

(b) Secondary placing

On 9 March 2009, a secondary placing took place whereby the Company issued 28,125,000 shares, which were sold at a price of 64 pence per share; raising £18,000,000.

(c) Share repurchase

On 3 July 2012, the Company repurchased 603,650 shares at a price of 114 pence per share, on 5 July 2012 the Company repurchased an additional 1,355,000 shares at a price of 125 pence and on 9 July 2012 the Company repurchased an additional 105,000 shares at 122 pence per share. Directly attributable costs of £1,987 were incurred in relation to the shares repurchased.

On 14 May 2013, the Company repurchased 1,200,000 shares at a price of 150 pence per share and on 15 May 2013, the Company repurchased 1,745,300 shares at a price of 150 pence per share. On 7 November 2013, the Company sold 584,000 shares at a price of 172 pence per share from the treasury stock. On 9 December 2013, the Company sold 4,425,950 shares at a price of 178 pence per share from the treasury stock. On the same date, the Company repurchased the 4,425,950 shares at a price of 178 pence per share. As at 31 December 2013, a total of 4,425,950 shares are held as treasury stock.

Shares of common stock and warrants outstanding are:

Common Stock	2013	2012
Balance at beginning of year	126,061,350	128,125,000
Shares repurchased	(7,372,250)	(2,063,650)
Shares sold from treasury stock	5,009,950	–
Balance at end of year	**123,699,050**	**126,061,350**

10. RELATED PARTIES

Certain Directors of the Company are also Directors, Members and/or shareholders of the Manager, Oakley Capital Corporate Finance LLP (“Oakley Finance”), Palmer Capital Associates (International) Limited and the Administrator; entities which provide services to, and receive compensation from, the Company. These agreements are based on normal commercial terms.

The Company has a financial advisory agreement with Oakley Finance. During 2013, the Company incurred financial advisory fees of £25,000 (2012: £25,000), which is included in professional fees in the Statements of Operations.

11. TAXATION

Under current Bermuda law the Company is not required to pay any taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that in the event of such taxes being imposed, the Company will be exempt from such taxation at least until the year 2035.

The Company was not required to recognise any amounts for uncertain tax positions under FASB ASC 740-10 during the year ended 31 December 2013.

The Company may, however, be subject to foreign withholding tax and capital gains tax in respect of income derived from its investments in other jurisdictions.

12. INDEMNIFICATIONS AND WARRANTIES

In the ordinary course of business, the Company may enter into contracts or agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history, experience and assessment of existing contracts, management feels that the current likelihood of such an event is remote.

13. SUBSEQUENT EVENTS

The Directors have evaluated subsequent events from the year end through 15 April 2014 which is the date the financial statements were available to be issued. The following events have been identified for disclosure.

On 17 January 2014, Fund II L.P. called for €24,000,000 representing 24% of outstanding commitments to partially fund the acquisition of intergenia.

On 31 January 2014, the Company increased its committed capital in Fund II L.P. from €100,000,000 to €150,000,000. On 11 February 2014, €13,500,000 of the additional committed capital was called.

The Company provided additional loan facilities to intergenia of €6,965,000 on 6 February 2014 and €4,300,000 on 26 February 2014.

On 26 February 2014, the Company received a distribution of €34,354,584 from Fund I L.P. due to the sale of its investment in intergenia to Fund II L.P..

On 14 March 2014, Fund I L.P. called for €13,138,878 representing 7% of outstanding commitments.

On 31 March 2014, the Company increased the revolving loan facility available to Oakley Capital G.P. II Limited to £5,000,000.

For the period since year end through 15 April 2014, Fund I L.P. drew down £5,486,734 from the revolving loan facility to fund follow-on investments. On 3 March 2014, the Company increased the revolving loan facility available to £28,000,000. On 31 March 2014, Fund I L.P. repaid £15,137,996 and the Company decreased the revolving loan facility available to £20,000,000.

DIRECTORS AND ADVISERS

DIRECTORS

James Michael Keyes
Independent Director

Christine (Tina) Michelle Burns
Independent Director

Peter Adam Daiches Dubens
Director

Laurence Charles Neil Blackall
Independent Director

Ian Patrick Pilgrim
Director

Christopher Wetherhill
Independent Director and Chairman

ADVISERS

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Bermuda

Manager to the Company and the Limited Partnership
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Bermuda

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CREST Depositary
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Administrator to the Company and the Limited Partnership
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Bermuda

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Nominated Adviser and Broker to the Company
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4 Par la Ville Road
Hamilton HM08
Bermuda

Branch Registrar
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2014 Annual General Meeting of the members of the Company will be held at 102 St. James Court, Smiths FL04, Bermuda on:

16 June 2014 at 11.00 a.m. (Bermuda time)

AGENDA

1. To elect a Chairman, if necessary.
2. To read the Notice convening the Meeting.
3. To lay before the Members the Company's audited report and accounts for the financial year ended 31 December 2013.
4. To re-appoint KPMG of Crown House, 4 Par la Ville Road, Hamilton HM 08, Bermuda as auditors for the ensuing year, and to authorise the Directors to fix their remuneration.
5. To note the retirement by rotation as Directors of the Company of Ian Pilgrim and Tina Burns at the Meeting in accordance with Bye-law 105 of the Company's Bye-laws.
6. To:
   a) determine the minimum and maximum number of Directors as not less than two (2) and not more than twelve (12);
   b) re-elect Peter Dubens as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
   c) re-elect James Keyes as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
   d) re-elect Laurence Blackall as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
   e) re-elect Christopher Wetherhill as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
   f) re-elect Tina Burns as a Director of the Company so to serve until the next Annual General Meeting or until her successor is elected or appointed;
   g) re-elect Ian Pilgrim as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
   h) authorise the Directors from time to time to fill any vacancies on the Board; and
   i) confer general authority on the Directors to appoint alternate Directors.

Copies of the letters of appointment of the Directors of the Company will be available for inspection for at least 15 minutes prior to the Meeting and during the Meeting itself.

21 May 2014
BY ORDER of the Directors
Mayflower Management Services (Bermuda) Limited
Secretary

NOTES

1. The Company has established the date of this Notice as the record date (the "Record Date") for the purposes of the Meeting, and accordingly only the registered holders of the Company's Ordinary Shares who are entered in the Company's Register of Members as at the Record Date are entitled to receive notice of, and attend and vote at, the Meeting.

2. A member is entitled to appoint one or more proxies to attend the Meeting, and, on a poll, vote instead of that member. A proxy need not be a Member.

3. Enclosed is a Form of Proxy appointing the Chairman, failing which the Secretary, of the Meeting or some other person to vote your shares with respect to any and all matters coming before the Meeting.

   To be valid the Form of Proxy must be received no later than 11.00 a.m. Bermuda time on 13 June 2014 at:

   Mayflower Management Services (Bermuda) Limited
   Secretary
   Oakley Capital Investments Limited
   102 St. James Court
   Smiths FL04
   Bermuda

   Email: ipilgrim@mayflower.bm
   Fax: (441) 542 6724

   Please return the completed Form of Proxy by scanned e-mail or by facsimile.

4. The Company advises that it knows of no other items to be brought before the Meeting other than the agenda items specified in the Notice. However, should any other items be presented at the Meeting of which the Company is not aware, it is the intention that the Proxy-holder vote at his/her discretion.

5. The giving of a proxy does not preclude the right to vote in person, should the Member giving the proxy so desire, as the proxy may be revoked at any time, provided Notice of Revocation is received by the Company at the address given in paragraph 3 above before commencement of the Meeting. Notice of Revocation may be served by scanned e-mail or by facsimile.

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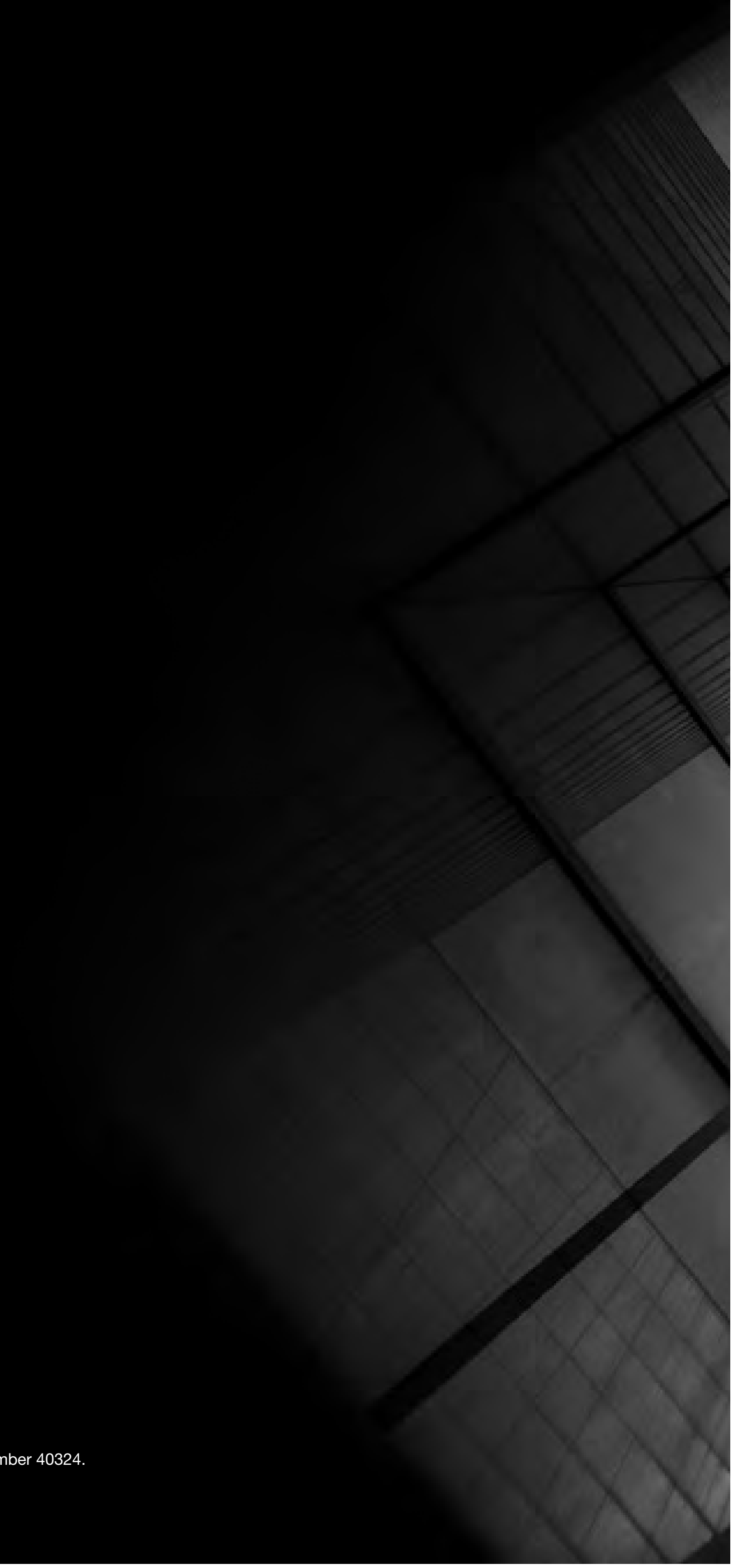

Oakley Capital Investments Limited

Oakley Capital Investments Limited is registered in Bermuda with company number 40324.
Registered office: 102 St. James Court, Smiths FL04, Bermuda