

Half-year Report

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Oakley Capital Investments Limited
12 September 2017

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Oakley Capital Investments Limited Interim results for the six months ended 30 June 2017

CONTINUED FUND PERFORMANCE AND A HIGH LEVEL OF INVESTMENT ACTIVITY

Oakley Capital Investments Limited¹ (AIM:OCI, the "Company"), which provides investors with access to the investment strategy pursued by the Oakley Funds², today announces its interim results for the six months ended 30 June 2017.

FINANCIAL HIGHLIGHTS

- NAV of £472.6 million, an 8% increase in the six months since 31 December 2016.
- NAV per share of £2.31, flat since 31 December 2016, impacted by final treasury share sale.
- A 2017 interim dividend of 2.25 pence per share will be paid on 26 October 2017 to shareholders on the register on 6 October.

PORTFOLIO HIGHLIGHTS

- **PERFORMANCE** - the fair value of the underlying portfolio companies grew by a further 11% in the period, driven by strong sales and EBITDA growth.
- **INVESTMENTS** - five investments have been completed year to date, all within the newly raised Fund III. In the period Casa/atHome, Plesk and TechInsights were acquired, leveraging Oakley's experience and success in the Digital Consumer and TMT subsectors. Two subsequent deals post period have been completed in the Education sector with the acquisition of Schülerhilfe and AMOS, a platform deal for a roll-up in the higher education sector. The investment cost at acquisition of these transactions attributable to OCI is £115.4 million.
- **REALISATIONS** - Host Europe Group was realised in April 2017 at a 48% premium to its carried value, with OCI receiving proceeds of £12.0 million.
- **CO-INVESTMENT** - after the period TA Associates made a significant strategic investment into Inspired, previously referred to as Educas. Fund I took the opportunity to exit its holding as it reaches the end of its life. OCI rolled its Fund I exposure into a direct interest in Inspired and as a result of the transactions received net cash proceeds of €10.3 million. OCI's interest in Inspired, through both its co-investment and exposure to Fund II was valued at approximately €72 million in July 2017.

Please refer to the Company's website for the full results <http://oakleycapitalinvestments.com/investor-relations/publications>

Peter Dubens, Managing Partner, Oakley Capital Limited:

"2017 has continued where 2016 left off. Double digit sales and profit growth continue to drive fund performance, which grew by 11% in the period. We retain our ability to generate high quality opportunities investing €277 million in five transactions so far this year. I'm also pleased to welcome new partner Ralf Schremper to our growing senior investment team."

Christopher Wetherhill, Chairman, Oakley Capital Investments Limited:

"A strong performance from the Oakley fund portfolio companies drove an 8% increase in the company's net asset value. This growth was offset by January's dilutive treasury share sale and we have subsequently made clear our future intentions not to issue equity at a discount."

"There has been an encouraging level of investment activity year to date at attractive prices, proving the manager's unique deal generation capabilities and reducing the impact of cash drag on OCI's future performance."

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¹About Oakley Capital Investments Limited ("OCI")

Oakley Capital Investments Limited is a Bermudian company listed on AIM. OCI seeks to provide investors with long term capital appreciation through its investment in Oakley Capital Private Equity L.P., Oakley Capital Private Equity II, Oakley Capital Private Equity III and through co-investment opportunities.

²About Oakley Capital Private Equity L.P. ("Fund I"), Oakley Capital Private Equity II ("Fund II") and Oakley Capital Private Equity III ("Fund III")

Oakley Capital Private Equity L.P. and its successor funds, Oakley Capital Private Equity II and Oakley Capital Private Equity III, are unlisted mid-market private equity funds with the aim of providing investors with significant long term capital appreciation. The investment strategy of the funds is to focus on buy-out opportunities in industries with the potential for growth, consolidation and performance improvement.

Chairman's Statement

Overview

I am pleased to report that the six months ending 30 June 2017 has been a period of progress for the Company. The underlying portfolio companies have continued to perform strongly, with an 11% increase in fair value from 31 December 2016 on a like-for-like basis. This, however, was offset by the dilution from the treasury share sale, giving rise to an unchanged NAV per share of £2.31.

During the first half of 2017, Oakley Fund III completed three acquisitions with invested cost totalling €174.1 million: €104.3 million for Casa/atHome, this is after refinancing of €32.0 million: €25.2 million for Plesk; and €44.6 million for TechInsights. Post period end, two further acquisitions were completed: in July 2017, Schülerhilfe, with an invested cost of €85.9 million, and in August 2017, AMOS, with an invested cost of €16.9 million. The Oakley Fund III investments follow on from Oakley's previous success in the TMT and education sectors, as well as building on experience and expertise in online marketing-led businesses.

In January 2017, the Company sold 15 million treasury shares for consideration of £23.3 million. The Company subsequently cancelled the remaining 2.1 million shares still held in treasury bringing the balance of treasury shares to nil. The Board is now of the view that the Company will not in future sell stock from treasury or issue new shares at discounts to NAV.

In April 2017, the sale of Host Europe Group was completed, returning proceeds of €42.3 million (£36.2 million) to Oakley Fund II, representing a gross money multiple of 2.1x and gross IRR of 40%. The Company received proceeds of €14.6 million (£12.0 million) from this transaction.

In June 2017, the Company acquired the majority of Oakley Fund I's stake in Inspired (previously referred to as Educas), a global group of premium private schools. The Board will continue its investment in the development and expansion of the business.

Funding and commitments

Since 31 December 2016, the Company has invested a further €102.9 million (£89.9 million) in the Oakley Funds. During the period, a further €14.1 million (£12.3 million) was called by Oakley Fund I, €14.0 million (£12.3 million) was called by Oakley Fund II and €74.8 million (£65.3 million) was called by Oakley Fund III.

Oakley Fund I is now fully invested with just one investment in Time Out remaining. Oakley Fund II is also essentially fully invested with seven investments remaining, and Oakley Fund III is in its investment phase.

Performance

The NAV per share as at 30 June 2017 was unchanged from 31 December 2016, at £2.31.

Oakley Fund II's underlying portfolio has continued to perform well over the first half of the year, resulting in uplifts in fair values across a number of investments. In particular, Daisy's fair value increased due to the synergies from the integration of Alternative Networks, a UK based IT and telecoms provider, Parship Elite Group continues to see significant growth in its business and Facile's performance is strong in a buoyant market, which is reflected in the uplift in their fair values over the first half of the year.

Oakley Fund I realised its holding in the international schools group, Inspired, with OCI acquiring the majority of the stake in June 2017. The investment is held in the Company's accounts at a fair value of £57.0 million at period end and forms part of the Company's co-investment portfolio.

Three new acquisitions were made by Oakley Fund III during the period with a total invested cost for OCI of €81.8 million (£72.7 million). Detailed descriptions of these new investments are provided later in the report.

The Board

The Company held its AGM on 14 June 2017 and I am pleased to report that all ordinary resolutions put to shareholders were duly passed. A special resolution, proposed by the Company at the time of its IPO, allowed shareholders to vote on the continuation of the Company as constituted. The shareholder vote overwhelmingly supported the Company's continuation.

Outlook

The Company has performed well in this unpredictable and uncertain market, demonstrated by the performance of the underlying portfolio companies to date. The portfolio has remained resilient to the current challenging macroeconomic and geopolitical markets.

Looking to the second half of 2017 where macroeconomic and geopolitical uncertainty is likely to continue, I believe the Company is in a position to deliver meaningful growth to investors through its commitment to the Oakley Funds given the positivity and prospects of the underlying portfolio companies.

Post balance sheet events

Oakley Fund III completed two further acquisitions following the period end. In July 2017, it purchased the business and operations of ZGS Verwaltungs GmbH ("Schülerhilfe"), a leading provider of after school tutoring to primary and secondary school students in Germany and Austria. In August 2017, it completed the acquisition of AMOS Sport Business School, the leading sport business school in France with seven sites, six in France and one in London, as a cornerstone investment for a roll-up in the higher education space. These acquisitions fit with Oakley's model of partnering with exceptional entrepreneurs and build on Oakley's experience of investing in the education sector.

In July 2017, Inspired received a significant strategic growth investment from TA Associates, a leading global growth private equity firm. In order to facilitate TA Associates' entry into the capital structure, OCI and Oakley Fund II agreed to sell down part of their respective holdings.

In August 2017, Oakley Fund III added new subscribers, increasing its total commitments and thereby diluting the Company's current interest in Oakley Fund III from 47.0% to 42.6%.

Christopher Wetherhill
Chairman

11 September 2017

Market Overview and Outlook

After many years of weak global recovery, 2017 has brought signs of improvement. Trade and manufacturing output growth have picked up, helped by firmer domestic demand growth in Asia and Europe, and private sector confidence has strengthened. Policy uncertainty remains high however, trust in government has diminished and wage growth is still weak.

Despite this backdrop, private equity continues to make strong returns, sustaining its outperformance of other asset classes over 3, 5, 10, and 20 years. Three year returns stand at 9.8%¹, topping Real Estate, Infrastructure, Hedge Funds and the MSCI World Index.

No surprise therefore that private equity fundraising is at its highest level since the year's pre financial crisis, with 2017 set to eclipse 2016 for private market fundraising. These inflows have led to a ten year high in the total value of private equity investments with €42.9 billion² invested in European companies in Q2 2017. This demand has contributed to prices reaching record highs with average enterprise valuation multiple paid by a buyout firm for a European company reaching 11.6x² EBITDA, exceeding the previous 2016 high of 10x.

Oakley has remained disciplined in its approach to investing. The Investment Adviser's strategy of pursuing entrepreneur led, non-competitive, proprietary deals has been advantageous to Oakley. Reliance is not on the intermediated market to source deals, rather its strong founder/manager relationships, wide network and reputation for sector expertise. Oakley continues to enjoy a strong pipeline from its relationship led sourcing model and has already made five new investments since the start of the year, at an average EV/ EBITDA entry of 10.4x in contrast to a comparable average sector multiple of 13.3x.

The exit environment is showing strength across all routes with private equity year to date sales up nearly 30% in value compared with H1 2016³.

Oakley believes that the business models of its portfolio companies are generally resilient to macroeconomic trends and cyclicalities. Investments are made in niches within sectors that demonstrate high growth dynamics and fragmented participation. The portfolio continues to broaden its Western European footprint with a shift from the highly intermediated UK market to a greater focus on the DACH region (German/Austrian/Swiss markets) where Oakley has a strong track record.

Looking to the second half of 2017 where geopolitical and economic uncertainty is likely to remain. Whilst macroeconomic factors are unpredictable, the Investment Adviser remains focussed on maximising the value of the current portfolio and continuing to deliver meaningful growth across the underlying companies, whilst identifying high quality investments to deliver attractive long term returns.

1 Source: Burgiss Q4 2016 Benchmarks
 2 Source: Fitch Ratings
 3 According to EY's Private Equity Capital Briefing (June 2017)

OCI NAV Overview

During the period, the NAV increased by £34.2 million to £472.6 million, an increase of 8% since 31 December 2016.

Movement in Net Asset Value

	31 Dec 2016 £m	30 Jun 2017 £m
Opening Net Asset Value at start of period	382.2	438.4
Gross revenue	11.7	4.8
Other expenditure	(4.5)	(4.1)
Net foreign currency gains/(losses)	4.7	2.0
Realised gain on investments	8.5	6.2
Net change in unrealised appreciation/(depreciation) on investments	46.2	2.0
Treasury shares bought	(1.9)	-
Treasury shares sold	-	23.3
Dividend	(8.5)	-
Closing Net Asset Value at end of period	438.4	472.6
Number of shares in issue	189.8	204.8
NAV per share	£2.31	£2.31

Net earnings were £10.9 million for the period, comprising:

- Gross revenue of £4.8 million from interest income earned on the debt facilities provided to portfolio companies and the Funds.
- Net other expenditure of £2.1 million, consisting of £4.1 million of expenses during the period partly offset by £2.0 million gains arising from the weakening of Sterling against the Euro.
- Realised gains of £6.2 million and net change in unrealised gain of £2.0 million, driven predominantly by the uplift in the valuations of the underlying portfolio companies in the Oakley Funds.

£23.3 million was received by the Company from the sale of the treasury shares in January. The Company now holds no treasury shares and does not intend to issue equity or sell stock from treasury at a discount to NAV going forward.

OCI Investment Activity

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

Investment	31 Dec 2016 Fair value £m	30 Jun 2017 Fair value £m
Investment in Oakley Funds	211.3	263.3
	211.3	263.3
Co-Investments		
Co-Investment Fund *	-	57.0
Equity securities	43.9	42.3
Debt securities	85.8	88.8
	129.6	188.1
Total Investments	340.9	451.4

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

* Being OCPE Education (Feeder) L.P., a newly established limited partnership whose Limited Partners comprise of OCI and a small number of Oakley Fund I Limited Partners who rolled their Oakley Fund I interests. This entity holds the investment in Inspired.

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	38.5
OCI's proportionate allocation of Fund I investments (on a look through basis)						38.5
Other assets and liabilities						(0.3)
OCI's investment in Oakley Fund I						38.3
Fund II	North Sails	Consumer	Global	2014	30.5	34.0
Fund II	Inspired	Education	Global	2014	25.3	36.1
Fund II	Facile	Consumer	Italy	2014	13.5	45.4
Fund II	Damovo	TMT	Germany	2015	3.1	7.8
Fund II	Parship Elite Group	Consumer	Germany	2015	0.0	29.9
Fund II	Daisy	Consumer	UK	2015	10.8	16.8
Fund II	Verivox	Consumer	Germany	2015	6.0	11.0
OCI's proportionate allocation of Fund II investments (on a look through basis)						180.9
Other assets and liabilities						(17.3)
OCI's investment in Oakley Fund II						163.5
Fund III	Casa/atHome	Consumer	Germany	2017	43.0	43.0
Fund III	Plesk	TMT	Switzerland	2017	10.9	9.9
Fund III	TechInsights	Business Services	Canada	2017	18.8	18.0
OCI's proportionate allocation of Fund III investments (on a look through basis)						71.0
Other assets and liabilities						(9.4)
OCI's investment in Oakley Fund III						61.6
Co-Investment	Inspired	Education	Global	2017	39.2	57.0
Co-Investment	Daisy	Consumer	UK	2015	28.2	33.5
Co-Investment	North Sails	Consumer	Global	2014	22.0	25.6
Co-Investment	Time Out	Consumer	Global	2010	47.2	42.3
Co-Investment	Fund Facilities	n/a	n/a		n/a	29.6
Total Co-Investments						188.1
Total OCI Investments						451.4

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 period end EUR:GBP exchange rate.

Outstanding Commitments of OCI

The period ended with liquid resources of £71.8 million supported by the capacity to obtain debt of up to a maximum amount of 25% of the Company's NAV (this would amount to £118.1 million at the period end).

Outstanding commitments as at 30 June 2017 were £242.5 million as shown below. Oakley anticipates the majority of these outstanding commitments to be drawn over the next 24 months, as Fund III continues to deploy capital. A total of 26% has been called to date from Fund III Limited Partners, which together with the €114.5 million borrowed under a capital call facility have been used to fund the acquisitions.

The table below illustrates the Company's outstanding commitments to the Oakley Funds, and their respective percentage of the June NAV. It is anticipated that outstanding commitments are likely to be partly financed by future cash flows from portfolio realisations.

Fund	Fund vintage	Original commitment (€m)	Outstanding at 30 Jun 2017 (€m)	Outstanding at 30 Jun 2017 (£m)	% of NAV
Fund I	2007	188.4	2.6	2.3	0
Fund II	2013	200.0	33.0	29.0	6
Fund III	2016	325.0	240.5	211.2	45

	276.1	242.5	51
Cash and cash equivalents		71.8	
Net outstanding commitments unfunded by cash resources		170.7	36
Maximum allowable external debt		118.1	
Net outstanding commitments unfunded by liquid resources and external debt		52.7	12

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 period-end exchange rate was used, where applicable. The Company holds a 65.5% stake in Oakley Fund I.

	31 Dec 2016 Fair value €m	30 Jun 2017 Fair value €m
OAKLEY FUND I		
Inspired	64.3	-
Time Out	60.5	67.0
Other	0.7	0.7
Total current investments	125.5	67.6

	Proceeds	Realised gain
Realisations during 2017:		
Inspired	69.7	46.6
Total realisations	69.7	46.6

There was an overall decrease of €57.9 million in the fair value of Oakley Fund I's portfolio during the period. This is due to the realisation of Fund I's holding in Inspired.

In June 2017, with Oakley Fund I approaching the end of its life-cycle, it has taken the opportunity to exit its holding in Inspired. Oakley Fund I offered Limited Partners the option of either a cash or share distribution. OCI and a small number of other Limited Partners retained the majority of their interests in order to benefit from the next phase of growth of Inspired by purchasing Oakley Fund I's interest in OCPE Education L.P. Oakley Fund I received proceeds of €69.7 million for the sale of their stake in Inspired.

Time Out is a listed company and its fair value is determined by a mark-to-market valuation, based on the 30 June 2017 share price of £1.35. Time Out released its trading update for the first half of the year reporting that revenue is expected to increase year on year with Time Out Digital revenue showing strong growth. E-commerce and Time Out Markets are also performing well. During the period, Oakley Fund I injected a further €9.8 million into Time Out (Bermuda) Limited in order to repay the outstanding OCI mezzanine loan.

As at 30 June 2017, Oakley Fund I had called €198.8 million (£174.6 million) from the Company, including recycling of €13.0 million (£11.4 million).

Portfolio Review: Oakley Fund II Investment Activity

The investment portfolio of Oakley Fund II is summarised in the table below. Oakley Fund II is denominated in Euros, and the period-end exchange rate was used, where applicable. The Company holds a 38.1% stake in Oakley Fund II.

	31 Dec 2016 Fair value €m	30 Jun 2017 Fair value €m
OAKLEY FUND II		
Facile	137.0	155.3
Inspired	109.8	114.0
North Sails	101.9	102.3
Parship Elite Group	84.4	108.5
Host Europe Group	41.4	0.0
Daisy	33.9	53.0
Verivox	32.0	35.2
Damovo	18.4	26.0
Total investments	558.8	594.3

	Proceeds	Realised gain
Realisations during 2017:		
Host Europe Group	42.3	22.3
Total realisations	42.3	22.3

During the period, there was an overall increase of €35.5 million in the fair value of Oakley Fund II's portfolio companies. This increase is net of the realisation of Host Europe Group, which completed in April 2017, and returned proceeds of €42.3 million to Oakley Fund II, representing a gross money multiple of 2.1x and gross IRR of 40% to Oakley Fund II. OCI received proceeds of €14.6 million (£12.0 million) from this transaction.

The fair value uplift is primarily attributable to the strong performances from Facile and Parship Elite Group which drove the valuation uplifts at 30 June 2017. Also, Daisy's valuation now factors in the synergies being realised following the acquisition and integration of Alternative Networks, a UK based IT and telecoms provider.

There was further capital of €12.8 million invested by Oakley Fund II during the period; €10.3 million in North Sails to fund the development of North Sails Apparel, and €2.5 million in Inspired to facilitate the acquisition of two more schools.

As at 30 June 2017, Oakley Fund II had called €167.0 million (£146.7 million) from the Company, representing 83.5% of its total capital commitment.

Portfolio Review: Oakley Fund III Investment Activity

The investment portfolio of Oakley Fund III is summarised in the table below. Oakley Fund III is denominated in Euros, and the period-end exchange rate was used, where applicable. The Company held a 47.0% stake in Oakley Fund III at 30 June 2017.

	31 Dec 2016 Fair value €m	30 Jun 2017 Fair value €m
OAKLEY FUND III		
Casa/atHome	-	104.3
Plesk	-	24.1

TechnInsights	-	43.6
Total investments	-	172.0

Oakley Fund III has had a very active start to 2017 with the completion of three transactions investing capital of €104.3 million in Casa/atHome, net of refinancing of €32.0 million, €25.2 million in Plesk and €44.6 million in TechnInsights. These three new investments have been held at cost for the period to 30 June 2017, with only translation differences being reflected in the fair value at the period end. These investments build on Oakley's experience and success in the TMT and Digital Consumer subsectors. Oakley's investment strategy remains focused on actively seeking new investments where it can leverage its sector expertise and detailed knowledge base, building strong relationships with founders and management, and believes that it is well positioned to identify opportunities that can deliver long term capital appreciation to investors.

Following the period end, two further acquisitions have since been completed by Oakley Fund III. In July, Schülerhilfe was acquired with Oakley Fund III investing capital of €85.9 million, and in August, AMOS Sport Business School was acquired as the first investment in a higher education roll-up planned with our Operating Partner in Inspired, with Oakley Fund III investing capital of €16.9 million.

In August 2017, total commitments to Oakley Fund III increased from €691.4 million to €763.6 million. As a result, the Company's interest in Oakley Fund III has been diluted from 47.0% to 42.6%.

In August 2017, the acquisition cost of TechInsights was re-financed, with a net distribution paid to Limited Partners of €32.0 million. The Company received €13.6 million (£12.6 million) from this transaction. Therefore, Oakley Fund III's invested cost in TechInsights is €11.9 million, post refinancing.

As at 30 June 2017, Oakley Fund III had called €84.5 million (£74.2 million) from the Company, representing 26% of the Company's total capital commitment.

Portfolio Review: Co-Investment Activity

The co-investment portfolio as at 30 June 2017 is summarised in the table below:

	31 Dec 2016 Fair value £m	30 Jun 2017 Fair value £m
Co-Investments:		
Co-Investment Fund		
OCPE Education (Feeder) LP	-	57.0
Equity Securities		
Time Out	43.9	42.3
Debt Securities		
Time Out	9.5	-
North Sails	22.0	25.6
Daisy	31.6	33.6
Fund Facilities	22.6	29.6
Total Investments	129.6	188.1

Co-Investment Fund

In November 2016, the interests held by both Oakley Fund I and Oakley Fund II in Inspired were restructured into a new holding entity, OCPE Education L.P. ("OCPEE LP"). At December 2016, the Company held an indirect interest in Inspired through both Oakley Fund I and Fund II's respective interest in OCPEE L.P. This entity at 30 June 2017 held a 50.49% interest in Educas LP Inc, which in turn owned 72.1% of Inspired Education Holdings Limited.

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

The Company acquired 99.2% of Oakley Fund I's stake in Inspired, with the remaining 0.8% being held by a small number of Oakley Fund I Limited Partners who rolled their interests. A new vehicle was set up to hold this investment, OCPE Education (Feeder) L.P. Together with its interest through Oakley Fund II, the Company held an indirect 22.4% stake in Inspired at 30 June 2017.

Following the period end, Inspired received a significant strategic growth investment from TA Associates, a leading global growth private equity firm. In order to facilitate TA Associates' entry into the capital structure, OCPEE LP agreed to sell-down part of its holding in Inspired. The addition of such a high quality investor to Inspired's shareholder base, and the new investment being made by TA Associates in growth funding, should underpin Inspired's ambitious plans.

After dilution by TA Associates, OCPEE LP holds an indirect interest of 22.3% in Inspired. The Company received net cash proceeds of €10.3 million from the acquisition of the Oakley Fund I interest and TA Associates transaction.

Equity and debt securities

Time Out is a listed company and its fair value is determined by a mark-to-market valuation, based on the 30 June 2017 share price of £1.35. The half year trading update for Time Out is positive and has demonstrated further progress with regards to the Group's digital strategy. Revenue growth, in particular the digital and e-commerce revenue have grown 25% and 51% year on year respectively.

The Company provides debt facilities to certain underlying portfolio companies, and to Oakley Funds. These debt facilities are provided on an arm's length basis with competitive market interest rates. The interest income generated from these facilities exceeds the interest earned on the Company's bank deposits, allowing the Company to earn higher returns on part of its cash reserves. During the period to 30 June 2017, the Company has earned £4.5 million interest from the debt facilities provided.

During the period, a new debt facility of £2.3 million was provided to North Sails. This loan was used to fund the acquisition of Hall Spars, a rigging company and competitor to Southern Spars, a division of North Sails.

Also, during the period, the loan provided by the Company as part of the acquisition of Oakley Fund I's interest in Time Out in 2015, was repaid, providing proceeds to the Company of £9.8 million, including accrued interest.

The Company also provides revolving credit facilities to 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. As at 30 June 2017, the Company had outstanding debt facilities of £29.6 million to the Oakley Funds, including accrued interest.

Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2017

	Notes	Unaudited six months ended 30 Jun 2017 £'000	Unaudited six months ended 30 Jun 2016 £'000

Income			
Interest income		4,544	7,144
Net realised gains/(losses) on investments at fair value through profit and loss	6	6,168	(858)
Net change in unrealised gains/(losses) on investments at fair value through profit and loss	6	1,999	17,832
Net foreign currency gains/(losses)		1,965	6,568
Other income		246	100
Total income		14,922	30,786
Expenses	9	(4,008)	(3,615)
Operating profit		10,914	27,171
Finance cost		(30)	-
Profit attributable to equity shareholders/ total comprehensive income		10,884	27,171
Earnings per share			
Basic and diluted earnings per share	12	0.05	0.14

Consolidated Balance Sheet

for the six months ended 30 June 2017

	Notes	Unaudited six months ended 30 Jun 2017 £'000	Audited year ended 31 Dec 2016 £'000	Unaudited six months ended 30 Jun 2016 £'000
Assets				
Non-current assets				
Investments	6, 7	451,394	340,869	328,829
		451,394	340,869	328,829
Current assets				
Trade and other receivables		743	673	114
Cash and cash equivalents		71,767	106,509	80,941
		72,510	107,182	81,055
Total assets		523,904	448,051	409,884
Liabilities				
Current liabilities				
Trade and other payables		51,297	9,619	2,417
Total liabilities		51,297	9,619	2,417
Net assets attributable to shareholders		472,607	438,432	407,467
Equity				
Share capital	14	2,048	2,069	2,069
Share premium	14	244,533	246,245	246,245
Treasury shares	14	-	(25,024)	(25,024)
Retained earnings		226,026	215,142	184,177
Total shareholders' equity		472,607	438,432	407,467
Net asset per ordinary share				
Basic and diluted net assets per share	13	£2.31	£2.31	£2.15
Ordinary shares in issue		204,804	189,804	189,804

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2017

	Share capital	Share premium	Treasury shares	Retained earnings	Total shareholders' equity
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	£'000	£'000	£'000	£'000	£'000
For the six months ended 30 June 2017					
Balance at 1 January 2017	2,069	246,245	(25,024)	215,142	438,432
Profit for the period/ total comprehensive income	-	-	-	10,884	10,884
Ordinary shares issued	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-
Sale of treasury shares	-	(259)	23,550	-	23,291
Cancellation of treasury shares	(21)	(1,453)	1,474	-	-
Dividends	-	-	-	-	-
Total transactions with equity shareholders	(21)	(1,712)	25,024	-	23,291
Balance at 30 June 2017	2,048	244,533	-	226,026	472,607
For the six months ended 30 June 2016					
Balance at 1 January 2016	2,069	246,245	(23,170)	157,006	382,150
Profit for the period/ total comprehensive income	-	-	-	27,171	27,171
Ordinary shares issued	-	-	-	-	-
Purchase of treasury shares	-	-	(1,854)	-	(1,854)
Sale of treasury shares	-	-	-	-	-
Dividends	-	-	-	-	-
Total transactions with equity shareholders	-	-	(1,854)	-	(1,854)
Balance at 30 June 2016	2,069	246,245	(25,024)	184,177	407,467

Consolidated Statement of Cash Flows

for the six months ended 30 June 2017

	Notes	Unaudited six months ended 30 Jun 2017 £'000	Unaudited six months ended 30 Jun 2016 £'000
Cash flows from operating activities			
Purchases of investments		(103,888)	(88,141)
Sales of investments		51,016	56,464
Interest income received		4,548	14,185
Expenses paid		(3,350)	(1,901)
Finance cost paid		(30)	-
Other income received		246	100
Net cash provided by/(used in) operating activities		(51,458)	(19,293)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	14	-	-
Proceeds from treasury shares sold	14	23,291	-
Payment for treasury shares purchased	14	-	(1,854)
Dividends paid		(8,540)	-
Net cash provided by/(used in) financing activities		14,751	(1,854)
Net increase in cash and cash equivalents		(36,707)	(21,147)
Cash and cash equivalents at beginning of the period		106,509	95,520
Effect of foreign exchange rate changes		1,965	6,568
Cash and cash equivalents at end of the period		71,767	80,941

Notes to the Consolidated Interim Financial Statements

for the six months ended 30 June 2017

1. Reporting entity

Oakley Capital Investments Limited (the "Company") is a closed-end investment company incorporated under the laws of Bermuda on 28 June 2007. The principal objective of the Company is to achieve capital appreciation through investments in a diversified portfolio of private mid-market businesses, primarily in the UK and Europe. The Company currently achieves its investment objective primarily through its investments in the following four private equity funds (the "Funds"): Oakley Capital Private Equity L.P. ("Fund I"), Oakley Capital Private Equity II-A L.P., which together with Oakley Capital Private Equity II-B L.P., Oakley Capital Private Equity II-C L.P. (collectively the "Fund II Feeder Funds") and OCPE II Master L.P. (the "Fund II Master") collectively comprise "Fund II", Oakley Capital Private Equity III-A L.P., which together with Oakley Capital Private Equity III-B L.P., Oakley Capital Private Equity III-C L.P. (collectively the "Fund III Feeder Funds") and OCPE III Master L.P. (the "Fund III Master") collectively comprise "Fund III" and OCPE Education (Feeder) L.P., which together with OCPE Education L.P. collectively comprise "OCPE Education". All constituent limited partnerships comprising the Funds are exempted limited partnerships established in Bermuda.

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

2. Basis of preparation

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

2.1 Basis for compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim financial reporting' and should be read in conjunction with the latest annual report and financial statements as at and for the year ended 31 December 2016, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. They do not include all the information required for a complete set of IFRS financial statements. However, the explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the last annual consolidated financial statements.

The condensed consolidated interim financial statements were authorised for issue on 11 September 2017 by the Company's Board of Directors.

2.2 Functional and presentation currency

The condensed consolidated interim financial statements are presented in British Pounds, which is the Company's functional currency.

3. Significant accounting policies

During the period ended 30 June 2017, there were no relevant standards, amendments and interpretations that became effective for the first time that have had a material impact on the Company.

The accounting policies used are consistent with those applied in the last annual consolidated financial statements.

A number of standards have been issued but are not yet effective as at period end. The most significant of these is IFRS 9 Financial Instruments. 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 annual financial statements of the Company.

4. Critical accounting estimates, assumptions and judgment

The preparation of condensed consolidated interim financial statements requires the Board of Directors to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the condensed consolidated interim financial statements, the significant judgments made by applying the Company's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the annual consolidated financial statements as at and for the year ended 31 December 2016.

(a) Fair valuation of investments

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

Investments held at fair value through profit and loss are valued by the Company in accordance with IAS 39 and IFRS 13 and the IPEV valuation guidelines. Judgment is required in order to determine the appropriate valuation methodology under this standard 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

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and price risk).

There have been no changes to the membership of the risk committee nor to any of the Company's risk policies since 31 December 2016 and as a result the condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. The condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements as at 31 December 2016.

6. Investments

Investments as at 30 June 2017:

	31 Dec 2016 Fair value £'000	Purchases / capital calls £'000	Total sales* £'000	Realised gains/ (losses) £'000	Interest and other £'000	Change in unrealised gains/ (losses) £'000	30 Jun 2017 Fair value £'000
Oakley funds							
Fund I	64,906	12,309	(17,847)	-	-	(21,121)	38,247
Fund II	144,015	12,319	(12,029)	6,168	-	13,051	163,524
Fund III	2,333	65,326	-	-	-	(6,097)	61,562
Total Oakley funds	211,254	89,954	(29,876)	6,168	-	(14,167)	263,333
Co-Investment funds							
OCPE Education (Feeder) LP	-	39,222	-	-	-	17,738	56,960
Total Co-Investment funds	-	39,222	-	-	-	17,738	56,960
Total funds	211,254	129,176	(29,876)	6,168	-	3,571	320,293
Quoted equity securities							

Time Out Group plc	43,854	-	-	-	-	(1,572)	42,282
Total quoted equity securities	43,854	-	-	-	-	(1,572)	42,282
Unquoted debt securities							
Bellwood Holdings Ltd	-	1,878	-	-	62	-	1,940
Daisy Group Holdings Limited	17,202	-	-	-	1,254	-	18,456
Ellisfield (Bermuda) Limited	14,530	-	-	-	514	-	15,044
Fund I	12,256	3,000	(10,557)	-	438	-	5,137
Fund II	4,337	15,658	(2,332)	-	532	-	18,195
NSG Apparel BV	21,978	-	-	-	1,295	-	23,273
Oakley Capital II Limited	768	-	(769)	-	1	-	-
Oakley Capital III Limited	5,210	-	(1,001)	-	203	-	4,412
Oakley NS (Bermuda) LP	-	2,240	-	-	122	-	2,362
OCPE Education LP	-	1,426	(1,432)	-	6	-	-
TO (Bermuda) Limited	9,480	-	(9,826)	-	346	-	-
Total unquoted debt securities	85,761	24,202	(25,917)	-	4,773	-	88,819
Total investments	340,869	153,378	(55,793)	6,168	4,773	1,999	451,394

* Total sales includes redemptions, loan repayments and transfers

Investments as at 30 June 2016:

	31 Dec 2015 Fair value £'000	Purchases / capital calls £'000	Total sales* £'000	Realised gains/ (losses) £'000	Interest and other £'000	Change in unrealised gains/ (losses) £'000	30 Jun 2016 Fair value £'000
Funds							
Fund I	56,318	-	-	-	-	3,209	59,527
Fund II	102,051	-	-	-	-	23,839	125,890
Fund III	-	5,934	-	-	-	(1,429)	4,505
Total Funds	158,369	5,934	-	-	-	25,619	189,922
Quoted equity securities							
Time Out Group plc	-	47,155	-	-	-	(7,074)	40,081
Total quoted equity securities	-	47,155	-	-	-	(7,074)	40,081
Unquoted equity securities							
Flypay Limited	7,115	-	(6,990)	-	-	(125)	-
Time Out Group HC Limited	13,271	4,000	(15,635)	(2,165)	529	-	-
Time Out Mercado Limited	5,564	2,754	(9,530)	747	574	(109)	-
Total unquoted equity securities	25,950	6,754	(32,155)	(1,418)	1,103	(234)	-
Unquoted debt securities							
Bellwood Holdings Ltd	2,805	-	(2,818)	-	13	-	-
BH(B) 55 Limited	10,948	-	(11,175)	-	227	-	-
Daisy Group Holdings Limited	14,061	-	-	-	2,036	-	16,097
Damoco Holdco Ltd	4,212	-	(4,300)	-	88	-	-
Ellisfield (Bermuda) Limited	25,711	-	-	-	864	-	26,575
Fund I	10,550	-	(504)	-	334	-	10,380
Fund II	-	3,630	-	-	70	-	3,700
NSG Apparel BV	10,066	10,000	-	-	684	-	20,750
Oakley Capital II Limited	2,895	-	(1,000)	-	61	-	1,956
Oakley Capital III Limited	-	5,500	(529)	-	76	-	5,047
Parship GmbH	-	5,172	-	-	30	-	5,202
Time Out Group BC Limited	4,032	-	(4,211)	-	179	-	-
Time Out Group HC Limited	-	2,000	(2,053)	-	53	-	-
TO (Bermuda) Limited	11,222	-	(2,652)	-	549	-	9,119
TONY MC LLC	8,395	-	(9,089)	560	613	(479)	-
Total unquoted debt securities	104,897	26,302	(38,331)	560	5,877	(479)	98,826
Total investments	289,216	86,145	(70,486)	(858)	6,980	17,832	328,829

* Total sales includes redemptions, loan repayments and transfers

7. 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 are 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 30 June 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	-	320,293	320,293
Quoted equity securities	42,282	-	42,282
Unquoted debt securities	-	88,819	88,819
Total investments measured at fair value	42,282	409,112	451,394

The following table analyses the Company's investments measured at fair value as of 30 June 2016 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level III £'000	Total £'000
Funds	-	189,922	189,922
Quoted equity securities	40,081	-	40,081
Unquoted debt securities	-	98,826	98,826
Total investments measured at fair value	40,081	288,748	328,829

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 30 June 2017 or 30 June 2016.

Level III

The Company has determined that Funds and unquoted debt securities fall into the category Level III. Funds and unquoted debt securities are measured in accordance with the IPEV Guidelines with reference to the most appropriate information available at the time of measurement. The condensed consolidated interim financial statements as of 30 June 2017 include Level III investments in the amount of £409,112,256; representing approximately 86.56% of equity (2016: £288,747,235; 70.86%) which includes the new fund OCPE Education, a co-investment vehicle through which the Company invests in Inspired Education Holdings Limited ("Inspired"), the holding company for the private schools business, previously referred to as Educas, which has a value of £56,959,939.

Funds

The Company primarily invests in portfolio companies via the Funds. The Funds are unquoted equity securities that 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 comparator companies are correctly valued by the market. A discount is sometimes applied to market based multiples to adjust for points of difference between the comparators and the company being valued.

As at 30 June 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	44,267	226,672	80,864	65,578
Loans	(3,831)	(34,152)	(53,635)	-
Provisional profit allocation	-	(20,754)	-	-
Other net assets	3,116	14,437	42,872	(718)
Total value of the Fund attributable to the Company	43,552	186,203	70,101	64,860
	£'000	£'000	£'000	£'000
Total value of the Fund attributable to the Company	38,247	163,524	61,562	56,960

As at 30 June 2016, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	OCPE Education €'000
Investments	73,967	191,162	-	-
Loans	(8,134)	(33,532)	-	-
Provisional profit allocation	-	(6,742)	-	-
Other net assets	5,389	(265)	5,390	-
Total value of the Fund attributable to the Company	71,222	150,623	5,390	-
	£'000	£'000	£'000	£'000
Total value of the Fund attributable to the Company	59,527	125,890	4,505	-

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 Company's Risk Committee and/or the Board performing ongoing monitoring procedures, primarily discussions with Oakley Capital Limited, the Administrative Agent's investment adviser;
- Comparison of historical realisations to last reported fair values; and
- Review of the auditor's report of the respective Fund.

Unquoted equity securities

In estimating the fair value of unquoted equity securities, the Company considers the transaction price as a reasonable estimate of fair value at initial recognition. Subsequently, the Company applies the most appropriate market valuation techniques in determining fair value. Inputs considered by the Company are mainly comparable company valuation multiples.

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 NAV of the Funds are sensitive to movements in the fair values of the underlying portfolio companies.

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

For the purposes of sensitivity analysis, the Company considers a 10% adjustment to the fair value of the unquoted portfolio companies of the Funds as reasonable. For the period ending 30 June 2017 a 10% adjustment to the fair value of the unquoted portfolio companies held by the Funds would result in a 6.9% movement in net assets attributable to shareholders (2016: 4.7%).

Unquoted equity securities

The Company held no unquoted equity securities as of 30 June 2017 and 30 June 2016.

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 period ending 30 June 2017 a 1% adjustment would result in a 0.3% movement in net assets attributable to shareholders (2016: 0.5%).

Transfers between levels

There were no transfers between the Levels during the period ended 30 June 2017.

The following table presents the transfers between Levels for the period ended 30 June 2016:

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

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

Level I and Level III reconciliation

The changes in investments measured at fair value, for which the Company has used Level I and Level III inputs to determine fair value as of 30 June 2017 and 2016, are as follows:

Level I Investments:	As at 30 Jun 2017 £'000	As at 30 Jun 2016 £'000
Quoted equity securities		
Fair value at beginning of the period	43,854	-
Shares transferred from unquoted debt and equity securities	-	47,155
Net change in unrealised gains/(losses) on investments	(1,572)	(7,074)
Fair value of Level I investments at end of the period	42,282	40,081

	Funds £'000	Unquoted equity securities £'000	Unquoted debt securities £'000	Total £'000
Level III Investments:				
For the six months ended 30 June 2017				
Fair value at beginning of the period	211,254	-	85,761	297,015
Purchases	129,176	-	24,202	153,378
Proceeds on disposals (including interest)	(29,876)	-	(25,917)	(55,793)
Realised gain on sale	6,168	-	-	6,168
Interest income and other fee income	-	-	4,773	4,773
Net change in unrealised gains/(losses) on investments	3,571	-	-	3,571
Fair value at end of the period	320,293	-	88,819	409,112
	Funds £'000	Unquoted equity securities £'000	Unquoted debt securities £'000	Total £'000
For the six months ended 30 June 2016				
Fair value at beginning of the period	158,369	25,950	104,897	289,216
Purchases	5,934	6,754	26,302	38,990
Proceeds on disposals (including interest)	-	-	(23,331)	(23,331)
Realised gain on sale	-	-	-	-
Accrued interest capitalised in debt for share conversion	-	1,103	-	1,103
Net realised loss on debt for share conversion	-	(1,418)	560	(858)
Transferred to quoted equity securities (Level I)	-	(32,155)	(15,000)	(47,155)
Interest income and other fee income	-	-	5,877	5,877
Net change in unrealised gains/(losses) on investments	25,619	(234)	(479)	24,906

Fair value at end of the period	189,922	-	98,826	288,748
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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:

	As at 30 Jun 2017 £'000	As at 30 Jun 2016 £'000
Cash and cash equivalents	71,767	80,941
Trade and other receivables	743	114
Trade and other payables	51,297	2,417

Trade and other payables includes a balance of £49,490,150 in relation to capital calls payable to Fund II and Fund III. Capital calls payable were settled by the respective due dates post 30 June 2017 (refer to Note 17).

8. 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 from investments by seeking 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 annual consolidated financial statements. The assessment of the performance of the operating segments is based on measurements consistent with IFRS. 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 period ended 30 June 2017 and 2016.

The segment information for the period ended 30 June 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	6,168	-	6,168	-	6,168
Net unrealised gains/(losses) on financial assets at fair value through profit and loss	3,571	(1,572)	1,999	-	1,999
Interest income	-	4,527	4,527	17	4,544
Net foreign currency gains/(losses)	-	-	-	1,965	1,965
Other income	-	246	246	-	246
Expenses	-	-	-	(4,008)	(4,008)
Finance cost	-	-	-	(30)	(30)
Profit/(loss) for the period	9,739	3,201	12,940	(2,056)	10,884
Total assets	320,293	131,101	451,394	72,510	523,904
Total liabilities	-	-	-	(51,297)	(51,297)
Net assets	320,293	131,101	451,394	21,213	472,607
Total assets include:					
Financial assets at fair value through profit and loss	320,293	131,101	451,394	-	451,394
Cash and other	-	-	-	72,510	72,510

The segment information for the period ended 30 June 2016 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	-	(858)	(858)	-	(858)
Net unrealised gains/(losses) on financial assets at fair value through profit and loss	25,619	(7,787)	17,832	-	17,832
Interest income	-	6,887	6,887	257	7,144
Net foreign currency gains/(losses)	-	-	-	6,568	6,568
Other income	-	93	93	7	100
Expenses	-	-	-	(3,615)	(3,615)
Finance cost	-	-	-	-	-
Profit/(loss) for the period	25,619	(1,665)	23,954	3,217	27,171
Total assets	189,922	138,907	328,829	81,055	409,884
Total liabilities	-	-	-	(2,417)	(2,417)

Net assets	189,922	138,907	328,829	78,638	407,467
Total assets include:					
Financial assets at fair value through profit and loss	189,922	138,907	328,829	-	328,829
Cash and other	-	-	-	81,055	81,055

9. Expenses

	Notes	Six months ended 30 Jun 2017 £'000	Six months ended 30 Jun 2016 £'000
Management fees	10	535	2,304
Operational and advisory fees	11	1,227	-
Professional fees		963	572
Performance fees	10,11	1,079	607
Other expenses		204	132
		4,008	3,615

10. Management and performance fees

The Company had appointed Oakley Capital (Bermuda) Limited (the "Manager") to provide management services. On 31 March 2017, the management agreement was terminated.

Management fees for the period 1 January 2017 to 31 March 2017 totalled £535,090 (1 January 2016 to 30 June 2016: £2,304,173) and are presented in the consolidated statement of comprehensive income. There were no management fees payable to the Manager at 30 June 2017 (2016: £849,061).

No performance fees were paid for the period 1 January 2017 to 31 March 2017 (1 January 2016 to 30 June 2016: £606,701). There were no performance fees payable to the Manager at 30 June 2017 (2016: nil).

11. 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.

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

The operational services fee for the period ending 30 June 2017 totalled £544,011 (2016: nil) and is presented in the consolidated statement of comprehensive income. The amount outstanding as at 30 June 2017 was £544,011 (2016: nil) and is included in trade and other payables in the consolidated balance sheet.

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

Advisory fees for the period ended 30 June 2017 totalled £683,419 (2016: nil) and are presented in the consolidated statement of comprehensive income. The amount outstanding as at 30 June 2017 was £237,114 (2016: nil) and is included in trade and other payables in the consolidated balance sheet.

The Administrative Agent also receives a performance fee of 20% of the excess of the amount earned by the Company over and above an 8% hurdle rate in respect of the realisation or partial realisation of each co-investment. The operational services fee received and receivable by the Administrative Agent, the attributable proportion of all other expenses incurred by the Company in respect of the co-investments and the cost of the co-investment will be deducted from proceeds received in the calculation of the performance fee.

Performance fees for the period ended 30 June 2017 totalled £1,079,313 (2016: nil) and are presented in the consolidated statement of comprehensive income. The amount outstanding as at 30 June 2017 was £599,836 (2016: nil) and is included in trade and other payables in the consolidated balance sheet.

Under the Operational Services Agreement, the Administrative Agent may also recharge costs incurred, either directly or indirectly by its contracted advisors, on behalf of the Company. For the period ending 30 June 2017, the Administrative Agent recharged such other costs to the Company totalling £218,829 (2016: nil) and is included in other expenses in Note 9.

The Administrative Agent has entered into an Investment Adviser Agreement with Oakley Capital Limited (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.

12. Earnings per share

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

	Six months ended 30 Jun 2017	Six months ended 30 Jun 2016
Basic and diluted earnings per share	£0.05	£0.14
Profit for the period (£'000)	£10,884	£27,171
Weighted average number of shares outstanding ('000)	202,898	190,000

13. Net asset value per share

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

	As at 30 Jun 2017	As at 30 Jun 2016
Basic and diluted net asset value per share	£2.31	£2.15
Net assets attributable to shareholders (£'000)	£472,607	£407,467
Number of shares in issue at period end ('000)	204,804	189,804

14. Share capital

a) Authorised and issued share capital

The total 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 30 June 2017, the Company's issued and fully paid share capital was 204,804,036 ordinary shares (2016: 189,804,036).

	As at 30 Jun 2017 '000	As at 30 Jun 2016 '000
Ordinary shares outstanding at the beginning of the period	189,804	191,078
Ordinary shares issued and fully paid	-	-
Treasury shares purchased	-	(1,274)
Treasury shares sold	15,000	-
Ordinary shares outstanding at the end of the period	204,804	189,804

b) Treasury shares

During the period ended 30 June 2017, the Company sold 15,000,000 (2016: nil) ordinary shares at a share price of £1.57 per share and a total net cash consideration of £23,290,950 (2016: £nil). No treasury shares were purchased during the period (2016: 1,274,279 ordinary shares for a total cash consideration of £1,853,928). On 24 January 2017, the Company cancelled its remaining 2,108,843 treasury shares.

As at 30 June 2017, the Company holds no treasury shares (2016: 17,108,843). The Company adopted a policy regarding share buy backs as part of discount control management and will not in the future sell stock from treasury nor issue new shares at material discounts to NAV.

15. Commitments

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

	As at 30 Jun 2017 €'000	As at 30 Jun 2016 €'000
Fund I		
Total capital commitment (2017: £165,450; 2016: £157,458)	188,398	188,398
Called capital, beginning of the period	178,978	178,978
Capital calls during the period (2017: 3.6%; 2016: 0%)	6,783	-
Called capital, end of the period (2017: £163,134; 2016: £149,585)	185,761	178,978
Unfunded capital commitment (2017: £2,316; 2016: £7,873)	2,637	9,420
Aggregate recycled commitment	12,999	5,652
Fund II		
Total capital commitment (2017: £175,639; 2016: £167,154)	200,000	200,000
Called capital, beginning of the period	153,000	114,000
Capital calls during the period (2017: 7%; 2016: 0%)	14,000	-
Called capital, end of the period (2017: £146,659; 2016: £95,278)	167,000	114,000
Unfunded capital commitment (2017: £28,980; 2016: £71,876)	33,000	86,000
Fund III		
Total capital commitment (2017: £285,413; 2016: £208,943)	325,000	250,000
Called capital, beginning of the period	9,750	-
Capital calls during the period (2017: 23%; 2016: 3%)	74,750	7,500
Called capital, end of the period (2017: £74,207; 2016: £6,268)	84,500	7,500
Unfunded capital commitment (2017: £211,206; 2016: £202,675)	240,500	242,500
Total unfunded capital commitments (2017: £242,502; 2016: £282,424)	276,137	337,920

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

	As at 30 Jun 2017 £'000	As at 30 Jun 2016 £'000
Total revolving loan facility commitments:		
Fund I	5,000	5,000
Fund II	20,000	15,000
Fund III	20,000	-
Oakley NS (Bermuda) LP	3,000	-
	48,000	20,000
Total unfunded loan commitments:		
Fund I	-	4,532
Fund II	2,227	11,370
Fund III	20,000	-
Oakley NS (Bermuda) LP	700	-
	22,927	15,902

16. Related parties

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

The Manager, subsequently the Administrative Agent, and the Investment Adviser are considered related parties to the Company due to the direct and indirect control and transactions with them.

Management fees and performance fees paid are detailed in Notes 9 and 10. Operational fees, advisory fees and performance fees paid to the Administrative Agent are

detailed in Notes 9 and 11. The agreements between the Company and these service providers are based on normal commercial terms.

During the period ended 30 June 2017 the Investment Adviser recharged staff costs of £409,722 (2016: £129,002) and overheads of £2,343 (2016: £35,914) to the Company, and is included in other expenses in Note 9.

Fund I is considered a related party due to the investment the Company has in Fund I. During the period ended 30 June 2017, the Company acquired an interest in OCPE Education L.P. from Fund I Limited Partners and paid €23,492,217 (£20,795,311) for such additional interests in OCPE Education L.P. As at 30 June 2017, the Company owned 99.2% of OCPE Education (Feeder) L.P. which in turn owned 38.16% of OCPE Education L.P. As at 30 June 2017, OCPE Education L.P. held an indirect 36.4% stake in Inspired.

17. Events after balance sheet date

The Board of Directors has evaluated subsequent events from the period ended 30 June 2017 to 11 September 2017, which is the date the condensed consolidated interim financial statements were approved. The following events have been identified for disclosure:

On 5 July 2017, the Company settled its capital calls payable to Fund II of €14,000,000 (£12,268,200) and Fund III of €42,250,000 (£37,023,675). The capital calls payable were included in Trade and other payables as at 30 June 2017. Fund II used the proceeds from the capital call to repay debt. Fund III used the proceeds from the capital call to complete its fourth acquisition, purchasing the business and operations of ZGS Verwaltungs GmbH ("Schülerhilfe").

On 1 August 2017, Fund III increased its total capital commitments from €691,400,000 to €763,550,000. The final closing of Fund III will take place by the end of September 2017. The increased commitment dilutes the Company's holding in Fund III Master from 47.0% to 42.6%.

On 2 August 2017, the Company received a distribution from Fund II of €8,419,200 (£7,545,287) arising from the partial realisation of Fund II's indirect interest in Inspired through its holding in OCPE (Education) Feeder L.P.

On 14 August 2017, the Company received a distribution from OCPE Education (Feeder) L.P. of €26,067,316 (£23,674,336) arising from the partial realisation of OCPE Education L.P. indirect interest in Inspired.

On 21 August 2017, the Company received a distribution from Fund II of €13,451,338 (£12,386,293) arising from the repayment of capital by Facile, and dividend proceeds from Parship Elite Group.

On 6 September 2017, the Company received a distribution from Fund III of €12,481,093 (£11,400,917) arising from the refinancing of capital by TechInsights.

On 11 September 2017, the Board of Directors declared and approved an interim dividend of 2.25 pence per ordinary share which will result in a dividend payment of £4,608,091 payable on 26 October 2017.

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