Oakley Capital Investments

ANNUAL REPORT & ACCOUNTS 2018

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

The Company's net asset value increased in the year by £72.8 million to £574.8 million

OCI overview

Net asset value	£574.8m
Market capitalisation	£356.4m
Net asset value per share	£2.81
Share price	£1.74
Full year dividend	4.5 pence

2018 OCI highlights

- 16% NAV total return year-on-year
- £130.8m capital deployed
- £165.8m proceeds received
- Commitment of €400.0m to Oakley Fund IV
- Full year dividend of 4.5 pence
- Continued focus on Board governance

2018 Oakley Funds' highlights

- Portfolio valuation growth of +33%*
- Realisations at a 36% premium to book value
- €244.1m total invested capital across the Funds
- €477.6m distributed to Limited Partners in 2018
- Combined gross money multiple of 4.0x on 2018 realisations
- 39% average EBITDA growth across the portfolio

* Calculated on a like-for-like basis

Investment Sectors

	NO. OF INVESTMENTS
Consumer See portfolio companies on page 12	4
TMT See portfolio companies on page 20	3
Education See portfolio companies on page 26	4

At a glance

→ Providing investors with long-term capital appreciation

£574.8m NAV breakdown

1. Oakley Fund investments

51.9% of total NAV › £298.6m

Assets in the underlying Oakley Funds

2. Co-investments

EQUITY

11.2% of total NAV › £64.1m

Consists of the direct equity holdings in Time Out Group plc and Inspired

DEBT

18.6% of total NAV › £107.1m

Debt investments relate to the unquoted debt securities issued by OCI to portfolio companies and to the Oakley Funds (Time Out, North Sails, Daisy)

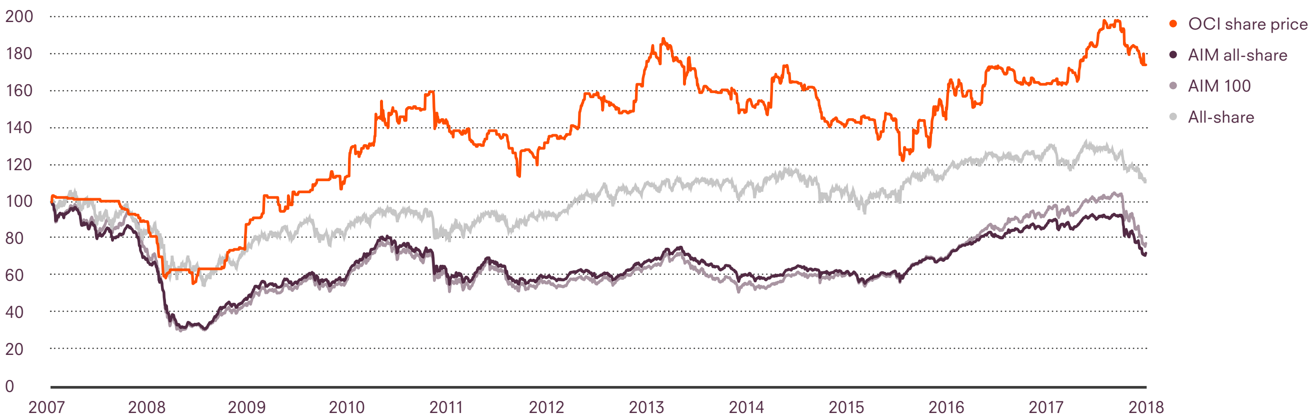
3. Cash, other assets and liabilities

18.3% of total NAV › £105.0m

Cash and cash equivalents of £107.9m offset by liabilities of £2.9m

10 year track record of outperforming market indices

OCI long-term performance vs indices



View our performance in detail on page 32

Oakley's sector 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 focus within this sector is in Digital Consumer, marketing-led, online businesses with leading positions in their respective markets.

VALUE OF ASSETS* › £214.8m

OF TOTAL NAV › 37%

See consumer 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 associated technologies.

VALUE OF ASSETS* › £115.0m

OF TOTAL NAV › 20%

See TMT market overview on page 20

Education

A sector with attractive fundamentals, Education has become a significant sector for Oakley, with investment across the space, including premium private school, higher education and after-school tutoring.

VALUE OF ASSETS* › £173.3m

OF TOTAL NAV › 30%

See education market overview on page 26

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).

Consumer

North Sails	£80.0m
Time Out	£63.6m
Casa & atHome	£41.8m
Facile	£29.4m

TMT

WebPros	£71.5m
Daisy	£30.1m
TechInsights	£13.4m

Education

Inspired	£72.9m
Career Partner Group	£45.6m
Schülerhilfe	£39.7m
AMOS	£15.1m

TOTAL INVESTMENTS £469.8m **

* Sector values are calculated on a look-through basis for each individual portfolio company as described on page 34. 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 £64.1m, and includes £30.6m of debt assets.

Chair's statement

Impressive portfolio company growth and successful realisations resulted in another excellent year for returns. Oakley continues to demonstrate its unique sourcing model, identifying and completing exciting new opportunities for investments.

In my first statement to you as Chair I am pleased to report another successful 12 months for the Company ("OCI"). A total NAV return of 16.3% was driven by very strong profit growth across the Oakley Funds' portfolio companies and realisations at significant premiums to their holding value.

Realisations and portfolio company refinancings in the Oakley Funds returned total capital of £130.5 million. The Investment Adviser also continues to source exciting new opportunities in high-growth sectors in Western Europe. A total of £58.8 million was deployed into the Oakley Funds as a result of two new acquisitions and follow-on investments. Today, OCI provides access to a high-quality portfolio of 11 private companies across Oakley's established areas of expertise - consumer, education and TMT.

We continue to focus on the best interests of shareholders and in doing so are taking actions which we hope will narrow the discount between the OCI share price and the NAV per share. Steps have been taken to improve governance with the beginning of a refresh of the Board and a strengthening of its committees, improve communications with a refresh of this report and our website and improve our investor relations ("IR") programme with greater investor and analyst engagement. The year ahead will provide further opportunities for new initiatives aimed at enhancing and protecting shareholder value.

Performance

The OCI NAV per share grew from £2.45 to £2.81 in the last 12 months. The key contributors to this were:

- Fund Revaluations (+29 pence) - There have been continued positive revaluations in the underlying portfolio, most notably to Inspired, WebPros and Career Partner Group. These uplifts have been driven by strong trading performance with portfolio company EBITDA growth of 39% on average.
- Realisations (+14 pence) - OCI benefited from the sale of Parship Elite Group, Verivox, Facile and Damovo, which generated a combined gross money multiple of 4.0x and returned £114.8 million to the Company. The reason for the NAV increase was the combined 36% premium to book value achieved upon realisations, demonstrating the level of demand for these quality businesses and the consistently conservative approach to the OCI NAV.
- Co-investment revaluations (-1 pence) - The Company holds two direct equity investments in underlying portfolio companies; Inspired and Time Out. Inspired (+8 pence) has undergone another transformative year and now comprises 42 schools, educating over 31,000 students. Consistent growth coupled with strong revenue visibility makes this a highly attractive investment. Time Out Group's (-9 pence) publicly-listed shares fell 46% despite the operational progress made in the period. This reflects overall stock market weakness, low Time Out share liquidity and delays to delivery of some strategic objectives. 2019 is, however, a potential inflection point for the group with the global roll-out of the Time Out Market concept.
- In addition, dividends paid within the year amounted to 4.5 pence per share and fees paid equated to 2 pence per share.

Commitments and cash

OCI has £152 million of outstanding commitments to Oakley Funds I, II and III. As a result of 24 months of successful investment, Oakley Fund III is now approximately 70% deployed. In January 2019, OCI announced a €400 million commitment to Oakley Capital Fund IV. The Board is focused on maximising shareholder exposure to the out performance of the Oakley Funds and the size of this commitment reflects that.

At year-end, OCI held net cash and cash equivalents of £105 million and short-term debt investments of £107 million. We foresee a consistent level of capital returning to the Company as a result of continued Fund activity. 2019 will provide further opportunity for realisations and refinancings. Following extensive analysis of the Funds' cycles and expected cash returns, the Board is satisfied that the Company has the right balance between Fund commitments and cash.

Governance and shareholder value

Having originally joined the Board as an Independent Director in June 2016, I replaced Christopher Wetherhill as Chair following his retirement in September after 11 years of service. I would like to take the opportunity to thank Christopher, on behalf of the entire Board, for his contribution over those years. As OCI continues its growth journey and its successful strategy of partnering with Oakley, I was pleased to welcome Stewart Porter as Director to the Board in September 2018. We anticipate further changes to the Board membership as we continue to evolve and keep pace with the demands and growth of OCI.

I look forward to leading OCI in this period and ensuring that the Company's governance and risk management structures provide a strong foundation for its growth. The Company's Risk committee and Audit committee have continued their important roles this year in an environment of increasing regulation and accounting change. Additionally, at the start of the year, the Management Engagement committee was established to provide the Board with greater oversight over the Company's suppliers and service providers. This represents a continuation of our drive to enhance internal governance structures.

As stated in last year's report, the Board remains committed to shareholder value and is focused on initiatives aimed at closing the gap between the share price and the NAV per share. As a result, a variety of measures have been undertaken to increase and improve investor communication. We continue to upgrade the content of the Annual Report, providing increased disclosure and a clearer reflection of the investment opportunity we offer. In line with these efforts, our website and investor materials have been relaunched alongside the publication of this report. Our IR programme has increased and broadened our investor and analyst engagement. I am pleased to report that, as a result, share liquidity has further improved, with volumes increasing by an additional 36% year-on-year. There has been an increased alignment of interest, with Board members now holding over 5% of the Company's shares, up from 1% last year. The Board considers this to be an appropriate alignment whilst maintaining the requisite degree of independence. The year ahead will provide further opportunities for new initiatives aimed at improving and protecting shareholder value. The Board continues to focus on the enhancement of its capital management by reviewing the options for share buybacks and also reiterates its commitment to not issuing shares at a discount to the NAV per share.

Dividend

In October, an interim dividend of 2.25 pence per share was paid for the period ended 30 June 2018, and I am now pleased to announce a final dividend for 2018 of 2.25 pence per share.

Prospects

Against a backdrop of uncertainty over the prospects for the world economy in the coming year, the Company has a balanced and resilient portfolio which will provide an element of protection against any softening in the underlying economic outlook. Investment opportunities have been targeted with the potential for structural growth and are not reliant on cyclical economic strength. By way of an example, OCI's 30% exposure to education offers highly attractive and defensive fundamentals. The underlying portfolio continues to perform well, as demonstrated by the profit growth. Leverage across the portfolio is also relatively conservative, with average net debt to EBITDA standing at 3.8x. As a result, the Board is confident of delivering further growth to shareholders over the coming year.

Additionally, despite a continuation of high valuations during 2018, Oakley has demonstrated, with two acquisitions and follow-ons, its continued ability to source high-quality and attractively-priced investment opportunities outside of competitive auction processes. Through its investments in the Oakley Funds, OCI is therefore able to offer shareholders access to private companies. which can often yield higher returns than the public markets.

Caroline Foulger

Chair

Strategic report by the Investment Adviser

Market overview and outlook

→ Private equity fundraising and activity remains at highs, as the asset class continues to outperform

Record fundraising and buy-out activity

2018 was a record year for private equity fundraising, as investors sought to gain exposure to absolute and risk-adjusted returns that have outperformed other asset classes. Total commitments rose 7.8% versus 2017, with total undeployed commitments reaching $2 trillion (source: Preqin). High levels of dry powder supported a 15% year-on-year rise in the value of private equity buyouts in continental Europe, reaching €79.3 billion across 523 deals in 2018, the highest annual figure since 2007 (source: CMBOR). Despite this investment activity, Oakley's target geographies have relatively low private equity market penetration. According to figures from Invest Europe, European PE investment as a percentage of GDP was 0.3% compared to the US total at 1.75% (source: EMPEA). Some of the core Oakley target markets were lower still, with Germany at 0.26%, and Italy at 0.19%.

Managing the risk of overpayment

A combination of high levels of buy-out capital, record stock-market valuations and increased competition from strategic buyers, have seen transaction EBITDA multiples remain at elevated levels of over 11x (source: Preqin). There are growing concerns that high valuations are making it increasingly difficult to buy quality assets at reasonable valuations and this could, in turn, affect future returns. The Investment Adviser, however, remains disciplined in its approach to investing. Its strategy of pursuing entrepreneur-led, non-competitive, proprietary deals has been advantageous to OCI - over 70% of all Oakley's investments have been uncontested deals. Oakley is not reliant on the intermediated market, but rather its strong founder/manager relationships, wide network and reputation for sector expertise, all of which help to drive off-market deal flow. As such, Oakley has been able to make acquisitions below prevailing rates, with an average entry EV/EBITDA multiple of 8.3x versus comparable peer group averages in double digits.

The rising tide of debt capital

Average debt multiples have entered territory not seen since the peak of the last cycle, standing at c6x EBITDA. This is the result of readily available and relatively covenant-lite debt aiding deal makers (source: Bain & Company). There is nervousness that the high leveraging of businesses is driving PE returns and may not be sustainable, especially if credit markets tighten. Oakley's approach to debt is relatively conservative, with the underlying portfolio being levered an average 3.8x at the year end. Oakley's propensity to target asset-light, highly cash-generative businesses provides confidence in the suitability of these debt levels. In turn, OCI itself remains prudent in its approach, with no external debt on its balance sheet.

Softening economic momentum and high uncertainty

Whilst Europe and the global economy are expected to grow at 1.3% and 3.5% respectively in 2019 (source: IMF), these forecasts have been revised downwards (from 1.9% and 3.7%) in the light of weakening financial market sentiment, trade policy uncertainty, and concerns about China's outlook. Risks to global growth are to the downside, with a range of triggers beyond escalating trade tensions that could spark economic decline, especially given the high levels of public and private debt. These potential triggers include a "no-deal" withdrawal of the United Kingdom from the European Union and a greater-than-envisaged slowdown in China.

Against this backdrop, Oakley believes that the Funds' portfolio companies enjoy robust, resilient business models. They are businesses that hold dominant market positions in attractive niches, which enjoy structural growth drivers and limited downside risk. Oakley has invested across Western Europe and beyond. As a result, its experience of a wide range of geographies and sectors provides it with the flexibility to take advantage of the opportunities that an uncertain future may present.

Introduction to the Investment Adviser

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

The Company
Oakley Capital Investments Limited

About OCI

OCI is a closed-ended investment company with the principal objective of achieving capital appreciation through investments via the Oakley Funds 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 takes the ultimate decision to invest (or to take any other action) in an Oakley Fund or in a co-investment. In the ordinary course it makes decisions after reviewing the recommendations provided by the Investment Adviser.

What OCI does

Sets business objectives

Governance, portfolio management and risk management

Appoints and oversees its service providers

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 third-party administrative and operational executives.

What OCML does

Carries out the day-to-day and administrative operations of OCI

Provides operational assistance with respect to OCI's investments

The Investment Adviser
Oakley Capital Limited

About OCL

Oakley Capital Limited ("Oakley") serves as investment adviser to the Administrative Agent with respect to OCI. Oakley is responsible for making investment recommendations and for structuring and negotiating deals for the Oakley Funds and OCI co-investments.

Oakley is authorised and regulated by the Financial Conduct Authority.

What OCL does

Identifies due diligence of investment opportunities

Recommends potential investments and realisations for consideration

Structures and negotiates deals for the Oakley Funds

Investment Adviser's approach

→ Preferred partner for top entrepreneurs

Key resources

Leveraging our unique business network

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 to source off-market deals with them

€81m

of commitments backed by Oakley management teams across Fund II and Fund III

How we invest

Sourcing proprietary deals through our industry relationships and experience

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

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 intermediate auctions

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

96%

of Oakley deals have been primary deals

"Complexity, along with strong management partnerships can present opportunities and enable Oakley to create value"

Creating value

Driving growth across the portfolio

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

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

39%
average EBITDA growth across the full portfolio

Generating returns

Generating consistently high returns

Oakley Funds:

	MM*	IRR*
OAKLEY FUND I (vintage 2007)	2.1x	36%
OAKLEY FUND II (vintage 2013)	2.2x	39%
OAKLEY FUND III (vintage 2016)	1.7x	54%

OCI, as LP in the Oakley Funds:

CALLED CAPITAL TO DATE	£492.1m
CAPITAL RETURNED TO DATE	£513.5m
FAIR VALUE OF OAKLEY FUNDS	£298.6m

* Gross money multiple and gross IRR are based on realised and unrealised portfolio returns as at 31 December 2018.

Consumer sector

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 replication 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.

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.

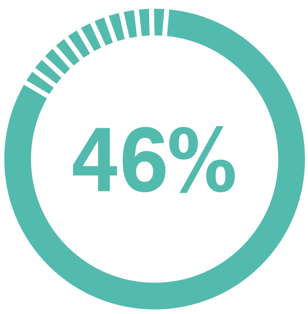
Sector investments*

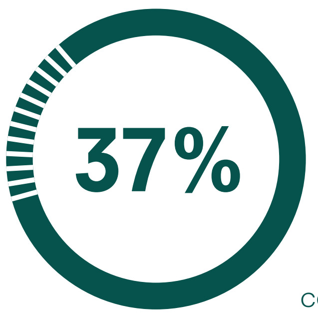
Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
North Sails	OCI/Fund II	£70.4m	£80.0m	14
Time Out	OCI/Fund I	£112.1m	£63.7m	11
Casa & atHome	Fund III	£26.3m	£41.8m	7
Facile	Fund III	£29.4m	£29.4m	5

2018 realistions	Fund proceeds	OCI proceeds	% uplift on book value
Parship Elite Group	€137.9m	£35.6m	21
Verivox	€53.5m	£15.1m	38
Facile	€198.4m	£51.5m	56

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

CONSUMER SECTOR
EBITDA GROWTH**





CONSUMER SECTOR
AS % OF OCI NAV

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on page 34. 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.

** Based on the results of the portfolio companies' most recent respective financial year-ends, calculated using the simple average method.

Consumer portfolio companies

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.

NTG's revenue and EBITDA were both significantly ahead of last year, driven by particularly strong performance by Southern Spars. NTG continues to invest in the launch of its new kiteboarding division, which included the acquisition of a kiteboarding accessories equipment business, North Action Sports, in January 2019.

In addition, North Sails Apparel revenues were 25% ahead of the prior year on an underlying basis. This was driven by strong growth in all core channels of the business, in particular in online and crew apparel. Overhead costs were closely managed during the year, and whilst the business remains loss making, EBITDA has improved on last year.

£32.8m (debt) **£37.6m** (equity)
OCI'S OPEN COST

£40.6m (debt) **£39.4m** (equity)
OCI'S VALUATION

14%
OF OCI NAV

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.

The Time Out Market in Lisbon continues to perform strongly and Time Out's top strategic priority remains the rollout of the Time Out Market concept to new cities. In the year ahead, Time Out are set to open five new markets in North America, including Miami, New York, Boston, Chicago and Montreal, the Group's first management agreement. Impressive line-ups of some of the cities' top chefs have already been announced by the company.

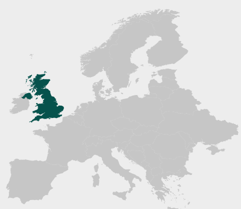
Despite the operational progress made during 2018 in Time Out, the share price performance has been poor, declining from £1.31 at 31 December 2017 to £0.71 at 31 December 2018. This reflects overall stock market weakness, low Time Out share liquidity and delays to delivery of some strategic objectives.

Time Out will release their full year 2018 results on 28th March 2019.

£20.0m (debt) **£92.1m** (equity)
OCI'S OPEN COST

£20.9m (debt) **£42.7m** (equity)
OCI'S VALUATION

11%
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 number one property portal in Luxembourg, atHome.lu, and the number 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 adding other verticals to the platforms. The cost reduction was completed in July 2017 delivering material cost savings. atHome has delivered solid growth to date and in 2018 successfully added (through strategic bolt-on acquisitions) mortgage broking and automotive classified verticals to its core property real estate classifieds proposition. Casa has begun to accelerate its top line growth through more focused and innovative sales and marketing initiatives.

On a consolidated basis, in the half-year ended 31 December 2018 (30 June year-end) the group increased revenue by 13% and EBITDA by 5% versus the equivalent prior year period. EBITDA growth has been more subdued due to investments made in product, technology and marketing initiatives to support future innovation and growth.

£26.3m
OCI'S OPEN COST

£41.8m
OCI'S VALUATION

7%
OF OCI NAV

facile.it
RISPARMIARE È FACILE

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

Oakley originally invested in Facile in 2014 via Oakley Fund II, building on the sector experience gained through an earlier investment in Verivox, the Germany-based online price comparison website.

In June 2018, Oakley Fund II sold its entire stake in Facile to EQT, valuing Facile at an enterprise value of €445 million. As part of the sale of Facile to EQT, Oakley Fund III invested €80 million for a 21% stake in order to benefit from the next stage of Facile's development in partnership with a leading international growth investor.

The Italian price comparison market is still relatively undeveloped versus other markets, providing significant headroom for further growth. Facile is expected to leverage its market leadership across multiple product verticals to achieve continued organic growth in its online channel, supported by expansion into physical distribution channels to access an additional segment of the Italian market.

£29.4m
OCI'S OPEN COST

£29.4m
OCI'S VALUATION

5%
OF OCI NAV

Consumer portfolio companies
Realised investments

PARSHIP ELITE Group

Parship Elite Group was formed through the combination of the two leading online dating brands in the DACH region, Parship and ElitePartner.

During Oakley's ownership, Parship Elite Group established itself as the market leader in DACH "online matchmaking" through realisation of synergies, continued focus on product improvements and new marketing initiatives. Following the success of the merger and strong organic growth, Oakley sold a controlling stake in 2016 to the German media group ProSiebenSat.1 Media BV ("ProSiebenSat.1"), and fully realised its investment in 2018.

€137.9m	£35.6m	21%
FUND II PROCEEDS	OCI PROCEEDS	UPLIFT ON BOOK VALUE

Realisation

Oakley Fund II completed the sale of its remaining 38.5% stake in Parship Elite Group to NCG Commerce GmbH, a new joint venture with ProSiebenSat.1, based on an enterprise value of €440 million.

Oakley Fund II received gross proceeds of €137.9 million, resulting in overall returns of 4.7x gross money multiple and a gross IRR of 118%.

OCI received £35.6 million from this realisation, representing 21% of its total commitments to Oakley Fund II.

Parship Elite Group - key events from acquisition to realisation:

APRIL 2015	JUNE 2015	NOVEMBER 2015	SEPTEMBER 2016	APRIL 2018
Completion of Parship acquisition	Signing of Elite Partner acquisition	Completion of Elite Partner acquisition	Partial realisation to ProSiebenSat.1	Completion of sale of remaining stake to NuCom Group

→ **Realised returns for Oakley Fund II were 4.7x gross money multiple and 118% gross IRR**

£35.6 million proceeds received by OCI

Verivox

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

The sale of Verivox marked the conclusion of a nine-year partnership with Oakley dating back to 2009, which laid the foundation for further successful investments in the digital consumer sector.

€53.5m	£15.1m	38%
FUND II PROCEEDS	OCI PROCEEDS	UPLIFT ON BOOK VALUE

Realisation

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 received gross proceeds of €53.5 million, crystallising returns of 2.5x gross money multiple and 44% gross IRR.

OCI received £15.1 million from this realisation, representing 9% of its total commitments to Oakley Fund II.

Verivox - key events from acquisition to realisation:

DECEMBER 2009	AUGUST 2015	AUGUST 2015	APRIL 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	Completion of sale to NuCom Group

→ **Realised returns for Oakley Fund II were 2.5x gross money multiple and 44% gross IRR**

£15.1 million proceeds received by OCI

Consumer portfolio companies
Realised investments CONTINUED

facile.it
RISPARMIARE È FACILE

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

Oakley originally invested in Facile in 2014, building on the sector experience gained through an earlier investment in Verivox, the Germany-based online price comparison website. Under Oakley's ownership, Facile has successfully expanded its market share in its core automotive price comparison market, whilst also establishing leading positions in the Broadband, Gas and Power verticals, and a growing challenger positions in mortgages.

Since acquisition, Facile has more than trebled EBITDA and today helps three million monthly users to compare prices on key elements of their household expenditure.

€198.4m	£51.5m	56%
FUND II PROCEEDS	OCI PROCEEDS	UPLIFT ON BOOK VALUE

Realisation

On 20 June 2018, Oakley Fund II completed the sale of its stake in Facile to EQT VIII ("EQT"). Oakley Fund II received gross proceeds of €198.4 million generating overall returns of 3.7x gross money multiple and a gross IRR of 51%.

Oakley Fund III invested €80 million alongside EQT as a minority partner to continue to benefit from Facile's strong market-leading position in the Italian market, which still has significant structural growth potential. OCI continues to hold a stake in Facile through its 40.7% stake in Oakley Fund III.

Facile - key events from acquisition to realisation:

SEPTEMBER 2014	MAY 2015	JULY 2016	JUNE 2018	JUNE 2018
Completion of Facile acquisition	Refinancing achieved, returning €13.5 million to Fund II	Further refinancing achieved, returning €11.8 million to Fund II	Completion of sale of Facile to EQT by Fund II	Acquisition of a minority stake in Facile by Fund III

→ **Realised returns for Oakley Fund II were 3.7x gross money multiple and 51% gross IRR**

£51.5 million proceeds received by OCI

→ 177m

Website visits per month across the portfolio

TMT sector

Market review

From initial investments in telecoms and webhosting, 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 forced changes to established business models.

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

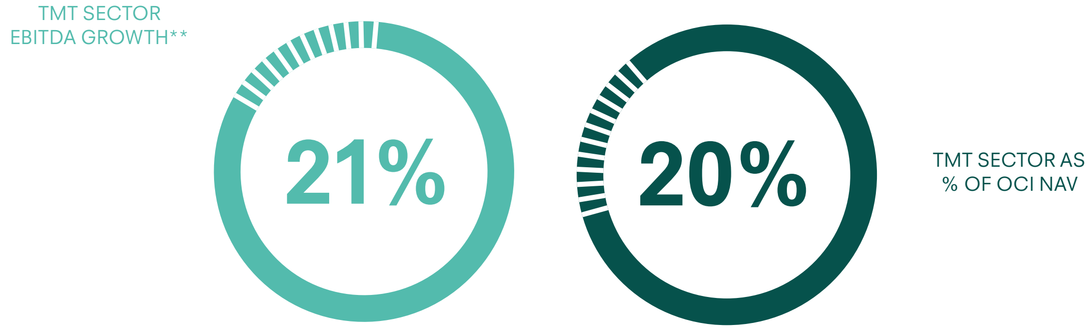
As disruptive innovation continues across the TMT sector, Oakley looks for opportunities to invest in companies which stand to benefit from such changes.

Sector investments*

Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
WebPros	Fund III	£24.0m	£71.5m	13
Daisy	OCI/Fund II	£24.6m	£30.1m	5
TechInsights	Fund III	£0.4m	£13.4m	2

2018 realisation	Fund Proceeds	OCI proceeds	% uplift on book value
Damovo	€45.1m	£12.6m	18%

→ **Oakley has built on its experience and industry expertise to evolve its approach to investing in technology assets**



* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on page 34. 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.

** Based on the results of the portfolio companies' most recent respective financial year-ends, calculated using the simple average method.

TMT portfolio companies

WebPros

The WebPros Group comprises two of the most widely-used web hosting automation software platforms, simplifying the lives of developers and web professionals the world over. WebPros Group, encompassing cPanel and Plesk, is the leading software as a service ("SaaS") platform for server management globally.

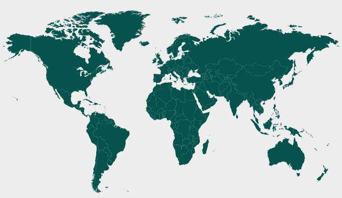
Both cPanel and Plesk are software solutions that automate server-related tasks for hosting providers and web professionals. These hosting control panels provide intuitive web interfaces that allow customers to administer every facet of their websites simply and conveniently, allowing developers to focus on creating web applications and websites.

2018 has been a transformative year for Webpros, having acquired cPanel and SolusVM during the period.

£24.0m
OCI'S OPEN COST

£71.5m
OCI'S VALUATION

13%
OF OCI NAV



daisy

The UK's #1 independent provider of converged B2B communications, IT and cloud services, serving three primary customer segments

- Small and medium businesses ("SMB" 2 - 249 employees),
- Corporate (250 + employees); and
- Enterprise (2000 + employees).

Daisy's year-to-date financial year 2019 (nine months to 31 December 2018) revenue was in line with last year. This was driven by a strong performance in the SMB division from a combination of organic growth and acquisitions, offset by some weaker trading in the Corporate division, driven primarily by regulatory changes, as well as disruption from integrating acquired businesses.

The group continues to proactively seek M&A opportunities, including accretive bolt-on acquisitions, as well as strategic disposals to create value.

£14.2m (debt) **£10.4m** (equity)
OCI'S OPEN COST

£14.9m (debt) **£15.2m** (equity)
OCI'S VALUATION

5%
OF OCI NAV

A global leader in the intellectual property and technology services market.

TechInsights is trusted by the world's leading technology companies to support intellectual property licensing activities and inform technology strategies by leveraging its proprietary database of technical intelligence and unparalled reverse engineering capabilities.

The investment thesis includes leveraging TechInsights' extensive, proprietary technology database to accelerate growth in its subscription business, whilst maintaining its market leading position in project-based patent portfolio management and licensing work.

Strong performance achieved in 2018 with revenue up 9% year-on-year and EBITDA up 16%. Business mix continues to improve, with subscriptions growing 33% year-on-year and now accounting for 25% of total revenue versus 20% in 2017.

£0.4m
OCI'S OPEN COST

£13.4m
OCI'S VALUATION

2%
OF OCI NAV

TMT portfolio companies
Realised investments

DAMOVO
UNDERSTAND. DELIVER. IMPROVE.

Damovo provides professional and managed information communication technology ("ICT") solutions and services to over 2,000 customers across eight European countries and through a global network spanning over 120 countries.

Damovo Group has been transformed under Oakley's ownership, growing organically and through three strategic acquisitions. Oakley supported management by investing in working capital and people, contributing towards a revenue CAGR of 10.5% between FY16A and FY18A.

€45.1m
FUND II PROCEEDS *

£12.6m
OCI PROCEEDS

18%
UPLIFT ON BOOK VALUE

Realisation

On 23 August 2018, Oakley Fund II sold its stake in Damovo to Eli Global based on an enterprise value of up to €140 million. Oakley Fund II received initial gross proceeds of €45.1 million and a further €11.4 million is expected to be received by Fund II in 2019. This realisation generated an overall return of 5.4x gross money multiple and a gross IRR of 56% for Fund II.

OCI received proceeds of £12.6m from this realisation in August, representing 7% of its total commitment to Oakley Fund II. A further £3.7 million is expected on receipt of the deferred consideration in late 2019.

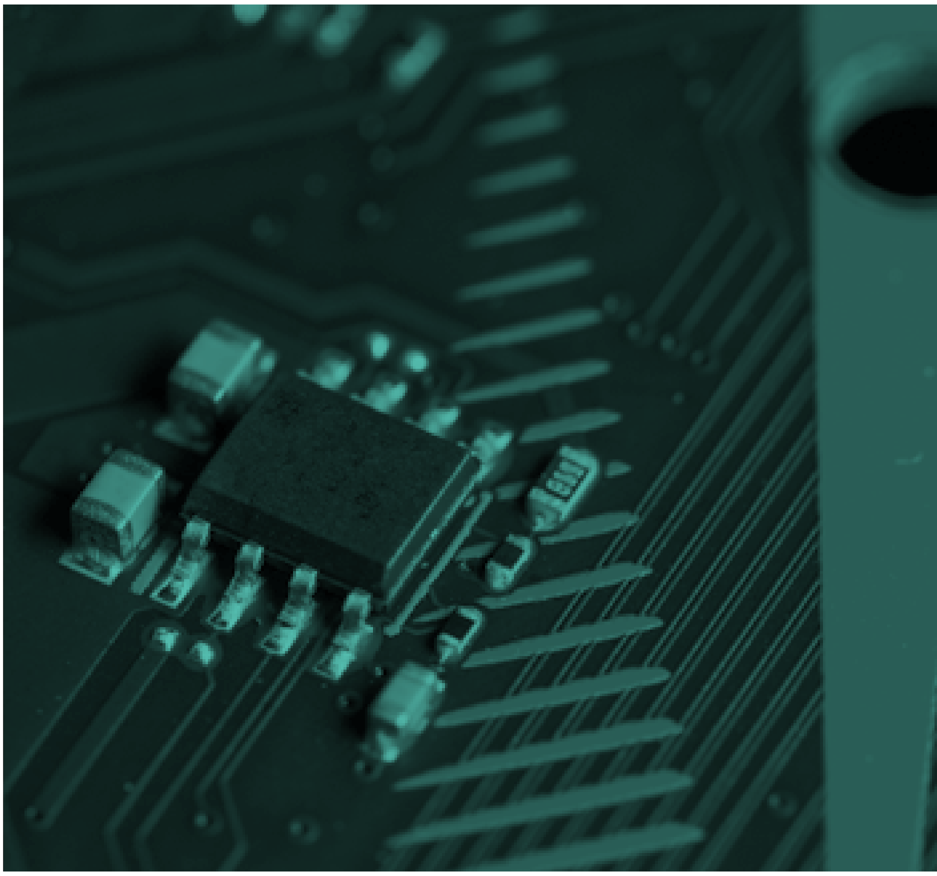
Damovo - key events from acquisition to realisation:

JANUARY 2015	AUGUST 2015	NOVEMBER 2016	JUNE 2017	AUGUST 2018
Completion of acquisition by Fund II	Damovo acquires Luxembourg-based Mitel partner CTTL	Acquisition of Cisco specialists Netfarmers in Germany	Avaya partner Vodanet added to the Damovo group	Fund II completes sale of Damovo Group to Eli Global

→ **Realised returns for Oakley Fund II were 5.4x gross money multiple and 56% gross IRR***

£12.6 million proceeds received by OCI

* Returns include the expected receipt of €11.4 million of deferred consideration, which is based on Damovo's results for the year ended 31 January 2019. Overall proceeds following this receipt will be €56.5 million.



→ 440k

Customers globally across the portfolio

Education sector

Market review

Education has become a significant sector for Oakley, 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, Oakley now has 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.

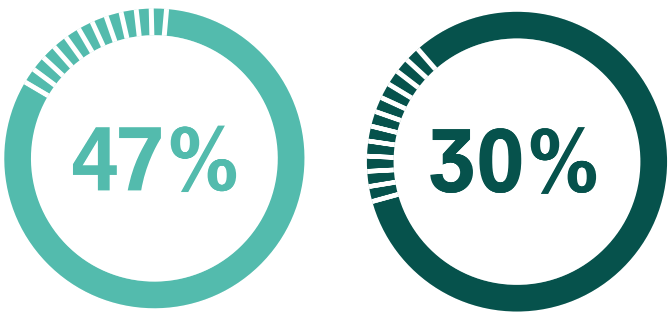
This is also a large and fragmented market so there is value to be created in consolidation and building scale. Our preferred sub-sectors of education are typically non-cyclical, as parents place great importance on the investment they make in their children's education. There are also multiple growth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

Sector investments*

Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
Inspired	OCI/Fund II	£36.0m	£72.9m	13
Career Partner	Fund III	£30.7m	£45.6m	8
Schülerhilfe	Fund III	£30.8m	£39.7m	7
AMOS	Fund III	£10.0m	£15.1m	2

→ **Demand for education is growing in both emerging and developed markets**

EDUCATION SECTOR EBITDA GROWTH**



EDUCATION SECTOR AS % OF OCI NAV

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on page 34. 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.

** Based on the results of the portfolio companies' most recent respective financial year-ends, calculated using the simple average method.

Education Portfolio Companies

inspired

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.

Inspired finished the financial year to August 2018 with revenue up 42% and EBITDA up 60% year-on-year.

Over 20% of the growth in 2018 EBITDA was organic, with the remainder driven by a number of acquisitions, including the acquisition of the British School of Bahrain, one of the leading premium international schools in Bahrain educating over 2,500 students; Blue Valley school in Costa Rica; and Sotogrande School in Costa del Sol, Spain. These acquisitions were partly funded with debt as well as cash on the balance sheet. Inspired continues to have an active pipeline of future deals.

£36.0m
OCI'S OPEN COST

£72.9m
OCI'S VALUATION

13%
OF OCI NAV

CP Career Partner

One of the fastest-growing and most highly-ranked private university businesses in Germany, with over 19,000 students enrolled in three types of programmes: traditional on-campus universities, online university degrees and dual studies (private on-site education in cooperation with corporate partners).

Oakley Fund III acquired 66.7% of Cartner Partner Group 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.

For the year ended 31 December 2018, Cartner Partner Group continued its rapid growth across these segments and performed in line with plan on revenue and EBITDA and well ahead of plan on student intake.

The business continues to invest significantly in scaling up its marketing and IT departments, launching new online programmes and opening new dual-study centre locations in Germany.

£30.7m
OCI'S OPEN COST

£45.6m
OCI'S VALUATION

8%
OF OCI NAV

Schülerhilfe!

Das Original. Seit 1974.

Germany's leading provider of after-school tutoring, Schülerhilfe educates 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.

Schülerhilfe has a track record of highly consistent growth, which has continued into 2018. Under Oakley's ownership the business has increased the rate of new centre openings and franchised centre buy- backs, which brings the group to 527 centres, from 487 at 31 December 2017.

For the year ended 31 December 2018, there was an uplift of 7% year-on-year in revenue terms and 12% in EBITDA terms.

£30.8m
OCI'S OPEN COST

£39.7m
OCI'S VALUATION

7%
OF OCI NAV

AMOS

SPORT BUSINESS SCHOOL

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

AMOS educates over 1,800 students across eight 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.

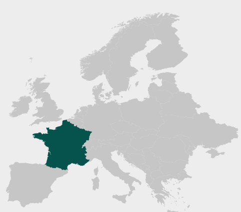
AMOS' student enrolments for the current academic year have increased by 34% over the prior year, with revenues and EBITDA in line with expectations since acquisition.

In November 2018, AMOS acquired the Centre Européen de Management Hotelier International ("CMH"). CMH is a leading business school in Paris, focused on the hotel management, luxury brand and tourism sectors, with over 400 students. Oakley and management are also evaluating further acquisition targets which could form part of the higher education roll-up strategy.

£10.0m
OCI'S OPEN COST

£15.1m
OCI'S VALUATION

2%
OF OCI NAV



Environmental, Social and Governance

Oakley approach

Oakley has a Responsible Investment ("RI") Committee comprising two investment professionals, the general counsel and senior partner David Till. Committee members are responsible for the implementation of the RI policy under the oversight of David Till. A quarterly group compliance meeting is held where RI and Environmental, Social and Governance ("ESG") issues constitute a standing agenda item.

All investment professionals are required to follow the RI policy and consider its effects both pre- and post-investment. Oakley has created an ESG risk assessment toolkit to aid investment professionals in understanding a variety of inherent ESG-related risks by both sector and geography. Oakley's investment team receives training on the RI policy and accompanying toolkit.

Pre-investment

When considering potential new investments, Oakley conducts an inherent ESG risk assessment on the investee company's sector and countries of operation.

The sector risk assessment outlines the key environmental and social risks inherent to operations of companies in that sector. The categories of inherent environmental and social risk assessment are environment, health and safety, labour and community.

The country risk assessment reviews the overall inherent ESG risk for each country of direct and indirect operations. The external indices which inform this assessment consider the level of corruption, political development, economic development, socio-economic development, and environmental protection within each country.

The outputs of these risk assessments are included in the initial investment papers and are discussed at the Investment Committee meetings.

When the outputs of these risk assessments suggest a high ESG risk, Oakley may itself, or may instruct external consultants to, conduct ESG due diligence and produce reports on significant ESG risks and opportunities. Since mid-2018, the team has used a global database to search for sanctions and adverse media on all transactions.

Post-investment

Once Oakley has invested in a company, the following activities are undertaken:

- Investee companies are required to complete Oakley's ESG questionnaire which assesses their current level of maturity in managing five overarching ESG topics: governance, workplace, marketplace, environment and community;
- Oakley works with investee companies to understand where ESG efforts should be focused, based on an assessment of the materiality of the company's ESG impacts, and progress to date;
- Where ESG risks have been identified, they are considered at Board meetings and the investee company's performance is monitored in relation to the management of ESG issues; and
- Where applicable, Oakley encourages investee companies to discuss ESG issues with their top-tier suppliers, with a view to the identification and improved management of material ESG matters.

Prior to exit

Prior to exiting an investment, Oakley will ensure that information on material ESG issues is captured and made available to potential buyers.

This policy is reviewed on an annual basis by Oakley's RI Committee and will be updated as appropriate.

→ **Oakley is committed to supporting these initiatives and recognises that value can be created from embracing sustainable practices both for investors and the wider community**

ESG In Action: North Sails

North Sails is the world leader in sail-making and is focused on providing innovative, high-performance products including 3Di, the sail of choice on the majority of America's Cup, Grand Prix, ocean race boats and Superyachts. North Sails also produces and distributes branded apparel throughout Europe and Asia through its partnership network of over 700 chain and independent stores, as well as through proprietary and franchise retail stores across Europe.

Every year, the world throws away over 1 trillion plastic bags that destroy our oceans

#CleanSeas

By 2050, an estimated 99% of seabirds will have ingested plastic

#CleanSeas

The plastic in our oceans may outweigh the fish that call them home by 2050

#CleanSeas

North Sails' origins are centred on the sea. In recognition of this close affiliation with the ocean, and as a pioneer in the marine industry, North Sails has developed an environmental mission to raise awareness on the issue of plastic pollution in the ocean, fully supported by Oakley. North Sails is committed to its #GoBeyondPlastic philosophy and supporting the #CleanSeas pledge, a UN Environment Programme focused on reducing plastic usage.

North Sails is at the beginning of a challenging and exciting journey to develop its environmental programmes; however, it has already implemented a number of major initiatives across the group, including:

- The appointment of the North Sails Group Sustainability Officer to lead its environmental initiative. This initiative involves ensuring all local sail lofts around the globe adopt best practices which have been developed in North Sails' leading locations to reduce plastic use. North Sails Group will also work with local marine conservation groups and help participate in regular beach clean-ups. The North Sails R&D lab is also working on cutting edge, innovative ways to recycle sailcloth, which could significantly reduce wastage in North Sails' manufacturing processes.
- Starting from the Spring/Summer 2018 collection, North Sails Apparel is donating 1% of its revenues to the Ocean Family Foundation, a UK-based organisation that supports ocean-related projects, raising awareness with children and influencers, as well as fighting for the protection and preservation of our oceans.
- Season after season, North Sails Apparel is increasing the portion of its collection that is sustainable.
- Most recently, North Sails Group launched a t-shirt collection made entirely out of upcycled cotton and recycled PET bottles. North Sails has introduced environmental, social and governance policies across the group, including adoption of the SA (Social Accountability) 8000 standard, to ensure it conducts its business in a socially responsible and sustainable way. In addition to this, North Sails has issued guidelines to employees to increase awareness of sustainable practices and help reduce the company's impact on the environment. North Sails recognises that there is much more that can be done to protect oceans but has taken the first steps to start mitigating its impact on the seas and reducing the use of plastics.

Oakley is committed to supporting these initiatives and recognises that value can be created from embracing sustainable practices both for investors and the wider community. As the trend for consumers to become increasingly "plastic conscious" continues, so does the relevance of ESG principles for manufacturing businesses. Oakley believes it is important for North Sails to adapt and respond to these challenges.

OCI NAV overview

OCI's NAV and NAV per share increased to £574.8 million and £2.81 respectively, an increase of 14% since 31 December 2017.

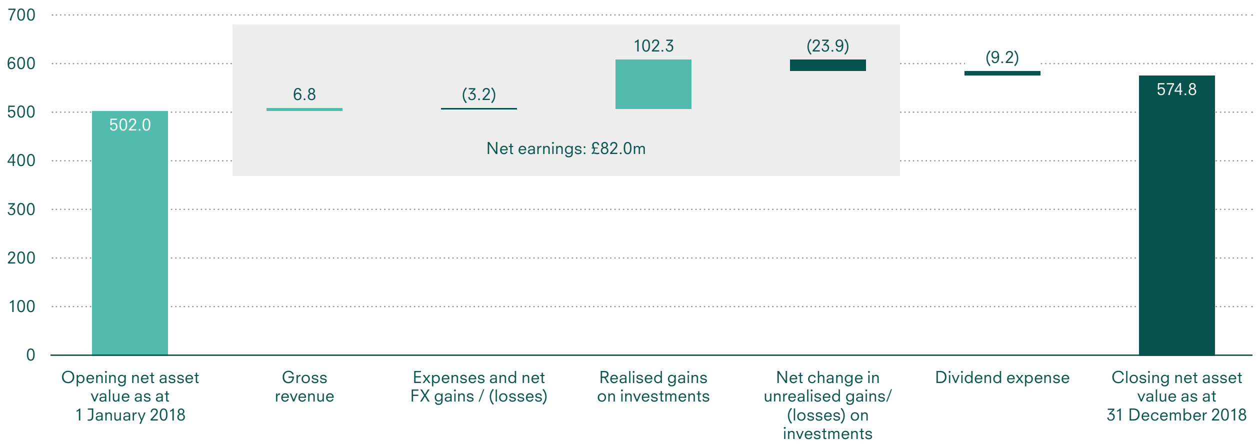
	31 Dec 2017 £m	31 Dec 2018 £m
Opening net asset value at the start of the year	438.4	502.0
Gross revenue	7.7	6.8
Expenses	(6.2)	(6.4)
Net foreign currency gains/(losses)	(0.8)	3.2
Realised gains on investments	23.9	102.3
Net change in unrealised gains/(losses) on investments	20.3	(23.9)
Treasury shares sold	23.3	–
Dividend expense	(4.6)	(9.2)
Closing net asset value at the end of the year	**502.0**	**574.8**
Number of shares in issue	**204.8**	**204.8**
NAV per share	**£2.45**	**£2.81**

Net earnings were £82.0 million for the year, comprising:

- Gross revenue of £6.8 million arising from interest income earned predominantly on the debt facilities provided by the Company.
- Expenses of £6.4 million partly offset by £3.2 million of foreign exchange gains. Expenses include fees paid to the Administrative Agent.
- Realised gains of £102.3 million earned from the realisations that occurred in the Oakley Funds during the year. Net change in unrealised gains/(losses) on investments of £23.9 million, driven predominantly by the decline in the Time Out share price during the year.

A final dividend for the year ended 31 December 2017 of 2.25 pence per share was paid in April 2018, and an interim dividend for the year ended 31 December 2018 of the same amount was paid to shareholders in October 2018, totalling a £9.2 million expense.

Movement in Net Asset Value (£m)



Outstanding commitments of OCI

Outstanding commitments to the Oakley Funds as at 31 December 2018 were £151.8 million. OCI committed €400 million to Fund IV at its first close in early 2019. As this Fund has not started investing yet, the Investment Adviser anticipates the majority of Fund III outstanding commitments will be drawn first as it continues to deploy capital for investments.

The Board has concluded that as Oakley Fund II is in its realisation phase and, having already distributed proceeds of €131.3 million (£115.1 million) to OCI in 2018, and in the light of the expected distributions to be received from the remaining three investments, it is satisfied that OCI will be able to meet its unfunded commitments in the normal course of business.

The table below illustrates OCI's outstanding commitments to the Oakley Funds, and their respective percentage of OCI's NAV at 31 December 2018.

Fund	Fund vintage	Current commitment (€m)	Outstanding at 31 Dec 2018 (€m)	Outstanding at 31 Dec 2018 (£m)	% of NAV
Oakley Fund I	2007	188.4	2.6	2.4	0
Oakley Fund II	2013	190.0	13.3	11.9	2
Oakley Fund III	2016	325.8	153.1	137.5	24
			169.0	**151.8**	**26**
Cash and cash equivalents				**(107.9)**	
Net outstanding commitments unfunded by cash resources				**43.9**	**8**

OCI investment activity

The Company's investment portfolio for the year ended 31 December 2018 is summarised below:

Investment	31 Dec 2017 Fair value £m	31 Dec 2018 Fair value £m
Investment in Oakley Funds	282.7	298.6
	282.7	**298.6**
Co-investments		
Equity securities – quoted	41.2	22.3
Equity securities – unquoted	26.2	41.8
Debt securities – unquoted	69.5	107.1
	136.9	**171.2**
Total investments	**419.6**	**469.8**

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

OCI investments

- Investments in Oakley Funds 64%
- Equity securities – quoted 5%
- Equity securities – unquoted 9%
- Debt securities - unquoted 22%

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	20.4
OCI's proportionate allocation of Fund I investments (on a look-through basis)						**20.4**
Other assets and liabilities						(2.3)
OCI's investment in Oakley Fund I						**18.2**
Fund II	North Sails	Consumer	Global	2014	37.6	39.4
Fund II	Inspired	Education	Global	2014	17.2	31.1
Fund II	Daisy	TMT	UK	2015	10.4	15.2
OCI's proportionate allocation of Fund II investments (on a look-through basis)						**85.8**
Other assets and liabilities						(14.0)
OCI's investment in Oakley Fund II						**71.8**
Fund III	Casa & atHome	Consumer	Italy / Luxembourg	2017	26.3	41.8
Fund III	Schülerhilfe	Education	Germany	2017	30.8	39.7
Fund III	WebPros	TMT	Switzerland	2017	24.0	71.5
Fund III	TechInsights	TMT	Canada	2017	0.4	13.4
Fund III	AMOS	Education	France	2017	10.0	15.1
Fund III	Career Partner Group	Education	Germany	2018	30.7	45.6
Fund III	Facile	TMT	Italy	2018	29.4	29.4
OCI's proportionate allocation of Fund III investments (on a look-through basis)						**256.5**
Other assets and liabilities						(47.8)
OCI's investment in Oakley Fund III						**208.6**
Co-investment:						
Equity	Time Out	Consumer	Global	2014	47.2	22.3
Equity	Inspired	Education	Global	2017	18.8	41.8
Debt	Time Out	Consumer	Global	2018	20.0	20.9
Debt	Daisy	TMT	UK	2015	14.2	14.9
Debt	North Sails	Consumer	Global	2014	32.8	40.6
Debt	Fund Facilities	n/a	n/a		n/a	30.6
OCI's co-investments (both equity and debt)						**171.1**
Total OCI investments						**469.7**

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.

The "Other assets and liabilities" noted in the table above include OCI's proportion of the Investec debt facilities that are used by Oakley Fund II and Fund III.

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. OCI holds a 65.5% interest in Oakley Fund I.

OAKLEY FUND I	31 Dec 2017 Fair value €m	31 Dec 2018 Fair value €m
Time Out	64.3	34.7
Broadstone	0.6	0.6
Total current investments	**64.9**	**35.3**

Oakley Fund I's one remaining investment is Time Out Group plc ("Time Out"). This is a public entity however, and is listed on AIM of the London Stock Exchange. As such, its fair value is determined by a mark-to-market valuation, based on the 31 December 2018 share price of £0.71. There is €0.6 million remaining in fair value for Broadstone at 31 December 2018.

Despite the operational progress made during 2018 in Time Out, the share price performance has been poor, declining from £1.31 at 31 December 2017 to £0.71 at 31 December 2018. This reflects overall stock market weakness, low Time Out share liquidity and delays to delivery of some strategic objectives.

Time Out celebrated its 50th year in 2018 and continues to provide highly regarded professional content to global users across digital, print and physical platforms. Time Out continues to make progress in its two key areas of operational focus:

Time Out Markets

The first Time Out Market in Lisbon continues to exceed expectations, as annual visitors grew a further 11% to c4 million in 2018. Company-owned and operated markets are set to open in Miami, New York, Boston and Chicago in 2019. In Q4 2019, the first franchise location, in partnership with Ivanhoé Cambridge, is expected to open in Montreal. Time Out is in the unique position of being able to attract the best chefs and food offerings in a city, and to drive customers to its locations through its global digital reach.

Time Out Media

Following the successful integration of franchises in Spain, Australia, Hong Kong and Singapore and the expansion of its content, Time Out now owns and operates the Time Out Media business in 288 cities, and has licence agreements in 27 others. Through these recent acquisitions and further improvements in operating structure, Time Out will benefit from a much-rationalised cost base going forward. Furthermore, following a review of revenue lines, Time Out Media has removed low-margin activity, leading to significantly improved gross margins which are expected to continue in 2019. Digital advertising continues to perform well, enjoying industry-leading sales growth. These moves ensured the group delivered significantly lower losses in the second half and remains on track to deliver near-term EBITDA profitability.

As at 31 December 2018, Oakley Fund I had called €198.8 million (£178.5 million) from OCI, including recycled commitments of €13.0 million (£11.7 million).

Portfolio review
CONTINUED

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 2017 Fair value €m	31 Dec 2018 Fair value €m
North Sails	106.1	121.2
Inspired	67.3	106.4
Daisy	55.5	49.8
Facile	123.7	–
Parship Elite Group	111.9	–
Damovo	49.6	–
Verivox	36.8	–
Total investments	**550.9**	**277.4**

Oakley Fund II ("Fund II") had an active year of divestments with four portfolio realisations in 2018, generating proceeds of €435.6 million, with total proceeds received by OCI of €131.3 million (£115.1 million).

In April, Fund II realised its remaining interests in Verivox and Parship Elite Group, both of which had benefited from a partnership with ProSiebenSat.1 Media SE, the leading German broadcaster. Both transactions highlight Oakley's proven ability to benefit from further upside in portfolio companies through the retention of an interest following an initial exit. These sales generated a combined gross money multiple of 4.1x and a combined IRR of 101%, and returned a total of €58.2 million (£50.7 million) to OCI.

In June, Fund II completed the sale of Facile, Italy's leading online price comparison site, having originally invested in the business in September 2014. This represented Oakley's second investment in the price comparison sector following the successful investment in Verivox by both Fund I and Fund II. The sale generated a gross money multiple of 3.7x and an IRR of 51%, and returned €58.8 million (£51.5 million) to OCI. As part of the transaction, Fund III took a minority stake in Facile in order to benefit from Facile's further growth potential.

In August, Fund II sold its stake in telecoms company Damovo, generating a gross money multiple of 5.4x and an IRR of 56%, and proceeds for OCI of €14.0 million (£12.6 million). The transaction represented a continuation of a successful partnership with telecoms entrepreneur Matthew Riley, alongside whom Oakley has also invested in Daisy, demonstrating how Oakley looks to support entrepreneurial partners across multiple transactions.

The remaining three investments showed strong growth in the year, with EBITDA and revenue increases in both Inspired and Daisy. There was further capital of €27.0 million invested in two of these companies by Fund II; €12.1 million in North Sails to fund the development of North Sails Apparel and for M&A activities; and €14.9 million in Inspired for the acquisition of new schools during the year.

In July 2018, Daisy undertook a partial refinancing. This further debt was used to fully repay shareholder loan notes including interest. As part of this transaction Fund II and OCI redeemed their position in the Daisy loan notes, receiving £1.5 million and £13.7 million respectively. Fund II used these proceeds to re-invest back into Daisy with a further equity investment of €1.7 million.

As at 31 December 2018, Fund II had called €176.7 million (£158.6 million) from OCI as at 31 December 2018, representing 93% of its total capital commitments.

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 holds a 40.7% interest in Oakley Fund III.

OAKLEY FUND III	31 Dec 2017 Fair value €m	31 Dec 2018 Fair value €m
Casa & atHome	140.4	122.0
Schülerhilfe	85.9	113.0
WebPros	40.7	220.9
TechInsights	33.4	43.6
AMOS	17.4	44.0
Career Partner Group	–	132.4
Facile	–	80.4
Total investments	**317.8**	**756.3**

Oakley Fund III ("Fund III") had an active investment year, completing two further acquisitions, two follow-on investments, and two refinancings.

In January, Fund III invested €84.6 million for a 67% stake in Career Partner Group, one of the fastest growing and most highly ranked private providers of higher education and personnel development in Germany.

In June, Fund III invested €80.4 million for a 21% stake in Facile as part of the transaction in which Oakley Fund II exited its investment in full. The Italian online price comparison market is less developed than in other European countries, and Facile's market leading position means it is well-placed to benefit from this future growth potential.

WebPros (formerly known as "Plesk") completed two follow-on investments during 2018, adding scale and geographic coverage. The acquisition of Solus was completed in June at an enterprise value of $12 million, funded from existing cash resources. In September, Plesk acquired cPanel – a provider of one of the internet infrastructure industry's most reliable and intuitive control panel software platforms. Fund III provided further funding of $47.2 million (€40.4 million) in support of the acquisition and now holds a 39.4% stake in the combined group, which has since been renamed WebPros B.V.

In November, AMOS completed the bolt-on acquisition of the Centre Européen de Management Hotelier International ("CMH"). CMH is a leading business school in Paris, focused on the hotel management, luxury brand and tourism sectors, with over 400 students. The acquisition of CMH represents the first addition to the AMOS group as part of a buy-and-build strategy in the French tertiary education sector. Fund III provided funding of €8.5 million in support of the acquisition.

Casa & atHome and TechInsights increased their debt financing during the year, with proceeds of €28.9 million (28% of total cost invested) and €12.7 million (93% of total cost invested) returned to Fund III respectively. OCI received €16.9 million (£15.0 million) from these transactions.

The main driver of the uplift in fair values in the Fund III portfolio at 31 December 2018, was due to the strong and steady performances from the underlying operations of the portfolio, especially WebPros, which accounted for 53%of the uplift.

Oakley Fund III had called €172.7 million (£155.0 million) from OCI as at 31 December 2018, representing 53% of the Company's total committed capital.

Oakley Funds' realisations and distributions

Year of intense activity for the Oakley Funds with a total of £130.5 million returned to OCI

The key transactions that were realised during 2018 by the Oakley Funds' are noted below:

PARSHIP ELITE Group

Oakley Fund II
Realisation

- Fund II completed the sale of Parship based on an enterprise value of €440 million to NuCom Group ("NuCom"), ProSiebenSat.1's Commerce unit.
- Total proceeds received by Fund II were €137.9 million.
- This represented a gross money multiple of 4.7x and a gross IRR of 118%.

OCI'S PROCEEDS: £35.6m

Verivox

Oakley Fund II
Realisation

- Fund II completed the sale of Verivox based on an enterprise value of €530 million to NuCom.
- Total proceeds received by Fund II were €53.5 million.
- This represented a gross money multiple of 2.5x and a gross IRR of 44%.

OCI'S PROCEEDS: £15.1m

facile.it

Oakley Fund II
Realisation

- Fund II completed the sale of Facile based on an enterprise value of €445 million to EQT.
- Total proceeds received by Fund II were €198.4 million.
- This represented a gross money multiple of 3.7x and a gross IRR of 51%.

OCI'S PROCEEDS: £51.5m

DAMOVO

UNDERSTAND. DELIVER. IMPROVE.

Oakley Fund II
Realisation

- Fund II completed the sale of Damovo based on an enterprise value of €135 million to Eli Global.
- Total proceeds received by Fund II were €45.1 million, with consideration of €11.4 million expected to be received in late 2019.
- This represented a gross money multiple of 5.4x and a gross IRR of 56%.

OCI'S PROCEEDS: £12.6m

casa.it / atHome group

Oakley Fund III
Re-financing

- Casa & atHome was refinanced in March 2018 resulting in a distribution of €28.9 million to Fund III

OCI'S PROCEEDS: £10.5m

TechInsights

Oakley Fund III
Re-financing

- TechInsights was further refinanced in October 2018 resulting in a distribution of €12.7 million to Fund III.

OCI'S PROCEEDS: £4.6m

Portfolio review: Co-investment activity

The co-investment portfolio as at 31 December 2018 is summarised in the table below:

Co-investments:	31 Dec 2017 Fair value £m	31 Dec 2018 Fair value £m
Equity securities		
Inspired	26.2	41.8
Time Out	41.2	22.3
Debt securities		
North Sails	27.8	40.6
Fund Facilities	13.5	30.6
Time Out	–	20.9
Daisy	28.2	14.9
Total investments	136.9	171.2

Equity securities

Inspired, held by OCPEE Feeder L.P., continues to grow rapidly through acquisition and organically, with expansion into the Middle East, and further acquisitions of schools in Costa Rica, Spain, Italy and Portugal. A further deal was signed to acquire a group of eight premium schools across New Zealand, Vietnam and Indonesia, generating an estimated €24 million EBITDA. With this acquisition, Inspired is now one of the three largest global K-12 groups, with a sizeable platform to pursue further acquisitions in Asia. Enrolment levels and current trading are in line with expectations. This is reflected in the uplift in fair value since 31 December 2017.

Despite the operational progress made during 2018 in Time Out, as discussed on page 35, the share price performance has been poor, declining from £1.31 at 31 December 2017 to £0.71 at 31 December 2018. This reflects overall stock market weakness, low Time Out share liquidity and delays to delivery of some strategic objectives.

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 OCI's bank deposits, allowing OCI to earn higher returns on part of its cash reserves.

During the year, OCI has earned £6.5 million of interest from the debt facilities provided. During the year, a debt facility provided to North Sails was increased to £25.8 million with £13.1 million drawn at the year end. This was used to provide additional working capital to North Sails Apparel. OCI continues to support the turnaround of North Sails through its growth and the earnings that are expected to be derived from it.

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 to pay fees and expenses as they fall due. As at 31 December 2018, the Company had outstanding debt facilities of £30.6 million with the Oakley Funds, including accrued interest.

A short-term loan was issued to Time Out during the year bearing 15% interest per annum. Time Out drew a total of £20 million during 2018. Daisy undertook a partial refinancing in July. The financing received was used to fully repay shareholder loan notes including interest. As part of this transaction OCI redeemed its position in the Daisy loan notes and received proceeds of £13.7 million, repaying the full Daisy loan that was outstanding. The Ellisfield loan remains in place at year end with a balance of £14.9 million, earning interest for OCI at a rate of 6.5% per annum.

OCI risk management framework

> The Board has developed a set of risk management policies, procedures and controls, and has delegated the management and mitigation of these principal risks to the Risk Committee who provide feedback and oversight to the Board on a regular basis.

The risk governance framework is designed to identify, evaluate and mitigate the risks identified by the Risk Committee as being of significant relevance to the Company in view of its risk profile and risk appetite.

The underlying process aims to assist the Risk Committee to understand and mitigate, rather than eliminate these risks to the Company and, therefore can only provide reasonable and not absolute assurance against loss.

Principal risks and uncertainties

The Board is ultimately accountable for effective risk management within the Company. During the year under review, the Risk Committee has undertaken an exercise to identify, assess and manage the risks within the Company, including those that would threaten its future performance, solvency or liquidity. This review includes the maintenance of a Risk Matrix which documents the key risks and uncertainties of the Company and assesses each risk on a scale, classifying the risks on a RAG (Red, Amber Green) basis depending on their impact on the Company. This Risk Matrix serves as a detailed assessment of the Company's exposure to risks based within five core categories; operational, regulatory, liquidity, company performance and financial performance as summarised below.

Operation risk

The Company has no employees and relies upon the services provided by third parties. The valuation of the underlying portfolio companies, security of the Company's assets, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of the Investment Adviser.

One of the main drivers of OCI's performance is the valuation of the underlying portfolio companies held by the Funds. The Risk Committee monitors the movements in the valuations of the underlying portfolio on a quarterly basis and challenges with the Investment Adviser movements which differ from expectations. At each year end, the Audit Committee performs a rigorous review of the valuation methodologies used and underlying business performances of the portfolio companies, to ensure that valuations are arrived at from a reasonable and fair basis.

Through the newly created Management Engagement Committee, regular reviews of the performance of the service providers (including the Investment Adviser) are conducted. The performance assessment considers cost, efficiency, performance and compliance with the terms of engagement. The results of these reviews are shared periodically with the Board, where engagement of service providers is discussed and approved.

Regulatory risk

General changes in legislation, regulation or government policy could significantly impact upon the markets in which the Company and the underlying Funds invests or could influence the views or decisions of investors. No significant changes in regulation or legislation have occurred in 2018 that materially impacted the Company. Professional advisers are regularly engaged to perform regulatory and compliance reviews to ensure the Company is in line with such regulations and the general counsel of the Investment Adviser reports to the Board periodically on any potential regulatory or compliance changes. The Board receives assurances from its service providers that they have controls in place to monitor and review changes that may impact the Company.

Liquidity risk

The Company invests predominantly in private equity closed-ended funds. It is these funds that invest in unquoted companies. Liquidity in realising these can be constrained, potentially making the timing of the realisations of these investments difficult to estimate. The Investment Adviser's objective is to realise investments that will benefit the Funds' Limited Partners through the close monitoring of the performance and operations of these underlying companies.

The Company maintains a level of liquidity to ensure, so far as can be forecast, that it can meet its capital commitments to the Funds and can participate in any other investments made by Oakley throughout the investment-realisation cycle. Cash flow modelling is performed regularly throughout the investment cycle to enable the Company to manage its liquid resources and to ensure it has the ability to pay commitments as they fall due, whilst also endeavouring to manage any surplus cash.

Company performance

The Company's aim is to provide an attractive return to its shareholders by providing access to a portfolio of high quality private equity assets through its investments in the Oakley Funds and co-investments. Given the consistent income generated from co-investments and increased cash returns from exits in the underlying Funds, the Board took the decision in 2016 to introduce an annual dividend which is currently set at 4.5 pence per share.

The Company paid an interim dividend for the six months to 30 June 2018 in October 2018, to 2.25 pence per share, which is in line with the Board's dividend policy. Total NAV return for 2018 was 16.3% - as referred to in the OCI NAV review section from page 32.

Financial performance

The Company's investment activities expose it to a variety of financial risks that include credit risk, market risk, interest rate risk, currency risk and price risk. Further details are disclosed in Note 5 to the Financial Statements, together with a summary of the policies for managing these risks.

→ The Risk Matrix serves as a detailed assessment of the Company's exposure to risk

Governance

Board of Directors

Caroline Foulger

Chair

Caroline 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 a number of 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.

Current Directorships of publicly listed entities

Non-executive Director of Hiscox Limited
Non-executive Director of The Bank of Butterfield

James Keyes

Non-executive Director

James 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 was a member of the Company's Audit Committee until November 2018.

Current Directorships of publicly listed entities

None

Laurence Blackall

Non-executive Director

Laurence has 30 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.

Current Directorships of publicly listed entities

Non-executive Director of Pembroke VCT plc

Peter Dubens

Non-executive Director

Peter 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.

Current Directorships of publicly listed entities

Non-executive Director of Time Out Group plc

Stewart Porter

Non-executive Director

Stewart has over 40 years of operational experience, both within private equity and TMT businesses, the latter being one of Oakley's three core sectors for investment. During his career, Stewart has held positions as COO and CFO at Wilkinson Sword and TI Group, as well as Director of Finance and Business Development for Global Markets at Cable & Wireless. He was a founder and CFO of Pipex Communications plc and was instrumental in the development and successful sale of the Pipex group, helping it to grow from early stage start-up in 2000 to a business with over £400 million of revenues in 2009, mainly driven by a series of 14 acquisitions. Stewart worked as Chief Operating Officer of the Investment Adviser from 2010 until his retirement in 2018. He was appointed as a member of the Audit Committee in November 2018.

Current Directorships of publicly listed entities

None

Corporate Governance report

> The Board recognises the importance of sound corporate governance and has chosen to comply with the Association of the Investment Companies ("AIC") Code of Corporate Governance (the "AIC Code"), as is appropriate to the Company's size and listing

The AIC represents closed-ended investment companies whose shares are traded on public markets. The purpose of the AIC Code is to provide a framework of best practice in respect of the governance of investment companies. A copy of the AIC Code is available on AIC's website at www.theaic.co.uk.

The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting consistent with the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Board recognises the importance of sound corporate governance and has chosen to comply with the AIC Code as is appropriate to the Company's size and listing. This report describes the Company's corporate governance practices that were in place or adopted in the year ended 31 December 2018.

Chair'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.

DIRECTORS' 2018 REMUNERATION

£234k

OCI SHARES HELD BY THE BOARD

9.7m

Statement of independence

The AIC Code recommends that the chair should be independent in character and judgment and free from relationships or circumstances that may affect, or could appear to affect his or her judgment.

In addition to this provision, a majority of the Board of Directors should be independent of the Investment Adviser.

Independence is determined by ensuring that, apart from receiving their fees for acting as Directors or owning shares, Non-executive Directors do not have any other material relationships with, nor derive additional remuneration from or as a result of transactions with, the Company, its promoters, its management or its partners, which in the judgment of the Board may affect, or could appear to affect the independence of their judgment.

Explanation of exceptions

The Company has complied with all recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to the role of the Chief Executive, Executive Directors' remuneration and the need for an internal audit function. The Board considers these provisions are not relevant to the Company with majority of the Company's day-to-day management and administrative functions being outsourced to third parties (investment management and risk management decisions are taken by the Board and its Committees). As a result, the Company has no Executive Directors, employees or internal audit function. The Company has, therefore, not reported further in respect of these provisions. This position is re-assessed on an annual basis.

In the context of the nature, scale and complexity of the Company, certain recommendations of the AIC Code have not been deemed appropriate to the governance framework of the Company, an explanation of which is set out as follows:

- The Company established a separate Nomination and Remuneration Committee at the Board Meeting held in November 2018. However, the Committee was not operational throughout the year and therefore is noted as an exception to the AIC Code. For the year ended 31 December 2018, the Board as a whole considered matters relating to the Non-executive Directors' remuneration. The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate Directors of a quality required to run the Company successfully. An external assessment of Directors' remuneration has not been undertaken. However, the Board does perform informal benchmarking and has made some changes to remunerations for 2019 to provide improved consistency.
- The Board has chosen not to adopt a fixed policy on tenure as recommended by Principle 4 of the AIC Code. While the Board recognises the value of refreshing its members regularly, it does not consider it necessary or appropriate to adopt a policy whereby Directors only serve for limited periods of time. The Directors prefer to retain the flexibility to assess the balance of skills and experience of the Board as a whole. Furthermore, given the long-term nature of the Company's investments, the Directors consider that maintaining some degree of continuity and a long-term perspective at Board level can be particularly valuable.
- The Board has not adopted a formal policy on diversity, as recommended under Principle 9 of the AIC Code. In view of the nature, scale and complexity of the Company, the Board does not consider a specific policy with respect to diversity to be necessary at this time. Diversity of the Board is further considered on at least an annual basis through the Board evaluation process.
- The costs and charges of the Company are disclosed in Notes 15 to 19 in the financial statements. The Board has chosen not to disclose the ongoing charges calculation as the Company is currently working with trade bodies including LPeC to develop consistent disclosure of fees in the industry. The Board will review the policy throughout 2019.
- The Board has chosen to appoint a non-independent Director to the Audit Committee. Whilst Stewart is not independent due to his previous role in Oakley, the Board feels it is appropriate to appoint him to the Committee due to his experience and knowledge of accounting and auditing.

Corporate Governance report

CONTINUED

The Board

The Board was comprised of the Chair, Caroline Foulger, and four other Non-executive Directors at 31 December 2018. The following Directors are not considered independent, Peter Dubens, who is founder and Managing Partner of the Oakley Capital Group, and Stewart Porter, who is a former employee of the Investment Adviser.

Caroline Foulger, James Keyes and Laurence Blackall 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. The Company does not have a formal policy of tenure in place but assesses each Director's role on an individual basis based on their performance. Peter Dubens and Stewart Porter do not vote on matters in respect of which they are deemed to have a conflict of interest.

On 11 September 2018, it was announced that after 11 years as Chair of the Board, Christopher Wetherhill notified the Board of his intention to retire and step down as Director. Caroline Foulger, a Non-executive Director since joining the Board in 2016, was appointed as Chair in his place. Further to this, on 25 September 2018, the Board announced the appointment of Stewart Porter as a Non-executive Director of OCI.

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 making investment decisions, 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.

Biographies of the Board of Directors, including details of their relevant experience, are available on page 44 and the Company's website at http://oakleycapitalinvestments.com/about-us/board/

Directors' terms of appointment

The terms and conditions of appointment for Non-executive Directors are outlined in their letters of appointment and are available for inspection at the Company's registered office during normal business hours and at the AGM for 15 minutes prior to and during the AGM.

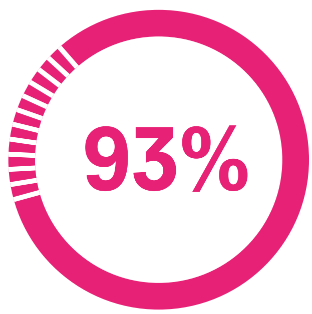
In accordance with the Company's Bye-laws and best practice, Directors retire on a rotational basis, and are then subject to re-election. In accordance with the appointment and rotation policy included in the Bye-Laws of the Company, Caroline Foulger retired and was re-elected at the AGM on 4 July 2018.

The Board's process for the appointment of new Directors is conducted in a manner which is transparent, engaged and open. The Chair takes the lead in the nomination of a new Board member. In summary, the process includes, but is not limited to:

- Reviewing the succession plans and needs for the Chair and Directors
- Seeking the best available candidates considering specific criteria determined by the Board
- Agreeing a short-list of candidates, considering the views of the Company's advisers and the use of a recruitment consultant as necessary
- Conducting interviews both individually and inclusive of the Board as a whole

Only the independent Directors (including the Chair) vote on the election of new candidates. The Board strives to get a unanimous vote on the appointment of the proposed candidate, failing that, a super majority vote will suffice.

AVERAGE DIRECTOR ATTENDANCE AT BOARD MEETINGS



Board meetings

The Board holds four scheduled Board meetings annually, and in 2018 additionally held three further formal meetings to address certain matters coming up between those scheduled 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	7
Number attended:	
Christopher Wetherhill (retired 10 September 2018)*	5
James Keyes	7
Laurence Blackall	6
Caroline Foulger	6
Peter Dubens	6
Stewart Porter (appointed 24 September 2018)**	1

* Christopher Wetherhill attended all Board meetings in 2018 during the period which he served as a Director.

** Stewart Porter attended all Board meetings held in 2018 following his appointment to the Board.

The principal matters reviewed and considered by the Board during 2018 included:

- Regular reports from the Investment Adviser on 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 and share buy-backs.

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 Chair and Senior Executives of the Investment Adviser. The Board determines the training and development needs of both the Board as a whole and of individual Directors.

Information and support

The Board ensures it receives, in a timely manner, information of an appropriate quality to enable it to adequately discharge its responsibilities. Papers are provided to the Directors in advance of the relevant Board or committee meeting to enable them to make further enquiries about any matter prior to the meeting, should they so wish. This also allows the Directors who are unable to attend to submit views in advance of the meeting.

Corporate Governance report

CONTINUED

Board committees

The Board has delegated a number of areas of responsibility to its committees. The Company's Risk committee and Audit committee have continued their important roles, along with the addition of a new Management Engagement committee which was set up during the year. The Board established a separate Nomination and Remuneration committee in November 2018 to take effect from 1 January 2019. For the year ended 31 December 2018, all remuneration decisions are taken by the Board as a whole. The Board assesses each committee's performance on its compliance with its respective Terms of Reference and its members attendance at committee meetings.

Audit committee

The Audit committee is appointed under terms of reference from the Board of Directors, available on the Company's website at: http://oakleycapitalinvestments.com/investor-relations/publications/

The Chairman of the Audit committee is appointed by the Board of Directors. As at 31 December 2018, the Audit committee comprised Laurence Blackall (Chair) and Stewart Porter. The role and responsibility of the Chair of the Audit committee is to set the agenda for meetings of the Audit committee and, in doing so, take responsibility for ensuring the Audit committee fulfils its duties under its terms of reference. These include, but are not limited to:

- Monitoring the integrity of the financial statements of the Company, including its annual and interim reports and any other formal announcement relating to its financial performance.
- Reviewing and reporting to the Board on significant financial reporting issues and judgments which they contain, having regard to matters communicated to it by the auditor.
- Overseeing the relationship with the external auditor including (but not limited to): approval of their remuneration, approval of their terms of engagement, assessing annually their independence and objectivity, monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners and assessing annually their qualifications, expertise and resources and the effectiveness of the audit process.
- Reviewing the adequacy and security of the Company's arrangements for its Directors and the employees of the Investment Adviser and contractors to raise concerns, in confidence about possible wrongdoing in financial reporting or other matters.
- Reporting formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

For more information, please find the full Audit committee report on page 54.

Risk committee

The Risk committee is appointed under terms of reference from the Board of Directors, available on the Company's website at: http://oakleycapitalinvestments.com/investor-relations/publications/

The Risk committee oversees the adequacy and effectiveness of the Company's risk management framework and policies. It 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. Until September 2018, the Risk committee comprised of Caroline Foulger (Chair) and Christopher Wetherhill. Since Christopher's retirement from the Board in September 2018, the committee falls short of the quorum and therefore, the risk and responsibilities of the Risk committee will be performed by the Board as a whole until a new member of the Risk committee is appointed by the Chair.

The role and responsibility of the Chair of the Risk committee is to set the agenda for meetings of the Risk committee and, in doing so, take responsibility for ensuring that the Risk committee fulfils its duties under its terms of reference. The main role of the Risk committee is to provide oversight to the operation of the risk management framework in relation to all identified risk types, with the exception of Investment Risk which is the responsibility of the Investment Adviser. The responsibilities of the Risk committee include, but are not limited to:

- Monitoring the Company's risk profile in order to confirm the Company is operating within the Board-approved risk appetite
- Recommending risk limits and risk appetite criteria to the Board
- Considering the need for specific risk exposures and ensuring appropriate action is taken where necessary
- Ensuring there is a suitable structure in place to i dentify the changing nature of risks and to react to forward-looking risk issues
- Reviewing risk training programmes to ensure the strengthening of a risk aware culture in the Company
- Reviewing the Company's alignment to relevant Bermudian, UK and EU regulatory standards for systems, controls and conduct of business

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

For more information, please find the full Risk committee report on page 56, and strategic risk management framework on page 40.

Management Engagement committee

The Management Engagement committee is appointed under terms of reference from the Board of Directors, available on the Company's website at: http://oakleycapitalinvestments.com/investor-relations/publications/

The purpose of the committee is to review on a regular basis the appointment, remuneration and performance of the key service providers to the Company. Laurence Blackall is Chair of the committee, and the committee includes any other Independent Director. The role and responsibility of the Chair of the Management Engagement committee is to set the agenda for meetings of this committee and, in doing so, take responsibility for ensuring the committee fulfils its duties under its terms of reference. These include, but are not limited to:

- Monitoring compliance by providers of services to the Company with the terms of their respective agreements
- Reviewing and considering the appointment and remuneration of providers of services to the Company
- Considering any potential conflict of interest which may arise between the providers of services of the Company
- Monitoring the performance of all key service providers
- Monitoring and reviewing the Investment Adviser's performance, taking into account the following factors: contractual arrangements with the Administrative Agent and Investment Adviser; investment performance; cash flow analysis; marketing performance; communication and support
- Providing feedback to the Investment Adviser on its performance, and if necessary, suggesting changes and improvements to the Board.

Corporate Governance report

CONTINUED

The Administrative Agent

Pursuant to an operational services agreement dated 1 April 2017 (the "Operational Services Agreement"), the Company appointed Oakley Capital Manager Limited ("OCML" or the "Administrative Agent") to provide operational assistance and services to the Board with respect to the Company's investments and with its general administration. The Administrative Agent is managed by experienced third-party administrative and operational executives.

The Administrative Agent is responsible for carrying out the day-to-day administrative operations of the Company and provides operational assistance with respect to the Company's investments. 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 also provides administrative support services to the Administrative Agent.

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 debt facilities with the Oakley Funds. The fee is *pro rata* for partial period and payable quarterly in arrears.

The Administrative Agent may receive also an advisory fee based on the successful buy-side and sell-side transactions of the Company for any direct equity investments of up to 2% of the equity transaction value as agreed between the parties.

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.

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.

The Investment Adviser

Oakley Capital Limited ("Oakley") serves as the Investment Adviser to the Administrative Agent with respect to the Company. It was incorporated in England and Wales in 2000 under the Companies Act 1985 and is authorised and regulated by the Financial Conduct Authority. The Investment Adviser is primarily responsible for making investment recommendations to the Company along with structuring and negotiating deals for the Oakley Funds.

The Investment Adviser does not receive any management or performance fees from the Company. Any fees which are earned by the Investment Adviser are paid by the Administrative Agent.

Administrator and Company Secretary

The Company has appointed Mayflower Management Services (Bermuda) Limited (the "Administrator") to provide administration services pursuant to an Administration Agreement dated 30 July 2007. It receives an annual administration fee at prevailing commercial rates. The Administrator is responsible for the Company's general administrative requirements such as the calculation of the net asset value and net asset value per share and maintenance of the Company's accounting and statutory records.

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

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 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 21 working days before the Meeting.

The Chair 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 OCI Board attends the Capital Market's Day to be available to shareholders. 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.

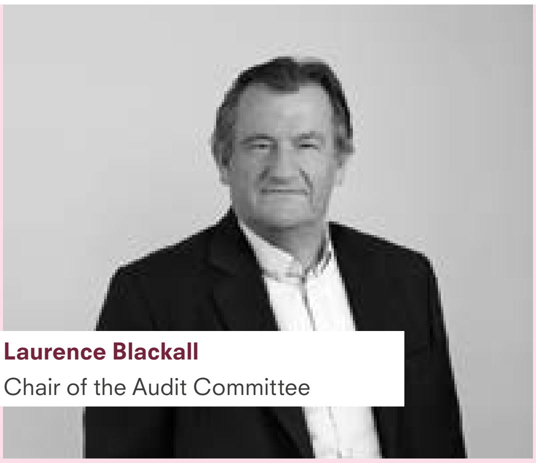
Signed on behalf of the Board

Caroline Foulger
Chair

13 March 2019

Audit Committee report

The Board is supported by the Audit Committee, which comprises two Non-executive Directors. Laurence Blackall is Chair of the Committee and James Keyes served on the Committee until November 2018, when he was replaced by Stewart Porter. The Board would like to thank James for his valuable service on the Committee over the past number of years.



Laurence Blackall
Chair of the Audit Committee

AUDIT COMMITTEE MEMBERS
2

NUMBER OF MEETINGS HELD
4

Objectives for 2019

- Continuing to monitor and review the relationship with the Auditor
- Ensuring the accounting and internal control systems of the service providers are adequate
- Challenging the investment valuation process and methodology to ensure valuations are fairly valued

Achievements in 2018

- Maintaining and monitoring the relationship with the Auditor, and the services it provides the Company
- Concluding that the year-end valuations have been effectively carried out and the investments fairly valued

We are pleased to report on the range of matters which the Audit Committee has considered during the year, 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 Investment Adviser 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 Committee additionally reviews their performance in terms of quality, control and value and discusses whether shareholders would be better served by a change of Auditor; and
- the Company's policy on the provision of non-audit services by the Auditor is developed and implemented.

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

Committee meetings

Director	Committee attendance
Total meetings held	4
Number attended:	
Laurence Blackall	4
James Keyes *	4
Stewart Porter **	1

* James Keyes attended all Audit Committee meetings while he served on the Committee in 2018

** Stewart Porter attended all Audit Committee meetings held in 2018 following his appointment to the Board

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 of the Company's co-investments and whether those 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 produced by the Investment Adviser's respective deal teams and 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

The Company'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 2018, it is the second year of the audit partner's engagement on the audit of the Company.

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.

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
Chair of the Audit Committee

PERCENTAGE OF MEETINGS ATTENDED

Risk Committee report

The Board is supported by the Risk Committee, which until September 2018 comprised two Non-executive Directors, Christopher Wetherhill and Caroline Foulger. Since Christopher's retirement in September 2018, Risk Committee functions have been performed by the Board as a whole. We anticipate appointing a new Non-executive Director in 2019 who will join the Risk Committee and enable us to re-establish the Committee separately as before.

Caroline Foulger
Chair

RISK COMMITTEE MEMBERS *

2

NUMBER OF MEETINGS HELD

3

Objectives for 2019

- Appointing a new Non-executive Director to join the Risk Committee
- Continuing to monitor the key risks identified, reporting to the Board periodically
- Continuing to improve the methodologies and processes used by the Company for identifying, evaluating and monitoring risks

Achievements in 2018

- Monitoring the compliance of the Company with regard to the various regulatory submissions
- Challenging and maintaining the risk framework for the Company ensuring the correct reporting to the Board on key risks for the Company

The Board is pleased to report on the range of matters which the Risk Committee has considered during 2018, the key risks and judgment areas and the decisions applied.

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, meeting its regulatory and governance responsibilities, considering the views of other stakeholders and taking proportionate and managed risks. In that respect, the Board has established the Risk Committee to have oversight of those identified risks.

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

Committee meetings

Director	Committee attendance
Total meetings held	3
Number attended:	
Caroline Foulger	3
Christopher Wetherhill	3

* Christopher Wetherhill attended all Risk Committee meetings in 2018 during the period which he served as a Director. After his retirement from the Board in September, a quorum was not met by the Risk Committee and therefore Risk Committee functions were performed by the Board. This will continue until a new Director is appointed to the Risk Committee in 2019.

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.

- **Operational:** relates to risks associated with, and supporting the operating environment of, the Company. The operating environment middle and back-office functions such as valuation, accounting, administration and reporting, are primarily performed by service providers. The Company is dependent on its Investment Adviser, the Administrative Agent and their 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.
- **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 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.
- **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 phases 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 temporarily invest in government or corporate securities, or in bank deposits.
- **Market:** 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 faces market risks from its exposures through investing into the Oakley Funds and through its 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, together with any accumulative risk, 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, inappropriate valuation or incorrect financial reporting. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations. Valuation is particularly judgmental depending as it does upon estimates of future events and circumstances and upon the methodology used.

For further details on how the Company has addressed and mitigated these risks throughout 2018, see the risk management report on page 40.

On behalf of the Risk Committee

Caroline Foulger
Chair

PERCENTAGE OF MEETINGS ATTENDED

Directors' report

The Directors present their report and financial statements for the year ended 31 December 2018. The results for the year are set out in the attached financial statements and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's registered office and principal place of business is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Directors

The Board currently comprises the Chair and four other Non-executive Directors as disclosed in their respective biographies on page 44. During the year, the former Chair, Christopher Wetherhill, retired from the Board, after holding the position for 11 years. The Company would like to thanks Christopher for his valuable contribution to the Company during his tenure. In his place, Caroline Foulger was named Chair of the Board. The Board also welcomed Stewart Porter as a Non-executive Director in September 2018. With over 40 years of operational experience within private equity and TMT businesses, the Board feels he is a valuable addition.

All Directors, other than Peter Dubens and Stewart Porter, are considered to be independent. Peter Dubens and David Till (both Directors of the Investment Adviser), with a team of 19 investment 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.

Stewart Porter is a former employee of the Investment Adviser and retired from his role of Chief Operating Officer in June 2018. In line with the AIC Code of Compliance, Stewart is not independent due to his former employment with the Investment Adviser. He will be submitted for re-election on an annual basis in accordance with the Bye-Laws of the Company.

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.

Share capital

As at the date of this report, the Company had an issued share capital of 204,804,036. The rights attaching to the shares are set out in the Bye-Laws of the Company. There are no restrictions on the transfer of ordinary shares in the capital of the Company other than those which may be imposed by law from time-to-time. There are no special control rights in relation to the Company's shares and the Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights, except for the lock-ups agreed at the time of admission as set out in the prospectus. In accordance with the Disclosure and Transparency Rules, Board members and certain employees of the Company's service providers are required to seek approval to deal in the Company's shares.

Voting rights

In a general meeting of the Company, every holder of shares who is present in person or by proxy shall, on a poll, have one vote for every share of which they are the holder. All the rights attached to a treasury share shall be suspended and shall not be exercised by the Company while it holds such treasury share and, where required by the Act, all treasury shares shall be excluded from the calculation of any percentage or fraction of the share capital or shares of the Company. As at 31 December 2018, the Company does not hold any treasury shares.

Directors' interests in shares

As at 13 March 2019, Directors who are beneficial owners of shares in the Company are:

Director	No. of shares
Caroline Foulger	122,000
Laurence Blackall	200,000
Peter Dubens	9,554,068
Stewart Porter	0
James Keyes	60,000

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.

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.

Significant agreements

The following agreements are considered significant to the Company:

- Oakley Capital Manager Limited ("Administrative Agent") under the Operational Services Agreement
- Oakley Capital Limited ("Oakley") as Investment Adviser to the Administrative Agent, under the terms of the Investment Adviser Agreement
- Mayflower Management Services (Bermuda) Limited and its subsidiary Mayflower Corporate Services Limited, under the Administrator Agreement
- Computershare as Registrar under the Registration Agreement
- KPMG as appointed external Auditor
- Liberum Capital Limited as Nominated Adviser and Broker

Substantial shareholdings

As at 13 March 2019, 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
Asset Value Investors	10.8
FIL Investment International	5.6
OCI Directors, employees and related parties	5.1
Sarasin and Partners	5.0
Rothschild Private Management	4.0
Jon Wood and Family	3.4

Compensation for loss of office

There are no agreements between the Company and its Directors providing for compensation for loss of office that occurs because of a change of control.

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.

The Directors of the Company believe this creates the proper conditions to enhance long-term shareholder value and to achieve a high level of corporate performance.

The exercise of voting rights attached to the Company's underlying investments lies with Oakley. Oakley has a policy of active portfolio management and ensures that significant time and resource is dedicated to every investment, with Oakley executives and Operating Partners typically being appointed to portfolio company boards, in order to ensure the application of active, results-orientated corporate governance.

Directors' report

CONTINUED

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.

Employees

The Company does not have any direct employees.

Political donations and expenditure

The Company has made no political donations in the period since incorporation or since admission.

Dividends and distributions

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. The Company has experienced strong NAV growth in 2018 due to the successful realisations the Oakley Funds have completed in the year and the growth in the Oakley Funds' underlying portfolio companies.

The Company declared a final dividend of 2.25 pence per share in respect of the year ended 31 December 2017, which was paid in April 2018. An interim dividend of 2.25 pence per share was paid by the Company in respect of the six months to 30 June 2018, in October 2018.

Events after the reporting period

The Audit Committee noted the following significant post-balance sheet events:

- On 3 January 2019, the Company committed €400 million to Oakley Capital IV, an exempted limited partnership established in Luxembourg.
- On 13 March 2019, the Board of Directors approved a final dividend of 2.25 pence per share in respect of the financial year ended 31 December 2018. This is due to be paid on 25 April 2019, to shareholders registered on or before 5 April 2019. The ex-dividend date is 4 April 2019.

Going concern

After making enquiries and given the nature of the Company and its investments, the Directors, after due consideration, conclude that the Company should be able to continue for the foreseeable future.

In reaching this conclusion, the Directors have assessed the nature of the Company's assets and considers that adverse investment performance should not have a material impact on the Company's ability to meet its liabilities as they fall due. Accordingly, they are satisfied that it is appropriate to adopt a going concern basis in preparing these financial statements.

Disclosure of information to the auditor

Having made enquiries of fellow Directors and key service providers, each of the Directors confirms that:

- To the best of their knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware; and
- They have taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

AGM

Details of the AGM will be notified to shareholders seperately to this report.

The Directors' report has been approved by the Board and is signed on its behalf by:

Caroline Foulger
Chair

Directors' remuneration report

As the Company is a self-managed investment company with a Board comprised wholly of Non-executive Directors, AIC provisions relating to executive Directors' remuneration are not deemed relevant.

In particular, the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive Directors, employees or internal operations. The Company therefore, not reported further in respect of these provisions.

Remuneration report

The Non-executive Directors who served in the period from 1 January 2018 to 31 December 2018 received the fees detailed in the table below. Directors are remunerated in the form of fees, payable annually in advance, to the Director personally.

Director	Fees £
Christopher Wetherhill	75,000
James Keyes	45,000
Caroline Foulger	55,000
Peter Dubens *	–
Laurence Blackall	45,000
Stewart Porter **	14,000

* Peter Dubens is also a Director of the Investment Adviser and accordingly serves without fee
** Stewart Porter was appointed in September 2018

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 elected by shareholders at the AGM.

The table above details the Director's fee paid to each Director of the Company for the year ended 31 December 2018.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable laws 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). 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 these 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 accounting standards have been followed subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern; and
- use the going concern basis of accounting 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.

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.

Responsibility statement of the Directors in respect of the annual financial report

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 Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces;
- the consolidated financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and results of the Company, taken as a whole are in compliance with the requirements set out in the Bermuda Companies Act 1981 (as amended);
- the Annual Report includes a fair review of the information which provides an indication of important events and a description of the principal risks and uncertainties the Company faces;
- the Investment Adviser's report, together with the Directors' report and Chair's statement, include a fair review of the information as required; and
- the Annual Report and consolidated financial statements, taken as a whole, provide the information necessary to assess the Company's position and performance, business model and strategy, and is fair, balanced and understandable.

Signed on behalf of the Board of Directors

Caroline Foulger
Chair

13 March 2019

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 traded 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 £234,000. This comprised solely of fixed remuneration, no variable remuneration was paid. Fixed remuneration was composed of agreed fixed fees. There were five beneficiaries of this remuneration.

Financial Statements

Independent Auditor's report

To the Shareholders and Board of Directors of Oakley Capital Investments Limited

Report on the Audit of the Consolidated Financial Statements

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 2018 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 2018 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 54, the accounting policies on pages 75 to 78 and in Notes 6 and 8 to the consolidated financial statements on pages 84 to 85 and 86 to 90, respectively, the Company holds investments in private equity partnerships (the Funds) and unquoted debt securities at 31 December 2018 of £447.4 million, 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 indirectly through investments in 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.

Independent Auditor’s report

CONTINUED

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 scepticism 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

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda

13 March 2019

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Income			
Interest income	13	6,629	7,722
Net realised gains on investments at fair value through profit and loss	6, 7	102,314	23,991
Net change in unrealised gains/(losses) on investments at fair value through profit and loss	6, 7	(23,877)	20,316
Net foreign currency gains/(losses)		3,149	(839)
Other income		217	306
Total income		88,432	51,496
Expenses	14	(6,045)	(6,529)
Operating profit		82,387	44,967
Interest expense		(389)	(42)
Profit attributable to equity shareholders/total comprehensive income		81,998	44,925
Earnings per share			
Basic and diluted earnings per share (pence)	22	£0.40	£0.22

The Notes on pages 74 to 100 are an integral part of these financial statements.

Consolidated balance sheet

AS AT 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Assets			
Non-current assets			
Investments	6, 8	469,749	419,627
		469,749	419,627
Current assets			
Trade and other receivables	11	11	668
Cash and cash equivalents	10	107,888	117,836
		107,899	118,504
Total assets		577,648	538,131
Liabilities			
Current liabilities			
Trade and other payables	12	2,826	36,091
Total liabilities		2,826	36,091
Net assets attributable to shareholders		574,822	502,040
Equity			
Share capital	24	2,048	2,048
Share premium	24	244,533	244,533
Retained earnings		328,241	255,459
Total shareholders' equity		574,822	502,040
Net asset per ordinary share			
Basic and diluted net assets per share	23	£ 2.81	£ 2.45
Ordinary shares in issue at 31 December ('000)	24	204,804	204,804

The Notes on pages 74 to 100 are an integral part of these financial statements.

The financial statements of Oakley Capital Investments Limited (registration number: 40324) on pages 70 to 100 were approved by the Board of Directors and authorised for issue on 13 March 2019 and were signed on their behalf by:

Caroline Foulger
Director

Laurence Blackall
Director

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £'000	Share premium £'000	Treasury shares £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1 January 2017	2,069	246,245	(25,024)	215,142	438,432
Profit for the year/total comprehensive income	–	–	–	44,925	44,925
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
Profit for the year/total comprehensive income	–	–	–	81,998	81,998
Dividends	–	–	–	(9,216)	(9,216)
Total transactions with equity shareholders	–	–	–	(9,216)	(9,216)
Balance at 31 December 2018	2,048	244,533	–	328,241	574,822

The Notes on pages 74 to 100 are an integral part of these financial statements.

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Purchases of investments		(165,302)	(167,047)
Sales of investments		158,712	167,773
Interest income received		7,077	7,001
Expenses paid		(4,196)	(5,967)
Interest expense paid		(389)	(42)
Other income received		217	306
Net cash (used in)/provided by operating activities		(3,881)	2,024
Cash flows from financing activities			
Proceeds from treasury shares sold	24	–	23,291
Dividends paid	25	(9,216)	(13,149)
Net cash (used in)/provided by financing activities		(9,216)	10,142
Net (decrease)/increase in cash and cash equivalents		(13,097)	12,166
Cash and cash equivalents at the beginning of the year		117,836	106,509
Effect of foreign exchange rate changes		3,149	(839)
Cash and cash equivalents at the end of the year	10	107,888	117,836

The Notes on pages 74 to 100 are an integral part of these financial statements.

Notes to the consolidated financial statements

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Reporting entity

Oakley Capital Investments Limited (the "Company") is a closed-ended 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".

Fund I, Fund II, Fund III and OCPE Education are all constituent limited partnerships and 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.

The Board of Directors consider that it is appropriate to adopt the going concern basis of accounting in preparing these consolidated financial statements. In reaching this assessment, the Board of Directors have considered a wide range of information relating to the present and future conditions, including the consolidated balance sheet, future projections, cash flows and the longer-term strategy of the Company.

2.1 Basis for compliance

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

2.2 Functional and presentation currency

The consolidated financial statements are presented in pounds sterling ("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 2018, and have been applied in preparing these consolidated financial statements.

A. IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. 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.

i. Classification and measurement of financial assets and financial liabilities

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 and fair value through profit and loss. It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities as the new requirements affect only the accounting of financial liabilities specifically classified at fair value through profit or loss. The Company does not have such liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies relating to financial assets or financial liabilities.

Under IAS 39, the Company classified 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. These investments were managed on a fair value basis and their performances were monitored on this basis. The Company has elected to continue to classify these investments as financial assets held at fair value through profit and loss under IFRS 9 and no changes to retained earnings are required.

Trade and other receivables were classified at amortised cost under IAS 39. The Company continues to classify it as amortised cost under IFRS 9 and no adjustments to the consolidated financial statements are required.

ii. Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward looking "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost and debt investments at fair value through other comprehensive income, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets held by the Company at amortised cost consist of trade receivables and cash and cash equivalents. Due to the nature of these financial assets, the Company does not believe that the risk of impairment is significant and has determined that the credit risk at the reporting date is low and does not significantly increase after initial recognition.

iii. Hedge accounting

The new hedge accounting model introduced by IFRS 9 requires hedge accounting relationships to be aligned with the Company's risk management strategy and objectives, and to apply a more qualitative and forward-looking approach to assessing their effectiveness. Hedge accounting relationships are to be discontinued only when the relationships no longer qualify for hedge accounting.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Significant accounting policies continued

(a) New and amended standards adopted by the Company continued

iii. Hedge accounting continued

The Company does not currently apply hedge accounting and changes to hedge accounting due to IFRS 9 does not affect the Company.
The Company has elected to apply IFRS 9 retrospectively.

B. IFRIC 22 Foreign currency transactions and advance consideration

IFRIC 22 (the "Interpretation") clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

This Interpretation does not have any impact on the Company's consolidated financial statements.

Several other amendments and interpretations apply for the first time effective 1 January 2018 but do not have a material effect on the Company's consolidated financial statements and did not require retrospective adjustments.

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

A number of standards have been issued but are not yet effective as at the year end. The Company is currently in the process of analysing the impact of these new standards, amendments to existing standards and annual improvements to IFRS in detail but these are not expected to have 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 2018, the Company holds $29,201,704 share capital in OCI Financing (2017: $29,201,704).

As per 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 to invest into private equity funds and to purchase, hold and dispose of investments 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 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.

(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.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Significant accounting policies continued

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 flows 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 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 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 relevant IFRS requirements. 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 Oakley Capital Limited (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 2018

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.

	2018		2017	
	Total £'000	Rating (Moody's)	Total £'000	Rating (Moody's)
Cash at HSBC	27,135	A2	29,868	A2
Cash at Barclays	80,641	A2	87,855	A1
Cash at Lloyds	112	Aa3	113	Aa3
Investments in Funds	340,370	n/a	308,943	n/a
Investments in debt securities	107,059	n/a	69,502	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 2018 cash and cash equivalents of the Company amount to £107,888,282 (2017: £117,836,056). The Company has total unfunded capital and loan commitments of £187,476,040 (2017: £251,900,575) 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 £143,705,500 for the year ending 31 December 2018 (2017: £125,510,000). As at 31 December 2018, the Company has incurred no borrowings (2017: 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.

	2018 £'000	2017 £'000
Trade and other payables		
• Less than 1 month	–	34,457
• 1 – 3 months	2,826	1,634
Total trade and other payables	2,826	36,091

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:

	2018		2017	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Impact on interest income from cash and deposits	1,226	(1,226)	840	(840)
Impact on profit/(loss)	1,226	(1,226)	840	(840)

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 £2,426,686 and a corresponding decrease of 100 basis points in interest rates would result in an increase in their fair value by the same amount (2017: £1,523,034).

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.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

5. Financial risk management continued

5.4 Market risk continued

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.

	2018		2017	
	Euro £'000	US dollar £'000	Euro £'000	US dollar £'000
Assets:				
Financial assets at fair value through profit and loss	34,041	–	30,894	–
Cash and cash equivalents	8,236	–	9,277	–
Trade and other receivables	–	–	67	–
Total assets	42,277	–	40,238	–
Liabilities:				
Trade and other payables	–	–	(3,475)	(9)
Total liabilities	–	–	(3,475)	(9)
Impact on profit/(loss)	42,277		36,763	(9)

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.

c) Price risk – market fluctuations

The Company's management of price risk, which arises primarily from quoted and unquoted equity instruments, is through the 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:

	2018		2017	
	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)	3,348	(3,348)	6,177	(6,177)
Impact on net assets attributable to shareholders	3,348	(3,348)	6,177	(6,177)

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:

	2018		2017	
	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)	51,056	(51,056)	46,341	(46,341)
Impact on net assets attributable to shareholders	51,056	(51,056)	46,341	(46,341)

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 in time 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 re-purchase 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 shares or by paying dividends. The effects of the issue, the repurchase and resale of 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.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

6. Investments

Investments as at 31 December 2018

	2017 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	2018 Fair value £'000
Oakley Funds							
Fund I	36,551	–	–	–	–	(18,392)	18,159
Fund II	137,054	15,732	(115,337)	103,988	–	(69,643)	71,794
Fund III	109,058	43,097	(15,189)	(1,674)	–	73,336	208,628
Total Oakley Funds	282,663	58,829	(130,526)	102,314	–	(14,699)	298,581
Co-investment Fund							
OCPE Education (Feeder) LP	26,280	5,825	–	–	–	9,684	41,789
Total co-investment Fund	26,280	5,825	–	–	–	9,684	41,789
Total Funds	308,943	64,654	(130,526)	102,314	–	(5,015)	340,370
Quoted equity securities							
Time Out Group plc	41,182	–	–	–	–	(18,862)	22,320
Total quoted equity securities	41,182	–	–	–	–	(18,862)	22,320
Unquoted debt securities							
Daisy Group Holdings Limited	12,701	–	(13,748)	–	1,047	–	–
Ellisfield (Bermuda) Limited	15,455	–	(1,528)	–	962	–	14,889
Fund I	6,351	7,711	(7,466)	–	439	–	7,035
Fund II	–	24,386	(7,224)	–	250	–	17,412
Fund III	–	4,011	–	–	22	–	4,033
NSG Apparel BV	24,615	–	–	–	1,954	–	26,569
Oakley Capital III Limited	7,168	–	(5,303)	–	304	–	2,169
Oakley NS (Bermuda) LP	3,212	10,113	–	–	713	–	14,038
Time Out Group plc	–	19,970	–	–	944	–	20,914
Total unquoted debt securities	69,502	66,191	(35,269)	–	6,635	–	107,059
Total investments	419,627	130,845	(165,795)	102,314	6,635	(23,877)	469,749

* Total sales include sales, loan repayments and transfers

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 Fund							
OCPE Education (Feeder) LP	–	39,932	(35,355)	8,400	–	13,303	26,280
Total co-investment Fund	–	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) LP	–	2,940	–	–	272	–	3,212
OCPE Education LP	–	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 2018

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

	2018 £'000	2017 £'000
Net change in unrealised gains/(losses) on investments at fair value through profit and loss:		
Funds	(5,015)	22,988
Quoted equity securities	(18,862)	(2,672)
Unquoted debt securities	–	–
Total net change in unrealised gains/(losses) on investments at fair value through profit and loss	(23,877)	20,316
Realised gains/(losses) on investments at fair value through profit and loss:		
Funds	102,314	23,991
Quoted equity securities	–	–
Unquoted debt securities	–	–
Total realised gains/(losses) on investments at fair value through profit and loss	102,314	23,991

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.

The following table analyses the Company's investments measured at fair value as of 31 December 2018 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	–	340,370	340,370
Quoted equity securities	22,230	–	22,230
Unquoted debt securities	–	107,059	107,059
Total investments measured at fair value	22,230	447,429	469,749

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

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 2018 or 31 December 2017.

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 2018 include Level III investments in the amount of £447,429,457, representing approximately 77.84% of shareholders' equity (2017: £378,445,332; 75.38%).

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.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

8. Disclosure about fair value of financial instruments continued

As at 31 December 2018, 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	23,112	100,530	307,986	46,225
Loans	(5,157)	(19,935)	(55,442)	–
Provisional profit allocation	–	(4,987)	(22,300)	–
Other net assets	2,273	4,367	2,158	326
Total value of the Fund attributable to the Company	20,228	79,975	232,402	46,551
	£'000	£'000	£'000	£'000
Total value of the Fund attributable to the Company	18,159	71,794	208,628	41,789

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

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 the 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.

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 NAVs 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 2018, a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 6.2% movement in net assets attributable to shareholders (2017: 5.9%). 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 2018, a 1% increase to the discount factor would result in a 0.4% movement in net assets attributable to shareholders (2017: 0.3%). 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 2018 (2017: none).

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 2018 and 2017, are as follows:

Level I Investments:	2018 £'000	2017 £'000
Quoted equity securities		
Fair value at the beginning of the year	41,182	43,854
Shares transferred from unquoted debt and equity securities	–	–
Net change in unrealised gains/(losses) on investments	(18,862)	(2,672)
Fair value of Level I investments at the end of the year	22,320	41,182

Level III Investments:	Funds £'000	Unquoted debt securities £'000	Total £'000
2018			
Fair value at the beginning of the year	308,943	69,502	378,445
Purchases	64,654	66,191	130,845
Proceeds on disposals (including interest)	(130,526)	(35,269)	(165,795)
Realised gain on sale	102,314	–	102,314
Interest income and other fee income	–	6,635	6,635
Net change in unrealised gains/(losses) on investments	(5,015)	–	(5,015)
Fair value at the end of the year	340,370	107,059	447,429

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

8. Disclosure about fair value of financial instruments continued

	Funds £'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

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:

	2018 £'000	2017 £'000
Cash and cash equivalents	107,888	117,836
Trade and other receivables	11	668
Trade and other payables	2,826	36,091

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 ended 31 December 2018 (2017: none).

The segment information for the year ended 31 December 2018 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	102,314	–	102,314	–	102,314
Net change in unrealised gains/(losses) on financial assets at fair value through profit and loss	(5,015)	(18,862)	(23,877)	–	(23,877)
Interest income	–	6,515	6,515	114	6,629
Net foreign currency gains/(losses)	–	–	–	3,149	3,149
Other income	–	120	120	97	217
Expenses	–	–	–	(6,045)	(6,045)
Interest expense	–	–	–	(389)	(389)
Profit/(loss) for the year	97,299	(12,227)	85,072	(3,074)	81,998
Total assets	340,370	129,379	469,749	107,899	577,648
Total liabilities	–	–	–	(2,826)	(2,826)
Net assets	340,370	129,379	469,749	105,073	574,822
Total assets include:					
Financial assets at fair value through profit and loss	340,370	129,379	469,749	–	469,749
Cash and others	–	–	–	107,899	107,899

The segment information for the year ended 31 December 2017 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	23,991	–	23,991	–	23,991
Net change in 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)	–	(34,457)	(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

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

10. Cash and cash equivalents

	2018 £'000	2017 £'000
Cash and demand balances at banks	82,782	91,229
Short-term deposits	25,107	26,607
	107,888	117,836

11. Trade and other receivables

	2018 £'000	2017 £'000
Prepayments	11	1
Amounts due from related parties	–	667
	11	668

12. Trade and other payables

	2018 £'000	2017 £'000
Trade payables	97	151
Amounts due to related parties	2,729	1,483
Capital call payable	–	34,457
	2,826	36,091

13. Interest Income

	2018 £'000	2017 £'000
Interest income on investments carried at amortised cost:		
Cash and cash equivalents	114	39
Interest income on investments designated as at fair value through profit and loss:		
Debt securities	6,515	7,683
	6,629	7,722

14. Expenses

	Notes	2018 £'000	2017 £'000
Operational and advisory fees	15	2,505	2,568
Management fees	16	–	535
Professional fees	17	876	872
Performance fees	15,16	1,613	1,246
Other expenses	15	1,051	1,308
		6,045	6,529

15. Operational, advisory and performance fees

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 year ended 31 December 2018 totalled £2,504,757 (2017: £1,892,118) and is presented in the consolidated statement of comprehensive income. The amount outstanding as at 31 December 2018 was £913,692 (2017: £635,022) 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.

The Company did not incur advisory fees for the year ended 31 December 2018 (2017: £675,712 and are presented in the consolidated statement of comprehensive income). There are no amounts outstanding as at 31 December 2018 (2017: £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 year ended 31 December 2018 totalled £1,613,530 (2017: £1,246,443) and are presented in the consolidated statement of comprehensive income. The amount outstanding as at 31 December 2018 was £1,801,381 (2017: £624,297) 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 year ended 31 December 2018, the Administrative Agent recharged such other costs to the Company totalling £714,873 (2017: £595,659) and is included in other expenses (Note 14). There are no amounts outstanding as at 31 December 2018 (2017: £189,464 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 2018

16. Management and performance fees

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 and are presented in the consolidated statement of comprehensive income.

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 was measured across both co-investments.

The Company did not incur any performance fees for the period 1 January 2017 through 31 March 2017.

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 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.

17. Professional fees

	Notes	2018 £'000	2017 £'000
Administration fees	18	327	359
Consulting fees		48	34
Directors' fees	19	234	205
Auditor's remuneration	20	96	85
Legal fees		19	104
Other fees		152	85
		876	872

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 2018 totalled £326,743 (2017: £359,432) and are included in Professional fees (Note 17). There was no administration fee payable to the Administrator as at 31 December 2018 (2017: £nil).

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

	2018 £'000	2017 £'000
Chair's remuneration	75	65
Directors' fees	159	140
	234	205

The members of the Board of Directors 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, one of the Directors waived remuneration (2017: one). During 2018, no other fees were paid to the Directors (2017: £24,694 consulting fees to the former Chair of the Board). No fees were payable as at 31 December 2018 (2017: none). For the years ended 31 December 2018 and 2017 members of the Board of Directors held shares in the Company and were entitled to dividends as detailed below:

	2018 '000	2017 '000
Shares at the beginning of the year	2,690	2,231
Shares acquired during the year	7,277	459
Shares held by a Director who resigned during the year	(231)	–
Shares at the end of the year	9,736	2,690
Dividends paid to Directors	278	161
Dividends payable to Directors	–	–

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

20. Auditor's remuneration

	2018 £'000	2017 £'000
Audit of consolidated financial statements	96	85
Other assurance services	–	–
Total auditor's remuneration	96	85

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 2018, the Company was not subjected to foreign withholding taxes (2017: nil).

22. Earnings per share

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

	2018	2017
Basic and diluted earnings per share	£0.40	£0.22
Profit for the year ('000)	£81,998	£44,925
Weighted average number of shares in issue ('000)	204,804	203,859

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.

	2018	2017
Basic and diluted net asset value per share	£2.81	£2.45
Net assets attributable to shareholders ('000)	£574,822	£502,040
Number of shares in issue at the year end ('000)	204,804	204,804

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 2018, the Company's issued and fully paid share capital was 204,804,036 ordinary shares (2017: 204,804,036).

	2018 '000	2017 '000
Ordinary shares outstanding at the beginning of the year	204,804	189,804
Treasury shares issued	–	15,000
Ordinary shares outstanding at the end of the year	204,804	204,804

b) Share premium

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

25. Dividends

On 14 March 2018, the Board of Directors declared and approved payment of a final dividend for the year ended 31 December 2017 of 2.25 pence per ordinary share resulting in a dividend payment of £4,608,091 paid on 26 April 2018.

On 3 September 2018, 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 25 October 2018 (2017: On 11 September 2017, declared and approved 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).

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

26. Commitments

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

	2018 €'000	2017 €'000
Fund I		
Total capital commitment £169,144; (2017: £167,486)	188,398	188,398
Called capital at the beginning of the year	185,760	178,978
Capital calls during the year 0%; (2017: 3.6%)	–	6,782
Called capital at the end of the year £166,775; (2017: £165,141)	185,760	185,760
Unfunded capital commitment £2,368; (2017: £2,345)	2,638	2,638
Aggregate recycled commitment	13,000	13,000

	2018 €'000	2017 €'000
Fund II		
Total capital commitment £170,582; (2017: £168,910)	190,000	190,000
Called capital at the beginning of the year	158,650	153,000
Capital calls during the year 9.5%; (2017: 7%)	18,050	14,000
Adjustment for partial sale during the year	–	(8,350)
Called capital at the end of the year £158,641; (2017: £141,040)	176,700	158,650
Unfunded capital commitment £11,941; (2017: £27,870)	13,300	31,350

	2018 €'000	2017 €'000
Fund III		
Total capital commitment £292,485; (2017: £289,618)	325,780	325,780
Called capital at the beginning of the year	123,797	9,750
Capital calls during the year 15%; (2017: 35%)	48,867	114,047
Called capital at the end of the year £155,017; (2017: £110,055)	172,664	123,797
Unfunded capital commitment £137,468; (2017: £179,563)	153,116	201,983
Total unfunded capital commitments £151,777; (2017: £209,778)	169,054	235,971

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

	2018 £'000	2017 £'000
Total loan facility commitments:		
Fund I	5,000	5,000
Fund II	20,000	20,000
Fund III	20,000	20,000
Time Out Group plc	20,000	–
Oakley NS (Bermuda) L.P.	25,850	3,000
	90,850	48,000
Total unfunded loan commitments:		
Fund I	4,200	2,122
Fund II	2,773	20,000
Fund III	15,989	20,000
Oakley NS (Bermuda) L.P.	12,737	–
	35,699	42,122

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 2018 and 2017, there are no contingent liabilities outstanding.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

One Director of the Company, Peter Dubens, is also a Director of the Investment Adviser and Oakley Advisory Limited, entities which provide services to, and receive compensation from, the Company. These, along with the Administrative Agent are considered related parties to the Company given the indirect control this Director has over these entities. 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 2018, no Director of the Company had a personal interest in any transaction of significance for the Company (2017: none).

Management fees and performance fees paid for the period 1 January 2017 through 31 March 2017 are detailed in Notes 14 and 16. Operational service fees, advisory fees, performance fees and recharged costs paid to the Administrative Agent for the year ending 31 December 2018 and the period 1 April 2017 through 31 December 2017 are detailed in Notes 14 and 15. The agreements between the Company and these service providers are based on normal commercial terms.

During the year ended 31 December 2018, the Investment Adviser recharged staff costs of £714,873 (2017: staff cost of £409,722 and overheads of £2,343) to the Company which is included in other expenses (Note 14).

During the year ended 31 December 2018, Oakley Capital Manager Limited (the "Fund III Manager") repaid the remaining 50% of the option fee of €750,000, along with accrued interest. This was due to the Company based on the terms of the Fund III Manager option agreement when the Company only exercised 50% of the option by committing an additional €75,000,000 to Fund III. As at 31 December 2018 no balance is receivable from the Fund III Manager (2017: €750,000 (£666,750) which is included in "Trade and other receivables" in the consolidated balance sheet).

Fund I is considered a related party due to the 65.5% 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 13 March 2019, which is the date the consolidated financial statements were available for issue. The following events have been identified for disclosure:

On 2 January 2019, the Company bought an additional 4.87% interest in Fund I for a total consideration of €2,000,000. The Company's unfunded commitment in Fund I increased to €2,833,576.

On 3 January 2019, the Company committed €400,000,000 to Oakley Capital IV-A SCSp, which together with Oakley Capital IV-B SCSp, Oakley Capital IV-C SCSp (collectively the "Fund IV Feeder Funds") and Oakley Capital IV Master SCSp (the "Fund IV Master") collectively comprise "Fund IV". Fund IV is an exempted limited partnership established in Luxembourg.

On 13 March 2019, the Board of Directors declared and approved payment of a final dividend for the year ended 31 December 2018 of 2.25 pence per ordinary share resulting in a dividend of £4,608,091 payable on 25 April 2019.

Directors and advisers

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Independent Director and Chair

Laurence Blackall
Independent Director

Stewart Porter
Director

Peter Dubens
Director

James Keyes
Independent Director

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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 2018, Oakley Capital Investments Limited is registered as an Alternative Investment Fund ("AIF").
AIF	Alternative Investment Fund, as at 31 December 2018, 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 2018, 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 2018 was £1: €1.1139.
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.

Oakley Capital Fund IV/ Fund IV	Those limited partnerships constituting the fund know as Oakley Capital IV, compromising Oakley Capital IV-A SCSp, Oakley Capital IV-B SCSp, Oakley Capital IV-C SCSp and Oakley Capital IV Master SCSp.
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. 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.

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