Oakley Capital Investments Limited

INTERIM REPORT AND ACCOUNTS 2014

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The six months to 30 June 2014 has been an active period for the Company. Taken as a whole, the Limited Partnerships made a number of follow-on investments to support acquisitions, provide additional working capital for businesses, and also made two new acquisitions in the period. The Company invests principally in Oakley Capital Private Equity L.P. ("Fund I L.P."), OCPE II Master L.P. ("Fund II L.P."), a successor fund to Fund I L.P., (collectively the "Limited Partnerships") and their portfolio companies.

The Company has a capital commitment of €187.7 million in Fund I L.P. of which 88.5% (€166.1 million) had been called at 30 June 2014. Fund I L.P. made several follow-on investments in Broadstone Pensions and Investments Limited ("Broadstone") and certain Time Out Group companies during the first half of 2014. As previously reported, given the requirement to retain headroom to fund follow-on investments, Fund I L.P. is effectively fully invested. In light of this and the opportunity to use Intergenia Holdings GmbH ("intergenia") as the cornerstone for a hosting sector consolidation, Fund I L.P. sold its investments in intergenia to Fund II L.P. during the first quarter of 2014. The sale of intergenia resulted in aggregate distributions of £28.5 million to the Company.

The Company has a capital commitment of €150 million in Fund II L.P., of which 27% had been called as at 30 June 2014. Fund II L.P. acquired three investments during the first half of 2014, including a majority stake in intergenia acquired from Fund I L.P. through its wholly owned subsidiary, WHDI 2 (Bermuda) Limited. During March 2014, Fund II L.P. acquired a majority stake in North Technology Group LLC ("North Sails") through its wholly owned entity, Oakley NS (Bermuda) L.P.. North Sails is a leading marine technology group which includes a worldwide leading sail maker. During June 2014, Fund II L.P. acquired a majority stake in North Sails Europe LLC as part of the North Sails group acquisition. North Sails Europe operates sales and services sites in 13 countries and has manufacturing sites in six countries. The investment cost for Fund II L.P. for the two North Sails acquisitions was €65.4 million.

PERFORMANCE

The net asset value per share as at 30 June 2014 was £1.91, a decrease of 4.5% since 31 December 2013, and a decrease of 2.1% compared to 30 June 2013. The decline was attributable to a fall in the share price of Fund I L.P's listed investment, Daisy Group plc ("Daisy"), and to a weakening of the Euro against Sterling over the period which affected the fair value of the Company's investments in the Limited Partnerships. Of the total net asset value at 30 June 2014 of £235.7 million, £101.1 million represented the fair value of the investment in Fund I L.P., and £30.1 million represented the fair value of the investment in Fund II L.P.

The fair value of the underlying portfolio investments in Fund I L.P. attributable to the Company has decreased by £27.8 million from £128.9 million at 31 December 2013 to £101.1 million at 30 June 2014. This decrease arose as a result of the disposal of intergenia in the first half of 2014, offset by follow-on investments in existing investments, a fall in the share price of Daisy, and adverse foreign exchange movements.

The Daisy Group plc ("Daisy") share price, which was used to determine the fair value of Fund I's investment, was £1.37 at 30 June 2014, having fallen from £1.77 at 31 December 2014. In the post-balance sheet period, on 13 August 2014, Daisy announced that it has received a preliminary approach regarding a possible offer for Daisy by Toscafund Asset Management LLP ("Toscafund"), Penta Capital LLP ("Penta") and Matthew Riley, the Chief Executive Officer of Daisy (together the "Consortium"). Daisy received an approach from Toscafund on behalf of the Consortium regarding a cash offer for Daisy at £1.90 per Daisy share. In accordance with the Takeover Code (the "Code"), Toscafund, Penta and Matthew Riley are required, by not later than 5.00 p.m. on 10 September 2014, either to announce a firm intention to make an offer for Daisy in accordance with Rule 2.7 of the Code or to announce that they do not intend to make an offer for Daisy. Fund I L.P. holds 36.25 million shares in Daisy, representing 13.6% of Daisy.

The fair value of the underlying portfolio investments in Fund II L.P. attributable to the Company has increased by £28.4 million from £1.7 million at 31 December 2013 to £30.1 million at 30 June 2014. This increase arose as a result of a capital call by Fund II L.P. of 24% of commitments to fund the acquisitions of intergenia and North Sails.

In addition to its investments in the Limited Partnerships, the Company has provided debt finance directly to a number of the Limited Partnerships' portfolio companies and Fund II L.P. At 30 June 2014, £37.8 million represented investments made directly to certain of the Limited Partnerships' portfolio companies. These typically take the form of mezzanine loans with fixed interest rates of 10% - 15%. The Company has also provided secured senior debt at interest rates typically of 8.5% - 10% and financing loan facilities at interest rates of 10%. The Company, as lender, had short-term revolving credit facilities with Fund I L.P. of £18.9 million and Oakley Capital GP II Limited ("GP II"), the general partner of Fund II L.P. of £5.0 million in each case at an interest rate of 6.5%. The Company also provided a financing loan facility to Fund II L.P. of £7.2 million at an interest rate of 10%.

At 30 June 2014, the Company held £35.6 million in cash and cash equivalents and other assets.

SUBSEQUENT EVENTS

As described above, on 13 August 2014, Daisy announced that it had received a preliminary approach relating to a possible offer for Daisy, priced at £1.90 per share.

On 28 August 2014, Fund I L.P. issued a capital call notice to all L.P.s, including the Company, amounting to 5% of commitments, bringing total called capital to 93.5% of total commitments. The funds are to be used to repay part of the outstanding revolving credit facility provided by the Company.

OUTLOOK

With a number of interesting potential acquisitions well progressed through the deal pipeline, the Investment Adviser is confident that Fund II L.P. will make further investments before the end of the year.

Fund I L.P. is now effectively fully invested and the emphasis is on realisations with the Investment Adviser considering the exit potential in relation to a number of Fund I L.P.'s investments.

Christopher Wetherhill

Chairman

1 September 2014

THE COMPANY AND THE LIMITED PARTNERSHIPS

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

Oakley Capital (Bermuda) Limited (the "Manager"), a Bermudian company, is the manager of the Company and Fund I L.P. The Manager has appointed Oakley Capital Limited (the "Investment Adviser") as the investment adviser to the Manager with respect to Fund I L.P. The Investment Adviser is also the investment adviser to GP II with respect to Fund II L.P. and the feeder funds. Fund II L.P. has three feeder funds: Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P. and Oakley Capital Private Equity II-C L.P. (collectively the "Feeder Funds"). The Company invests in Fund II L.P. through its investment in Oakley Capital Private Equity II-A L.P. The Investment Adviser is primarily responsible for advising the Manager and GP II on the investment and realisation of the assets of Fund I L.P. and Fund II L.P. respectively.

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

The Limited Partnerships look to acquire a controlling interest in companies with an enterprise value of between £20.0 million and £150.0 million, although companies with a lower enterprise value are considered where the Investment Adviser believes that anticipated returns justify the investment. The Limited Partnerships aim to deliver in excess of 25% gross internal rate of return (IRR) per annum on investments. The life of each Limited Partnership is expected to be approximately 10 years, which includes a five year investment period.

MARKET BACKGROUND

Sterling had risen by approximately 4% against the Euro between 31 December 2013 and 30 June 2014. This was driven by continuing signs of improvement in the UK economy and by expectations that interest rates will rise in the UK before other major economies. This had led to an adverse foreign exchange translation affect over the period as the Company's investments in the Limited Partnerships are Euro denominated.

PERFORMANCE

For the six months to 30 June 2014, the Company's net asset value decreased from £246.9 million at 31 December 2013 to £235.7 million, a net decrease of £11.2 million. The net asset value per share at 30 June 2014 is £1.91, down from £2.00 at 31 December 2013, a decrease of 4.5%. In the same period the Company's share price decreased from £1.88 at 31 December 2013 to £1.61 at 30 June 2014 (30 June 2013: £1.52).

The decrease in net asset value in the six month period arose from net investment income of £2.8 million, offset by realised foreign exchange losses of £0.6 million, and depreciation in the value of its investments of £13.5 million. The depreciation in value of the Company's investment in the Limited Partnerships was primarily driven by the fall in Daisy's share price and foreign exchange translation losses derived from the effect of stronger sterling on Euro denominated assets.

At 30 June 2014 the Company's assets were divided between its investment in Fund I L.P. (43%), investment in Fund II L.P. (13%), cash, cash equivalents and other assets (15%), loans provided directly to portfolio companies (16%), and loans provided directly to the Limited Partnerships and GP II (13%).

These loans comprise mezzanine loans, financing loan facilities and senior finance loans ensuring that uninvested cash continues to work for the Company, earning a positive return. At 30 June 2014 the total value of loans outstanding was £61.9 million (31 December 2013: £53.7 million; 30 June 2013: £48.6 million).

During the six month period ending 30 June 2014, Fund I L.P. made one capital call on 31 January 2014 of 7% of commitments at a cost of €13.1 million to the Company. As at 30 June 2014, the Company's share of total capital called by Fund I L.P. was £166.1 million, representing 88.5% of the Company's total capital commitment.

Fund II L.P. also made a capital call, on 17 January 2014, of 24% of commitments representing a cost to the Company at that time of €24.0 million. On 1 February 2014, the Company committed an additional €50 million to Fund II L.P. bringing its total committed capital to €150 million. On 4 February 2014, Fund II L.P. made a capital call of 27% on the additional commitment by the Company, amounting to €13.5 million. As at 30 June 2014, the Company's share of total capital calls by Fund II L.P. was €40.5 million representing 27% of the Company's total capital commitment.

REVIEW OF INVESTMENTS

FUND I L.P. PORTFOLIO INVESTMENT PERFORMANCE FOR THE SIX MONTH PERIOD ENDING 30 JUNE 2014

The table below summarises the investment activity of Fund I L.P. for the six month period ending 30 June 2014. The values are denominated in Euros and the Company holds 65.25% interest in Fund I L.P. The EUR:GBP exchange rate as at 30 June 2014 was 1:0.8005.

(Denominated in Euro millions)

Investment	Opening cost (01.01.14)	Opening fair value	Investment additions/ (disposals)	Closing cost	Change in unrealised gain/loss	Closing fair value
Investments held at 30 June 2014						
Verivox	–	53.3	–	–	–	53.3
Broadstone	31.2	31.8	3.0	34.2	1.3	36.1
Time Out Group	47.8	47.9	7.8	55.6	1.3	57.0
Daisy	2.2	77.9	0.2	2.4	(15.9)	62.2
Educas	17.7	17.7	–	17.7	–	17.7
Total	**98.9**	**228.6**	**11.0**	**109.9**	**(13.3)**	**226.3**
Investments realised 2014						
intergenia	30.4	55.0	(55.0)	–	–	–
Total	**30.4**	**55.0**	**(55.0)**	**–**	**–**	**–**
Total Investments	**129.3**	**283.6**	**(44.0)**	**109.9**	**(13.3)**	**226.3**

The total decrease in the year in the investment value of the portfolio companies of Fund I L.P. was €57.3 million. The change in values of the portfolio companies is attributable to three key factors:

Increase of €11.0 million as a result of additional funding into existing portfolio companies and new investments made by Fund I L.P.:

Fund I L.P. provided further equity funding to Broadstone of €3.0 million and to certain Time Out Group companies of €7.8 million during the six months ending 30 June 2014. The additional investments were used to fund working capital.

Decrease of €13.3 million as a result of a net reduction in the fair values of the underlying portfolio companies of Fund I L.P. held at the year end:

Daisy's share price decreased from £1.77 on 31 December 2013 to £1.37 on 30 June 2014. This represents a decrease in the fair value of Daisy of €15.9 million.

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

Decrease of €55.0 million as a result of investments in the underlying portfolio companies sold by Fund I L.P.:

intergenia was sold in January 2014 by Fund I L.P. to Fund II L.P.

FUND II L.P. PORTFOLIO INVESTMENT PERFORMANCE FOR THE SIX MONTH PERIOD ENDING 30 JUNE 2014

The table below summarises the investment activity of Fund II L.P. for the six month period ending 30 June 2014. The EUR:GBP exchange rate as at 30 June 2014 was 1:0.8005.

(Denominated in Euro millions)

Investment	Opening cost (01.01.14)	Opening fair value	Investment additions / (disposals)	Closing cost	Change in unrealised gain/loss	Closing fair value
Investments held at 30 June 2014						
intergenia	–	–	49.3	49.3	–	49.3
North Sails	–	–	65.4	65.4	0.3	65.6
Total investments	**–**	**–**	**114.7**	**114.7**	**0.3**	**114.9**

The total increase in the year in the investment value of the portfolio companies of Fund I L.P. was €114.9 million.

Fund II L.P. acquired two new investments during the six months ending 30 June 2014 at a cost of €114.7 million. intergenia was acquired at a cost of €49.3 million and the North Sails businesses were acquired at a total cost of €65.4 million. Consideration for the intergenia acquisition was part funded by a loan of €7.0 million provided by the Company. Given that the investments were only recently acquired, fair values have been assessed as equal to cost, except for a small foreign exchange movement relating to US Dollar denominated assets.

STATEMENTS OF ASSETS AND LIABILITIES

FOR THE PERIODS ENDING 30 JUNE 2014 AND 2013 AND THE FISCAL YEAR ENDED 31 DECEMBER 2013

(Expressed in British Pounds)

	Notes	Unaudited six months ended 30.06.14 £	Unaudited six months ended 30.06.13 £	Audited year ended 31.12.13 £
Assets				
Investments	2c, 5, 7	200,048,007	172,329,726	184,358,872
Cash and cash equivalents	3	24,400,415	60,790,786	53,789,371
Accrued interest and accounts receivable		11,875,880	7,425,500	9,373,806
Other receivables		108,121	110,246	42,646
Total assets		**236,432,423**	**240,656,258**	**247,564,695**
Liabilities				
Accounts payable and accrued expenses		764,122	449,884	624,417
Total liabilities		**764,122**	**449,884**	**624,417**
Net assets attributable to shareholders		**235,668,301**	**240,206,374**	**246,940,278**
Represented by:				
Share capital		1,287,090	1,281,250	1,287,090
Share premium		120,274,734	119,276,094	120,274,734
Retained earnings		121,037,925	126,580,477	132,309,902
		241,599,749	247,137,821	253,871,726
Less: Treasury Stock		(6,931,448)	(6,931,447)	(6,931,448)
		235,668,301	240,206,374	246,940,278
Number of shares outstanding	9	**123,699,050**	**123,115,050**	**123,699,050**
Net asset value per share		**1.91**	**1.95**	**2.00**

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

SCHEDULES OF INVESTMENTS

FOR THE PERIODS ENDING 30 JUNE 2014 AND 2013 AND THE FISCAL YEAR ENDED 31 DECEMBER 2013

(Expressed in British Pounds)

30 June 2014	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
Investments in Limited Partnership					
Bermuda					
Oakley Capital Private Equity L.P.	42.89%	65.25%		66,934,100	101,083,821
Oakley Capital Private Equity II-A L.P.	12.75%	58.90%		33,482,700	30,055,397
Total investments in Limited Partnerships	**55.64%**			**110,416,800**	**131,139,218**
Unquoted debt securities					
Investments in senior loan notes					
United Kingdom					
Time Out London Interest at 10% p.a. Maturity date March 2016	1.30%		£3,070,482	£3,070,482	3,070,482
United States					
Time Out New York Interest at 8.5% p.a. Maturity date August 2014	0.84%		$3,400,000	2,109,020	1,987,980
Germany					
intergenia Interest at 10% p.a. Maturity date November 2014	0.85%		€2,500,000	2,090,000	2,001,250
Total senior loan notes	**2.99%**			**7,269,502**	**7,059,712**
Investments in mezzanine loans					
United Kingdom					
Broadstone Interest rate at 15% p.a. Maturity date November 2015	2.55%		£6,000,000	6,000,000	6,000,000
Time Out London Interest rate at 10% p.a. Maturity date March 2016	2.63%		£6,200,000	6,200,000	6,200,000
United States					
Time Out New York Interest rate at 15% p.a. Maturity date May 2016	1.24%		$5,000,000	3,101,500	2,923,500
Total mezzanine loans	**6.42%**			**15,301,500**	**15,123,500**

30 June 2014	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
Investments in financing loan facility					
Germany					
intergenia Interest at 10% p.a. Maturity date December 2014	4.18%		€12,300,000	10,365,560	9,846,150
WHDI 2 (Bermuda) Ltd Interest at 10% p.a. Maturity date February 2015	2.44%		£5,741,470	5,741,470	5,741,470
Bermuda					
OCPE Master II L.P. Interest at 10% p.a. Maturity date December 2014	3.06%		€9,000,000	7,200,000	7,200,000
Total finance loans	**9.68%**			**23,307,030**	**22,787,620**
Investments in revolving loan facility					
Bermuda					
Oakley Capital Private Equity L.P. Interest at 6.5% p.a.	8.04%		£18,937,958	18,937,958	18,937,958
Oakley Capital GP II Ltd Interest at 6.5% p.a.	2.12%		£5,000,000	5,000,000	5,000,000
Total revolving loan facility	**10.16%**			**23,937,958**	**23,937,958**
Total investments	**84.89%**			**170,232,789**	**200,048,007**

For details of the underlying investments of the Fund, please refer to Note 7.

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

SCHEDULES OF INVESTMENTS

FOR THE PERIODS ENDING 30 JUNE 2014 AND 2013 AND THE FISCAL YEAR ENDED 31 DECEMBER 2013

(Expressed in British Pounds)

30 June 2013	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
Investments in Limited Partnership					
Bermuda Oakley Capital Private Equity L.P.	51.52%	65.15%		72,931,890	123,766,165
Unquoted debt securities					
Investments in senior loan notes					
United Kingdom Time Out London Interest at 10% p.a. Maturity date March 2016	1.28%		£3,070,482	3,070,482	3,070,482
United States Time Out New York Interest at 8.5% p.a. Maturity date August 2014	0.93%		$3,400,000	2,109,020	2,235,160
Germany intergenia Interest at 8.5% p.a. Maturity date November 2013	0.95%		€2,660,415	2,226,236	2,275,719
Total senior loan notes	**3.16%**			**7,405,738**	**7,581,361**
Investments in mezzanine loans					
United Kingdom Broadstone Interest rate at 15% p.a. Maturity date November 2015	2.50%		£6,000,000	6,000,000	6,000,000
Time Out London Interest rate at 10% p.a. Maturity date November 2015	2.58%		£6,200,000	6,200,000	6,200,000
United States Time Out New York Interest rate at 15% p.a. Maturity date May 2016	1.37%		$5,000,000	3,101,500	3,287,000
Total mezzanine loans	**6.45%**			**15,301,500**	**15,487,000**

30 June 2013	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
Investments in financing loan facility					
Germany intergenia Interest at 10% p.a. Maturity date December 2014	2.85%		€8,000,000	6,834,400	6,843,200
Total finance loans	**2.85%**			**6,834,400**	**6,843,200**
Investments in revolving loan facility					
Bermuda Oakley Capital Private Equity L.P. Interest at 6.5% p.a.	7.76%		£18,652,000	18,652,000	18,652,000
Total revolving loan facility	**7.76%**			**18,652,000**	**18,652,000**
Total investments	**71.74%**			**121,125,528**	**172,329,726**

For details of the underlying investments of the Fund, please refer to Note 7.

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

SCHEDULES OF INVESTMENTS

FOR THE PERIODS ENDING 30 JUNE 2014 AND 2013 AND THE FISCAL YEAR ENDED 31 DECEMBER 2013

(Expressed in British Pounds)

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

31 December 2013	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
Investments in financing loan facility					
Germany					
intergenia Interest at 10% p.a. Maturity date December 2014	2.69%		€8,000,000	6,834,400	6,649,600
Total finance loans	**2.69%**			**6,834,400**	**6,649,600**
Investments in revolving loan facility					
Bermuda					
Oakley Capital Private Equity L.P. Interest at 6.5% p.a.	8.98%		£22,167,384	22,167,384	22,167,384
Oakley Capital GP II Ltd Interest at 6.5% p.a.	1.01%		£2,500,000	2,500,000	2,500,000
Total revolving loan facility	**9.99%**			**24,667,384**	**24,667,384**
Total investments	**74.64%**			**129,708,435**	**184,358,872**

For details of the underlying investments of the Fund, please refer to Note 7.

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

STATEMENTS OF OPERATIONS

FOR THE PERIODS ENDING 30 JUNE 2014 AND 2013 AND THE FISCAL YEAR ENDED 31 DECEMBER 2013

(Expressed in British Pounds)

	Notes	Unaudited six months ended 30.06.14 £	Unaudited six months ended 30.06.13 £	Audited year ended 31.12.13 £
Investment income				
Interest		3,363,164	2,986,499	5,726,795
Withholding tax on interest		(133,285)	(107,110)	(253,922)
Miscellaneous		29,134	324	324
Total income		**3,259,013**	**2,879,713**	**5,473,197**
Expenses				
Management fees	4	–	863,186	1,243,376
Performance fees	4	–	48,318	57,718
Professional fees	6	170,224	171,342	360,827
Other		157,343	166,662	392,287
Interest		84,418	574	1,059
Total expenses		**411,985**	**1,250,082**	**2,055,267**
Net investment income		**2,847,028**	**1,629,631**	**3,417,930**
Realised and unrealised gains and losses on foreign exchange and investments				
Net realised (loss)/gain on foreign exchange		(528,491)	632,243	300,438
Net change in unrealised (loss)/gain on foreign exchange		(60,625)	15,750	(82,529)
Net realised gains on investments		11,305,406	23,052,209	23,977,364
Net change in unrealised depreciation on investments		(24,835,295)	(8,268,406)	(4,822,352)
Net realised and unrealised (loss)/gain on foreign exchange and investments		(14,119,005)	15,431,796	19,372,921
Net (decrease)/increase in net assets resulting from operations		**(11,271,977)**	**17,061,427**	**22,790,851**
Net (loss)/gain per share		(0.09)	0.14	0.18

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE PERIODS ENDING 30 JUNE 2014 AND 2013 AND THE FISCAL YEAR ENDED 31 DECEMBER 2013

(Expressed in British Pounds)

	Unaudited six months ended 30.06.14 £	Unaudited six months ended 30.06.13 £	Audited year ended 31.12.13 £
Net increase in net assets resulting from operations			
Net investment income	2,847,028	1,629,631	3,417,930
Net realised (loss)/gain on foreign exchange	(528,491)	632,243	300,438
Net change in unrealised (loss)/gain on foreign exchange	(60,625)	15,750	(82,529)
Net realised gain/(loss) on investments	11,305,406	23,052,209	23,977,364
Net change in unrealised depreciation on investments	(24,835,295)	(8,268,406)	(4,822,352)
Net (decrease)/increase in net assets resulting from operations	(11,271,977)	17,061,427	22,790,851
Net decrease in net assets resulting from capital transactions			
Shares sold	–	–	8,882,671
Shares repurchased	–	(4,419,450)	(12,297,641)
Net decrease in net assets resulting from capital transactions	–	(4,419,450)	(3,414,970)
Net (decrease)/increase in net assets	**(11,271,977)**	**12,641,977**	**19,375,881**
Net assets at beginning of period/year	**246,940,278**	**227,564,397**	**227,564,397**
Net assets at end of period/year	**235,668,301**	**240,206,374**	**246,940,278**

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

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDING 30 JUNE 2014 AND 2013 AND THE FISCAL YEAR ENDED 31 DECEMBER 2013

(Expressed in British Pounds)

	Unaudited six months ended 30.06.14 £	Unaudited six months ended 30.06.13 £	Audited year ended 31.12.13 £
Cash flows from operating activities			
Net (decrease)/increase in net assets resulting from operations	(11,271,977)	17,061,427	22,790,851
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:			
Net realised and unrealised gain/(loss) on foreign exchange and investments	14,119,005	(15,431,796)	(19,372,921)
Payments for purchases of investments	(57,698,975)	(52,850,115)	(82,311,259)
Proceeds on disposal of investments	28,479,951	57,110,802	78,914,009
Change in accrued interest receivable	(2,502,074)	2,662,414	714,108
Change in other receivables	(65,475)	(76,253)	(8,653)
Change in accounts payable and accrued expenses	139,705	48,841	223,374
Net cash used in operating activities	**(28,799,840)**	**8,525,320**	**949,509**
Cash flows from financing transactions			
Proceeds from shares sold	–	–	1,004,480
Payments for shares repurchased	–	(4,419,450)	(4,419,450)
Cash used in financing transactions	–	(4,419,450)	(3,414,970)
Net effect of foreign exchange (loss)/gain	(589,116)	647,993	217,909
Net (decrease)/increase in cash and cash equivalents	(29,388,956)	4,753,863	(2,247,552)
Cash and cash equivalents at beginning of the year/period	53,789,371	56,036,923	56,036,923
Cash and cash equivalents at end of the year/period	**24,400,415**	**60,790,786**	**53,789,371**
Interest paid during the year/period	84,418	574	1,059

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

1. THE COMPANY

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

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

b) Use of estimates

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

c) Investment valuation

Limited Partnerships

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

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

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

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

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

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

The hierarchy of inputs is summarised below.

Level 1 – quoted prices in active markets for identical investments

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

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

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

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

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

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

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

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

d) Income recognition

Interest income and expenses are recognised on the accruals basis.

e) Foreign currency translation

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

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

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

f) Cash and cash equivalents

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

	Unaudited six months ended 30.06.14 £	Unaudited six months ended 30.06.13 £	Audited year ended 31.12.13 £
Cash	1,336,172	26,439,736	11,343,074
Short-term deposits	23,064,243	34,351,050	42,446,297
Total cash and cash equivalents	**24,400,415**	**60,790,786**	**53,789,371**

4. MANAGEMENT AND PERFORMANCE FEES

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

As part of the Company's investment in Fund II L.P., the Company had agreed to pay Oakley Capital GP II Limited ("GP II") an establishment fee equal to 2% per annum of the Company's initial commitment to Fund II L.P. The establishment fee was payable semi-annually in advance and terminated upon the completion of Fund II L.P.'s initial close on 20 September 2013. The establishment fee is included in Management fees in the Statements of Operations.

During the period ended 30 June 2014, the Company did not incur management fees (30 June 2013: £863,186; 31 December 2013: £1,243,376). As at 30 June 2014, no management fees were payable to the Manager (30 June 2013: £nil; 31 December 2013: £nil).

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

No previous payments of performance fee will be affected if any co-investment does not reach the hurdle rate of the return. During the period ended 30 June 2014, the Company did not incur performance fees (30 June 2013: £48,318; 31 December 2013: £57,718).

(b) The Manager has entered into an Investment Adviser Agreement with the Investment Adviser to advise the Manager on the investment of the assets of the Company.

The Investment Adviser will not receive a management or performance fee from the Company. Any fees due to the Investment Adviser will be paid by the Manager out of the management fees it receives from the Company.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Investments in securities	30.06.14 £	30.06.13 £	31.12.13 £
Quotes prices (Level 1)	–	–	–
Other significant observable inputs (Level 2)	–	–	–
Significant unobservable inputs (Level 3)	200,048,007	172,329,726	184,358,872

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

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

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

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

5. FAIR VALUE OF FINANCIAL INSTRUMENTS continued

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

	Investment in securities 30.06.14 £	Investment in securities 30.06.13 £	Investment in securities 31.12.13 £
Investment in Limited Partnerships			
Fair value at beginning of the period/year	130,624,846	117,940,422	117,940,422
Purchases	41,955,732	25,504,715	28,208,475
Proceeds on realisation	(28,479,951)	(33,979,426)	(34,906,526)
Realised gain on realisation	11,305,406	23,052,209	23,979,492
Net change in unrealised (depreciation) on investments	(24,266,815)	(8,751,755)	(4,597,017)
Limited Partnership, fair value at end of the period/year	**131,139,218**	**123,766,165**	**130,624,846**
Unquoted debt securities			
Fair value at beginning of the period/year	53,734,026	43,866,188	43,866,188
Purchases	15,743,243	27,345,400	54,102,784
Proceeds on disposal	–	(23,131,376)	(44,007,483)
Realised (loss)/gain on disposal	–	–	(2,128)
Net change in unrealised (depreciation)/appreciation on investments	(568,480)	483,349	(225,335)
Unquoted debt securities, fair value at end of the period/year	68,908,789	48,563,561	53,734,026
Fair value at end of the period/year	**200,048,007**	**172,329,726**	**184,358,872**

The Company's policy is to recognise transfers into and out the various levels as of the end of the period or change in circumstances that caused the transfer. For the period ended 30 June 2014, the Company did not have any transfers between Levels 1, 2 or 3.

The investments held by the Limited Partnerships are classified as Level 3 investments by the Limited Partnerships.

6. ADMINISTRATION FEE

Under the terms of the Company Administration Agreement dated 30 July 2007 between Mayflower Management Services (Bermuda) Limited (the "Administrator") and the Company, the Administrator receives an annual administration fee at prevailing commercial rates. During the period ended 30 June 2014, the Company incurred administration fees of £90,360 (30 June 2013: £78,656, 31 December 2013: £182,438), which is included in professional fees in the Statements of Operations.

7. INVESTMENTS

Limited Partnerships

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

The Company's share of the total capital called by Fund I L.P. to 30 June 2014 was £132,973,420 (€166,112,960) (31 December 2013: £127,152,057 (€152,974,082), 30 June 2013: £130,644,884 (€152,729,582)). Of the Company's total capital commitments 88.5% has been called.

The Company's share of the total capital called by Fund II L.P. to 30 June 2014 was £32,420,250 (€40,500,000) (31 December 2013: £2,493,600 (€3,000,000)) representing 27% of the Company's total capital commitment.

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

Fund I L.P.

Fund I L.P. made follow-on investments in three of the portfolio companies during the period ending 30 June 2014. These investments were made in Broadstone, Time Out London and Time Out New York. Fund I L.P. funded the follow-on investments using a combination of capital calls and loans drawn under a revolving loan facility made available by the Company to Fund I L.P.. Fund I L.P. sold its investment in intergenia to Fund II L.P. at fair value during the period ending 30 June 2014.

Verivox

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

Broadstone

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

Time Out Group

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

Fund I L.P. through its wholly owned subsidiary, TO (Bermuda) Limited, acquired 50% of Time Out London, an international multi-channel publisher. Time Out London provides services across traditional print, digital channels and live events. At 30 June 2014, Fund I L.P. owned 51% of Time Out London.

Fund I L.P. through its wholly owned subsidiary, TONY (Bermuda) Limited, acquired 65.7% of Time Out New York. In combination, the Time Out Group control the worldwide rights to the Time Out brand (excluding Chicago). At 30 June 2014, Fund I L.P. owned 76.4% of Time Out New York.

Educas

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

intergenia

Fund I L.P. through its wholly owned subsidiary, WHDI (Bermuda) Limited, acquired a 51% stake in Intergenia Holdings GmbH ("intergenia"), a web hosting company providing managed, dedicated and cloud hosting. Fund I L.P. sold its investment in intergenia on 31 January 2014 to Fund II L.P.

Headland Media

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

Emesa

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

Monument Securities

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

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

Fund II L.P.

Fund II L.P. has three feeder funds: Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P. and Oakley Capital Private Equity II-C L.P. (collectively the "Feeder Funds"). The Company invests in Fund II L.P. through an investment in Oakley Capital Private Equity II-A L.P.

During the period ending 30 June 2014, Fund II L.P. acquired two new investments in intergenia and the North Sails Group.

intergenia

Fund II L.P. through its wholly owned subsidiary, WHDI 2 (Bermuda) Limited, acquired a 51% stake in Intergenia Holdings GmbH ("intergenia") from Fund I L.P. (see above).

North Sails Group

Fund II L.P. through its wholly owned subsidiary, Oakley NS (Bermuda) Limited, acquired a 65.2% stake in North Sails Technology Group LLC and subsequently a 70.3% interest in North Sails Europe LLC ("North Sails"). As at 30 June 2014, Fund II L.P. held a 66.4% holding in the North Sails Group. North Sails is a leading marine technology group which includes a worldwide leading sail maker.

Mezzanine financing investments

Time Out London

As part of Fund I L.P.'s acquisition of Time Out London, the Company provided debt finance of £6,200,000 in the form of a mezzanine loan to TO (Bermuda) Limited. The instrument carried a fixed interest rate of 15% maturing on 30 November 2013. On 4 April 2013 the instrument was restructured and now carries a fixed interest rate of 10%, maturing on 31 March 2016. The fair value of the loan is considered to approximate its amortised cost at 30 June 2014.

Broadstone

As part of Fund I L.P.'s acquisition of Broadstone, the Company provided debt finance of £6,000,000 in the form of a mezzanine loan to Broadstone Holdco (Bermuda) Limited. The instrument carries an interest rate of 15% and matures on 30 November 2015. The fair value of the loan is considered to approximate its amortised cost at 30 June 2014.

Time Out New York

As part of Fund I L.P.'s acquisition of Time Out New York, the Company provided debt finance of $5,000,000 (£3,101,500) to TONY OCIL (Bermuda) Limited in the form of a mezzanine loan. The instrument carries a fixed interest rate of 15% before withholding tax and 10.5% after withholding tax and matured on 28 August 2014. The fair value of the loan is considered to approximate its amortised cost at 30 June 2014.

Daisy Data Centre Solutions

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

Senior loan notes

Time Out London

As part of Fund I L.P.'s acquisition of Time Out London, the Company provided a secured senior loan of £5,000,000 to Time Out Group BC Limited, a wholly owned subsidiary of Time Out London. The instrument carried a fixed interest rate of 8.5% and was due to mature on 31 March 2013. On 4 April 2013 the instrument was restructured and now carries a fixed interest rate of 10%, maturing on 31 March 2016. On 10 April 2013, £1,929,518 of this loan was repaid. The fair value is considered to approximate its amortised cost at 30 June 2014.

Time Out New York

As part of Fund I L.P.'s acquisition of Time Out New York, the Company provided a secured senior loan of $3,400,000 (£2,109,020) to TONY OCIL (Bermuda) Limited. The instrument carries a fixed interest rate of 8.5% before withholding tax and 5.95% after withholding tax. The instrument matures on 28 August 2014. The fair value is considered to approximate its amortised cost at 30 June 2014.

intergenia

As part of Fund I L.P.'s acquisition of intergenia, the Company provided a secured senior loan of €10,000,000 (£8,368,000). The instrument carried a fixed interest rate of 8.5%. On 8 March 2012 €7,339,585 (£6,141,764) of this loan was repaid and the balance of the debt was fully repaid on 20 December 2013. On the same date, the Company provided a new secured senior loan of €2,500,000 (£2,090,000). The instrument carries a fixed interest rate of 10% and matures on 30 November 2014. The fair value is considered to approximate its amortised cost at 30 June 2014.

Financing loan notes

intergenia

On 21 June 2013, the Company provided a finance loan of €8,000,00 (£6,834,400) to Intergenia GmbH. On 26 February 2014, the Company provided an additional finance loan of €4,300,000 (£3,531,160) to Intergenia GmbH. The instrument carries a fixed interest rate of 10% and matures on 31 December 2014. The fair value of the loan is considered to approximate its amortised cost as at 30 June 2014.

WHDI 2 (Bermuda) Ltd

On 6 February 2014, the Company provided a finance loan of £5,741,470 to WHDI 2 (Bermuda) Ltd. The instrument carries a fixed interest rate of 10% and matures on 28 February 2015. The fair value of the loan is considered to approximate its amortised cost as at 30 June 2014.

OCPE Master II L.P.

On 26 June 2014, the Company provided a loan facility of £7,200,000 to OCPE Master II L.P. at an interest rate of 10% and matures on 31 December 2014. The fair value is considered to approximate its amortised cost at 30 June 2014.

Revolving credit facility

Oakley Capital Private Equity L.P.

On 19 March 2012, the Company provided a revolving loan facility of £23,000,000 to Fund I L.P. at an interest rate of 6.5%. The loan facility was increased to £26,000,000 on 19 November 2013. On 3 March 2014, the Company increased the loan facility available to £28,000,000 and subsequently, on 31 March 2014, decreased it to £20,000,000. As at 30 June 2014 £18,937,958 of the funding had been drawn under the facility. The fair value is considered to approximate its amortised cost at 30 June 2014.

Oakley Capital GP II Limited

On 2 December 2013, the Company provided a loan facility of £2,500,000 to Oakley Capital GP II Limited at an interest rate of 6.5%. The loan facility was increased to £5,000,000 on 31 March 2014. The fair value is considered to approximate its amortised cost at 30 June 2014.

8. CAPITAL COMMITMENTS

The Company has the following capital commitments:

	Capital commitments 30.06.14 €	Capital commitments 30.06.13 €	Capital commitments 31.12.2013 €
Fund I L.P.			
Total capital commitments	187,698,260	187,398,260	187,698,260
Capital called at the beginning of the period/year	152,974,082	122,745,860	122,745,860
Capital calls during the period/year			
8 February 2013 7% call	–	13,117,879	13,117,879
24 June 2013 9% call	–	16,865,843	16,865,843
14 March 2014 7% call	13,138,878	–	–
Additional interest acquired	–	–	244,500
Called capital at end of the period/year	166,112,960	152,729,582	152,974,082
Capital commitment available	**21,585,300**	**34,668,678**	**34,724,178**
Fund II L.P.			
Total capital commitments	150,000,000	100,000,000	100,000,000
Capital called at the beginning of the period/year	3,000,000	–	–
Capital calls during the period/year			
8 November 2013 3% call	–	–	3,000,000
17 January 2014 24% call	24,000,000	–	–
Additional commitment 27% call	13,500,000	–	–
Called capital at end of the period/year	40,500,000	–	3,000,000
Capital commitment available	**109,500,000**	**100,000,000**	**97,000,000**

9. SHARE CAPITAL AND WARRANTS

(a) Share capital

The authorised share capital of the Company consists of 200,000,000 Ordinary Shares with the issued share capital of the Company consisting of 128,125,000 Ordinary Shares.

(b) Share repurchase

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

On 14 May 2013, the Company repurchased 1,200,000 shares at a price of 150 pence per share and on 15 May 2013, the Company repurchased 1,746,300 shares at a price of 150 pence per share. On 7 November 2013, the Company sold 584,000 shares at a price of 172 pence per share from the treasury stock. On 9 December 2013, the Company sold 4,425,950 shares at a price of 178 pence per share from the treasury stock. On the same date, the Company repurchased the 4,425,950 shares at a price of 178 pence per share. As at 30 June 2014, a total of 4,425,950 shares are held as treasury stock.

Shares of common stock outstanding are:

	Unaudited six months ended 30.06.14 £	Unaudited six months ended 30.06.13 £	Audited year ended 31.12.13 £
Balance at beginning of the period/year	123,699,050	126,061,350	126,061,350
Shares repurchased	–	(2,946,300)	(7,372,250)
Shares sold from treasury stock	–	–	5,009,950
Balance at end of the period/year	**123,699,050**	**123,115,050**	**123,699,050**

10. RELATED PARTIES

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

The Company had a financial advisory agreement with Oakley Finance which was terminated during June 2014. During the period ended 30 June 2014, the Company incurred financial advisory fees of £20,833 (30 June 2013: £nil; 31 December 2013: £25,000) which is included in professional fees in the Statements of Operations.

11. TAXATION

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

The Company was not required to recognise any amounts for uncertain tax positions under FASB ASC 740-10 during the period ended 30 June 2014.

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

12. INDEMNIFICATIONS AND WARRANTIES

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

13. SUBSEQUENT EVENTS

On 28 July 2014, the Company increased the revolving loan facility available to Fund I L.P. to £30,000,000 and extending the repayment date applicable to the outstanding loans and providing for all future loans to have a loan period of 12 months.

On 15 August 2014, Fund I L.P. drew down an additional £2,000,000 under the revolving loan facility to fund follow-on investments in Time Out London.

On 25 August 2014, the Company provided a short-term bridge loan facility of £2,800,000 to enable Fund II L.P. to invest in Educas Europe Investments LLP.

On 28 August 2014, Fund I L.P. issued a capital call notice to all L.P.s, including the Company, amounting to 5% of commitments, bringing the total called capital to 93.5% of total commitments. The funds are to be used to repay part of the outstanding revolving credit facility provided by the Company.

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Oakley Capital
Investments Limited

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