Oakley Capital Investments Limited

Annual Report & Accounts 2017

Oakley Capital
Investments Limited

Oakley Capital Investments Limited ("OCI" or the "Company") provides its shareholders with access to a portfolio of high quality private equity assets through its investments in the Oakley Funds and co-investments

Contents

For more information visit
www.oakleycapitalinvestments.com

The Company's net asset value increased in the year by £63.6 million to £502.0 million

OCI Overview

NET ASSET VALUE	MARKET CAPITALISATION	NET ASSET VALUE PER SHARE	SHARE PRICE	FINAL DIVIDEND
£502.0m	£335.9m	£2.45	£1.64	2.25p

2017 OCI highlights

- 6% NAV/share growth year-on-year
- £201.5m total capital deployed
- £175.0m total proceeds received
- Total commitment of €325.8m to Oakley Fund III
- Total full year dividend of 4.5 pence
- New co-investment in Inspired

2017 Oakley Funds' highlights

- Portfolio growth +17%*
- €800m final close of Oakley Fund III
- €348.7m total invested capital
- €231.4m distributed to Limited Partners
- Two new partners joined Oakley Capital Limited
- Realisations of Inspired and Host Europe Group

Investment Sectors

Consumer
NUMBER OF INVESTMENTS
6

See portfolio companies on page 13

TMT
NUMBER OF INVESTMENTS
4

See portfolio companies on page 19

Education
NUMBER OF INVESTMENTS
3

See portfolio companies on page 23

*Calculated on a like-for-like basis

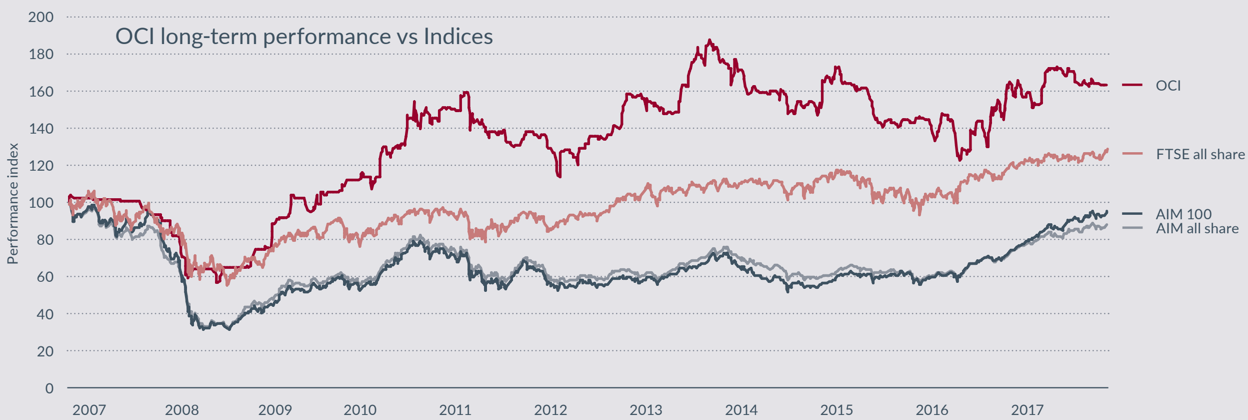
At a Glance

Providing investors with long-term capital appreciation

£502.0m NAV breakdown

Oakley Fund Investments	Co-investments/debt		Cash, other assets and liabilities
	Equity	Debt	
56.3% of total NAV	13.4% of total NAV	13.9% of total NAV	16.4% of total NAV
£282.7m	£67.4m	£69.5m	£82.4m
Assets in the underlying Oakley Funds	Consists of the equity holding in Time Out Group plc and OCPE Education (Feeder) L.P. Debt investments relate to the unquoted debt securities issued by OCI		Assets of £118.5m offset by liabilities (including the capital call payable) of £36.1m

10 year track record of outperforming market indices



View our performance in detail on page 27

Sectors of Oakley Expertise

Oakley Capital Limited (Investment Adviser to OCI and the Oakley Funds) has developed expertise in the following three core sectors in which OCI and the Oakley Funds have invested:

Consumer

Oakley's core concentration within this sector is in Digital Consumer, with the focus being on marketing-led online businesses with leading positions in their respective industries.

VALUE OF ASSETS* £263.9m

OF TOTAL NAV 53%

See sector market overview on page 12

TMT

Originally investing in hosting and telecoms space, Oakley's experience and insightful network has helped to target businesses that are key to supporting advancements in technology.

VALUE OF ASSETS* £84.2m

OF TOTAL NAV 17%

See sector market overview on page 18

Education

A sector with very attractive fundamentals, Education has become a significant area of investment for Oakley, with multiple growth opportunities from market consolidation to internationalisation.

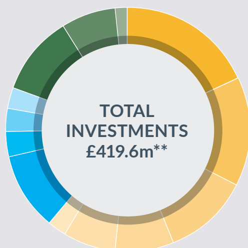
VALUE OF ASSETS* £83.3m

OF TOTAL NAV 17%

See sector market overview on page 22

Portfolio

The Company invests in a number of portfolio companies, indirectly through the Oakley Funds, or directly through its co-investments. The composition of OCI's look-through and direct investments in the underlying portfolio companies is represented below, (including both debt and equity investments).



Time Out	£78.7m
North Sails	£62.0m
Casa & atHome	£49.6m
Facile	£33.1m
Parship	£29.5m
Verivox	£11.0m

Daisy	£45.0m
Plesk	£14.1m
Damovo	£13.7m
TechInsights	£11.4m

Inspired	£46.0m
Schülerhilfe	£30.8m
AMOS	£6.5m

*Sector values are calculated on a look-through basis for each individual portfolio company as described on page 29. These values are gross of OCI's proportionate stake of the Oakley Funds' liabilities, and debt assets.

**Total investments is net of OCI's proportionate liabilities held by the Oakley Funds of £25.3m, and includes £13.5m of debt assets.

Chairman's Statement

Strong investment activity reflected in the capital deployed and distributions received

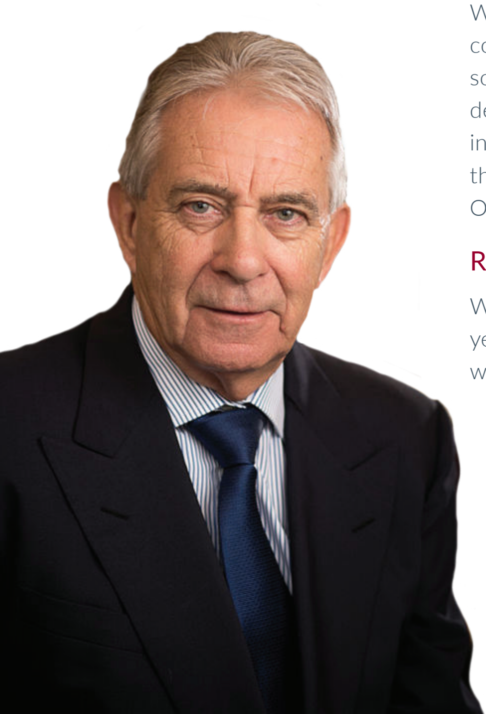
Overview

OCI has demonstrated solid performance in 2017 and is set to benefit from a year of considerable activity in the underlying portfolio of investments. Driven by the continued growth of the underlying portfolio companies, the Net Asset Value ("NAV") per share grew 6% year-on-year. The Company is well positioned for 2018, with 70% of investments in maturing businesses held for nearly 3 years or more. We look forward to increasing realisations and are excited by new investments, as 22% of the NAV was deployed via Fund III in the last 12 months.

Oakley Fund III closed at €800 million in September 2017 and we are pleased to have made a meaningful commitment to the Fund, representing an interest of 40.7%.

For our shareholders, OCI provides the opportunity to participate in the growth of a range of businesses across attractive sectors and geographies. Investors are able to benefit from the profound partnerships Oakley forges with founders and managers, as well as the deep knowledge and expertise that have been built in core sectors over the last decade and beyond.

We are pleased that the Investment Adviser continues to leverage its network-driven sourcing approach to find highly attractive deals. With Oakley Fund III already invested in six companies, we look forward to seeing these businesses grow and develop under Oakley's ownership.



Return of Capital

We have also seen, over the course of the year, capital being returned to the Company, with proceeds totalling £175.0 million, of which £88.2 million was received from the Oakley Funds and equity co-investments. £12.0 million was received in April, following the successful exit of Host Europe Group. For Oakley Fund II this represented gross returns of 2.1x MM and 40% IRR and marked another successful realisation of an asset in the hosting space.

During the summer, OCI took the opportunity to take a direct stake in Inspired, the premium private schools business, when Oakley Fund I fully realised its stake (gross returns: 3.0x MM and 36% IRR). The size and funding power of OCI allows it to gain direct exposure, through its capacity to make co-investments to Oakley Funds' portfolio companies that either require capital beyond the reach of the Oakley Funds, or outgrow the Funds' lifetime.

In August 2017, Inspired also received a significant growth investment from TA Associates. To facilitate the transaction OCI and Oakley Fund II agreed to sell down part of their respective holdings and OCI received total proceeds of £30.8 million from this transaction. In December a holdco refinancing returned further capital to the Company of £21.3 million. The Board is pleased to be able to support Inspired and be part of its future growth and expansion.

In recent news, following the year end, Oakley Fund II has agreed the sale of two of its portfolio companies in the digital consumer space, Parship Elite Group and Verivox, to NuCom Group, ProSiebenSat.1's commerce unit. Approximate Fund II gross returns for Parship Elite Group are 4.7x MM, 119% IRR and for Verivox are 2.5x MM, 43% IRR. In aggregate the Company expects to receive £51.1 million from these transactions, which value the companies at enterprise values of €440 million (Parship Elite Group) and €530 million (Verivox). These valuations represent a 26% premium to the 31 December 2017 carrying value of these assets.

This further demonstrated Oakley's ability to return significant amounts of capital to the Company and capitalise on the success it has seen in the digital consumer space. We are pleased that this sector will remain an area of focus with investments remaining in Facile (Oakley Fund II) and Casa & atHome (Oakley Fund III).

Performance

As demonstrated on page 2 of this report, in reaching its tenth year since incorporation, the Company has consistently outperformed the FTSE All-Share Index. The £2.45 NAV per share represents a 6% uplift from the previous year and has been driven both by earnings growth in the underlying portfolio, including uplifts in three of Oakley Fund III's investments. These uplifts have resulted from strong performances in these businesses and the achievement of key strategic initiatives since acquisition.

The Board recognises that the share price has lagged the NAV per share for a prolonged period and is committed to closing this discount. Communication is at the forefront of these efforts via greater disclosure within the pages of this report, more regular announcements, extensive investor engagement and providing a clearer understanding of Oakley's investment strategy and the Oakley Fund's prospects.

The Board upholds a high standard of corporate governance and ensures the Company operates in the best interest of its shareholders. Demonstrating its alignment of interest, board members held over 1% of the Company's shares in 2017.

Progress is being made, with share volume increasing 22% over the year, leading to 18% of the register changing hands. We remain confident that this improved IR activity, combined with the fast growth of the portfolio companies, the prospect of realisations unlocking further value and a progressive dividend will result in the share price better reflecting the value of underlying assets.

Funding and Commitments

In the year, the Company invested a further €142.2 million (£124.6 million) in the Oakley Funds. Of this, €14.1 million (£12.3 million) was called by Oakley Fund I, €14.0 million (£12.3 million) by Oakley Fund II and €114.0 million (£100.0 million) by Oakley Fund III. The Company's remaining unfunded commitments are €2.6 million (£2.3 million) for Oakley Fund I, €31.4 million (£27.9 million) for Oakley Fund II and €202.0 million (£179.6 million) for Oakley Fund III.

It is expected that these outstanding commitments will be partly financed by future cashflows from Oakley Fund II portfolio realisations.

Dividend

In December 2016 the Company announced that the Board would adopt a dividend policy to pay a dividend of 2.25 pence per share half-yearly. Accordingly, the Board paid an interim dividend of 2.25 pence per share on 26 October 2017 and we are pleased to confirm, that the Board has resolved to declare and pay a final dividend for 2017 of 2.25 pence per share, payable on 26 April 2018.

Outlook

Whilst it seems that uncertainty will continue to dominate over the coming year, the outlook is generally good for 2018. Although the outcome is not yet known, we should start to see some clarity over the UK's position as the Brexit deal begins to take shape. Valuations continue to be high, facilitating a strong exit environment, however the question still remains amongst investors whether returns will be affected in the long run if premiums are being paid for quality assets. The Board is confident that the Investment Adviser will continue to remain disciplined in its investment approach and we have seen this demonstrated by the quality of the six new acquisitions made to date by Oakley Fund III. The underlying portfolio continues to perform despite macroeconomic factors, and the Company is strongly positioned to deliver meaningful growth to shareholders over the next twelve months.

Post Balance Sheet Events

As well as the Parship Elite Group and Verivox disposal, Oakley Fund III completed its sixth investment, purchasing Career Partner Group ("CPG") from its previous owner in January 2018. CPG is a leading private provider of higher education and personnel development in Germany. The Company's indirect contribution to the equity investment, through its interest in Oakley Fund III is approximately £30.6 million.

Christopher Wetherhill
Chairman

Strategic Report

Market Overview and Outlook

Exercising caution whilst enjoying private equity outperformance

For the first time since 2010, the world economy is outperforming most predictions. Global output is estimated to have grown by 3.7% in 2017, with Europe being a notable upside surprise and forecasts for 2018 and 2019 have since been revised upward.

Private equity continues to perform well, sustaining its outperformance over other asset classes. Pertinent to OCI is the recent AIC report that confirms that UK listed private equity investment companies have outperformed the FTSE all-share over one, three, five and ten years, delivering total returns of 12%, 57%, 98% and 112% respectively.

This outperformance attracted a record $453 billion to the global private equity industry in 2017 (source: Preqin) and with $1 trillion to invest, it is no surprise that 2018 has so far been the busiest start to a year for private equity in over a decade. According to Dealogic, the value of sponsor-backed deals to mid-February soared to $40.5 billion, up from $23.7 billion in the same period in 2017, with some 11 deals worth over $1 billion signed in January alone.

It is also no surprise that buyout valuations have reached new highs, with average enterprise valuation multiples paid for European companies approaching 12x, compared to the previous high of 10x in 2016.

Oakley has taken advantage of the strong pricing environment with sales in 2017 of HEG and the recently announced sales of Parship and Verivox in Q1 of 2018. Realisations are unlikely to stop here with a number of additional exit processes underway.

There are growing concerns that high valuations are making it increasingly difficult to buy high quality assets at reasonable valuations and this could affect future returns. The Investment Adviser however, remains disciplined in its approach to investing and its strategy of pursuing entrepreneur-led, non-competitive, proprietary deals has been advantageous to OCI. 76% of all Oakley's investments have been uncontested deals. Reliance is not on the intermediated market, rather Oakley's strong founder/manager relationships, wide network and reputation for sector expertise.

OCI continues to enjoy a strong pipeline from this sourcing model and has deployed £118 million in six companies since the beginning of 2017. These acquisitions have been made at an average EV/EBITDA multiple below 10x in contrast to sector averages in mid-teen multiples.

2018 presents plenty of sources of uncertainty and we foresee many factors that could impact economic prosperity. The bigger risks to outlook are likely political; struggling NAFTA negotiations, the impact of power change in Italy, the journey to Brexit, escalating tensions around North Korea and ongoing instability in the Middle East, all at the very least present uncertainty and all with important consequences for the global economy.

The portfolio companies reflect this caution, demonstrating business models that are resilient, operating in niches within sectors that enjoy high growth dynamics and fragmented participation. The portfolio continues to broaden its Western European footprint with a shift from the highly intermediated UK market to a greater focus in mainland Europe where Oakley has a strong track record.

Introduction to the Investment Adviser

OCI's structure gives access to a unique network and exposure to high-performance

The Administrative Agent
Oakley Capital Manager Limited

About OCML
Oakley Capital Manager Limited (the "Administrative Agent") provides operational assistance and services to the Board with respect to OCI's investments and its general administration. The Administrative Agent is managed by experienced administrative and operational executives.

What OCML does
- Carrying out the day-to-day administrative operations of OCI
- Providing operational assistance with respect to OCI's investments

The Company
Oakley Capital Investments Limited

About OCI
OCI is a closed-ended investment company with the principal objective to achieve capital appreciation through investments in a diversified portfolio of private mid-market businesses primarily in Europe. OCI offers investors a liquid investment vehicle, through which they can obtain exposure to the underlying Oakley Funds with minimal administrative burden, no long-term lock-up and no minimum investment size. The OCI Board has the ultimate decision to invest (or take any other action) in an Oakley Fund or as a co-investment. In the ordinary course it makes decisions, after reviewing the recommendations provided by the Investment Adviser.

What OCI does
- Set investment strategy and business objectives
- Governance, portfolio management and risk management
- Appointment and oversight of service providers

The Investment Adviser
Oakley Capital Limited

About OCL
Oakley Capital Limited ("Oakley") serves as investment adviser to the Administrative Agent with respect to OCI. It was incorporated in England and Wales in 2000, and is authorised and regulated by the Financial Conduct Authority. Oakley is primarily responsible for making investment recommendations along with structuring and negotiating deals for the Oakley Funds.

What OCL does
- Identification and due diligence of investment opportunities
- Recommendations of potential investments and realisations for consideration
- Structuring and negotiating deals for the Oakley Funds

Investment Adviser's Business Model

Preferred partner for top entrepreneurs

We do this by leveraging our unique business network

Sourcing proprietary deals through our industry relationships and experience

Key resources

Team
Experienced leadership team of investment professionals, entrepreneurs and skilled operators

Network
Oakley has built a close partnership with entrepreneurial founders and managers to become their long-term partner and source off–market deals with them

Approach
Oakley's approach is disciplined and methodical and its streamlined investment process provides the ability to execute rapidly when required

How we invest

Strong management partnerships
Oakley's entrepreneurial heritage allows it to partner with strong management teams and become their preferred partner

Key geography and sectors
Focuses on core sectors and geographic locations to build on the network and operating experience gained from previous investments

Complexity
Seeks out complex deals outside intermediated auctions

Structural growth
Targets companies with sustainable structural growth dynamics and opportunity for M&A

Operational improvement
Identifies under-managed or non-core assets which can achieve a step-change in operational performance and benefit from professionalisation

Creating value and growth across the portfolio

Generating consistently high returns from strong performance

Creating value

Professionalisation

Working with founders or newly carved out companies to develop infrastructure and systems to support organic growth

Sector insight

Using sector knowledge and Oakley network to support portfolio strategies and operations

Buy and build

Creating scale and synergies through targeted M&A opportunities

Accelerate growth

Helping portfolio companies to achieve full potential with appropriate capital and operational resources

Human capital management

Creating appropriate management incentives and reshape teams to deliver performance

Generating returns

For the Oakley Funds:

	MM*	IRR*
OAKLEY FUND I (VINTAGE 2007)	2.2x	37%
OAKLEY FUND II (VINTAGE 2013)	2.0x	38%
OAKLEY FUND III (VINTAGE 2016)	1.3x	40%

For OCI, as LP in the Oakley Funds:

CALLED CAPITAL TO DATE	£427.8m
CAPITAL RETURNED TO DATE	£376.5m
FAIR VALUE OF OAKLEY FUNDS	£282.7m

* Gross money multiple and gross IRR are based on realised and unrealised portfolio returns as at 31 December 2017.

Consumer

Market review

Following the acquisition of Verivox in 2009, Oakley has continued to invest in digital, marketing-led consumer focused businesses. Oakley has developed strong knowledge of these business models, enabling the repetition of successful strategies across assets from different industries.

The sector is benefitting from continued growth as consumers increasingly switch from traditional channels to online, a trend which is expected to continue in future years.

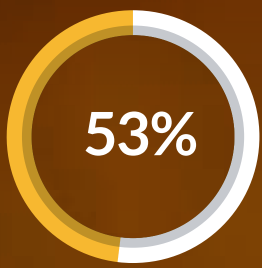
Successful businesses have strong brand awareness, which attracts lower-cost, direct traffic to their websites, helping to drive improved profitability. Brand awareness can be built and reinforced by continued investment in marketing, which also acts as a barrier to entry. Businesses are typically highly cash generative, given their limited Capex requirements, and can scale rapidly once adoption by consumers reaches an inflexion point. Online business models also enable detailed tracking of KPIs, as well as allowing for continued improvements to conversion rates and the user experience, all of which can help generate incremental value.

Given the attractiveness of the sector, these businesses can often attract premium valuation multiples at exit once they have reached scale.

The sector is benefitting from continued growth as consumers increasingly switch from traditional channels to online

CONSUMER SECTOR EBITDA GROWTH

+19%



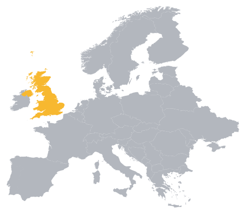
CONSUMER SECTOR AS % OF OCI NAV

Sector investments*

Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
Time Out	OCI/Fund I	£92.1m	£78.7m	16
North Sails	OCI/Fund II	£57.7m	£62.0m	12
Casa & atHome	Fund III	£36.4m	£49.6m	10
Facile	Fund II	£2.2m	£33.1m	7
Parship	Fund II	£0.0m	£29.5m	6
Verivox	Fund II	£5.8m	£11.0m	2

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on page 29. These values include both direct and indirect equity and debt securities in the relevant portfolio companies. Where the location of the investment states "OCI" rather than, or as well as, an Oakley Fund, there is a direct equity or debt element included in the respective cost and valuation.

Consumer Portfolio Companies



Leading multi-platform media and e-commerce brand with a global content distribution network comprising websites, mobile apps, magazines and a physical presence via live events and Time Out Market.

For the year ended 31 December 2017, revenue and adjusted EBITDA are anticipated to be in line with expectations. Revenue is expected to increase 19% year-on-year on a *proforma* basis with strong growth across both Time Out Digital and Time Out Market.

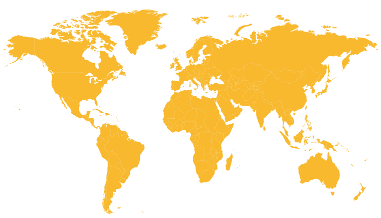
Time Out Market is expected to show revenue growth of 60% in the period, with the Time Out Market in Lisbon continuing to perform strongly, seeing over 3.6 million visitors in the full year of 2017.

Extracted from Time Out's trading update, released 24 January 2018.

£92.1m
OCI'S OPEN COST

£78.7m
OCI'S VALUATION

16%
OF OCI NAV



North Technology Group ("NTG"), comprises three market-leading marine brands (North Sails, Southern Spars and EdgeWater Power Boats) focused on providing innovative and high-performance products and solutions for the world's sailors and yachtsmen.

The group has expanded globally since Oakley's initial acquisition in 2014, acquiring a number of licensee companies around the world, whilst also developing the North Sails brand in apparel and accessories.

It has been a challenging year for NTG with a slowdown in the super-yacht market primarily impacting the Southern Spars division of the group. However, the outlook appears positive with the America's Cup sailing competition returning to New Zealand. North Sails and Southern Spars are some of the leading suppliers for this event, and are well placed to support teams with their local manufacturing facilities in Auckland.

In addition, the North Sails Apparel investment is showing positive momentum, with growth in the wholesale order book being driven from new international customers, as well as improving like-for-like retail and e-commerce sales. Overall, it is expected that 2018 will demonstrate good progress across all divisions in the group.

£57.7m
OCI'S OPEN COST

£62.0m
OCI' VALUATION

12%
OF OCI NAV

casa.it
atHomegroup

Casa & atHome is an online property group comprising a portfolio of real estate websites and mobile applications, including the #1 property portal in Luxembourg, atHome.lu, and the #2 player in Italy, Casa.it.

The investment thesis for Casa & atHome was one of restructuring the cost base and realising synergies between the two businesses, and then accelerating growth through more efficient marketing and adding other verticals to the platforms. The first phase of cost reduction was completed in July 2017 delivering material cost savings. atHome has already been growing strongly, and Casa will now drive its top line performance through more focussed and innovative sales and marketing initiatives.

On a consolidated basis, in the half-year ended December 2017 (30 June year end) the group increased revenue by 8% and EBITDA by 77% versus the equivalent prior year period.

£36.4m
OCI'S OPEN COST

£49.6m
OCI'S VALUATION

10%
OF OCI NAV

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facile.it
RISPARMIARE È FACILE

Italy's leading online destination for consumers to compare prices for motor insurance, energy, telecoms and personal finance.

Facile achieved strong growth in 2017 compared to the prior year, with revenues up by 14% and EBITDA up 33%. During 2017, Facile's non-insurance products have shown very strong growth, with revenues up 39% and EBITDA up over 100% versus prior year. While insurance continues to be the primary driver of Facile's revenues, the strong growth in non-insurance products has further diversified Facile's revenue base with these accounting for c.26% of group revenues in 2017.

Facile continues to maintain a market share of over 70% in its core insurance product, and invests in TV advertising in order to sustain a strong share of the market.

£2.2m
OCI'S OPEN COST

£33.1m
OCI'S VALUATION

7%
OF OCI NAV

Consumer Portfolio Companies continued

PARSHIP ELITE
Group

A combination of two of the leading online dating brands in the DACH region (Germany, Austria and Switzerland) - Parship and ElitePartner.

Since the successful consolidation of these two brands in 2016, and Oakley Fund II's partial disposal to ProsiebenSat.1 in October 2016, Parship Elite Group has delivered revenue and EBITDA growth of 6% and 33% respectively in 2017, creating significant value through realisation of synergies and continuing its strong focus on product improvements and new marketing initiatives.

£0.0m
OCI'S OPEN COST

£29.5m
OCI'S VALUATION

6%
OF OCI NAV

Post balance sheet event

On 22 February 2018, Oakley Fund II reached an agreement to sell its remaining 38.5% stake in Parship Elite Group to NCG Commerce GmbH, a new joint venture with ProSieben, based on an enterprise value of €440 million. Oakley Fund II expects to receive gross proceeds of €138 million generating estimated overall returns of 4.7x gross money multiple and a gross IRR of 119%.

This realisation will result in OCI receiving approximately £35.9 million on completion of the transaction.

Parship Elite Group; key events from acquisition to realisation:

April 2015	June 2015	Nov 2015	Sep 2016	Feb 2018
Completion of Parship acquisition	Signing of Elite Partner acquisition	Completion of Elite Partner acquisition	Partial realisation to ProSieben	Agreement to sell remaining stake to NuCom Group

Resulting in an estimated 4.7x gross money multiple and 119% gross IRR for Oakley Fund II

Estimated proceeds for OCI is £35.9 million

verivox

Germany's leading consumer energy and household services price comparison website, receiving commission and advertising revenues when consumers elect to switch providers.

Verivox achieved strong revenue and EBITDA growth in 2017, with group revenues 21% and EBITDA 38% ahead of prior year.

Verivox's core energy vertical has continued to perform well, with net commissions up significantly versus prior year. Growth in Verivox's non-energy verticals was strong in 2017, with net commissions in broadband and mobile up 47% versus prior year, while insurance net commissions continued on their double-digit growth path above prior year.

£5.8m
OCI'S OPEN COST

£11.0m
OCI'S VALUATION

2%
OF OCI NAV

Post balance sheet event

On 22 February 2018, Oakley Fund II reached an agreement to sell its 9.9% stake in Verivox to NCG Commerce GmbH based on an enterprise value of €530 million. Oakley Fund II expects to receive gross proceeds of €53 million, crystallising returns of approximately 2.5x gross money multiple and approximately 43% gross IRR.

This realisation will result in OCI receiving approximately £15.2 million on completion of the transaction.

Verivox; key events from acquisition to realisation:

Dec 2009	Jun 2015	Aug 2015	Sep 2016	Feb 2018
Initial partnership with Verivox via Oakley Fund I	Completion of realisation of Verivox by Oakley Fund I	Acquisition of Verivox by Oakley Fund II	Further equity invested by Oakley Fund II	Agreement to sell remaining stake to NuCom Group

Resulting in an estimated 2.5x gross money multiple and 43% gross IRR for Oakley Fund II

Estimated proceeds for OCI is £15.2 million

TMT

Market review

From initial investments in telecoms and webhosting businesses, Oakley has built on its experience and industry expertise to evolve its approach to investing in technology assets as the sector continues to develop.

Over time, Oakley has built a network of insightful entrepreneurs and founders who have repeatedly partnered with us to identify and unlock opportunities in the TMT space.

There are two key themes that dominate the hosting industry and are causing businesses to change the way in which they operate. Firstly, the maturity of the outsourcing model in IT services has led to consolidation, with many large hosting players making major acquisitions in recent years.

Secondly, the growth of public cloud hosting has also forced changes to established business models.

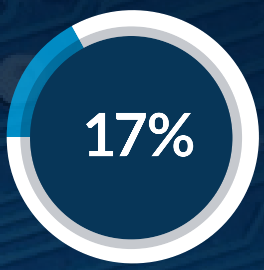
In the future, industry players will need to emphasise the added value of their service wrapper in order to maintain market position and enhance their users'/customers' experience.

As disruptive innovation continues across the TMT sector, Oakley looks for opportunities to invest in companies which stand to benefit from such changes.

Industry players will need to emphasise the added value of their service wrappers to enhance users' experiences

TMT SECTOR EBITDA GROWTH

+24%



TMT SECTOR AS % OF OCI NAV

Sector investments*

Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
Daisy	OCI/Fund II	£38.4m	£45.0m	9
Plesk	Fund III	£9.4m	£14.1m	3
Damovo	Fund II	£2.9m	£13.7m	3
TechInsights	Fund III	£4.3m	£11.4m	2

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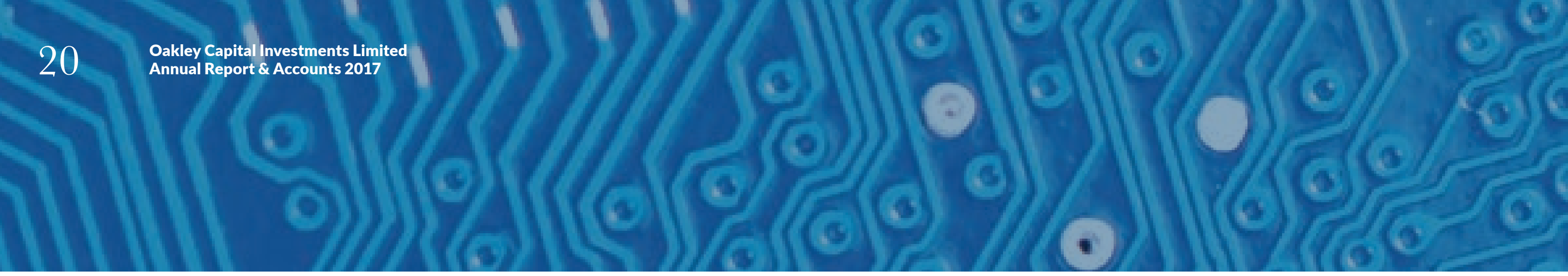
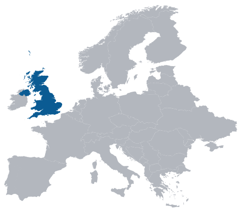


TMT Portfolio Companies

daisy



The UK's #1 independent provider of converged B2B communications, IT and cloud services in a large and growing market.

Daisy's year-to-date financial year 2018 performance was strong, with significant progress having been made with the integration of the acquired businesses (Phoenix IT and Alternative Networks) and development of the group's products and services.

During the year, Daisy completed a partial refinancing of its debt, raising £101 million of additional senior debt, which was used to repay subordinated facilities, reducing Daisy's overall cost of debt.

£38.4m
OCI'S OPEN COST

£45.0m
OCI'S VALUATION

9%
OF OCI NAV

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plesk

One of the leading WebOps and Web Hosting platform for web professionals. Plesk's web-server management tools run, secure and automate server and website administration as well as operations.

Significant progress has been made in realising some of Plesk's strategic goals, including the acquisition and integration of XOVI, a software platform specialising in search engine optimisation, and successfully carving out Plesk from the Parallels Group while maintaining growth. Plesk is now a fully-independent group with a stand-alone management team and separate accounts. A key element of the investment strategy was also realised in Q4 when Plesk introduced a price adjustment, which increased prices across the product portfolio. This initiative should begin to impact results in 2018 and is expected to create significant value while allowing the business to continue to invest in product development.

Both Plesk and XOVI have performed well and in line with expectations in 2017, generating revenue and EBITDA ahead of budget.

£9.4m
OCI'S OPEN COST

£14.1m
OCI'S VALUATION

3%
OF OCI NAV

DAMOVO

UNDERSTAND. DELIVER. IMPROVE.

A leading pan-European specialist in delivering mission-critical Unified Communication and Collaboration solutions and managed services for enterprise and public sector organisations.

Damovo has performed strongly this year, delivering year-on-year revenue growth of 20% and Trading EBITDA growth of 40% for the financial year ended January 2018. In the last three months Damovo has signed major multi-year contracts with two new public sector customers in Germany, with combined contract values of over €90 million.

£2.9m
OCI'S OPEN COST

£13.7m
OCI'S VALUATION

3%
OF OCI NAV

TechInsights

A global leader in the intellectual property and technology intelligence Market.

TechInsights specialises in reverse engineering, which is used to prove patent infringement and understand the technology behind mass market consumer electronics. The company has also amassed a valuable database of technical intelligence and research reports which is accessible via subscriptions. Following the acquisition in 2016 of a major competitor, Chipworks, TechInsights has solidified its position as the specialist of choice in providing proof of patent infringement and competitive technical intelligence.

TechInsights generated revenue growth of 7% year-on-year driven by high growth of the subscription and project businesses offset by weaker report sales. *Proforma* EBITDA for the year increased 23% from the prior year, as a result of strong top-line performance, growing subscription revenues and lower costs following efficiencies from the finalisation of the Chipworks integration.

The order book of project work is strong, with new bookings in January significantly above prior year levels with the subscription business continuing to grow strongly.

£4.3m
OCI'S OPEN COST

£11.4m
OCI'S VALUATION

2%
OF OCI NAV

Education

Market review

Education has become a significant sector for Oakley in recent years, with investments across the space, including premium private schools, higher education and after-school tutoring.

Having successfully backed an entrepreneur to build a premium private schools group, Oakley began to increase its focus on the wider education space. With our experience of investing in Inspired and having carried out extensive market mapping and research, we now have a well-established knowledge base.

Education assets have many attractive characteristics which Oakley believes makes the sector an exciting and interesting area in which to invest.

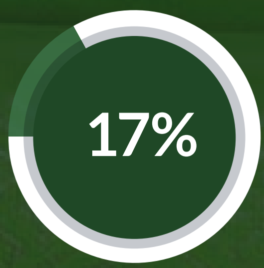
Demand for education is growing strongly in both emerging and developed markets, and supply is limited by public spending constraints and high barriers to entry, resulting in above-inflation price increases in many segments.

This is also a large and fragmented market so there is value to be created in consolidation and building scale. Education markets are typically non-cyclical, as parents place great importance on the investment they make in their children's education. There are also multiple growth opportunities from market consolidation, technological disruption, privatisation, pricing growth and internationalisation.

Demand for education is growing in both emerging and developed markets

EDUCATION SECTOR EBITDA GROWTH

+38%



EDUCATION SECTOR AS % OF OCI NAV

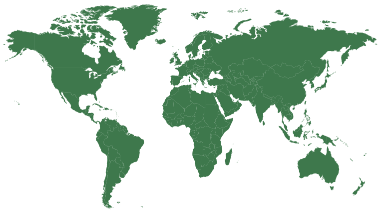
Sector investments*

Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
Inspired	OCI/Fund II	£13.8m	£46.0.m	10
Schülerhilfe	Fund III	£30.8m	£30.8m	6
AMOS	Fund III	£6.5m	£6.5m	1

Post year-end investment	Acquisition date	Oakley Fund	OCI's cost
Career Partner Group	January 2018	Fund III	£30.6m

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on page 29. These values include both direct and indirect equity and debt securities in the relevant portfolio companies. Where the location of the investment states "OCI" rather than or as well as an Oakley Fund, there is a direct equity or debt element included in the respective cost and valuation.

Education Portfolio Companies



A leading global premium private schools group, with over 30 schools across five continents, Inspired has grown rapidly through both greenfield developments and acquisition. All schools are individually developed and designed to deliver an excellent education to their respective communities.

At the year ended 31 August 2017, enrolments were up by 54% year-on-year. The group has continued to perform well with 2017/2018 enrolments ahead of budget.

In the last twelve months Inspired has added new schools in South Africa, Kenya, Peru, Bahrain and Costa Rica through new openings and acquisition.

£13.8m
OCI'S OPEN COST

£46.0m
OCI'S VALUATION

10%
OF OCI NAV

Germany's leading provider of after-school tutoring, Schülerhilfe teaches 125,000 students across Germany and Austria each year. Schülerhilfe's core service offering comprises small group tutoring lessons which provide better results at lower cost compared to one-to-one tutoring.

Full year 2017 performance was strong for Schülerhilfe with revenue and operating EBITDA increases of 12% and 15%, respectively, year-on-year.

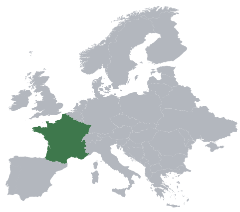
The tutoring market is highly fragmented in Germany. Schülerhilfe has a proven track record of growing market share both organically and through acquisition.

£30.8m
OCI'S OPEN COST

£30.8m
OCI'S VALUATION

6%
OF OCI NAV

AMOS
SPORT BUSINESS SCHOOL



France's leading business school focused entirely on sport management and sport business.

AMOS educates over 1,400 students across six campuses in France, and offers international study through its London campus. It was acquired by Oakley Fund III as part of a higher education strategy with the aim of replicating the success of Inspired in the K-12 (Kindergarten to Year 12) market.

AMOS' student enrolments for the current academic year have increased by 28% over the prior year, with revenues and EBITDA in line with expectations since acquisition.

Plans are underway to open new campuses in Toulouse and Marseilles in September 2018, which are expected to drive further growth in student numbers.

£6.5m
OCI'S OPEN COST

£6.5m
OCI'S VALUATION

1%
OF OCI NAV

Post year-end investment
Completed January 2018

CP Career Partner

One of the fastest growing and most highly ranked private university businesses in Germany, with over 15,000 students enrolled in four types of programmes: traditional on-campus universities, online degrees, dual studies (an alternative to traditional apprenticeships) and corporate training.

Oakley Fund III acquired 66.7% of CPG in January 2018 for €84.6 million, and seeks to support the continued development of the business, particularly in the online university and dual studies segments, two high-growth sectors in Germany.

£30.6m
OCI'S OPEN COST

Environmental, Social and Governance

Responsible investing is important to protect and create long-term investment value, beyond the standard drivers of compliance and risk

Oakley, the Investment Adviser, believes that a focus on responsible investing ("RI") can have an impact beyond a financial return for investors, in particular human, environmental and social ("ESG") factors, and the long-term health and stability of the market as a whole.

Oakley became a signatory of the UN Principles for Responsible Investing in December 2015, showing its commitment to RI and ESG issues to generate long-term sustainable returns dependent on stable, well-functioning and well governed systems.

Awareness of ESG factors are important to Oakley because:

- Shareholder value can be created through improving ESG in the underlying portfolio companies;
- There are material financial risks associated with ESG criteria;
- ESG aligns our interest with a long-term approach to return, as opposed to a focus on short-term company performance;
- Understanding and mitigating ESG risks helps protect our reputation and goodwill in the market; and
- Regulatory attention is increasing, with stewardship codes launched in many jurisdictions including the UK and EU.

Responsible investing can have a significant impact on private equity in terms of making and managing investments and creating value in each portfolio company. The following core RI Principles are implemented by Oakley.

Core RI Principles are to:

- Promote compliance with relevant laws and regulations by portfolio companies;
- Integrate ESG considerations into all stages of the deal cycle, from due diligence throughout the period of ownership, to exit;
- Pursue alignment, in our RI approach, with the BVCA RI Guidelines, and other industry good practice as it develops;
- Promote the respect, by Oakley and any fund portfolio companies, of fundamental human rights;
- Avoid bribery or corruption in any of the Oakley entities and any Oakley Fund portfolio companies' dealings;
- Encourage portfolio companies to consider and mitigate the negative ESG impacts of their operations;
- Avoid investment in specific sectors which Oakley considers especially sensitive from an ESG or ethical viewpoint;
- Seek continuous improvement in RI techniques and ESG performance at Oakley and the Oakley Funds' portfolio companies; and
- Report annually on Oakley's RI practices via the PRI reporting process and make information about the RI approach available on Oakley's website.

Governance

Oakley has a dedicated RI Committee which is responsible for the implementation of the RI Policy under the oversight of a senior partner. A quarterly compliance meeting is held where RI and ESG issues constitute a standing agenda item.

All Oakley staff are required to follow the RI Policy and consider its effects throughout the investment process. Oakley has created an ESG risk assessment tool kit to aid the team in understanding a variety of inherent ESG-related risks by both sector and geography.

Oakley works together with the portfolio companies (both pre- and post-investment) to identify and apply good practice with regard to managing ESG matters, so as to ensure that RI is at the core of Oakley's activities.

Signatory of:

PRI Principles for Responsible Investment

Oakley in the Community:

Oakley is active in the community and promotes a number of charities and trusts throughout the year.

Prince's Trust · Great Ormond Street Hospital · Weizmann Institute of Science · Jeans for Genes

OCI NAV Overview

During the year, OCI's NAV increased by £63.6 million to £502.0 million, an increase of 15% since 31 December 2016.

	31 Dec 2016 £m	31 Dec 2017 £m
Opening net asset value at the start of the year	382.2	438.4
Gross revenue	11.7	7.7
Net expenses	(4.5)	(6.2)
Net foreign currency gains/(losses)	4.7	(0.8)
Realised gains on investments	8.5	23.9
Net change in unrealised appreciation on investments	46.2	20.3
Treasury shares bought	(1.9)	–
Treasury shares sold	–	23.3
Dividend expense	(8.5)	(4.6)
Closing net asset value at the end of the year	**438.4**	**502.0**
Number of shares in issue	**189.8**	**204.8**
NAV per share	**£2.31**	**£2.45**

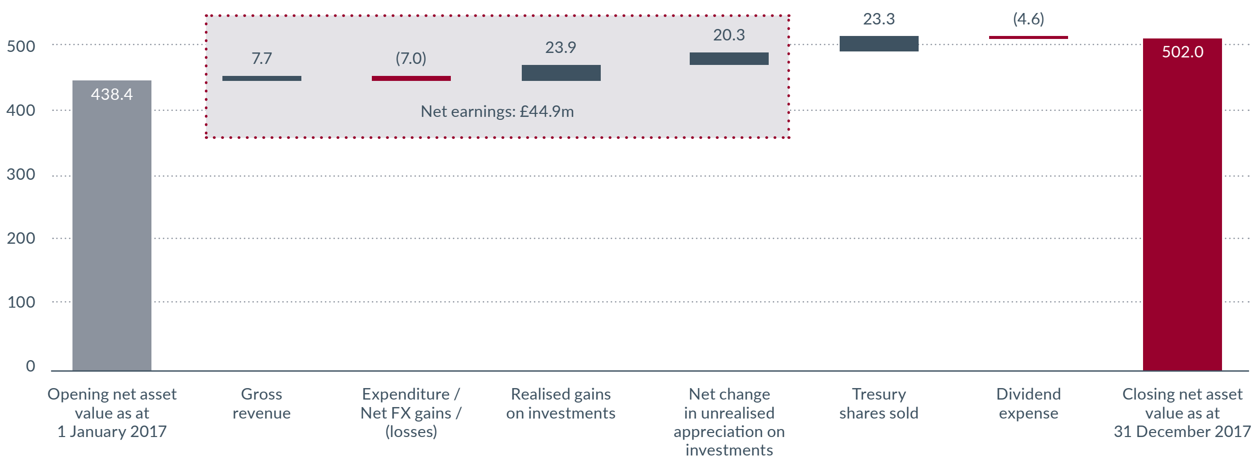
Net earnings were £44.9 million for the year, comprising:

- Gross revenue of £7.7 million arising from interest income earned on the debt facilities provided by the Company.
- Net expenses of £6.2 million (offset by £0.3 million of other income earned by the Company) and £0.8 million of foreign exchange losses. Expenses includes fees paid to the Administrative Agent and the Investment Adviser.
- Realised gains of £23.9 million earned from the realisations that occurred in the Oakley Funds. Net change in unrealised gains of £20.3 million, driven predominantly by the uplift in the valuations of the portfolio companies in the Oakley Funds.

£23.3 million was received by the Company from the sale of the treasury shares in January. The Company now holds no treasury shares.

An interim dividend of 2.25 pence per share, totalling £4.6 million, was paid to shareholders in October 2017.

Movement in Net Asset Value (£m)



Outstanding Commitments of OCI

Outstanding commitments to the Oakley Funds as at 31 December 2017 were £209.8 million. The Investment Adviser anticipates the majority of these will be drawn over the next 36 months as Oakley Fund III continues to deploy capital. The Board has concluded that as Oakley Fund II has now entered its realisation phase and in the light of the expected distributions to be received, it is satisfied that OCI will be able to meet its unfunded commitments in the normal course. The table below illustrates the Company's outstanding commitments to the Oakley Funds, and their respective percentage of the NAV of the Company at 31 December 2017.

Fund	Fund vintage	Current commitment (€m)	Outstanding at 31 Dec 2017 (€m)	Outstanding at 31 Dec 2017 (£m)	% of NAV
Oakley Fund I	2007	188.4	2.6	2.3	0
Oakley Fund II	2013	190.0	31.4	27.9	6
Oakley Fund III	2016	325.8	202.0	179.6	36
			236.0	**209.8**	**42**
Cash and cash equivalents (net of capital call paid post year end)				(83.3)	
Net outstanding commitments unfunded by cash resources				**126.5**	**25**

OCI Investment Activity

The transactional activity for the Company's investment portfolio for the year is summarised below:

Investment	31 Dec 2016 Fair Value £m	31 Dec 2017 Fair Value £m
Investment in Oakley Funds	211.3	282.7
	211.3	**282.7**
Co-Investments		
Equity securities - quoted	43.9	41.2
Equity securities - unquoted	–	26.2
Debt securities - unquoted	85.8	69.5
	129.6	**136.9**
Total investments	**340.9**	**419.6**

The following pages explain movements in the underlying portfolios and their respective investments.

OCI Investment Activity continued

Overview of OCI's underlying investments

Fund	Investments	Sector	Location	Year of investment	Residual cost £m	Fair value £m
Fund I	Time Out	Consumer	Global	2010	44.9	37.5
OCI's proportionate allocation of Fund I investments (on a look-through basis)						**37.5**
Other assets and liabilities						(0.9)
OCI's investment in Oakley Fund I						**36.6**
Fund II	North Sails	Consumer	Global	2014	32.7	34.2
Fund II	Inspired	Education	Global	2014	12.4	19.8
Fund II	Facile	Consumer	Italy	2014	2.2	33.1
Fund II	Damovo	TMT	Germany	2015	2.9	13.7
Fund II	Parship Elite Group	Consumer	Germany	2015	0.0	29.5
Fund II	Daisy	TMT	UK	2015	10.2	16.8
Fund II	Verivox	Consumer	Germany	2015	5.8	11.0
OCI's proportionate allocation of Fund II investments (on a look-through basis)						**158.1**
Other assets and liabilities						(21.1)
OCI's investment in Oakley Fund II						**137.0**
Fund III	Casa & atHome	Consumer	Italy / Luxembourg	2017	36.4	49.6
Fund III	Schülerhilfe	Education	Germany	2017	30.8	30.8
Fund III	Plesk	TMT	Switzerland	2017	9.4	14.1
Fund III	TechInsights	TMT	Canada	2017	4.3	11.4
Fund III	AMOS	Education	France	2017	6.5	6.5
OCI's proportionate allocation of Fund III investments (on a look-through basis)						**112.4**
Other assets and liabilities						(3.3)
OCI's investment in Oakley Fund III						**109.1**
Co-investment:						
Equity	Time Out	Consumer	Global	2014	47.2	41.2
Equity	Inspired	Education	Global	2017	1.4	26.2
Debt	Daisy	TMT	UK	2015	28.2	28.2
Debt	North Sails	Consumer	Global	2014	25.0	27.8
Debt	Fund Facilities	n/a	n/a		n/a	13.5
OCI's co-investments (both equity and debt)						**136.9**
Total OCI investments						**419.6**

The OCI look-through values are calculated using the OCI attributable proportion (determined as the ratio which OCI's commitments to the respective Fund bear to total commitments to that Fund) applied to each investment's fair value as held in the relevant Oakley Fund, net of any accrued performance fees relating to that investment, and converted using the year end EUR:GBP exchange rate.

Portfolio Review: Oakley Fund I Investment Activity

The investment portfolio of Oakley Fund I is summarised in the table below. Oakley Fund I is denominated in euros, and the year end exchange rate was used, where applicable. The Company holds a 65.5% interest in Oakley Fund I.

OAKLEY FUND I	31 Dec 2016 Fair value €m	31 Dec 2017 Fair value €m
Time Out	60.5	64.3
Broadstone	0.7	0.6
Inspired	64.3	–
Total current investments	125.5	64.9

Distributions during 2017:	Distributions
Inspired	69.7
Total	69.7

With Oakley Fund I approaching the end of its life-cycle, OCI made an offer to buy Oakley Fund I's stake in Inspired. Prior to Oakley Fund I selling its interest to OCI, it offered its Limited Partners the option of receiving a cash distribution or to retain their proportionate interest in Inspired through the specific investment vehicle OCPE Education Feeder L.P. ("OCPEE Feeder"). OCI and a small number of other Limited Partners elected to receive their proportionate interests in kind, being €46.2 million, through OCPEE Feeder. The remaining Limited Partners received a cash distribution of €23.5 million, taking the aggregate fair value of the in-kind interest and cash distribution to the Limited Partners to €69.7 million. It is due to this realisation that the portfolio of Oakley Fund I had an overall fair value decrease of €60.6 million during the year.

Time Out is listed on AIM of the London Stock Exchange, and its fair value is determined by a mark-to-market valuation, based on the 31 December 2017 share price of £1.31. Time Out released its trading update for the year end, reporting that revenue is expected to increase year-on-year with Time Out Digital revenue showing strong growth. E-commerce and Time Out Markets are also performing well. During the year, Oakley Fund I injected a further €11.2 million into Time Out (Bermuda) Limited in order to repay the OCI mezzanine loan.

As at 31 December 2017, Oakley Fund I had called €198.8 million (£176.7 million) from the Company, including recycling of €13.0 million (£11.4 million).

Portfolio Review: Oakley Fund II Investment Activity

The investment portfolio of Oakley Fund II is summarised in the table below. Oakley Fund II is denominated in euros, and the year end exchange rate was used, where applicable. The Company holds a 36.2% interest in Oakley Fund II.

OAKLEY FUND II	31 Dec 2016 Fair value €m	31 Dec 2017 Fair value €m
Facile	137.0	123.7
Parship Elite Group	84.4	111.9
North Sails	101.9	106.1
Inspired	109.8	67.3
Daisy	33.9	55.5
Damovo	18.4	49.6
Verivox	32.0	36.8
Host Europe Group	41.4	–
Total investments	**558.8**	**550.9**

Distributions during 2017:	Distributions
Host Europe Group	42.3
Inspired	52.4
Facile	33.4
Parship Elite Group	2.2
Other	0.6
Total	**130.9**

Oakley Fund II had an active year with one investment exit, distributions of €130.9 million, and a number of follow-on investments.

There was an increase in the fair value of the majority of the investments. The uplift was driven primarily by the portfolio companies Damovo and Parship Elite Group. Both of these companies had strong performances in 2017, with Damovo expanding its presence to Switzerland through the acquisition of Voice and Data Network AG, and further strong performances from Parship from its integration with Elite Partner.

There was further capital of €26.4 million invested by Oakley Fund II; €22.1 million in North Sails to fund the development of North Sails Apparel and for M&A activities; €3.7 million in Inspired to facilitate the further development in school acquisitions; and €0.6 million in Facile for working capital purposes.

In April 2017, Oakley Fund II completed the sale of Host Europe Group and returned proceeds of €42.3 million, representing a gross money multiple of 2.1x and gross IRR of 40%. OCI received proceeds of €14.6 million (£12.0 million) from this transaction.

Distributions of €135.7 million were received by Oakley Fund II over the course of 2017 of which €130.9 million of this was distributed to Limited Partners, with OCI receiving a total of €47.6 million (£41.4 million).

In July 2017, Inspired received a significant growth investment from TA Associates. Oakley Fund II elected to sell a portion of its interest in Inspired resulting in a total distribution of €22.1 million (£7.5 million received by OCI). Deferred consideration for its stake in Educas Europe was included in this distribution. As part of a restructuring of the Inspired entities, €45.0 million of debt refinancing was obtained through a wholly owned subsidiary of OCPEE LP, OCPE Education Finco. From this, Oakley Fund II received a distribution of €30.3 million (£11.0 million received by OCI).

In August 2017, Facile Topco secured debt financing of €35.0 million, resulting in a distribution to Oakley Fund II of €33.4 million, and to OCI of €12.8 million (£11.4 million). Parship Elite Group repurchased a number of shares from Oakley Fund II. This was distributed to Limited Partners with OCI receiving €0.7 million (£0.6 million).

Deferred consideration of €0.6 million was received from the sale of intergenia in December 2017, which was distributed to Limited Partners, with OCI receiving €0.2 million (£0.1 million).

In October 2017, OCI sold 5.0% of its interest in Oakley Fund II, reducing its stake to 36.2% (2016: 38.1%). OCI received £7.3 million from this transaction. As at 31 December 2017, Oakley Fund II had called €158.7 million (£141.0 million) from OCI, representing 83.5% of its total capital commitments.

Portfolio Review: Oakley Fund III Investment Activity

The investment portfolio of Oakley Fund III is summarised in the table below. Oakley Fund III is denominated in euros, and the year end exchange rate was used, where applicable. The Company held a 40.7% interest in Oakley Fund III.

OAKLEY FUND III	31 Dec 2017 Fair value €m
Casa & atHome	140.4
Schülerhilfe	85.9
Plesk	40.7
TechInsights	33.4
AMOS	17.4
Total investments	**317.8**

Distributions during 2017:	Distributions
TechInsights	30.7
Total	**30.7**

Oakley Fund III had an active investment year, completing five acquisitions, with a sixth acquisition completed in January 2018.

Casa & atHome and TechInsights secured debt financing subsequent to Oakley Fund III's initial investment. €32.8 million was received from the Casa & atHome refinancing which was used to repay debt obligations. €30.7 million was received from the TechInsights refinancing which was distributed back to Limited Partners with OCI receiving proceeds of €12.5 million (£11.4 million).

There was an overall fair value uplift of €73.1 million from the original invested cost, due to strong performances and growth since acquisition in Casa & atHome, Plesk and TechInsights. Schülerhilfe and AMOS were acquired in the second half of 2017 and are held at fair values approximate to their total cost invested.

Oakley Fund III held its final close on 29 September 2017, bringing total committed capital to €800.0 million. OCI's final commitment to Oakley Fund III was diluted to 40.7% (2016: 47.4%) at this time.

Oakley Fund III has called €123.8 million (£110.1 million) to date from the Company, representing 38% of the Company's total committed capital.

In January 2018, Oakley Fund III completed the acquisition of Career Partner Group ("CPG") from its previous owner Apollo Education Group Inc. CPG is a leading provider of private higher education and personnel development in Germany. Oakley Fund III invested €84.6 million in this acquisition obtaining a 66.7% stake in the business.

Oakley Funds' Realisations and Distributions

Year of activity for Oakley Funds and the Co-investment Fund, with £88.2m returned to OCI

Oakley Funds' and co-investment Fund's realisations and distributions during 2017:

HEG

Oakley Fund II
Realisation

- Agreement reached in December 2016 with Cinven (the majority shareholder in HEG), to sell.
- The sale completed on 3 April 2017, and proceeds of €42.3 million were received by Fund II resulting in a gross money multiple of 2.1x and a gross IRR of 40%.

OCI's proceeds: £12.0m

Inspired

Oakley Fund I
Realisation

- Agreement reached to sell the 30.5% stake in OCPEE L.P. to OCI and other Oakley Fund I Limited Partners in June 2017.
- Total proceeds received by the Fund was €69.7 million.
- This represented a gross money multiple of 3.0x and a gross IRR of 36%.

OCI invested £20.8m in Inspired via co-investment

TechInsights

Oakley Fund III
Refinancing

- TechInsights was refinanced in July 2017 resulting in a distribution of €30.7 million to Oakley Fund III.

OCI's proceeds: £11.4m

facile.it

Oakley Fund II
Refinancing

- Facile was refinanced in August 2017 obtaining €35.0 million of debt proceeds.

OCI's proceeds: £11.4m

Inspired

OCPEE L.P.
Refinancing

- As part of the TA Associates growth investment, OCPEE L.P.'s two Limited Partners Oakley Fund II and OCPEE Feeder decided to sell down part of their positions in Inspired.
- In December 2017, refinancing was received through a wholly owned subsidiary OCPE Education Finco.

OCI's proceeds: £52.7m

PARSHIP ELITE Group / intergenia

Oakley Fund II
Ad-hoc Proceeds

- Shares were repurchased from Oakley Fund II by Parship in August 2017 resulting in proceeds being distributed to Limited Partners of €2.2 million.
- Deferred consideration of €0.6 million was received in December 2017 by Oakley Fund II, from the sale of intergenia in December 2014.

OCI's proceeds: £0.7m

Portfolio Review: Co-Investment Activity

The co-investment portfolio as at 31 December 2017 is summarised in the table below:

Co-Investments:	31 Dec 2016 Fair value £m	31 Dec 2017 Fair value £m
Equity Securities		
Time Out	43.9	41.2
OCPEE Feeder	–	26.2
Debt Securities		
Daisy	22.6	28.2
North Sails	22.0	27.8
Fund Facilities	22.6	13.5
Time Out	9.5	–
Total investments	**129.6**	**136.9**

Equity Securities

In November 2016, the interests held by both Oakley Fund I and Oakley Fund II in Inspired were restructured into a new holding entity, OCPEE L.P. At 31 December 2016, the Company held an indirect interest in Inspired through both Oakley Fund I and Fund II's respective interest in OCPEE L.P.

Inspired has grown rapidly both through acquisition and greenfield development since Oakley Fund I's first investment in July 2013. Having built up its pipeline, reputation in the market and its integration and M&A capabilities over recent years, Inspired is expected to continue its expansion in the short to medium term through further acquisitions. With Oakley Fund I well into its realisation phase it was not in a position to continue to participate in Inspired's expansion. In view of future growth prospects for Inspired, the Company offered to acquire Oakley Fund I's interest in OCPEE L.P.

The Company acquired 99.2% of Oakley Fund I's stake in Inspired, with the remaining 0.8% being held by a small number of Oakley Fund I Limited Partners who rolled their interests into a newly created vehicle, OCPEE Feeder.

In August 2017, Inspired received a significant strategic growth investment from TA Associates. In order to facilitate entry into the capital structure, the Company agreed with OCPEE L.P. to sell-down part of its holding in Inspired. The addition of such a high quality investor to Inspired's shareholder base, and the new investment being made in growth funding, should underpin Inspired's ambitious plans.

In December 2017, €45.0 million of refinancing proceeds was obtained through a wholly owned subsidiary of OCPEE L.P., OCPE Education Finco. This resulted in a distribution to both OCPEE Feeder and Oakley Fund II. From the aggregation of these transactions in 2017, OCI received total distributions of €58.6 million (£52.7 million) through it's stake in both Oakley Fund II and OCPEE Feeder.

Time Out is a listed company and its fair value is based on a mark-to-market valuation, using the 31 December 2017 share price of £1.31. The year end trading update for Time Out is positive and has demonstrated continued progress in Time Out's digital strategy. Revenue in e-commerce and premium profiles has grown 57% and 43% respectively, compared to the prior year. Time Out continues to invest in resources across product, engineering, e-commerce and Time Out Markets with a focus on driving significant revenue growth and reaching profitability.

Debt Securities

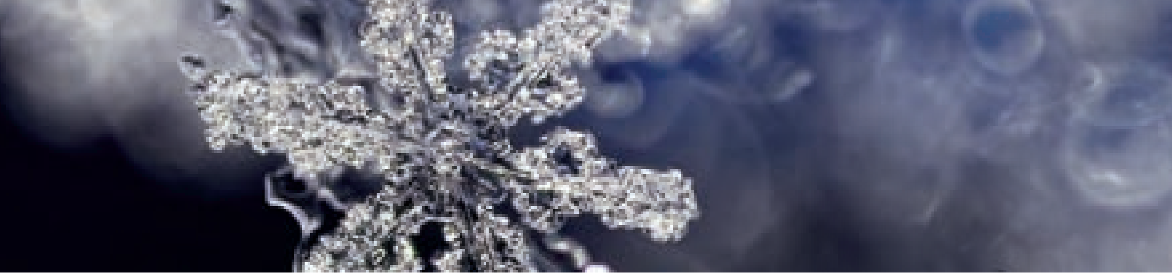
The Company provides debt facilities to certain underlying entities and portfolio companies. These debt facilities are provided on an arm's-length basis at competitive market interest rates. The interest income generated from these facilities exceeds the interest earned on the Company's bank deposits, allowing the Company to earn higher returns on part of its cash reserves. During the year, the Company has earned £7.7 million interest from the debt facilities provided.

A new debt facility of £3.0 million was provided to North Sails during the year. This loan was used to fund the acquisition of Hall Spars, a rigging company and competitor to Southern Spars, a division of North Sails.

As part of the acquisition of Oakley Fund I's interest in Time Out, a loan of £6.2 million was provided by OCI to Time Out (Bermuda) Limited. This was repaid in June 2017, providing proceeds to the Company of £9.8 million, including accrued interest.

The Company also provides revolving credit facilities to each of the Oakley Funds. Each drawing under these facilities is for no more than one year. The loans are used to fund short-term cash requirements of the Oakley Funds. As at 31 December 2017, the Company had outstanding debt facilities of £13.5 million to the Oakley Funds, including accrued interest, a decrease of £9.1 million from 31 December 2016 primarily due to repayments of the Oakley Fund II facility.

Governance



Board of Directors

Christopher Wetherhill
Chairman

Christopher Wetherhill founded, and was Chief Executive Officer of Hemisphere Management 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 Professional Accountants, a Fellow of the Institute of Directors and a Freeman of the City of London. He is a resident of Bermuda.

Christopher is Chairman of the Board of Directors, and is a member of the Company's risk committee.

James Keyes
Non-executive Director

James Keyes was a Managing Director of Renaissance Capital, an emerging markets investment bank, from 2008 until 2013. He established the Renaissance Bermuda office and remained with the firm until the office closed in 2013.

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 and is a member of the Company's Audit Committee.

Caroline Foulger
Non-executive Director

Laurence Blackall
Non-executive Director

Peter Dubens
Non-executive Director

Caroline Foulger has been an independent Non-executive Director in the financial services industry since early 2013. In addition to her seat on the OCI Board, Caroline currently sits on the Board of a FTSE 250 insurance company, a NYSE listed bank and several private companies.

Caroline was previously a partner with PwC for 12 years, primarily leading the insurance practice in Bermuda and servicing listed clients with both audit and advisory services and has 25 years' experience in public accounting. Caroline is a Fellow of the Institute of Chartered Accountants in England & Wales, CPA Bermuda and a Member of the Institute of Directors. Caroline is a resident of Bermuda.

Caroline is Chair of the Company's Risk Committee.

Laurence Blackall has thirty years' experience in the information, media and communication industries, pioneering electronic publishing (especially at McGraw Hill where he was a Vice-President) and the internet in the United Kingdom.

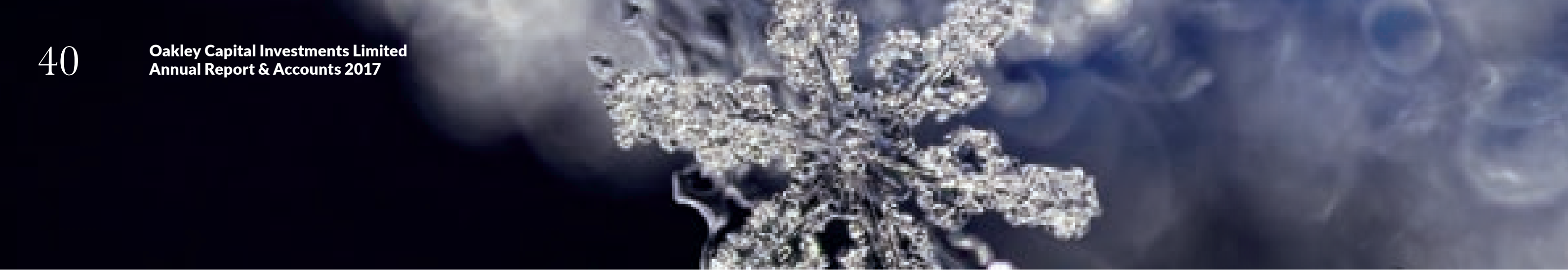
He has proven expertise in establishing internet companies and developing them through to public offering and subsequent sale.

He holds Directorships in a number of public and private companies. Laurence is a resident of the United Kingdom, and is Chair of the Company's Audit Committee.

Peter Dubens is the founder and Managing Partner of the Oakley Capital Group, a privately-owned asset management and advisory group comprising Private Equity and Venture Capital operations managing over €1.6 billion.

Peter founded the Oakley Capital Group in 2002 to be a best-of-breed, entrepreneurially-driven UK investment house, creating an ecosystem to support the companies in which Oakley Capital invests, whether they are early-stage companies or established businesses.

David Till serves as an alternate Director to Peter Dubens.



Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2017. The results for the year are set out in the attached financial statements and have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Directors

The Board currently comprises the Chairman and four other non-executive Directors. All Directors served on the Board throughout the year under review. There were no changes to the composition of the Board.

All Directors, other than Peter Dubens, are considered to be independent. The Company is not aware of any other potential conflicts of interest between any duty of any of the Directors owed to it and their respective private interests.

Directors' Interests in Shares

As at 14 March 2018, Directors who are beneficial owners of shares in the Company are:

Director	No. of Shares
Peter Dubens	2,138,167
Laurence Blackall	200,000
Christopher Wetherhill	200,000
Caroline Foulger	122,000
James Keyes	30,000

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.

Relations with Shareholders

The Board recognises that it is important to maintain appropriate contact with major shareholders in order to understand their issues and concerns. Members of the Board have had the opportunity to attend meetings with major shareholders, and the Board receives major shareholders' views of the Company via direct face-to-face contact, analyst and broker briefings.

In addition, the Investment Adviser maintains dialogue with institutional shareholders, the feedback from which is reported to the Board. The Board monitors the Company's trading activity on a regular basis.

The Company reports formally to shareholders twice a year. In addition, current information is provided to shareholders on an ongoing basis through the Company's website.

Substantial Shareholdings

As at 14 March 2018, the Company has received the following notifications of interest of 3% or more in the voting rights attached to the Company's ordinary shares:

Shareholder	% of voting rights
Invesco Perpetual	20.4
Woodford Investment Management	19.8
Ruffer LLP	15.0
Sarasin & Partners	7.8
Fidelity International	6.3
Rothschild Private Management	4.0

Corporate Responsibility

The Board considers the ongoing interests of shareholders on the basis of open and regular dialogue with the Investment Adviser. The Board receives regular updates outlining regulatory and statutory developments and responds as appropriate.

Administrative Agent

On 1 April 2017, the Company entered into an Operational Services Agreement appointing Oakley Capital Manager Limited as its Administrative Agent. Prior to this, the Company had appointed Oakley Capital (Bermuda) Limited to provide certain management services. On 31 March 2017, the management agreement was terminated and the Operational Services Agreement was entered into. Under this agreement, the Administrative Agent provides operational assistance and administrative support to the Board with respect to the Company's investments and its general administration for a fee.

The Administrative Agent has entered into an Investment Advisory Agreement with Oakley Capital Limited (the "Investment Adviser") to advise on the investments of the Company.

Investment Adviser

The Investment Adviser, Oakley Capital Limited, was incorporated in England and Wales on 12 October 2000 under the Companies Act 1985. The Investment Adviser serves as investment adviser to Oakley Capital Manager Limited with respect to the Company, and the Oakley Funds.

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

Peter Dubens and David Till (both Directors of the Investment Adviser), with a team of twenty-three professionals, are together primarily responsible for performing investment advisory obligations with respect to the Company and the Oakley Funds.

Peter Dubens is a Director of both the Investment Adviser and the Company, and cannot vote on any Board decision relating to the Investment Advisory Agreement whilst he has an interest.

Delegation of Responsibilities

Under the Operational Services Agreement the Board has delegated to the Administrative Agent substantial authority for carrying out the day-to-day administrative functions of the Company. The Board has the ultimate decision to invest (or take any other action) in the Oakley Funds or as a co-investment. In the ordinary course it makes decisions after reviewing the recommendations provided by the Investment Adviser on behalf of the Administrative Agent.

Board Responsibilities

The Board meets at least quarterly and between these scheduled meetings there is regular contact between Directors and the Investment Adviser as otherwise required for the purpose of considering key investment decisions of the Company.

The Directors are kept fully informed of investments and other matters that are relevant to the business of the Company. Such information is brought to the attention of the Board by the Investment Adviser and by the Administrator in their periodic reports detailing the Company's performance. The Board also receives other information as may, from time to time, be reasonably required by the Directors for the purpose of such meetings from the Administrative Agent and other service providers.

For the avoidance of doubt, the Directors do not make investment decisions on behalf of the Oakley Funds, nor do they have any role or involvement in selecting or implementing transactions by the Oakley Funds or in the management of the Oakley Funds.

Dividends and Distributions

A maiden dividend was announced in December 2016 of 4.5 pence per share in respect of the 2016 financial year. The Company has continued with this policy and declared an interim dividend of 2.25 pence per share in respect of the 30 June 2017 interim period. This was paid in October 2017. A final dividend of 2.25 pence per share was approved on 14 March 2018 by the Board in respect of the six months to 31 December 2017. This is due to be paid on 26 April 2018, to shareholders registered on or before 13 April 2018 .

The decision to introduce a dividend was based on the consistent income generated from debt co-investments and increased cash returns from realisations by the Oakley Funds. The Company has experienced strong NAV growth in 2017 due to growth in the Oakley Funds' underlying portfolio companies. The Board has adopted a dividend policy which takes into account the profitability and underlying performance of the Company in addition to capital requirements, cash flows and distributable reserves.

Directors' Remuneration

There are no long-term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company and each Director is appointed by a letter of appointment setting out the terms of their appointment.

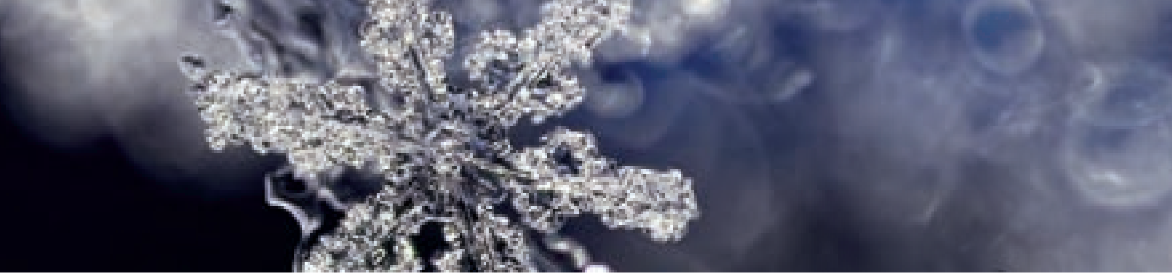
Directors are remunerated in the form of fees, payable annually in advance, to the Director personally. The table below details the fees paid to each Director of the Company for the year ended 31 December 2017.

The Director fees below do not include reimbursed expenses or other fees paid to the Director.

Director	Fees £
Christopher Wetherhill	65,000
James Keyes	45,000
Caroline Foulger	50,000
Peter Dubens	–
Laurence Blackall	45,000

Signed on behalf of the Board by:

Christopher Wetherhill
Chairman



Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Bermuda company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under Bermuda company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those Financial Statements, the Directors are required to:

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

The Consolidated Financial Statements are published on www.oakleycapitalinvestments.com. The responsibility for the maintenance and integrity of the website, so far as it relates to the Company, has been delegated to the Investment Adviser. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Financial Statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in Bermuda governing the preparation and dissemination of the Consolidated Financial Statements may differ from legislation in other jurisdictions.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Bermuda Companies Act (1981 (as amended)). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed in the Board of Directors section of the Annual Report, confirms that, to the best of his/her knowledge:

- The Consolidated Financial Statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- So far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware;
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information; and
- The Consolidated Financial Statements, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Audit Committee Report

The Board is supported by the Audit Committee, which comprises two non-executive Directors, James Keyes and Laurence Blackall. We are pleased to report to you on the range of matters which the Audit Committee has considered during 2017, the key risks and judgment areas and the decisions applied.

The principal role of the Audit Committee is to consider the following matters and make appropriate recommendations to the Board to ensure that:

- the accounting and internal control systems of the service providers are adequate;
- the integrity of the Consolidated Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- the independence, objectivity and effectiveness of the appointed Auditor is monitored and reviewed;
- the Company's policy on the provision of non-audit services by the Auditor is developed and implemented; and
- recommendations are made to the Board that the audit is put out to tender as appropriate in accordance with applicable law, rules, regulation and best practice, and initiate and oversee as required fair tendering and selection processes.

The Audit Committee met six times during the year under review and has continued to support the Board in fulfilling its oversight responsibilities.

Review of Accounting Policies and Areas of Judgment or Estimation

The most significant risk in the Company's accounts is the valuation of the Oakley Funds and the co-investments and whether its investments are fairly and consistently valued. This issue is considered carefully when the Audit Committee reviews the Company's Annual and Interim Report and Accounts. The Investment Adviser provides detailed explanations of the rationale for the valuation of each investment. These are discussed in detail by the Committee and with the Auditor.

The key area of focus of the Committee is the valuation methodology and underlying business performance of the Oakley Funds' portfolio companies.

The valuations are independently reviewed by a professional valuation firm who report on their procedures and the conclusions of their work. The Audit Committee concluded that the year-end valuation process had been effectively carried out and that the investments have been fairly valued.

The Audit Committee reports to the Board after each Audit Committee meeting on the main matters discussed at the meeting.

Audit

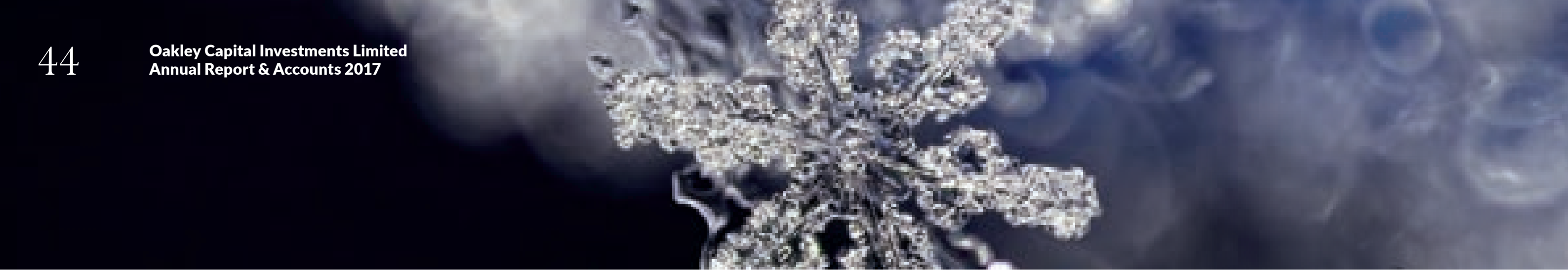
OCI's Auditor, KPMG Audit Limited ("KPMG" or "the Auditor"), located in Hamilton, Bermuda, has been Auditor since 2007 and the Audit Committee reviews their performance annually. The Audit Committee considers a range of factors including the quality of service, the Auditor's specialist expertise and the level of audit fee. The Audit Committee remains satisfied with KPMG's effectiveness and therefore, has not considered it necessary to date, to require the Auditor to re-tender for the audit work. The Auditor is required to rotate the audit partner every five years. For the year ended 31 December 2017, a new audit partner managed the engagement.

The Audit Committee has reviewed the provision of non-audit services by KPMG, and believes it to be cost-effective and not an impediment to the Auditor's objectivity and independence. This is assessed by ensuring that KPMG has appropriate measures in place to safeguard its independence. Such measures include ensuring that separate engagement teams provide audit and non-audit services.

It has been agreed that the Audit Committee must approve in advance all non-audit work to be carried out by the Auditor for the Company.

On behalf of the Audit Committee

Laurence Blackall
Chairman of the Audit Committee



Corporate Governance Report

The Board recognises the importance of sound corporate governance and has adopted policies and procedures that reflect those principles of the UK Corporate Governance Code (formerly 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 regulatory regime.

This report describes the Company's corporate governance practices that were in place throughout the financial year ended 31 December 2017.

Chairman's Introduction to Corporate Governance

Good corporate governance is a key component of the Company's activities. Governance and oversight of these activities form an integral part of the Company's operations and it is as important as ever to monitor these to create and deliver value to the Company's shareholders. The primary function of the Board is to provide leadership and strategic direction and it is responsible for the overall management and control of the Company. It is through these functions that the Board creates and delivers value and growth for its shareholders.

The Board

The Board was comprised of the Chairman, Christopher Wetherhill, and four other non-executive Directors at 31 December 2017. All Directors are considered independent, with the exception of Peter Dubens, who is founder and Managing Partner of the Oakley Capital Group. Christopher Wetherhill, James Keyes, Laurence Blackall and Caroline Foulger remain independent despite their individual length of service on the Board, as they are free from any business or other relationship that could materially interfere with their exercise of judgment. Peter Dubens does not vote on matters in respect of which he is deemed to have a conflict of interest.

It is the Board's responsibility to ensure that the Company has a clear strategy and vision, and to oversee the overall management and oversight of the Company, and for its growing success. In particular, the Board is responsible for monitoring financial performance, setting and monitoring the Company's risk appetite and ensuring that obligations to shareholders are understood and met.

The Directors believe that the Board has an appropriate balance of skills and experience, independence and knowledge of the Company to enable it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience is summarised in their respective biographies on pages 38 and 39.

Directors' Terms of Appointment

In accordance with best practice, Directors retire on a rotational basis, and are then subject to re-election. In accordance with the appointment and rotation policy included in the Bye-Laws of the Company, James Keyes retired and was re-elected at the Annual General Meeting on 14 June 2017.

Board Meetings

The Board met formally ten times during 2017 with regular contact amongst the Directors between these meetings. Where necessary, the Directors may seek independent professional advice at the expense of the Company to aid their duties.

Director	Board Attendance
Total meetings held:	**10**
Number attended:	
Christopher Wetherhill	8
James Keyes	10
Laurence Blackall	5
Caroline Foulger	8
Peter Dubens*	6

*David Till attended three Board meetings as an Alternate Director to Peter Dubens.

The principal matters considered by the Board during 2017 included:

- Regular reports from the General Partners of the Oakley Funds;
- Regular reports and updates from the Investment Adviser on the co-investments and debt facilities held by the Company;
- Co-investment opportunities;
- Reports and updates from the Administrative Agent;
- Consideration of the Company's share price and net asset value;
- Regular reports from the Board's committees;
- The Annual Report and Accounts and half-yearly Report;
- Reports from external consultants on market and regulatory updates; and
- Corporate matters including dividend policy, share buy-backs and treasury shares.

The Board receives information that it considers to be sufficient and appropriate to enable it to discharge its duties. Directors receive Board papers in advance of Board meetings and are able to consider in detail the Company's performance and any issues to be discussed at the relevant meeting.

Board Training

New Directors are provided with an induction programme tailored to the particular circumstances of the appointee and which includes being briefed fully about the Company by the Chairman and Senior Executives of the Investment Adviser. The Chairman regularly reviews and agrees with Directors their training and development needs as necessary to enable them to discharge their duties.

Board Committees

The Board has delegated a number of areas of responsibility to its committees. Laurence Blackall is Chair of the Audit Committee and Caroline Foulger is Chair of the Risk Committee. Nomination and Remuneration decisions are taken by the whole Board.

The Board discontinued its Remuneration Committee. The work previously undertaken by this Committee is considered core to the Company and that it is more appropriate to be dealt with by the full Board. It is noted that no Director determines their own remuneration.

Audit Committee

OCI has an Audit Committee with formal delegated duties and responsibilities. It currently comprises Laurence Blackall (Chair) and James Keyes.

In consultation with the Auditor, the Audit Committee determines the terms of engagement and the scope of the audit. It continuously monitors the external Auditor's independence and objectivity, and has unrestricted access to oversee the relationship with the Auditor. The Audit Committee receives and reviews reports from both the Investment Adviser and the Auditor relating to the annual accounts and the accounting and internal control systems of the Company.

For more information, please find the full Audit Committee report on page 43.

Director	Audit Committee
Total meetings held:	**6**
Number attended:	
Laurence Blackall	6
James Keyes	6

Corporate Governance Report continued

Risk Committee

OCI's Risk Committee oversees the adequacy and effectiveness of the Company's risk management framework and policies. The Risk Committee is responsible for the oversight of the Company's current and emerging material risks and for the monitoring of the procedures and policies performed in mitigation of those risks. It currently comprises Caroline Foulger (Chair) and Christopher Wetherhill.

Attendance at the Risk Committee meetings in 2017 was as follows:

Director	Risk Committee
Total meetings held:	**4**
Number attended:	
Caroline Foulger	4
Christopher Wetherhill	4

Risk is an integral part of business and the effective identification and management of risks is central to operating a successful business and to the Company achieving its strategic objectives. Having a clear and well understood risk management strategy assists the Board to ensure the Company achieves an appropriate balance between generating returns for its investors and taking proportionate and managed risks. In that respect, the Board has established the Risk Committee to have oversight of those identified risks.

The principal risks and uncertainties faced by the Company are described below and Note 5 to the Consolidated Financial Statements provides detailed explanations of the risks associated with the Company's financial instruments.

- **Regulatory:** the risk that a change in the laws and regulations will materially impact the business if the Company is not in compliance. The laws and regulations include the AIM listing rules, AIFMD requirements, FCA requirements, Bermuda legal and corporate governance requirements. This risk also relates to the quality of the Company's relationship with its regulators.
- **External:** relates to losses that could be incurred due to changes in external market factors (i.e. prices, volatilities, correlations, foreign exchange, political risk and event risk). The Company may face market risks from its exposures through investing into the Oakley Funds and through any bridging loans or co-investments pursued alongside the Oakley Funds.
- **Counterparty:** relates to losses that could be incurred due to declines in the creditworthiness of entities in which the Company either directly or through the Oakley Funds invests. From time-to-time the Company may provide bridging or debt finance to other entities, such as the Oakley Funds or underlying portfolio companies. The credit risk of lending to these entities is considered on a case-by-case basis by the Board and Risk Committee.
- **Financial:** relates to inadequate controls by the Investment Adviser or other third party service providers which could lead to misappropriation of assets or incorrect financial reporting. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations.
- **Operational:** relates to risks associated with, and supporting the operating environment of, the Company. The operating environment includes middle and back-office functions such as accounting, administration, valuation and reporting, many of which are performed by service providers. Valuation is particularly judgmental. The Company is dependent on the Administrative Agent, its Investment Adviser and its professionals. The Investment Adviser's employees, on behalf of the Administrative Agent, play key roles in the operation of the Company. The departure or reassignment of some or all of these professionals could limit the Company's ability to achieve its investment objectives.
- **Liquidity:** relates to the risk that the Company's commitments to either meet the capital calls from its investments in the Oakley Funds or to pay its regular dividend will not be met from available cash resources. The Investment Adviser has regard to the liquidity and life-cycle phase of the Oakley Funds when making investment decisions, and the Company manages its liquid resources to ensure sufficient cash is available to meet its contractual commitments. At certain points in the investment cycle, the Company may hold substantial amounts of cash awaiting investment, which it may invest in government or corporate securities, or in bank deposits.

Through the Risk Committee, the Board has an ongoing process in place for the identification, evaluation and management of these risks.

Shareholder Communications

Board Oversight

The Company places great importance on communication with its shareholders and endeavours to provide clear information, as well as maintaining a regular dialogue with shareholders.

The Investment Adviser briefs the Board on a regular basis with regard to any feedback received from analysts and investors. Any significant concern raised by shareholders in relation to the Company is also communicated to the Board. The Company's Nominated Broker (Liberum Capital Limited) regularly reports directly to the Board at their meetings. In addition, research reports published by financial institutions on the Company are circulated to the Board.

AGM

An Annual General Meeting is held each year, where a separate resolution is proposed on each substantially separate issue along with the presentation of the Annual Report and Accounts. All proxy votes are counted and, except where a poll is called, the level of proxies lodged for each resolution is announced at the Meeting and is published on the Company's website. The notice of the Annual General Meeting and related papers are sent to shareholders at least 20 working days before the Meeting.

The Chairman and the Directors can be contacted through the Company Secretary, Mayflower Corporate Services Limited, 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Capital Markets Day

An annual Capital Markets Day consists of a presentation to shareholders and analysts by senior Partners of the Investment Adviser and management teams from a selection of Oakley Funds' portfolio companies. The event is held in London. The presentations are focused on the performance of the underlying Oakley Funds' investment portfolio.

Public Reporting

The Company's Annual Report and Accounts, along with the half-year Financial Statements and other RNS releases are prepared in accordance with applicable regulatory requirements.

Alternative Investment Fund Managers' Directive

Status and Legal Form

The Company is a self-managed non-EU Alternative Investment Fund. It is a closed-ended investment company incorporated in Bermuda and listed on AIM of the London Stock Exchange. The Company's registered office is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Remuneration Disclosure

The total amount of remuneration paid by the Company, to its Directors was £229,694. This comprised solely of fixed remuneration, no variable remuneration was paid. Fixed remuneration was composed of agreed fixed fees and any other expenses paid. There were four beneficiaries of this remuneration.

Financial Statements

Independent Auditor's Report

Opinion

We have audited the consolidated financial statements of Oakley Capital Investments Limited (the "Company"), which comprise the consolidated balance sheet as at 31 December 2017 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2017 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter that arose is as follows:

Valuation of the unquoted investment portfolio

As discussed in the Audit Committee Report on page 43, the Accounting Policies on pages 56 to 59 and in Notes 6 and 8 to the consolidated financial statements on pages 63 to 64 and 65 to 69, respectively, the Company holds investments in private equity partnerships (the Funds) and unquoted debt securities at 31 December 2017 of £378.4million, where quoted prices do not exist. Such unquoted equity investments and debt securities are carried at their estimated fair values based upon the principles of the International Private Equity and Venture Capital Association ("IPEV") valuation guidelines.

The valuation of the unquoted private equity partnerships and debt securities held in the Company's investment portfolio is the key driver of its net asset value and total return to shareholders.

The private equity partnerships hold equity investments in unquoted portfolio companies. The valuation of these portfolio companies is complex and requires the application of judgment by the Investment Adviser.

The fair values are based upon the income approach, where estimated future cash flows are discounted at an appropriate interest rate, or the market approach which estimates the enterprise value of the investee using a comparable multiple of revenues or EBITDA, information from recent comparable transactions, or the underlying net asset value.

The risk

The significance of the unquoted investments to the Company's consolidated financial statements, combined with the judgment required in estimating their fair values means this was an area of focus during our audit.

Our response to the risk

We performed the following procedures:

We selected a sample of the unquoted debt securities held by the Company and unquoted equity investments held by the private equity partnerships and performed the following audit procedures:

- Obtained independent confirmations of the existence and accuracy of the unquoted equity investments and debt securities or agreed them to loan agreements;
- Obtained the Investment Adviser's models for valuing the unquoted equity investments and debt securities;
- Determined that the valuation specialists engaged by the Investment Adviser are qualified and independent of the Company;
- Challenged the Investment Adviser on the methodologies followed and key assumptions used in determining the valuations of the unquoted equity investments and debt securities in the context of the IPEV valuation guidelines;
- Obtained management information, including budgets and forecasts for revenues and EBITDA, which are the key inputs used in the valuation models by the Investment Adviser and compared this information to that used in the models;
- Independently sourced multiples for comparable companies used by the Investment Adviser, considered whether those companies are comparable to the investee and compared them to the multiples used in the valuations;
- Tested the mathematical accuracy of the valuation models;
- Tested the disclosures made about the unquoted equity investments and debt securities in the notes to the consolidated financial statements for compliance with IFRS; and
- Monitored any events that emerged in the post balance sheet period (up to the date of signing the Company's consolidated financial statements) that would have a potential impact on the value of the unquoted equity investments and debt securities held at the year end.

Other Information in the Annual Report

Management is responsible for the other information contained within the Annual Report. The other information comprises the Overview, Strategic Report by the Investment Adviser, and Governance sections.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James Berry.

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda

14 March 2018

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Income			
Interest income	13	7,722	11,637
Net realised gains/(losses) on investments at fair value through profit and loss	6, 7	23,991	8,545
Net change in unrealised gains/(losses) on investments at fair value through profit and loss	6, 7	20,316	46,196
Net foreign currency gains/(losses)		(839)	4,733
Other income		306	140
Total income		**51,496**	**71,251**
Expenses	14	**(6,529)**	**(4,519)**
Operating profit		**44,967**	**66,732**
Interest expense		(42)	(55)
Profit attributable to equity shareholders/ total comprehensive income		**44,925**	**66,677**
Earnings per share			
Basic and diluted earnings per share	22	0.22	0.35

The Notes on pages 56 to 79 are an integral part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2017

	Notes	2017 £'000	2016 £'000
Assets			
Non-current assets			
Investments	6,8	419,627	340,869
		419,627	340,869
Current assets			
Trade and other receivables	11	668	673
Cash and cash equivalents	10	117,836	106,509
		118,504	107,182
Total assets		**538,131**	**448,051**
Liabilities			
Current liabilities			
Trade and other payables	12	36,091	9,619
Total liabilities		**36,091**	**9,619**
Net assets attributable to shareholders		**502,040**	**438,432**
Equity			
Share capital	24	2,048	2,069
Share premium	24	244,533	246,245
Treasury shares	24	–	(25,024)
Retained earnings		255,459	215,142
Total shareholders' equity		**502,040**	**438,432**
Net asset per ordinary share			
Basic and diluted net assets per share	23	£2.45	£2.31
Ordinary shares in issue at 31 December		204,804	189,804

The Notes on pages 56 to 79 are an integral part of these financial statements.

The financial statements of Oakley Capital Investments Limited (registration number 40324) on pages 56 to 79 were approved by the Board of Directors and authorised for issue on 14 March 2018 and were signed on their behalf by:

Christopher Wetherhill
Director

Laurence Blackall
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

	Share capital £'000	Share premium £'000	Treasury shares £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1 January 2016	**2,069**	**246,245**	**(23,170)**	**157,006**	**382,150**
Profit for the year/ total comprehensive income	–	–	–	66,677	66,677
Ordinary shares issued	–	–	–	–	–
Purchase of treasury shares	–	–	(1,854)	–	(1,854)
Sale of treasury shares	–	–	–	–	–
Dividends	–	–	–	(8,541)	(8,541)
Total transactions with equity shareholders	**–**	**–**	**(1,854)**	**(8,541)**	**(10,395)**
Balance at 31 December 2016	**2,069**	**246,245**	**(25,024)**	**215,142**	**438,432**
Profit for the year/ total comprehensive income	–	–	–	44,925	44,925
Ordinary shares issued	–	–	–	–	–
Purchase of treasury shares	–	–	–	–	–
Sale of treasury shares	–	(259)	23,550	–	23,291
Cancellation of treasury shares	(21)	(1,453)	1,474	–	–
Dividends	–	–	–	(4,608)	(4,608)
Total transactions with equity shareholders	**(21)**	**(1,712)**	**25,024**	**(4,608)**	**18,683**
Balance at 31 December 2017	**2,048**	**244,533**	**–**	**255,459**	**502,040**

The Notes on pages 56 to 79 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Purchases of investments		(167,047)	(178,228)
Sales of investments		167,773	173,554
Interest income received		7,001	17,403
Expenses paid		(5,967)	(4,704)
Interest expense paid		(42)	(55)
Other income received		306	140
Net cash provided by operating activities		**2,024**	**8,110**
Cash flows from financing activities			
Proceeds from treasury shares sold	24	23,291	–
Payment for treasury shares purchased	24	–	(1,854)
Dividends paid	25	(13,149)	–
Net cash provided by/(used in) financing activities		**10,142**	**(1,854)**
Net increase in cash and cash equivalents		12,166	6,256
Cash and cash equivalents at the beginning of the year		**106,509**	**95,520**
Effect of foreign exchange rate changes		(839)	4,733
Cash and cash equivalents at the end of the year	10	**117,836**	**106,509**

The Notes on pages 56 to 79 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

1. Reporting entity

Oakley Capital Investments Limited (the "Company") is a closed-end investment company 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 businesses, primarily in the UK and Europe. The Company currently achieves its investment objective primarily through its investments in the following four private equity funds (the "Funds"): Oakley Capital Private Equity L.P. ("Fund I"), Oakley Capital Private Equity II-A L.P., which together with Oakley Capital Private Equity II-B L.P., Oakley Capital Private Equity II-C L.P. (collectively the "Fund II Feeder Funds") and OCPE II Master L.P. (the "Fund II Master") collectively comprise "Fund II", Oakley Capital Private Equity III-A L.P., which together with Oakley Capital Private Equity III-B L.P., Oakley Capital Private Equity III-C L.P. (collectively the "Fund III Feeder Funds") and OCPE III Master L.P. (the "Fund III Master") collectively comprise "Fund III" and OCPE Education (Feeder) L.P., which together with OCPE Education L.P. collectively comprise "OCPE Education". All constituent limited partnerships comprising the Funds are exempted limited partnerships established in Bermuda.

The defined term "Company" shall, where the context requires for the purposes of consolidation, include the Company's sole and wholly owned subsidiary, OCIL Financing (Bermuda) Limited ("OCI Financing").

The Company listed on AIM of the London Stock Exchange Limited on 3 August 2007, with "OCI" as its listed ticker.

2. Basis of preparation

The consolidated financial statements of the Company have been prepared on a going concern basis and under the historical cost convention, except for financial instruments at fair value through profit and loss, which are measured at fair value.

2.1 Basis for compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

2.2 Functional and presentation currency

The consolidated financial statements are presented in British Pounds ("Pounds"), which is the Company's functional currency.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

The following amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2017, and have been applied in preparing these consolidated financial statements. None of these had a significant effect on the measurement of the amounts recognised in the consolidated financial statements of the Company in the current or prior periods.

i. Disclosure Initiative - Amendments to IAS 7 (effective 1 January 2017). The amendment requires an entity to provide disclosures that enables users of the financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash charges.

ii. Annual Improvements 2014 to 2016 – Amendments to IFRS 12 (effective 1 January 2017). IFRS 12 states that an entity need not provide summarised financial information for interest in subsidiaries, associates or joint ventures that are classified as held for sale. The amendment clarifies that this is the only concession from the disclosure requirements of IFRS 12 for such interest.

(b) New standards, amendments and interpretations that are not yet effective and might be relevant for the Company:

i. IFRS 9 Financial Instruments

The Company is required to adopt IFRS 9 Financial Instruments from 1 January 2018 and it replaces IAS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 contains a new classification and measurement approach for financial assets with three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 also replaces the 'incurred losses' model in IAS 39 with a forward looking 'expected credit loss' model. The new impairment model will apply to financial assets measured at amortised cost of FVOCI, except for investments in equity instruments.

The Company is currently in the process of analysing the impact of this standard but it is not expected to have a material impact on the Company as the majority of financial assets are measured at FVTPL.

ii. IFRIC 22 Foreign currency transactions and advance considerations

IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.

The Company is also currently in the process of analysing the impact of this standard, as well as amendments to existing standards and annual improvements to IFRS, but there is not expected to be a material effect on the consolidated financial statements of the Company.

3.2 Basis for consolidation

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. While the Company may have a greater than 50% ownership interest in a Fund, it is a limited partner and does not have the ability to affect the decisions of the Fund's General Partner or the returns of the Funds. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary, after the elimination of all significant intercompany balances and transactions. The financial statements of the Company's sole wholly owned subsidiary, OCI Financing, are included in the consolidation. As at 31 December 2017, the Company holds $29,201,704 share capital in OCI Financing (2016: $29,201,704).

As a result of the amendments to IFRS 10, investment entities are exempted from consolidating controlled investees. The Company meets the definition of an investment entity, as the following conditions are met:

- The Company provides investment management services.
- The business purpose of the Company is the purchase, holding and disposal of investments held in private equity funds and directly in portfolio companies with above-average growth potential with the goal of achieving returns from capital appreciation and investment income.
- The performance of these investments is measured and evaluated on a fair value basis.
- The Company holds multiple investments.

The Company therefore measures its investments at fair value through profit and loss in accordance with the investment entity exemption. The Company does not consolidate any of its investments in the Funds.

3.3 Investments

(a) Classification

The Company classifies its investments in private equity funds, direct investments and loans to the Funds, portfolio companies and other loans (herein referred to as "unquoted debt securities") as financial assets held at fair value through profit and loss at inception.

Financial assets held at fair value through profit and loss at inception are assets that are managed and their performance evaluated on a fair value basis in accordance with the Company's investment strategy.

(b) Recognition and measurement

Financial assets held at fair value through profit and loss are recognised initially on the trade date. Financial assets held at fair value through profit and loss are recognised initially at fair value, with transaction costs recognised in profit or loss.

Net gains and losses from financial assets held at fair value through profit and loss include all realised and unrealised fair value changes and foreign exchange differences and are included in the consolidated statement of comprehensive income in the period in which they arise.

Quoted investments are subsequently carried at fair value. Fair value is measured using the closing bid price at the reporting date, where the investment is quoted on an active stock market.

Unquoted investments, including both equities and loans, are subsequently carried in the consolidated balance sheet at fair value. Fair value is determined in line with the Company's investment valuation policy, which is compliant with the fair value guidelines under IFRS 13 and the International Private Equity and Venture Capital (IPEV) Valuation Guidelines.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

3. Significant accounting policies continued

3.3 Investments continued

(c) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest on such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3.4 Cash and cash equivalents

Cash and cash equivalents include deposits held on call with banks and other short-term deposits. The Company considers all short-term deposits with a maturity of 90 days or less as equivalent to cash.

3.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for impairment, using the effective interest method.

3.6 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired or received in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.7 Interest income

Interest on unquoted debt securities held at fair value through profit and loss is accrued on a time-proportionate basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts over the expected life of the debt security to its net carrying amount on initial recognition. Interest income is recognised gross of withholding tax, if any. Interest income on unquoted debt securities is recognised as a separate line item in the consolidated statement of comprehensive income and classified within operating activities in the consolidated cash flow statement.

3.8 Expenses

Expenses are recognised on the accruals basis.

3.9 Foreign currency translation

The functional currency of the Company is Pounds. Transactions in currencies other than Pounds are recorded at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, investments and other monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Capital drawdowns and proceeds of distributions from the Funds and foreign currencies and income and expense items denominated in foreign currencies are translated into Pounds 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 net foreign currency gains and losses in the consolidated statement of comprehensive income.

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 gains or losses on investments in the consolidated statement of comprehensive income.

3.10 Share capital

Ordinary shares issued by the Company are recognised based on the proceeds or fair value received, with the excess of the amount received over their nominal value being credited to the share premium account. Direct issue costs are deducted from equity.

3.11 Treasury shares

Treasury shares are included at the consideration paid as a reduction in shareholders' equity. Gains or losses resulting from the subsequent sale of treasury shares are recorded as an adjustment to equity.

3.12 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares.

4. Critical accounting estimates, assumptions and judgment

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its consolidated financial statements. IFRS require the Board of Directors, in preparing the Company's consolidated financial statements, to select suitable accounting policies, apply them consistently and make judgments and estimates that are reasonable and prudent. The Company's estimates and assumptions are based on historical experience and the Board of Directors' expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The judgments, assumptions and estimates involved in the Company's accounting policies that are considered by the Board of Directors to be the most important to the Company's results and financial condition are the fair valuation of the investments and the assessment regarding investment entities.

(a) Fair valuation of investments

The fair values assigned to investments held at fair value through profit and loss are based upon available information and do not necessarily represent amounts which might ultimately be realised. Because of the inherent uncertainty of valuation, these estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed, and those differences could be material.

Investments held at fair value through profit and loss are valued by the Company in accordance with IAS 39 and IFRS 13 and the IPEV valuation guidelines. Judgment is required in order to determine the appropriate valuation methodology under these standards and subsequently in determining the inputs into the valuation models used. These judgments include making assessments of the future earnings potential of portfolio companies, appropriate earnings multiples to apply, estimating future cash flows and determining appropriate discount rates.

(b) Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit and loss.

The Board of Directors has concluded that the Company meets the definition of an investment entity as its strategic objective is to invest in portfolio investments on behalf of its investors for the purpose of generating returns in the form of investment income and capital appreciation.

5. Financial risk management

5.1 Introduction and overview

The Board of Directors, the Company's Risk Committee (the "Risk Committee") and the Investment Adviser attribute great importance to professional risk management, proper understanding and negotiation of appropriate terms and conditions and active monitoring, including a thorough analysis of reports and financial statements and ongoing review of investments made. It is also key to structure the investment vehicles for the portfolio taking into account issues such as liquidity and tax. The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Investment Adviser provides the Board of Directors with recommendations as to the Company's asset allocation and annual investment levels that are consistent with the Company's objectives. The Risk Committee reviews and agrees policies for managing the risks as summarised below.

The Company has exposures to the following risks from financial instruments: credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and price risk). The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

5. Financial risk management continued

5.2 Credit risk

The Company is subject to credit risk on its unquoted investments and cash. The schedule below summarises the Company's exposure to credit risk on its cash and unquoted investments.

	2017		2016	
	Total £'000	Rating (Moody's)	Total £'000	Rating (Moody's)
Cash at HSBC	29,868	A2	72,142	A1
Cash at Barclays	87,855	A1	34,254	A1
Cash at Lloyds	113	Aa3	113	A1
Investments in Funds	308,943	n/a	211,254	n/a
Investments in debt securities	69,502	n/a	85,761	n/a

In accordance with the Company's policy, the Investment Adviser monitors the Company's exposure to credit risk on cash on a quarterly basis and the Risk Committee regularly reviews the Company's exposure to credit risk. The credit quality of the investments in the Funds and unquoted equity and debt securities, which are held at fair value and include debt and equity elements, is based on the financial performance of the individual investments and they are not rated.

5.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Company. The Company's policy and the Investment Adviser's approach to managing liquidity is to have sufficient cash available to meet its liabilities, including estimated capital calls, without incurring undue losses or risking damage to the Company's reputation.

Unfunded commitments to the Funds are irrevocable and can exceed cash and cash equivalents available to the Company. Based on current short-term cash flow projections and barring unforeseen events, the Company expects to be able to honour all capital calls by the Funds.

As of 31 December 2017, cash and cash equivalents of the Company amount to £117,836,056 (2016: £106,509,636). The Company has total unfunded capital and loan commitments of £251,900,575 (2016: £330,796,945) relating to the Funds with the option of further investment to OCPE Education but no commitment. The unfunded commitments of the Company are listed in Note 26. As per the Company's Bye-laws, the Company can borrow up to 25% of total shareholders' equity which would equal approximately £125,510,000 for the year ending 31 December 2017 (2016: £109,608,000). As at 31 December 2017, the Company has incurred no borrowings (2016: £nil).

The majority of the investments held by the Company are unquoted and subject to specific restrictions on transferability and disposal. Consequently, the risk exists that the Company might not be able to readily dispose of its holdings in such markets at the time of its choosing and also that the price attained on a disposal may be below the amount at which such investments were included in the Company's consolidated balance sheet.

The table below analyses the Company's consolidated financial liabilities based on the remaining period between the balance sheet date and the contractual maturity date. The amounts in the schedule are the contractual undiscounted cash flows. Balances due within 12 months equal their fair values, as the impact of discounting is not significant. In accordance with the Company's policy, the Investment Adviser monitors the Company's liquidity position and the Risk Committee reviews it on a regular basis.

	2017 £'000	2016 £'000
Trade and other payables		
Less than 1 month	34,457	8,541
1–3 months	1,634	1,078
Total trade and other payables	36,091	9,619

5.4 Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company's sensitivity to these items is set out below.

a) Interest rate risk

Interest rate risk arises principally from changes in interest receivable on cash and deposits. The Company holds unquoted debt securities at fixed rates of interest and is therefore exposed to interest rate risk.

The impact of an increase or decrease on interest rates of 100 basis points on cash and deposits, based on the closing consolidated balance sheet position over a 12 month period, would have been:

	2017		2016	
	Increase in variable £'000	**Decrease in variable £'000**	**Increase in variable £'000**	**Decrease in variable £'000**
Impact on interest income from cash and deposits	840	(840)	830	(830)
Impact on profit/(loss)	840	(840)	830	(830)

The Company's unquoted debt investments consist of mezzanine loans, financing loan facilities, revolving loan facilities and senior secured loans, which carry fixed rates of interest ranging from 6.5 % to 15%. These loans are subject to interest rate risk as increases and decreases in interest rates will have an impact on their fair value. A 100 basis point increase in interest rates would result in a decrease in fair value of those loans of £1,523,034 and a corresponding decrease of 100 basis points in interest rates would result in an increase in their fair value by the same amount (2016: £1,702,961).

In addition, the Company has indirect exposure to interest rates through changes to the financial performance and valuation in equity investments in the Funds and portfolio companies that have issued debt caused by interest rate fluctuations. Short term receivables and payables are excluded as the risks due to fluctuation in the prevailing levels of market interest rates associated with these instruments are not significant and is limited to the Company's investment in these Funds.

b) Currency risk

The Company holds assets and liabilities denominated in currencies other than its functional currency, which expose the Company to the risk that the exchange rates of those currencies against the Pound will change in a manner which adversely impacts the Company's net profit and net assets attributable to shareholders. The following sensitivity analysis is presented based on the sensitivity of the Company's net assets to movements in foreign currency exchange rates assuming a 10% increase in exchange rates against the Pound. A 10% decrease in exchange rates against the Pound would have an equal and opposite effect.

	2017		2016	
	Euro £'000	**US dollar £'000**	**Euro £'000**	**US dollar £'000**
Assets:				
Financial assets at fair value through profit and loss	30,894	–	21,125	–
Cash and cash equivalents	9,277	–	7,808	–
Trade and other receivables	67	–	64	–
Total assets	40,238	–	28,997	–
Liabilities:				
Trade and other payables	(3,475)	(9)	–	(16)
Total liabilities	(3,475)	(9)	–	(16)
Impact on profit/(loss)	36,763	(9)	28,997	(16)

The Investment Adviser monitors the Company's currency position on a regular basis and reports the impact of currency movements on the performance of the investment portfolio to the Risk Committee quarterly. As per the Company's investment policy, all investments in quoted equity securities and unquoted equity and debt securities are denominated in Pounds, placing currency risk on the counterparty. The investments in the Funds are denominated in Euros.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

5. Financial risk management continued

5.4 Market risk continued

c) Price risk – market fluctuations

The Company's management of price risk, which arises primarily from quoted and unquoted equity instruments, is through the careful selection of financial assets within specified limits as advised by the Investment Adviser and approved by the Risk Committee.

For quoted equity securities, the market risk variable is deemed to be the market price itself. A 15% change in the price of those investments would have the following direct impact on the consolidated statement of comprehensive income:

	2017		2016	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Quoted equity investments:				
15% movement in price of listed investment				
Impact on profit/(loss)	6,177	(6,177)	6,578	(6,578)
Impact on net assets attributable to shareholders	6,177	(6,177)	6,578	(6,578)

For the investment in the Funds and unquoted equity securities, the market risk is deemed to be the change in fair value. A 15% change in the fair value of those investments would have the following direct impact on the consolidated statement of comprehensive income:

	2017		2016	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Funds and unquoted equity securities:				
15% movement in price of Funds and unquoted equity securities				
Impact on profit/(loss)	46,341	(46,341)	31,688	(31,688)
Impact on net assets attributable to shareholders	46,341	(46,341)	31,688	(31,688)

The Company is exposed to a variety of market risk factors which may change significantly over time. As a result, measurement of such exposure at any given point may be difficult given the complexity and limited transparency of the investments held by the underlying portfolio companies.

Limitations of sensitivity analysis

The sensitivity information included in Notes 5 and 8 demonstrates the estimated impact of a change in a major input assumption while other assumptions remain unchanged. In reality, there are normally significant levels of correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results. Furthermore, estimates of sensitivity may become less reliable in unusual market conditions such as instances when risk free interest rates fall towards zero.

5.5 Capital management

The Company's capital is represented by ordinary shares with £0.01 par value and they carry one vote each. The shares are entitled to dividends when declared. The Company has no additional restrictions or specific capital requirements on the issuance and repurchase of ordinary shares. The movements of capital are shown in the consolidated statement of changes in equity.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to achieve positive returns in all market environments. In order to maintain or adjust the capital structure, the Company may return capital to shareholders through the issue and repurchase of treasury shares. The effects of the issue, the repurchase and resale of treasury shares as a result of market making activities are listed in Note 24. Liberum Capital Limited acts as the Company's nominated adviser and broker.

6. Investments

Investments as at 31 December 2017:

	2016 Fair value £'000	Purchases / capital calls £'000	Total sales*/ distributions £'000	Realised gains/(losses) £'000	Interest and other £'000	Net change in unrealised gains/(losses) £'000	2017 Fair value £'000
Oakley funds							
Fund I	64,906	12,309	(17,847)	–	–	(22,817)	36,551
Fund II	144,015	12,319	(49,183)	18,274	–	11,629	137,054
Fund III	2,333	99,962	(11,427)	(2,683)	–	20,873	109,058
Total Oakley funds	**211,254**	**124,590**	**(78,457)**	**15,591**	**–**	**9,685**	**282,663**
Co-Investment funds							
OCPE Education (Feeder) L.P.	–	39,932	(35,355)	8,400	–	13,303	26,280
Total co-investment funds	–	39,932	(35,355)	8,400	–	13,303	26,280
Total funds	**211,254**	**164,522**	**(113,812)**	**23,991**	**–**	**22,988**	**308,943**
Quoted equity securities							
Time Out Group plc	43,854	–	–	–	–	(2,672)	41,182
Total quoted equity securities	**43,854**	**–**	**–**	**–**	**–**	**(2,672)**	**41,182**
Unquoted debt securities							
Bellwood Holdings Ltd	–	1,878	(1,970)	–	92	–	–
Daisy Group Holdings Limited	17,202	–	(6,610)	–	2,109	–	12,701
Ellisfield (Bermuda) Limited	14,530	–	–	–	925	–	15,455
Fund I	12,256	7,288	(13,844)	–	651	–	6,351
Fund II	4,337	18,661	(23,551)	–	553	–	–
Fund III	–	1,319	(1,356)		37		–
NSG Apparel BV	21,978	–	–	–	2,637	–	24,615
Oakley Capital II Limited	768	–	(769)	–	1	–	–
Oakley Capital III Limited	5,210	3,470	(1,872)	–	360	–	7,168
Oakley NS (Bermuda) L.P.	–	2,940	–		272		3,212
OCPE Education L.P.	–	1,426	(1,432)	–	6	–	–
TO (Bermuda) Limited	9,480	–	(9,826)	–	346	–	–
Total unquoted debt securities	**85,761**	**36,982**	**(61,230)**	**–**	**7,989**	**–**	**69,502**
Total investments	**340,869**	**201,504**	**(175,042)**	**23,991**	**7,989**	**20,316**	**419,627**

* Total sales include sales, loan repayments and transfers.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

6. Investments continued

Investments as at 31 December 2016:

	2015 Fair value £'000	Purchases / capital calls £'000	Total sales*/ distributions £'000	Realised gains/(losses) £'000	Interest and other £'000	Net change in unrealised gains/(losses) £'000	2016 Fair value £'000
Oakley funds							
Fund I	56,318	–	(6,271)	(13,686)	–	28,545	64,906
Fund II	102,051	33,989	(42,365)	23,089	–	27,251	144,015
Fund III	–	7,857	–	–	–	(5,524)	2,333
Total Oakley funds	**158,369**	**41,846**	**(48,636)**	**9,403**	**–**	**50,272**	**211,254**
Quoted equity securities							
Time Out Group plc	–	47,155	–	–	–	(3,301)	43,854
Total quoted equity securities	**–**	**47,155**	**–**	**–**	**–**	**(3,301)**	**43,854**
Unquoted equity securities							
Flypay Limited	7,115	–	(6,990)	–	–	(125)	–
Time Out Group HC Limited	13,271	4,000	(15,635)	(2,165)	529	–	–
Time Out Mercado Limited	5,564	2,754	(9,530)	747	574	(109)	–
Total unquoted equity securities	**25,950**	**6,754**	**(32,155)**	**(1,418)**	**1,103**	**(234)**	**–**
Unquoted debt securities							
Bellwood Holdings Ltd	2,805	2,200	(5,055)	–	50	–	–
BH(B) 55 Limited	10,948	–	(11,175)	–	227	–	–
Daisy Group Holdings Limited	14,061	–	–	–	3,203	(62)	17,202
Damoco Holdco Ltd	4,212	–	(4,300)	–	88	–	–
Ellisfield (Bermuda) Limited	25,711	–	(12,537)	–	1,356	–	14,530
Fund I	10,550	12,037	(11,032)	–	701	–	12,256
Fund II	–	43,567	(39,838)	–	608	–	4,337
NSG Apparel BV	10,066	10,000	–	–	1,912	–	21,978
Oakley Capital II Limited	2,895	–	(2,214)	–	87	–	768
Oakley Capital III Limited	–	5,500	(529)	–	239	–	5,210
Parship GmbH	–	5,172	(5,292)	–	120	–	–
Time Out Group BC Limited	4,032	–	(4,211)	–	179	–	–
Time Out Group HC Limited	–	2,000	(2,053)	–	53	–	–
TO (Bermuda) Limited	11,222	–	(2,652)	–	910	–	9,480
TONY MC LLC	8,395	–	(9,088)	560	612	(479)	–
Total unquoted debt securities	**104,897**	**80,476**	**(109,976)**	**560**	**10,345**	**(541)**	**85,761**
Total investments	**289,216**	**176,231**	**(190,767)**	**8,545**	**11,448**	**46,196**	**340,869**

* Total sales include sales, loan repayments and transfers.

7. Net gains/(losses) from investments at fair value through profit and loss

	2017 £'000	2016 £'000
Net change in unrealised gains/(losses) on investments at fair value through profit and loss:		
Funds	22,988	50,272
Quoted equity securities	(2,672)	(3,301)
Unquoted equity securities	–	(234)
Unquoted debt securities	–	(541)
Total net change in unrealised gains/(losses) on investments at fair value through profit and loss	20,316	46,196
Realised gains/(losses) on investments at fair value through profit and loss:		
Funds	23,991	9,403
Quoted equity securities	–	–
Unquoted equity securities	–	(1,418)
Unquoted debt securities	–	560
Total realised gains/(losses) on investments at fair value through profit and loss	23,991	8,545

8. Disclosure about fair value of financial instruments

The Company has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The Company classifies financial instruments measured at fair value in the investment portfolio according to the following hierarchy:

- Level I: Quoted prices (unadjusted) in active markets for identical instruments that the Company can access at the measurement date. Level I investments include quoted equity instruments.
- Level II: Inputs other than quoted prices included within Level I that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level III: Inputs that are not based on observable market data. Level III investments include private equity funds, unquoted equity and debt securities.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the instrument. The determination of what constitutes 'observable' requires significant judgment by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

8. Disclosure about fair value of financial instruments continued

The following table analyses the Company's investments measured at fair value as of 31 December 2017 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level III £'000	Total £'000
Funds	–	308,943	308,943
Quoted equity securities	41,182	–	41,182
Unquoted debt securities	–	69,502	69,502
Total investments measured at fair value	41,182	378,445	419,627

The following table analyses the Company's investments measured at fair value as of 31 December 2016 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level III £'000	Total £'000
Funds	–	211,254	211,254
Quoted equity securities	43,854	–	43,854
Unquoted debt securities	–	85,761	85,761
Total investments measured at fair value	43,854	297,015	340,869

Level I

Quoted equity investment values are based on quoted market prices in active markets, and are therefore classified within Level I investments. The Company does not adjust the quoted price for these investments.

Level II

The Company did not hold any Level II investments as of 31 December 2017 or 31 December 2016.

Level III

The Company has determined that Funds and unquoted debt securities fall into the category Level III. Funds and unquoted debt securities are measured in accordance with the IPEV Valuation Guidelines with reference to the most appropriate information available at the time of measurement. The consolidated financial statements as of 31 December 2017 include Level III investments in the amount of £378,445,332, representing approximately 75.38% of shareholders' equity (2016: £297,014,877; 67.74%).

Funds

The Company primarily invests in portfolio companies via the Funds. The Funds are unquoted equity securities that primarily invest in unquoted securities. The Company's investments in unquoted equity securities are recognised in the consolidated balance sheet at fair value, in accordance with IPEV Valuation Guidelines and IFRS 13 and are considered Level III investments.

The valuation of unquoted fund investments is generally based on the latest available net asset value ("NAV") of the Fund as reported by the corresponding General Partner or administrator, provided that the NAV has been appropriately determined using fair value principles in accordance with IFRS 13.

The NAV of a Fund is calculated after determining the fair value of a Fund's investment in any portfolio company. This value is generally obtained by calculating the Enterprise Value ("EV") of the portfolio company and then adding excess cash and deducting financial instruments, such as external debt, ranking ahead of the fund's highest ranking instrument in the portfolio company.

A common method of determining the EV is to apply a market-based multiple (e.g. an average multiple based on a selection of comparable quoted companies) to the 'maintainable' earnings or revenues of the portfolio company. This market-based approach presumes that the comparative companies are correctly valued by the market. A discount is sometimes applied to market-based multiples to adjust for points of difference between the comparatives and the company being valued.

As at 31 December 2017, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	OCPE Education €'000
Investments	42,516	199,645	129,410	29,282
Loans	(4,565)	(25,004)	(46,015)	–
Provisional profit allocation	–	(21,815)	(2,847)	–
Other net assets	3,164	1,341	42,127	278
Total value of the Fund attributable to the Company	41,115	154,167	122,675	29,560
	£'000	**£'000**	**£'000**	**£'000**
Total value of the Fund attributable to the Company	36,551	137,054	109,058	26,280

As at 31 December 2016, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	OCPE Education €'000
Investments	82,225	213,160	–	–
Loans	(9,241)	(27,564)	–	–
Provisional profit allocation	–	(17,751)	–	–
Other net assets	3,090	949	2,734	–
Total value of the Fund attributable to the Company	76,074	168,794	2,734	–
	£'000	**£'000**	**£'000**	**£'000**
Total value of the Fund attributable to the Company	64,906	144,015	2,333	–

The Company does not utilise valuation models to calculate the fair value of its Fund investments. The NAV as reported by the Funds' General Partner or administrator is considered to be the key unobservable input. In addition, the Company has the following control procedures in place to evaluate whether the NAV of the underlying Fund investments is calculated in a manner consistent with IFRS 13:

- Thorough initial due diligence process and the Board of Directors performing ongoing monitoring procedures, primarily discussions with the Investment Adviser;
- Comparison of historical realisations to last reported fair values; and
- Review of the Auditor's report of the respective Fund.

Unquoted debt securities

The fair values of the Company's investments in unquoted debt securities are derived from a discounted cash flow calculation based on expected future cash flows to be received, discounted at an appropriate rate. Expected future cash flows include interest received and principal repayment at maturity.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

8. Disclosure about fair value of financial instruments continued

Unobservable inputs for Level III investments

Funds

In arriving at the fair value of the unquoted Fund investments, the key input used by the Company is the NAV as provided by the General Partner or administrator. It is recognised by the Company that the NAV of the Funds are sensitive to movements in the fair values of the underlying portfolio companies.

The underlying portfolio companies owned by the Funds may include both quoted and unquoted companies. Quoted portfolio companies are valued based on market prices and no unobservable inputs are used. Unquoted portfolio companies are valued based on a market approach for which significant judgment is applied.

For the purposes of sensitivity analysis, the Company considers a 10% adjustment to the fair value of the unquoted portfolio companies of the Funds as reasonable. For the year ending 31 December 2017 a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 5.9% movement in net assets attributable to shareholders (2016: 4.9%). A 10% decrease to the fair value of the unquoted portfolio companies held by the Funds would have an equal and opposite effect.

Unquoted debt securities

In arriving at the fair value of the unquoted debt securities, the key inputs used by the Company are future cash flows expected to be received until maturity of the debt securities and the discount factor applied. The discount factor applied is considered to be an unobservable input and range between 6.5% and 15%.

For the purposes of sensitivity analysis, the Company considers a 1% adjustment to the discount factor applied as reasonable. For the year ending 31 December 2017 a 1% increase to the discount factor would result in a 0.3% movement in net assets attributable to shareholders (2016: 0.4%). A 1% decrease to the discount factor would have an equal and opposite effect.

Transfers between levels

There were no transfers between the Levels during the year ended 31 December 2017.

The following table presents the transfers between the Levels for the year ended 31 December 2016:

	Level I £'000	Level III £'000
Funds	–	–
Quoted equity securities	47,155	–
Unquoted equity securities	–	(32,155)
Unquoted debt securities	–	(15,000)
Total transfers between Level I and Level III	47,155	(47,155)

On 14 June 2016, the Time Out unquoted debt and equity securities classified as Level III were exchanged for listed shares of Time Out Group plc ("Time Out Group") as part of the reorganisation and Initial Public Offering ("IPO") of the Time Out Group. Transfers are recognised at the date of transfer.

Level I and Level III reconciliation

The changes in investments measured at fair value, for which the Company has used Level I and Level III inputs to determine fair value as of 31 December 2017 and 2016, are as follows:

Level I Investments:	2017 £'000	2016 £'000
Quoted equity securities		
Fair value at the beginning of the year	43,854	–
Shares transferred from unquoted debt and equity securities	–	47,155
Net change in unrealised gains/(losses) on investments	(2,672)	(3,301)
Fair value of Level I investments at the end of the year	41,182	43,854

Level III Investments:

	Funds £'000	Unquoted equity securities £'000	Unquoted debt securities £'000	Total £'000
2017				
Fair value at the beginning of the year	211,254	–	85,761	297,015
Purchases	164,522	–	36,982	201,504
Proceeds on disposals (including interest)	(113,812)	–	(61,230)	(175,042)
Realised gain on sale	23,991	–	–	23,991
Interest income and other fee income	–	–	7,989	7,989
Net change in unrealised gains/(losses) on investments	22,988	–	–	22,988
Fair value at the end of the year	308,943	–	69,502	378,445

	Funds £'000	Unquoted equity securities £'000	Unquoted debt securities £'000	Total £'000
2016				
Fair value at the beginning of the year	158,369	25,950	104,897	289,216
Purchases	41,846	6,754	80,476	129,076
Proceeds on disposals (including interest)	(48,636)	–	(94,976)	(143,612)
Realised gain on sale	9,403	–	–	9,403
Accrued interest capitalised in debt for share conversion	–	1,103	–	1,103
Net realised loss on debt for share conversion	–	(1,418)	560	(858)
Transferred to quoted equity securities (Level I)	–	(32,155)	(15,000)	(47,155)
Interest income and other fee income	–	–	10,345	10,345
Net change in unrealised gains/(losses) on investments	50,272	(234)	(541)	49,497
Fair value at the end of the year	211,254	–	85,761	297,015

Financial instruments not carried at fair value

Financial instruments, other than financial instruments at fair value through profit and loss, where carrying values are equal to fair values:

	2017 £'000	2016 £'000
Cash and cash equivalents	117,836	106,509
Trade and other receivables	668	673
Trade and other payables	36,091	9,619

As at 31 December 2017, trade and other payables includes a balance of €39,093,600 (£34,457,099) which is due to Fund III in relation to a capital call made by Fund III.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

9. Segment information

The Company has two reportable segments, as described below. For each of them, the Board of Directors receives detailed reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

- Fund investments: includes commitments/investments in four private equity funds.
- Direct investments and loans: includes direct investments, loans to the Funds' portfolio companies, loans to the Funds and other loans.

Balance sheet and income and expense items which cannot be clearly allocated to one of the segments are shown in the column "Unallocated" in the following tables.

The reportable operating segments derive their revenue primarily by seeking investments to achieve an attractive return in relation to the risk being taken. The return consists of interest, dividends and/or unrealised and realised capital gains.

The financial information provided to the Board of Directors with respect to total assets and liabilities is presented in a manner consistent with the consolidated financial statements. The assessment of the performance of the operating segments is based on measurements consistent with IFRS. With the exception of capital calls payable, liabilities are not considered to be segment liabilities but rather managed at the corporate level.

There have been no transactions between the reportable segments during the financial year 2017 (2016: none).

The segment information for the year ended 31 December 2017 is as follow:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	23,991	–	23,991	–	23,991
Net unrealised gains/(losses) on financial assets at fair value through profit and loss	22,988	(2,672)	20,316	–	20,316
Interest income	–	7,683	7,683	39	7,722
Net foreign currency gains/(losses)	–	–	–	(839)	(839)
Other income	–	306	306	–	306
Expenses	–	–	–	(6,529)	(6,529)
Interest expense	–	–	–	(42)	(42)
Profit/(loss) for the year	46,979	5,317	52,296	(7,371)	44,925
Total assets	308,943	110,684	419,627	118,504	538,131
Total liabilities	(34,457)	–	(34,347)	(1,634)	(36,091)
Net assets	274,486	110,684	385,170	116,870	502,040
Total assets include:					
Financial assets at fair value through profit and loss	308,943	110,684	419,627	–	419,627
Cash and others	–	–	–	118,504	118,504

The segment information for the year ended 31 December 2016 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	9,403	(858)	8,545	–	8,545
Net unrealised gains/(losses) on financial assets at fair value through profit and loss	50,272	(4,076)	46,196	–	46,196
Interest income	–	11,355	11,355	282	11,637
Net foreign currency gains/(losses)	–	–	–	4,733	4,733
Other income	–	93	93	47	140
Expenses	–	–	–	(4,519)	(4,519)
Interest expense	–	–	–	(55)	(55)
Profit/(loss) for the year	59,675	6,514	66,189	488	66,677
Total assets	211,254	129,615	340,869	107,182	448,051
Total liabilities	–	–	–	(9,619)	(9,619)
Net assets	211,254	129,615	340,869	97,563	438,432
Total assets include:					
Financial assets at fair value through profit and loss	211,254	129,615	340,869	–	340,869
Cash and others	–	–	–	107,182	107,182

10. Cash and cash equivalents

	2017 £'000	2016 £'000
Cash and demand balances at banks	91,229	80,402
Short-term deposits	26,607	26,107
	117,836	106,509

11. Trade and other receivables

	2017 £'000	2016 £'000
Prepayments	1	34
Amounts due from related parties	667	639
	668	673

12. Trade and other payables

	2017 £'000	2016 £'000
Trade payables	1,634	1,078
Dividend payable	–	8,541
Capital call payable	34,457	–
	36,091	9,619

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

13. Interest income

	2017 £'000	2016 £'000
Interest income on investments carried at amortised cost:		
Cash and cash equivalents	39	282
Interest income on investments designated as at fair value through profit and loss:		
Debt securities	7,683	11,355
	7,722	11,637

14. Expenses

	Notes	2017 £'000	2016 £'000
Management fees	15	535	2,264
Operational and advisory fees	16	2,568	–
Professional fees	17	872	1,196
Performance fees	15,16	1,246	607
Other expenses	16	1,308	452
		6,529	4,519

15. Management and performance fees until 31 March 2017

Pursuant to a management agreement dated 30 July 2007, the Company appointed Oakley Capital (Bermuda) Limited (the "Manager") to provide management services. On 31 March 2017, the management agreement was terminated. The terms of the management agreement were as follows:

a) Management fees

The Manager was not entitled to receive a management fee from the Company in respect of amounts either committed or invested by the Company in the Funds. The Manager received a management fee at the rate of 1% per annum in respect of assets that were not committed to the Funds and which were invested in cash, cash deposits or near cash deposits and a management fee at the rate of 2% per annum in respect of those assets which were invested directly in co-investments. The management fee was payable monthly in arrears.

Management fees for the period 1 January 2017 through 31 March 2017 totalled £535,090 (1 January 2016 - 31 December 2016: £2,263,915) and are presented in the consolidated statement of comprehensive income. There were no management fees payable to the Manager at 31 December 2017 (2016: £802,283).

b) Performance fees

The Manager was also entitled to receive a performance fee of 20% of the excess of the amount earned by the Company over and above an 8% per annum hurdle rate on any monies invested as a co-investment with any Fund. Any co-investment was treated as a segregated pool of investments by the Company. If the calculation period was greater than one year, the hurdle rate was compounded on each anniversary of the start of the calculation period for each segregated co-investment. If the amount earned did not exceed the hurdle rate on any given co-investment, that co-investment was included in the next calculation so that the hurdle rate is measured across both co-investments.

The Company did not incur any performance fee for the period 1 January 2017 through 31 March 2017 (1 January 2016 – 31 December 2016: £606,701). There was no performance fee payable to the Manager at 31 December 2017 (2016: £nil).

The Manager entered into an Investment Advisory Agreement with the Investment Adviser to advise the Manager on the investment of the assets of the Company. The Investment Advisory Agreement was terminated on 31 March 2017. The Investment Adviser did not receive a management or performance fee from the Company. Any fees due to the Investment Adviser were paid by the Manager out of the management and performance fees it received from the Company.

16. Operational, advisory and performance fees from 1 April 2017

Pursuant to an operational services agreement dated 1 April 2017 (the "Operational Services Agreement"), the Company appointed Oakley Capital Manager Limited (the "Administrative Agent") to provide operational assistance and services to the Board with respect to the Company's investments and its general administration.

a) Operational fees

Under the Operational Services Agreement, the Administrative Agent receives an operational services fee equal to 2% per annum of the net asset value (before deduction of any accrued performance fees) of all investments held by the Company except for the investments in and any revolvers with Fund I, Fund II and Fund III and any loans to entities affiliated with the Administrative Agent. The fee is *pro rata* for partial periods and payable quarterly in arrears.

The operational services fee for the period 1 April 2017 through 31 December 2017 totalled £1,892,118 (2016: £nil) and is presented in the consolidated statement of comprehensive income. The amount outstanding as at 31 December 2017 was £635,022 (2016: £nil) and is included in 'Trade and other payables' in the consolidated balance sheet.

b) Advisory fees

Under the Operational Services Agreement, the Administrative Agent also receives an advisory fee based on the successful buy-side and sell-side transactions of the Company for any equity investment. The advisory fee is 2% of the equity transaction value unless otherwise agreed between the parties.

Advisory fees for the period 1 April 2017 through 31 December 2017 totalled £675,712 (2016: £nil) and are presented in the consolidated statement of comprehensive income. There are no amounts outstanding as at 31 December 2017 (2016: £nil).

c) Performance fees

The Administrative Agent also receives a performance fee of 20% of the excess of any proceeds from the full or partial realisation on disposal of each of the Company's co-investments over and above an 8% hurdle rate after the deduction of the original cost of the co-investment and the attributable proportion of all other expenses incurred by the Company in respect of co-investments.

Performance fees for the period 1 April 2017 through 31 December 2017 totalled £1,246,443 (2016: £nil) and are presented in the consolidated statement of comprehensive income. The amount outstanding as at 31 December 2017 was £624,297 (2016: £nil) and is included in 'Trade and other payables' in the consolidated balance sheet.

d) Other fees

Under the Operational Services Agreement, the Administrative Agent may also recharge costs incurred, either directly or indirectly by its contracted advisors, on behalf of the Company. For the period 1 April 2017 through 31 December 2017, the Administrative Agent recharged such other costs to the Company totalling £595,659 (2016: £nil) and is included in other expenses (Note 14). The amount outstanding as at 31 December 2017 was £189,464 (2016: £nil) and is included in 'Trade and other payables' in the consolidated balance sheet.

The Administrative Agent has entered into an Investment Advisory Agreement with the Investment Adviser to advise on the investment of the assets of the Company. The Investment Adviser does not receive any management or performance fees from the Company. Any fees earned by the Investment Adviser are paid by the Administrative Agent.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

17. Professional fees

	Notes	2017 £'000	2016 £'000
Administration fees	18	359	368
Consulting fees		34	300
Directors' fees	19	205	261
Auditor's remuneration	20	85	124
Legal fees		104	63
Other fees		85	80
		872	1,196

18. Administration fees

The Company has appointed Mayflower Management Services (Bermuda) Limited (the "Administrator") to provide administration services pursuant to the Administration Agreement dated 30 July 2007 and it receives an annual administration fee at prevailing commercial rates. Administration fees for the year ended 31 December 2017 totalled £359,432 (2016: £367,553) and are included in Professional fees (Note 17). There was no administration fee payable to the Administrator as at 31 December 2017 (2016: £91,226).

The Company has also entered into an agreement with Mayflower Corporate Services Limited ("MCS"), a subsidiary of the Administrator to provide corporate secretarial services. Any fees due to MCS will be paid by the Administrator.

19. Directors' fees

	2017 £'000	2016 £'000
Chairman's remuneration	65	55
Directors' fees	140	206
	205	261

The members of the Board of Directors are listed on pages 38 and 39 of the annual report and are considered to be Key Management Personnel. No pension contributions were made in respect of any of the Directors and none of the Directors receives any pension from any portfolio company held by the Company.

During the year none of the Directors waived remuneration (2016: none). Other fees paid to the Directors included consulting fees of £24,694 paid to the Chairman of the Board. No fees were payable as at the year end (2016: none). For the years ended 31 December 2017 and 31 December 2016 members of the Board of Directors held shares in the Company and were entitled to dividends as detailed below:

	2017 '000	2016 '000
Shares at the beginning of the year	2,231	385
Shares acquired during the year	459	1,846
Shares at the end of the year	2,690	2,231
Dividends paid to Directors	£161	–
Dividends payable to Directors	–	£100

20. Auditors' remuneration

	2017 £'000	2016 £'000
Audit of consolidated financial statements	85	96
Other assurance services	–	28
Total Auditor's remuneration	85	124

21. Withholding tax

Under current Bermuda law the Company is not required to pay tax 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 is exempt from such taxation at least until 31 March 2035.

The Company may, however, be subject to foreign withholding taxes in respect of income derived from its investments in other jurisdictions. For the year ended 31 December 2017, the Company was not subjected to foreign withholding taxes (2016: nil).

22. Earnings per share

The earnings per share calculation use the weighted average number of shares in issue during the year.

	2017	2016
Basic and diluted earnings per share	£0.22	£0.35
Profit for the year ('000)	£44,925	£66,677
Weighted average number of shares in issue ('000)	203,859	189,901

23. Net asset value per share

The net asset value per share calculation uses the number of shares in issue at the end of the year.

	2017	2016
Basic and diluted net asset value per share	£2.45	£2.31
Net assets attributable to shareholders ('000)	£502,040	£438,432
Number of shares in issue at year end ('000)	204,804	189,804

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

24. Share capital

a) Authorised and issued capital

The authorised share capital of the Company is 280,000,000 ordinary shares at a par value of £0.01 each. Ordinary shares are listed and traded on AIM of the London Stock Exchange. Each share confers the right to one vote and shareholders have the right to receive dividends.

As at 31 December 2017, the Company's issued and fully paid share capital was 204,804,036 ordinary shares (2016: 189,804,036).

	2017 '000	2016 '000
Ordinary shares outstanding at the beginning of the year	189,804	191,078
Treasury shares purchased	–	(1,274)
Treasury shares issued	15,000	–
Ordinary shares outstanding at the end of the year	204,804	189,804

b) Treasury shares

On 24 January 2017, the Company sold 15,000,000 (2016: nil) ordinary shares at a share price of £1.57 per share and a total net cash consideration of £23,290,950 (2016: £nil). No treasury shares were purchased during the year (2016: 1,274,279 ordinary shares for a total cash consideration of £1,853,928). On 25 January 2017, the Company cancelled its remaining 2,108,843 treasury shares.

All rights associated with treasury shares held by the Company are suspended until the shares are re-issued.

As at 31 December 2017, the Company holds no treasury shares (2016: 17,108,843).

c) Share premium

Share premium represents the amount received in excess of the nominal value of ordinary shares.

25. Dividends

On 11 September 2017, the Board of Directors declared and approved payment of an interim dividend of 2.25 pence per ordinary share which resulted in a dividend payment of £4,608,091 paid on 26 October 2017 (2016: On 16 December 2016, the Board of Directors declared and approved a final dividend of 4.5 pence per ordinary share which resulted in a dividend payment of £8,541,181 paid on 30 January 2017).

26. Commitments

The Company had the following capital commitments in Euros at the year end:

	2017 €'000	2016 €'000
Fund I		
Total capital commitment: £167,486 (2016: £160,741)	188,398	188,398
Called capital at the beginning of the year	178,978	178,978
Capital calls during the year: 3.6% (2016: 0%)	6,782	–
Called capital at the end of the year: £165,141 (2016: £152,704)	185,760	178,978
Unfunded capital commitment: £2,345 (2016: £8,037)	2,638	9,420
Aggregate recycled commitment	13,000	5,652

	2017 €'000	2016 €'000
Fund II		
Total capital commitment: £168,910 (2016: £170,640)	190,000	200,000
Called capital at the beginning of the year	153,000	114,000
Capital calls during the year: 7% (2016: 19.5%)	14,000	39,000
Adjustment for partial sale during the year	(8,350)	–
Called capital at the end of the year: £141,040 (2016: £130,540)	158,650	153,000
Unfunded capital commitment: £27,870 (2016: £40,100)	31,350	47,000

During the year, the Company sold 5% of its investment in Fund II for a total consideration of €8,216,636.

	2017 €'000	2016 €'000
Fund III		
Total capital commitment:£289,618 (2016: £277,290)	325,780	325,000
Called capital at the beginning of the year	9,750	–
Capital calls during the year: 35% (2016: 3%)	114,047	9,750
Called capital at the end of the year: £110,055 (2016: £8,319)	123,797	9,750
Unfunded capital commitment: £179,563 (2016: £268,971)	201,983	315,250
Total unfunded capital commitments: £209,778 (2016: £317,108)	235,971	371,670

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

26. Commitments continued

The Company had the following loan commitments at the year end:

	2017 £'000	2016 £'000
Total revolving loan facility commitments:		
Fund I	5,000	5,000
Fund II	20,000	15,000
Fund III	20,000	–
Oakley NS (Bermuda) L.P.	3,000	–
	48,000	20,000
Total unfunded loan commitments:		
Fund I	2,122	3,000
Fund II	20,000	10,688
Fund III	20,000	–
Oakley NS (Bermuda) L.P.	–	–
	42,122	13,688

27. Contingent liabilities

In the ordinary course of business, the Company may enter into contracts or agreements that 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, the Board of Directors believe that the current likelihood of such an event is remote.

As at 31 December 2017 and 2016, there are no contingent liabilities outstanding.

28. Related parties

Balances and transactions between the Company and its subsidiary have been eliminated on consolidation and are not disclosed in this note. Related parties as disclosed below are not part of the consolidation and for this reason are not eliminated.

The Investment Adviser and the Administrative Agent are considered related parties to the Company given the direct and indirect control and transactions with them. Until 31 March 2017, the Manager was considered a related party to the Company given the direct and indirect control and transactions with the Manager.

Management fees and performance fees paid for the period 1 January 2017 through 31 March 2017 are detailed in Notes 14 and 15. Operational service fees, advisory fees, performance fees and recharged costs paid to the Administrative Agent for the period 1 April 2017 through 31 December 2017 are detailed in Notes 14 and 16. The agreements between the Company and these service providers are based on normal commercial terms.

During the year ended 31 December 2017, the Investment Adviser recharged staff costs of £409,722 (2016: £132,565) and overheads of £2,343 (2016: £42,435) to the Company which is included in other expenses (Note 14).

As part of the Company's investment in Fund III, the Company agreed to pay Oakley Capital Manager Limited, the manager of Fund III (the "Fund III Manager"), an option fee of €1,500,000 to secure the option to increase the Company's commitment in Fund III by an additional €150,000,000 at any time on or prior to 31 December 2016. Under the terms of the option agreement, the Fund III Manager would repay the option fee in the event that the Company exercises the option. In November 2016, the Company exercised 50% of the option when it committed an additional €75,000,000 to Fund III. The Fund III Manager repaid 50% of the option fee to the Company at that time. In December 2016, it was agreed that the Fund III Manager would repay the remaining 50% of the option fee. The Company did not exercise the remaining portion of the option and the option agreement expired on 31 December 2016. As at 31 December 2017, the £666,750 (€750,000) is included in 'Trade and other receivables' in the consolidated balance sheet (2016: £639,300 (€750,000)).

Until 7 June 2016, the Administrator and the Company were considered related parties by virtue of a Director in common. This Director did not seek re-election to the Company's Board of Directors at the Company's 2016 Annual General Meeting. Administration fees paid to the Administrator are detailed in Note 18.

One Director of the Company is also a Director of the Investment Adviser and Oakley Advisory Limited; entities which provide services to, and receive compensation from, the Company. Until 31 March 2017, one Director of the Company was also a Director of the Manager, an entity that provided services to, and received compensation from, the Company. The agreements between the Company and these service providers were and are based on normal commercial terms.

Throughout 2017, no Director of the Company had a personal interest in any transaction of significance for the Company (2016: none).

Fund I is considered a related party due to the investment the Company has in Fund I. During the year ended 31 December 2017, the Company acquired an interest in OCPE Education L.P. from most Limited Partners of Fund I and paid €23,492,217 (£20,795,311) for such additional interests in OCPE Education L.P.

29. Events after the balance sheet date

The Board of Directors has evaluated subsequent events from the year end through 14 March 2018, which is the date the consolidated financial statements were available for issue. The following events have been identified for disclosure.

On 9 February 2018, the Company increased its loan to Oakley NS (Bermuda) L.P. from £3,000,000 to £7,850,000 and extended the repayment date to 9 February 2019.

On 12 February 2018, the Company agreed to extend the repayment date on one of its loans to Oakley Capital III Limited to 30 June 2018.

On 9 March 2018, the Company received a distribution of €11,976,638 (£10,643,639) from Fund III arising from the refinancing of capital by Casa & atHome.

On 14 March 2018, the Board of Directors declared and approved payment of a dividend of 2.25 pence per ordinary share resulting in a dividend of £4,608,091 payable on 26 April 2018.

Glossary

Admission Document	The admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules. The admission document dated 30 July 2007 was prepared by the Company in respect to its admission to trading on AIM.
Administrative Agent	Oakley Capital Manager Limited, in respect of the Company.
AIM	The Alternative Investment Market of the London Stock Exchange.
AIFMD	Alternative Investment Fund Managers Directive became effective from July 2013. As a result, at 31 December 2017, Oakley Capital Investments Limited is registered as an Alternative Investment Fund ("AIF").
AIF	Alternative Investment Fund, as at 31 December 2017, Oakley Capital Investments Limited is a non-EU AIF.
AIM Rules	The AIM Rules for Companies, which sets out the rules and responsibilities for companies listed on AIM, as amended from time to time.
Auditor	KPMG Audit Limited or such other auditor as appointed from time to time.
Board / Directors	The Board of Directors of the Company.
Carried Interest	20 per cent of the income and realisation proceeds from the sale of investment by the Funds payable to the carried interest holders after satisfying any expenses and liabilities of the Funds and subject to the payment of the General Partner Share as described in Section 11 of Part 1 of the Admission Document.
Co-investment Fund	OPCE Education (Feeder) L.P., which together with OCPE Education L.P. collectively comprise "OCPE Education".
Commitments	The amount committed by an investor to the Funds whether or not such amount has been advances in whole or in part.
Company / OCI	Oakley Capital Investments Limited, a company incorporated with limited liability in Bermuda and registered number 40324.
Cost	In relation to the cost of investments, this is the open cost of the investment at 31 December 2017, i.e. the investment cost net of amounts realised from partial exits and refinancings, where applicable.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and is used as the typical measure of portfolio company performance.
Exchange Rate	The GBP:EUR exchange rate at 31 December 2017 was £1: €1.1254.
Fund I / Oakley Fund I	Oakley Capital Private Equity L.P.
Fund II / Oakley Fund II	Those limited partnerships constituting the fund known as Oakley Capital Private Equity II, comprising Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P, Oakley Capital Private Equity II-C L.P and OCPE II Master L.P.
Fund III / Oakley Fund III	Those limited partnerships constituting the fund known as Oakley Capital Private Equity III, comprising Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P, Oakley Capital Private Equity III-C L.P and OCPE III Master L.P.

Fund Facilities	This includes debt facilities provided by the Company to the Oakley Funds and to the General Partners of the Oakley Funds.
General Partners (GP)	Oakley Capital I Limited in respect of Fund I (previously Oakley Capital GP Limited) Oakley Capital II Limited in respect of Fund II (previously Oakley Capital GP II Limited) and Oakley Capital III Limited in respect of Fund III (previously Oakley Capital GP III Limited); all exempted companies incorporated in Bermuda.
IFRS	International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements and notes have been prepared in accordance with IFRS.
Investment Adviser	Oakley Capital Limited, a company incorporated in England and Wales with registered number 4091922, which is authorised and regulated by the Financial Conduct Authority; or any successor as Investment Adviser of Fund I, Fund II or Fund III.
IPO	Initial Public Offering.
NAV	Net asset value is the value of the assets less liabilities.
Oakley	The Investment Adviser being Oakley Capital Limited.
Oakley Funds	Fund I, Fund II and Fund III and (as applicable) any successor funds.

Directors and Advisers

Directors

Christopher Wetherhill
Independent Director and Chairman

Laurence Charles Neil Blackall
Independent Director

Caroline Foulger
Independent Director

Peter Adam Daiches Dubens
Director

James Michael Keyes
Independent Director

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Notes

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