ICG ENTERPRISE TRUST

ANNUAL REPORT & ACCOUNTS 2017

ICG Enterprise Trust plc

Investing in long term growth

IN THIS REPORT

HIGHLIGHTS OF THE YEAR

These annual results mark the first anniversary of the change of manager to ICG

The results for the year ended 31 January 2017 have been excellent and there has been faster than expected progress against key objectives set at the time of the change of manager to ICG[1]. The integration of the investment team to ICG has gone smoothly.

The Portfolio performance has been strong against a backdrop of a volatile market.

The Board is encouraged by the performance of the Portfolio with the top 30 underlying companies continuing to generate strong profits. As a whole, the portfolio is considered to be sensibly valued.

Mark Fane
Chairman

FINANCIAL HIGHLIGHTS

+23.4%
Net asset value growth[2]
FTSE All Share Index: +20.1%

+31.6%
Share price growth[2]
FTSE All Share Index: +20.1%

£613M
Net asset value
31 January 2016: £521m

20.0P
Total dividend per share for the year
31 January 2016: 11.0p

£594M
Portfolio value
31 January 2016: £428m

+21.8%
Underlying growth in value of the Portfolio in local currencies
31 January 2016: 11.1%

£86M
Proceeds received from the Portfolio
31 January 2016: £120m

£128M
New investments in the Portfolio
31 January 2016: £64m

[1] ICG Alternative Investment Limited, a regulated subsidiary of Intermediate Capital Group plc, acts as the manager of the Company.
[2] Throughout the report, all performance figures are stated on a total return basis (i.e. including the effect of re-invested dividends).

OVERVIEW

CHAIRMAN'S STATEMENT

The Company has delivered excellent results in its first year under ICG management

MARK FANE
Chairman

These annual results mark the first anniversary of the change of manager to ICG[1]. I am pleased to report an excellent set of results for the year to 31 January 2017 as well as faster than expected progress against key objectives set at the time of the change of manager. The Company's core strategy remains unchanged following the move, namely to focus on investments in established, profitable private companies in developed markets. In approving the management transition the Board expected the Company to benefit in four main areas:

- **Access** to a wider range of investment opportunities through ICG's global office network and local private equity manager relationships;
- **Insights** and market intelligence from ICG's direct investment teams;
- **Support** from ICG's infrastructure and expertise in areas such as finance, treasury, investor relations and information technology; and
- **Lower costs** through a reduction in the headline management fee and no fees on ICG funds (in addition to no fees on funds managed by Graphite Capital, the former manager).

As the portfolio manager's report details, each of these factors have contributed to the strong performance in the year and the integration of the investment team to ICG has gone smoothly. Considerable progress has been made against a number of key objectives, in particular to:

- Become more fully invested;
- Increase the proportion of the Portfolio[2,3] managed directly by ICG; and
- Increase US exposure.

The Company continues to outperform its benchmark, the FTSE All-Share Index, over the short, medium and long term. Both the net asset value per share and share price have outperformed the benchmark on a Total Return basis over one, three, five and ten years. Indeed, an investment in the Company on any financial year end date in the last twenty years would have outperformed the benchmark.

PORTFOLIO

Through a period of economic uncertainty, particularly in the UK, the Board is encouraged by the performance of the Portfolio with the top 30 underlying companies continuing to generate strong profits, an unbroken trend since 2008.

As a whole, the portfolio is considered to be sensibly valued relative to the public markets. This belief in the value of the portfolio is reinforced by the continued uplifts on realised investments. Further information is provided in the portfolio manager's report and supplementary information.

BALANCE SHEET

Net assets at 31 January 2017 stood at £613m (2016: £521m) with year end cash of £39m (2016: £104m) representing 6% of total assets, down from 20% at the

Performance in years to 31 January 2017[4]	1 year	3 year	5 year	10* year
Net asset value per share	23.4%	38.1%	66.9%	119.4%
Share price	31.6%	35.1%	118.3%	115.2%
FTSE All-Share Index	20.1%	22.6%	57.0%	71.2%

* As the Company changed its year end in 2010, the ten year figures are for the 121 month period to 31 January 2017.

1 ICG Alternative Investment Limited, a regulated subsidiary of Intermediate Capital Group plc, acts as the Manager of the Company.
2 Included in this document are Alternative Performance Measures ("APMs"). APMs have been used if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company, and for comparing the performance of the Company to its peers and its previously reported results. The Glossary on page 96 includes further details of APMs and reconciliations to IFRS measures, where appropriate. The rationale for the APMs is discussed in detail in the Manager's Review. The Glossary on page 96 includes a reconciliation of the Portfolio to the most relevant IFRS measure.
3 In the Chairman's Statement, Manager's Review and Supplementary Information, reference is made to the "Portfolio". This is an APM. The Portfolio is defined as the aggregate of the investment portfolios of the Company and of its subsidiary limited partnerships. The rationale for this APM is discussed in detail in the Manager's Review. The Glossary on page 96 includes a reconciliation of the Portfolio to the most relevant IFRS measure.
4 In the Chairman's Statement, Manager's Review and Supplementary Information, all performance figures are stated on a total return basis (i.e. including the effect of re-invested dividends).

Top 30 underlying companies continuing to generate strong profits

start of the year. This reflects the achievement of a key objective set as part of the change in Manager, namely to become more fully invested and to manage the balance sheet more efficiently. It is not the intention of the Board for the Company to be geared, other than for short term working capital purposes. Furthermore, the over-commitment percentage of 26% of net assets (2016: 10%) remains within conservative parameters.

DISTRIBUTIONS

As stated in the interim report, in order to provide shareholders with greater clarity of the income they can expect from the Company, the Board anticipates paying a minimum dividend of 20.0p per share each year, subject to always having sufficient revenue and capital reserves.

In line with this policy, having paid an interim dividend of 10.0 pence per share, the Board is pleased to propose a final dividend of 10.0p per share. The proposed total dividend represents an increase of 81.8% compared with the prior year dividend and a yield on the year end share price of 2.9% (2016: 2.0%). If approved by shareholders at the AGM, the final dividend of 10.0p per share will be paid on 20 June 2017[5].

During the year the Company repurchased 982,345 shares at an average price of 627.0p for a total consideration of £6.2m. This improved the net asset value per share by 2.5%. The Board believes that the shares offer good value and will continue to repurchase shares on an opportunistic basis.

F&C SAVINGS PLANS

Since 1984, investors in the F&C savings plans have been able to acquire shares in ICG Enterprise. Following the change of manager to ICG in 2016, from 1 January 2017, only existing F&C savings plan investors are able to acquire shares in the Company through these plans. BMO Global Asset Management[6] continues to allow existing savings plans to hold shares in the Company and is committed to the ongoing servicing of the existing F&C savings plans.

BOARD CHANGES

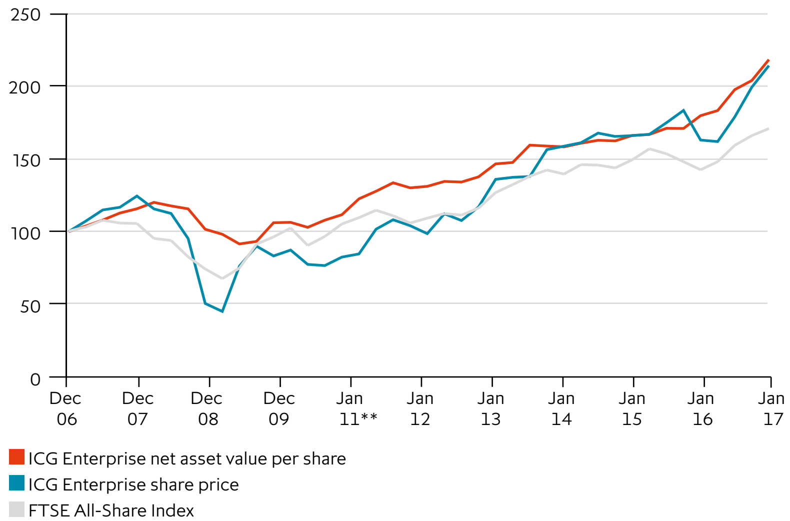
In line with the ongoing succession plans being implemented by the Board, it is my intention to step down at the AGM on 13 June 2017 after seventeen years as a non-executive director, including eight years as Chairman.

The Board is proposing that Jeremy Tigue is appointed Chairman subject to

Net asset value per share and share price have outperformed the benchmark on a Total Return basis over one, three, five and ten years

Ten Year Performance*

Fig: 1.1



*All amounts rebased to 100 at 31 December 2006. Performance to 31 January 2017.
**Year end changed from 31 December to 31 January.

£20.3m of cash returned to shareholders via an increased dividend of 20.0p and share buy backs

The Company is well positioned to continue its excellent long term performance

his re-election at the AGM. Jeremy was appointed to the Board in 2008 and has made an invaluable contribution to the governance of the Company during his tenure. He has a wealth of experience in the investment trust sector having managed the Foreign & Colonial Investment Trust ("FCIT") from 1997 to 2014 and sits on a number of other investment trust boards. The FCIT portfolio included a material allocation to private equity and he therefore brings this especially relevant experience to the Company.

It is also proposed that Peter Dicks steps down as Chairman of the Audit Committee to be replaced by Andrew Pomfret, subject to his re-election at the AGM.

OUTLOOK

Markets continue to be buoyant despite the uncertainty surrounding Brexit and other geopolitical risks, but we expect volatility to rise. Historically, periods of instability have created some of the most attractive investment opportunities for private equity. We believe the asset class will continue to outperform public markets over the medium to long term because of private equity's patient and active approach to creating value.

The Company is particularly well placed to adapt to changing market conditions with its flexible investment strategy and because the Portfolio continues to deliver strong growth in earnings. The Manager's focus on partnering with only the most experienced private equity firms, with strong track records of investing and managing companies through economic cycles, provides the Board with further confidence. Finally, the change of Manager to ICG is already delivering material benefits to shareholders and this is expected to have an even greater impact in the future.

A PERSONAL NOTE

After seventeen years of involvement in the listed private equity sector, I have experienced numerous ups and downs of market sentiment and observed both new entrants to and departures from the sector. Since the financial crisis, the sector has endured particular turbulence, culminating in both Electra and SVG leaving the sector, with some commentators predicting its demise. Throughout these cycles ICG Enterprise, and many of its peers, have delivered superior returns as a result of the fundamental value created through private equity's active ownership model and the alignment of interests with portfolio company management. I firmly believe that listed private equity is an ideal way for private individuals and institutions to access the private equity market with the added advantages of daily liquidity and simplified administration.

An investment in the Company on any year end date in the last twenty years would have outperformed the benchmark. £100 invested twenty years ago would have generated £810 at 31 January 2017 compared with £366 for the same amount invested in the FTSE All-Share Index. This performance has been achieved by investing in funds and companies that give us superior returns over the long term. Combined with a conservative approach to managing our balance sheet during both good and bad times, the Company has offered access to a diversified portfolio of private companies while at the same time improving yield. With strong underlying profit growth within the portfolio companies combined with the current discount to net asset value, I believe that the opportunity for continued growth looks compelling.

Mark Fane
4 May 2017

[5] Shares will trade without rights to the final dividend from 1 June 2017 ("ex-dividend date"). The last date for registering transfers to receive the dividend is 2 June 2017 ("record date").
[6] In 2014, F&C became part of BMO Global Asset Management, and ultimately the BMO Financial Group.

ABOUT ICG ENTERPRISE

A PRIVATE EQUITY INVESTMENT COMPANY FOCUSED ON BUYOUTS IN DEVELOPED MARKETS

> Our aim is to generate consistently high returns while protecting the investment downside

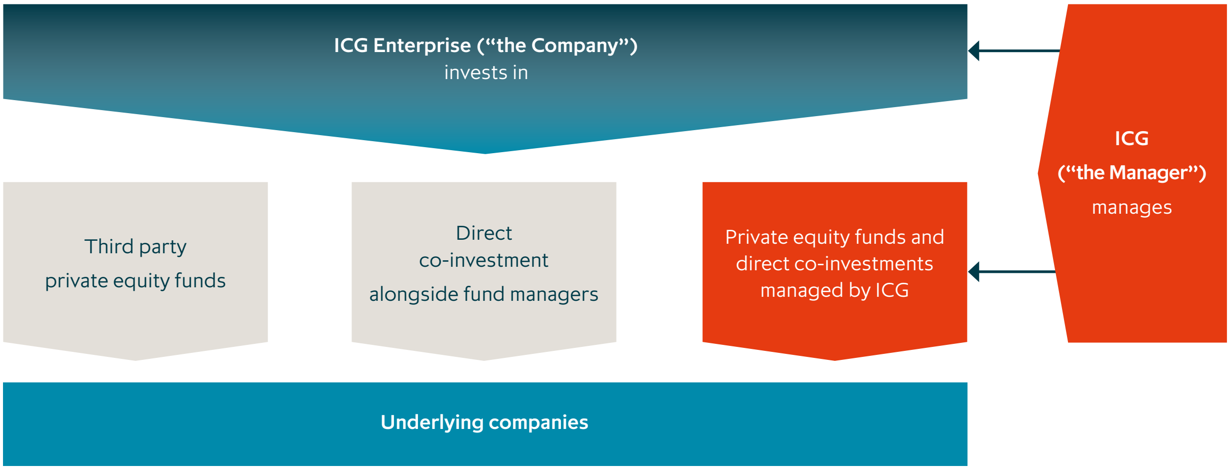
> We seek to achieve this by investing in companies managed by ICG directly as well as by selected top-tier private equity managers

> The local access and insights of ICG's direct investment teams give us a competitive edge in our market

> We are confident our flexible approach will continue to outperform public markets over the long term:

- An investment in the Company on the year end date in **20 out of the last 20 years** would have outperformed the FTSE All-Share Index if held today[1]
- **£100** invested in the Company 20 years ago would be worth **£810** today[1] compared with **£366** for an equivalent investment in the FTSE All-Share Index

About ICG Enterprise
Fig: 1.2



[1] Share price including dividends as at 31 January 2017

INVESTMENT STRATEGY

HIGHLY SELECTIVE APPROACH BALANCING RISKS AND RETURNS

Profitable companies
- Buyouts of profitable, cash generative companies with tangible performance and valuation metrics
- **Not** start-ups, development capital, turnaround, distressed or other higher risk PE strategies

Developed markets
- Targeting geographies with established PE infrastructure: primarily Europe and the US
- **Not** emerging markets

Experienced managers
- Backing established PE managers with experience of investing and adding value through cycles
- **Not** emerging managers or first time funds

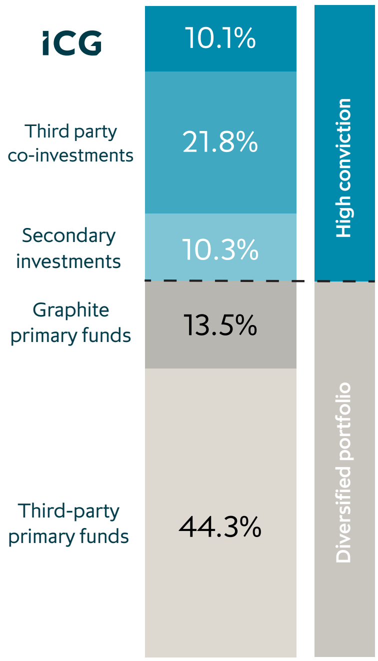
Mid to large companies
- Targets tend to be more defensive with market leading positions and strong management
- **Not** small companies which tend to be less able to weather economic cycles

High conviction
- Increase exposure to the most attractive companies through direct co-investments and secondaries
- Exposure to ICG directly managed companies not available elsewhere in the listed PE sector

PORTFOLIO OVERVIEW

Balancing high conviction and diversification

Fig: 1.3



42% High conviction portfolio enhances returns

Diversified portfolio mitigates risk

35 managers and over 400 portfolio companies

STRATEGIC REPORT

BUSINESS MODEL

ICG Enterprise aims to provide shareholders with long term capital growth through investment in unquoted companies. To achieve this, the Company invests in private equity funds and also directly in private companies.

Further details of the Company's business model and strategy are set out in About ICG Enterprise on page 6.

PERFORMANCE AND OUTLOOK

A review of the Company's short and long term net asset value and share price performance, investment activity and outlook, and the private equity markets, in which the Company operates, is set out in the Chairman's Statement, Portfolio Review and Market Review on pages 3 to 16.

The key performance indicators used by the Board and Manager are the net asset value per share total returns over the short and long term. These are detailed on page 3.

RISK MANAGEMENT

The risks and uncertainties facing the Company are regularly reviewed by the Board, the Audit Committee and the Manager. The Board believes that the Company's principal business risks are:

Overcommitment risk

The Company has commitments to funds which may exceed its liquid resources. There is a risk that the Company may not be able to fulfil its commitments when they are drawn down ("overcommitment risk").

The Company is conservative in its approach to overcommitment. The Company uses a range of forecast scenarios to determine the likely rate of drawdowns and the likely rate at which realisations will generate cash from the portfolio. The Manager monitors the Company's liquidity on a frequent basis and provides regular updates to the Board. If necessary the Company can reduce the level of secondary purchases and co-investments, which are discretionary, to preserve liquidity to fund its commitments. The Company also has access to committed stand-by bank facilities totalling £103m.

Investment risks

The Company's strategy is to invest in established US and European private equity markets, both through private equity funds and directly. This gives rise to the following risks:

- The Company's underlying investments are exposed primarily to the UK, the US and other European economies. The Company is not globally diversified and its performance could therefore be severely affected by a prolonged economic downturn in the major European economies. The Company seeks to mitigate the risk of underperformance through effective investment allocation and the selection of high quality managers with strong track records.
- The main foreign currency exposure is to the euro. The net asset value and the level of commitments could rise or fall due to currency movements. The Board regularly reviews the Company's exposure to currency risk and considers possible hedging strategies. At present the Company does not hedge its currency exposures.
- Private equity transactions are to some extent dependent on the availability of debt financing. If the funds and companies in which the Company invests find it hard to obtain debt financing, the Company's performance may suffer. The Company seeks to mitigate this risk through effective investment allocation and the selection of high quality managers with strong track records, who are more likely to be able to access debt financing even in adverse economic conditions.
- We have considered the impact of Brexit to the Company by performing sensitivity analysis, a detailed bottom up portfolio review and taking advice from the ICG in-house economist. We continue to monitor the uncertainties arising from negotiations with the EU.

Investment trust status

The Company operates as an investment trust in accordance with Sections 1158 and 1159 of the Corporation Tax Act 2010. This status exempts the Company from corporation tax on capital gains realised from the sale of its investments.

HM Revenue & Customs has accepted the Company as an investment trust for the accounting period to 31 January 2016. The Company will retain its investment trust status with effect from 1 February 2016 provided it continues to satisfy the conditions of Section 1158 of the Corporation Tax Act 2010.

The Company has directed its affairs with the objective of retaining such approval. The loss of investment trust status, however, would significantly impact the Company. The Manager monitors adherence to the conditions required to maintain this status. The Manager also uses forecasts to identify risks of breaches in future periods. The results are reported to the Board at each meeting.

Operational risk

All of the Company's management functions are delegated to the Manager. Therefore the Company is exposed to operational risks at the Manager. The Audit Committee formally assesses the internal controls of the Manager every year. The assessment in respect of the current year is discussed in the Report of the Audit Committee on page 80.

VIABILITY STATEMENT

In accordance with the UK Corporate Governance Code, the Board has assessed the financial position and prospects of the Company over a longer period than the twelve months required by the "going concern" basis of accounting.

The Board has assessed the viability of the Company over a three year period from the balance sheet date, as the Board expects the majority of the Company's current commitments to funds to be drawn down in cash over the next three years.

The Board has carried out a robust assessment of the principal risks and their mitigants noted on the previous page. In particular, the Board has assessed the Company's ability to manage the overcommitment risk through the review of balance sheet and cash flow projections provided by the Manager, which included scenarios with differing levels of underlying valuation growth, fund drawdowns and realisations, and different sterling/euro exchange rates.

Based on its review, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over a three year period.

CORPORATE SOCIAL RESPONSIBILITY

In carrying out its activities and in relationships with suppliers and the community, the Company aims to conduct itself responsibly, ethically and fairly. The Company also considers its corporate social responsibilities during its investment decision making process.

Stewardship

The Company seeks to make investments in funds and companies which are well managed with high standards of corporate governance. The directors believe this creates the proper conditions to enhance long term shareholder value. The exercise of voting rights attached to the Company's portfolio has been delegated to the Manager. However, the Board will be informed of any sensitive voting issues involving the Company's investments.

Board diversity

There are currently two female and four male directors on the Board. As discussed in the Report of the Directors on page 70, the Board's tenure and succession policy seeks to ensure that the Board is well balanced by the appointment of directors with a range of skills and experience. The Company has no other employees.

The Strategic Report was approved by the Board of Directors on 4 May 2017 and signed on its behalf by:

Mark Fane
4 May 2017

MANAGER'S REVIEW

PORTFOLIO REVIEW

£124M

Increase in underlying value of the portfolio

The Company is benefitting greatly from ICG's insights into private equity managers and portfolio companies in Europe, US and Asia

CHANGE OF MANAGER

This is our first annual report since the appointment of ICG as Manager of the Company and the transfer of the investment team from Graphite Capital Management LLP ("Graphite Capital"). We have made faster than expected progress towards realising the benefits of the change within the first year of moving to ICG.

Notably, new commitments have been made to two ICG managed funds: ICG Strategic Secondaries Fund II ("ICGSS") and ICG Asia Pacific Fund III. We believe these funds are highly complementary to our strategy and will generate attractive returns as well as enabling the Company to access co-investments from these in-house strategies. Both funds broaden the Company's geographic scope and increase the proportion of investments on which shareholders do not incur a management fee.

The move to ICG is also helping to generate secondaries and co-investments. The Company invested in a US fund restructuring transaction alongside ICGSS and completed secondary purchases in ICG Europe V and ICG Europe VI, which supplement existing investments. These opportunities were available to the Company as a result of the change in manager.

As well as access to ICG managed investment opportunities, the Company is benefitting greatly from ICG's insights into private equity managers and portfolio companies in Europe, the US and Asia in our investment analysis and decision-making for both new funds and direct co-investments. We are also working with a range of specialist functions within ICG to provide non-investment related support and enhancements to the ongoing management of the Company.

PORTFOLIO PERFORMANCE OVERVIEW

The Portfolio[1] has delivered very strong performance during the year, rising in value by 28.9% (2016: 12.1%). The Portfolio generated a valuation gain of 21.8% in local currencies, with currency movements adding a further 7.1%. This is against a backdrop of challenging market conditions, including volatility resulting from the UK's vote to leave the European

Movement in the portfolio £m	Year ended 31 January 2017	Year ended 31 January 2016
Opening portfolio**	428.2	431.9
Additions	127.8	64.3
Realisation proceeds[2]	(85.5)	(120.3)
Net cash outflow / (inflow)	42.3	(56.0)
Underlying valuation movement*[,2]	93.5	48.0
% underlying Portfolio growth	*21.8%*	*11.1%*
Currency movement	30.3	4.3
% currency movement	*7.1%*	*1.0%*
Closing portfolio**	**594.3**	**428.2**
Other Key Portfolio Metrics		
Proceeds as % of opening Portfolio	20%	28%
Number of Full Realisations	40	41
Uplift on exit[2]	24%	22%
New primary fund commitments	117.6	58.6
Outstanding commitments	300.3	253.8

* In this report 94% of the Portfolio is valued using 31 December 2016 (or later) valuations.
** Refer to the Glossary on page 96 for reconciliation to the portfolio balance presented in the financial statements.

1 References to the "Portfolio" include the investment portfolios of both the Company and its subsidiary partnerships. In the financial statements, in accordance with IFRS 10 'Consolidated Financial Statements', "Investments at fair value" are stated net of balances receivable from subsidiary partnerships and the accrual for the co-investment incentive scheme. Both the Manager and the Board consider that the Portfolio is the most relevant basis for shareholders in assessing the overall performance of the Company as it is consistent with industry practice and therefore enables comparison with peers as well as with the Company's previously reported results. A reconciliation of the Portfolio to the financial statements is set out in the Glossary on page 96.

2 Included in this document are Alternative Performance Measures ("APMs"). APMs have been used if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company, and for comparing the performance of the Company to its peers and its previously reported results. The Glossary on page 96 includes further details of APMs and reconciliations to IFRS measures, where appropriate. The rationale for the APMs is discussed in detail in the Manager's Review. The Glossary on page 96 includes a reconciliation of the Portfolio to the most relevant IFRS measure.

24%

Average uplifts on full realisations in the year

Union, the US election result and various upcoming elections across Europe.

At 31 January 2017 the Portfolio was valued at £594.3m. The increase of £166.1m during the year was primarily due to strong valuation gains, as well as new investment exceeding realisations for the first time in six years.

The exposure to ICG managed investments increased during the year, and further increases are expected over time as the benefits of the change in manager continue to materialise. One of the features that makes ICG Enterprise distinctive in the listed private equity sector is the combination of an in-house directly controlled portfolio combined with a diversified multi-manager approach, which we believe both reduces risk and enhances returns.

REALISATIONS

The Portfolio generated proceeds of £85.5m which was significantly lower than the £120.3m received in the previous year. However, as the number of full realisations of 40 was in line with last year, the lower level of proceeds reflected a smaller average size of disposals rather than a general slowdown in realisation activity.

Full realisations accounted for £45.3m of proceeds received and these continued to be completed at uplifts to the prior quarter holding values, averaging 24% in the year. Over the last few years, despite an increase in valuation multiples across the Portfolio, exits have consistently achieved significant uplifts.

The largest realisation in the year was the disposal by Deutsche Beteiligungs AG ("DBAG") of Spheros, a manufacturer of climate systems for buses. This generated proceeds of £8.9m both from the investment in DBAG's fund and the direct co-investment made alongside this fund in 2011. The business grew strongly both organically and by acquisition prior to its sale in March 2016 generating a return of 2.5 times original cost.

The sale of Micheldever, the distributor and retailer of tyres, was announced in January 2017 for a return of 3.7 times cost, but did not complete until February 2017. It therefore remained as the Company's largest underlying investment at the year end, with a carrying value equivalent to the £35.9m of proceeds which were received in February 2017.

A further £40.2m was received from partial realisations. The most significant element of this was the £16.6m of proceeds received from recapitalisations during the year.

Further details of the ten largest underlying realisations are set out in the Supplementary Information section.

NEW INVESTMENTS

A record amount of new investments were completed in the year, with the total of £127.8m almost double the amount invested in the previous year. Increasing the rate of investment was one of the key objectives of the change of manager to ICG and it is encouraging that the move has had such a significant impact within the first year post transition. Investments managed directly by ICG accounted for a quarter of the total at £31.5m.

All categories of new investment increased although fund drawdowns showed the steepest increase, more than doubling to £94.3m after the sharp drop of the previous year. The rise partly reflected the addition of ten new funds in the year which drew down £24.0m. The vast majority of this came from four new funds which had already made a number of investments that were analysed in detail prior to committing to the funds. These so-called "late primary" situations suit our style of investing in funds by applying our bottom-up, underlying company focused due diligence style and we will continue to target such opportunities as well as traditional new primary fund investments. Funds in the portfolio at the start of the year drew down £70.3m, which was broadly in line with expectations and consistent with a steady pace to the end of funds' five to six year investment periods.

Two direct co-investments and three secondary fund purchases were completed in the year, increasing the amount invested in these categories to £33.5m from £17.9m in the previous year. The secondaries included ICG Europe V and ICG Europe VI as well as a US fund restructuring alongside ICGSS.

The two largest underlying company investments were the two direct co-investments: System One (£8.9m), a

39%

Percentage of new investments in ICG managed, direct co-investments and secondaries

14%

EBITDA growth in Top 30 underlying companies

provider of temporary staff in the US acquired by Thomas H. Lee Partners, and Roompot (£7.1m), an operator of holiday parks in the Netherlands acquired by PAI Partners. Both companies operate in sectors that we have had experience of investing in successfully in the past.

In total, ICG managed investments, direct co-investments and secondaries accounted for 39% of total investments in the year, a figure expected to increase over time. If the late primaries noted above are also included, a total of 56% of new investments were in funds or companies where we were able to analyse the underlying companies prior to investment. This is in contrast to a typical fund of funds where third party managers make most of the underlying investment decisions.

Further details of the ten largest underlying new investments are set out in the Supplementary Information section.

New fund commitments

New primary commitments of £117.6m to ten funds were significantly higher than the £58.6m committed to six new funds last year.

Two of the new funds, representing 26% of new commitments, are managed directly by ICG. A further six funds, totaling 53% of new commitments, were raised by managers that the Company has invested with successfully for many years, primarily focusing on European buyouts. The remaining two new funds feature managers which are new to the Portfolio, both of which are focused on the US market. One of these, Gridiron Capital III, was introduced to us through ICG's New York office which provides the fund investment team with invaluable insights into the US manager landscape to supplement our own research and analysis.

Further details of new fund commitments are set out in the Supplementary Information section.

Closing Portfolio

At 31 January 2017, the Portfolio was valued at £594.3m (£2016: £428.2m) of which ICG directly managed 10.1% while Graphite Capital investments accounted for 23.7%. Direct co-investments and secondaries accounted for 38.3% of the closing value, a figure which has increased significantly over the last few years from approximately 18% immediately prior to the financial crisis. This gives us greater control over investments into the Portfolio than a typical fund investor.

Mid-market and large buyouts accounted for 55.4% and 36.1% respectively reflecting our focus on these segments which we believe offer the most attractive balance of return potential and downside protection. Targets in these segments tend to be more defensive, with market leading positions and strong management and are therefore better able to weather economic cycles than smaller companies.

By geography, the Portfolio is almost exclusively focused on developed private equity markets, principally the UK, continental Europe and the US. The UK accounted for 40.4% of value, down from 45.1% at the start of the year. US exposure has increased from 14.1% to 21.1% in line with one of our objectives at the time of the change in manager. We expect both of these trends to continue as the benefits of being part of a global asset manager are further realised.

While the Portfolio is broadly diversified which reduces risk, we aim to ensure that many individual investments are large enough to have an impact on overall performance. The top 30 underlying companies accounted for 45.9% of the Portfolio and the performance of these investments is therefore likely to be a key driver of future growth. The vast majority of companies in the top 30 are those to which we have selected to increase our exposure through direct co-investments and secondary fund purchases, and that we have a high conviction will outperform.

In the year to December 2016 the revenues and EBITDA of the top 30 companies increased by an average of 8.5% and 14.0% respectively. They were valued on an average multiple of 9.7 times last twelve months EBITDA at December 2016, which, while slightly higher than the 9.4 times at the previous year end, is not unreasonable for the strong growth being achieved and the generally high quality of earnings.

With the Portfolio continuing to demonstrate strong profit growth, as well as de-gearing, the prospects for further valuation growth remain positive

Events since the year end

Since the year end the Company has made the following new investments:

- €12m commitment to ICG Recovery Fund 2008B, a secondary fund restructuring;
- £5.5m commitment to Hg Capital 8; and
- A "late primary" fund investment in Oak Hill Capital IV as well as acquiring interests in Oak Hill Capital II and III, representing a total commitment of $22.5m to this established US manager.

As noted earlier, in February 2017 the Company received £35.9m from the completion of the Micheldever sale announced in January 2017.

Outlook

The environment for realisations remains favourable despite some macro uncertainties. This should underpin future growth in value given the uplifts that tend to be achieved on sale. Against this backdrop, investing at reasonable valuations is more challenging, but our strategy gives us the flexibility to adapt the mix of investments according to where we see the best relative value and the move to ICG is providing access to a broader range of opportunities from which to select.

Much recent market commentary has focused on whether it is approaching a peak. While we do not claim to have the ability to predict the timing of the next potential downturn, we seek to ensure that the Portfolio is well positioned to withstand one. This is achieved by focusing on relatively more defensive companies managed by some of the most experienced private equity firms and by avoiding emerging markets, new managers and more risky strategies such as venture capital.

This approach served the Company well in the last downturn, with our 2007 investments generating a return of 1.8 times cost and the Portfolio consistently generating strong profit growth even in the aftermath of the financial crisis. It is also worth noting that over the last five years, the EBITDA valuation multiple of the Company's top 30 companies has increased from 9 to just under 10 while the EBITDA multiple of the FTSE All-Share Index has increased from 6.4 to its current level of 12.1. We believe that this valuation differential would provide a significant cushion in the event of any future public market correction.

With the portfolio continuing to demonstrate strong profit growth, as well as de-gearing, the prospects for further valuation growth remain positive.

ICG Private Equity Fund Investment Team

4 May 2017

MARKET REVIEW

As almost 80% of the investment portfolio is in Europe we have focused our market review on the European buyout market.

FUNDRAISING

European buyout funds raised a record €57 billion in 2016, up €17 billion (42%) on the prior year. This was attributable to a number of large buyout funds greater than €1 billion in size being raised in the year (up €13 billion) and a 57% increase in the number of mid-market funds of between €500 million and €1 billion raising capital in the year (up €3 billion).

The amount of capital committed to European buyout funds but not yet invested ("dry powder") increased 23% (€31 billion) in the year to €168 billion as capital continues to be reinvested into the sector following high levels of realisations.

PRIMARY MARKET

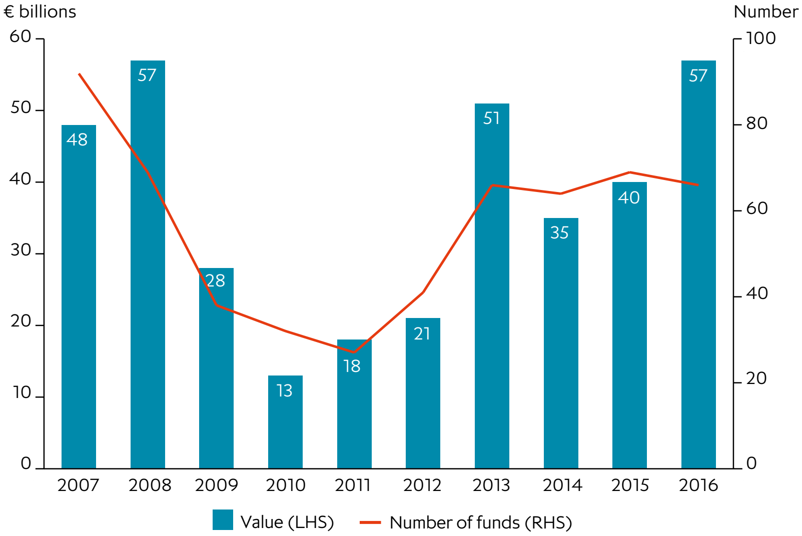
In 2016, the value of European buyouts transacted in the year was €5 billion lower than 2015 at €128 billion, with an €8 billion (8%) increase in continental European buyout activity offset by a €12 billion (38%) decline in activity seen in the UK. However, the number of buyouts executed in both continental Europe and the UK increased and in aggregate the number of European transactions was at the highest level since 2008.

In continental Europe, the most significant increase in activity was evidenced in the mid-market, particularly in relation to buyouts of between €50 million and €250 million in value, where 40 (23%) more transactions were completed, adding €5 billion in transaction volume against the prior year.

In the UK, there were just seven buyouts larger than €500 million in 2016 versus 17 in 2015, resulting in a 60% (€11 billion) reduction in total deal volumes at this size range. Conversely, the UK mid-market bounced back after a decline in deal volumes in 2015 with the number of transactions completed below €500 million in size increasing 12% in the year to 155. However, the overall value of buyouts in this segment was €1 billion (7%) lower.

European Buyout: Fundraising

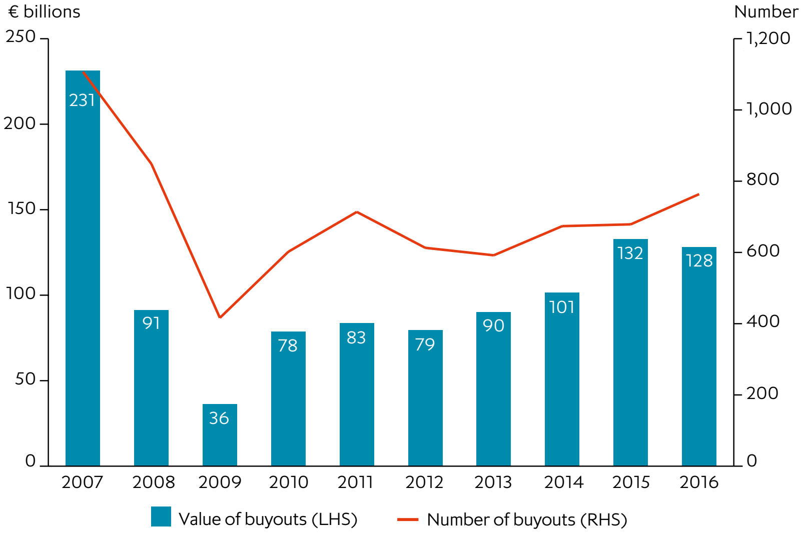
Fig: 2.1



Source: Prequin Fund Manager Profiles and Performance Analyst

European Buyout: New Investments

Fig: 2.2



Source: Unquote

2 MANAGER'S REVIEW

Given the growing levels of dry powder available for new investments this made for a more competitive environment for buyers of businesses, particularly in the UK, which is consistent with the reported experience of the Company's portfolio managers.

SECONDARY MARKET

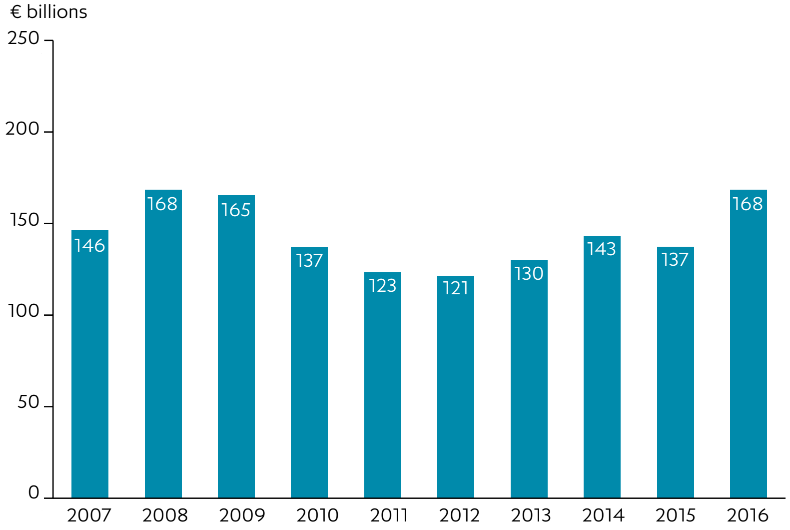
The number of transactions in the secondary market for interests in private equity funds increased in 2015, but the smaller average transaction value resulted in global market volumes in 2016 being $3 billion lower than the prior year at $37 billion.

Buyout fund pricing in the market has remained close to the prior year average at 95% of net asset value (94% in 2015) with high levels of dry powder chasing a falling supply of transaction volumes, particularly at the large end of the deal spectrum. There were only five transactions greater than $1 billion in size in 2016 compared to eight in 2015 and twelve in 2014. These trends place continuing pressure on buyers' underwriting rates of return and the greater use of leverage to achieve target outcomes. In such an environment we continue to be selective whilst focusing on the smaller end of the deal spectrum where there is less competition for assets.

+42%
European buyout fundraising

+23%
European buyout dry powder

European Buyout: Outstanding Dry Powder
Fig: 2.3



Source: Preqin Fund Manager Profiles and Performance Analyst

ICG ENTERPRISE TEAM

CHRISTOPHE EVAIN
Executive Director and Chief Executive Officer

BENOÎT DURTESTE
Executive Director and Head of European Investments

PHILIP KELLER
Executive Director and Chief Financial Officer

ANDREW HAWKINS
Head of Secondaries

EMMA OSBORNE*
Head of Private Equity Fund Investments ("PEFI")

KANE BAYLISS*
Managing Director, PEFI

COLM WALSH*
Principal, PEFI

FIONA BELL*
Principal, PEFI

KELLY TYNE*
Associate, PEFI

AMALIA FORMOSO
Associate, PEFI

MARK CROWTHER
Managing Director, Investor Relations

NICOLA EDGAR
Associate Director, Finance

ANDREW LEWIS
General Counsel

STUART GRIFFITHS
Group Compliance Officer

* Transferred from Graphite Capital to ICG following change of manager on 1 February 2016.

INTERMEDIATE CAPITAL GROUP PLC (The Manager)

ICG IS A SPECIALIST ASSET MANAGER

28
Year track record

€22.6BN[1]
Assets under management

>270
Employees

13
Countries

26
INVESTMENT PROFESSIONALS
- New York

83
INVESTMENT PROFESSIONALS
- London
- Paris
- Madrid
- Amsterdam
- Stockholm
- Frankfurt
- Luxembourg[2]
- Warsaw[2]

15
INVESTMENT PROFESSIONALS
- Tokyo
- Hong Kong
- Singapore
- Sydney

ABOUT ICG

- ICG's objective is to generate income and consistently high returns whilst protecting against investment downside.
- ICG seeks to achieve this through its expertise in investing across the capital structure.
- ICG combines flexible capital solutions, local access and insight with an entrepreneurial approach which provides competitive edge in the markets.
- ICG is committed to innovation and pioneering new strategies that delivers value to investors.
- ICG is listed on the London Stock Exchange (ticker symbol: ICP), and regulated in the UK by the Financial Conduct Authority.

ICG and ICG Enterprise Trust

In becoming manager of ICG Enterprise, ICG committed to:

- Increasing the rate of investment
- Providing access to a broader range of investment opportunities
- Sharing its insights in helping to make more informed investment decisions
- Lowering costs

An institutional operating platform

ICG has built an operating infrastructure to support the management of ICG Enterprise, employing dedicated teams to address:

- Risk management, regulation and compliance
- Human resources
- Fund administration
- Treasury and finance
- Information technology
- Investor relations

[1] Data is as at 31 December 2016.
[2] These locations currently have no investment professionals.

Micheldever, the UK's leading distributor of car, 4x4 and motorcycle tyres, was sold by Graphite Capital in February 2017 generating proceeds for ICG Enterprise of £35.9 million

3.7x

Multiple of original cost of investment achieved on disposal

41%

Uplift to the previous valuation

£35.9m

Generated proceeds for ICG Enterprise

CASE STUDY:
MICHELDEVER TYRE SERVICES

ICG Enterprise invested in Micheldever Tyre Services ("Micheldever") both directly and through its commitment to Graphite Capital Partners VI. The company was the largest underlying investment at 31 January 2017.

Graphite had targeted the UK automotive aftermarket for several years, given its characteristics as a large and established market with significant consolidation opportunities in a number of sub-sectors. With the benefit of its strong relationships in the Southeast, Graphite was able to gain a competitive advantage over other potential acquirers, and completed the investment in 2006.

At the time of the £85 million buy-out, the company was the largest distributor of tyres to independent retailers in the UK with its six warehouses serving 2,500 customers. A separate retail business operated from a relatively small chain of 16 sites, including the UK's largest tyre retail site at Micheldever Station.

Over the period of Graphite's ownership, Micheldever's management team was significantly strengthened and investment in systems and processes contributed to market share gains and improved working capital efficiency. With the benefit of eight new warehouse sites completing national distribution coverage, the number of wholesale business customers increased to 6,000. Additionally, the retail business was expanded to 99 sites, which successfully established Micheldever as the third largest specialty tyre retailer in the UK by volume.

In February 2017 Graphite Capital sold Micheldever to Sumitomo Rubber Industries, a Japanese tyre manufacturer and distributor, for £215 million. The sale generated a return equivalent to 3.7 times the original investment cost and cash proceeds to ICG Enterprise of £35.9 million at an uplift of approximately 41% to the previous valuation.

SUPPLEMENTARY INFORMATION

THE 30 LARGEST UNDERLYING INVESTMENTS

The table below presents the 30 companies in which ICG Enterprise had the largest investments by value at 31 January 2017. These investments may be held directly or through funds, or in some cases in both ways. The valuations are gross and are shown as a percentage of the total investment Portfolio.

1-15

	Company	Manager	Year of investment	Country	Value as a % of Portfolio
1	**Micheldever**[+^*] Distributor and retailer of tyres	Graphite Capital	2006	UK	6.3%
2	**City & County Healthcare Group** Provider of home care services	Graphite Capital	2013	UK	2.7%
3	**Froneri**[+^] Manufacturer and distributor of ice cream products	PAI Partners	2013	UK	2.1%
4	**Education Personnel**[+^] Provider of temporary staff for the education sector	ICG	2014	UK	2.1%
5	**nGAGE** Provider of recruitment services	Graphite Capital	2014	UK	2.1%
6	**PetSmart**[+] Retailer of pet products and services	BC Partners	2015	USA	2.0%
7	**Standard Brands**[+] Manufacturer of fire lighting products	Graphite Capital	2001	UK	2.0%
8	**Skillsoft**[+] Provider of off-the-shelf e-learning content	Charterhouse	2014	USA	1.7%
9	**Frontier Medical**[+] Manufacturer of medical devices	Kester Capital	2013	UK	1.6%
10	**David Lloyd Leisure**[+] Operator of premium health and fitness clubs	TDR Capital	2013	UK	1.6%
11	**Visma** Provider of business service	Cinven	2014	Norway	1.4%
12	**TMF**[^] Provider of management and accounting outsourcing services	Doughty Hanson	2008	Netherlands	1.4%
13	**The Laine Pub Company**[+] Operator of pubs and bars	Graphite Capital	2014	UK	1.3%
14	**System One**[+] Provider of temporary staff and other associated services	Thomas H. Lee Partners	2016	USA	1.3%
15	**Roompot**[+] Operator and developer of holiday parks	PAI Partners	2016	Netherlands	1.3%
	Total of the 15 largest underlying investments				30.9%

[+] All or part of this investment is held directly as a co-investment or other direct investment.

^All or part of this investment was acquired as part of a secondary purchase.

*The Company received proceeds of £35.9m from the sale of this investment in February 2017.

[#]Sale completed in February 2017.

THE 30 LARGEST UNDERLYING INVESTMENTS
CONTINUED

16-30

	Company	Manager	Year of investment	Country	Value as a % of Portfolio
16	**Beck & Politzer** Provider of industrial machinery installation and relocation	Graphite Capital	2016	UK	1.2%
17	**CPA Global+** Provider of patent and legal services	Cinven	2012	UK	1.2%
18	**Algeco Scotsman** Supplier and operator of modular buildings	TDR Capital	2007	USA	1.2%
19	**Cambium** Provider of educational solutions and services	ICG	2016	USA	1.2%
20	**Quironsalud^#** Provider of private healthcare services	CVC Capital	2011	Spain	1.2%
21	**New World Trading Company** Operator of distinctive pub restaurants	Graphite Capital	2016	UK	1.1%
22	**U-POL^** Manufacturer and distributor of automotive refinishing products	Graphite Capital	2010	UK	1.0%
23	**Formel D** Provider of quality control for automotive services	Deutsche Beteiligungs	2013	Germany	1.0%
24	**Swiss Education+** Provider of hospitality training	Invision Capital	2015	Switzerland	1.0%
25	**ProXES** Manufacturer of food processing machinery	Deutsche Beteiligungs	2013	Germany	0.9%
26	**Gerflor^** Manufacturer of vinyl flooring	ICG	2011	France	0.8%
27	**Parques Reunidos^** Operator of attraction parks	Arle Capital	2007	Spain	0.8%
28	**Cognito+** Supplier of communications equipment, software and services	Graphite Capital	2002	UK	0.8%
29	**Ceridian+** Provider of payment processing services	Thomas H. Lee Partners	2007	USA	0.8%
30	**InVentiv Health** Provider of healthcare and pharmaceutical consulting	Thomas H. Lee Partners/Advent	2010	USA	0.8%
	Total of the 30 largest underlying investments				45.9%

+ All or part of this investment is held directly as a co-investment or other direct investment.

^All or part of this investment was acquired as part of a secondary purchase.

*The Company received proceeds of £35.9m from the sale of this investment in February 2017.

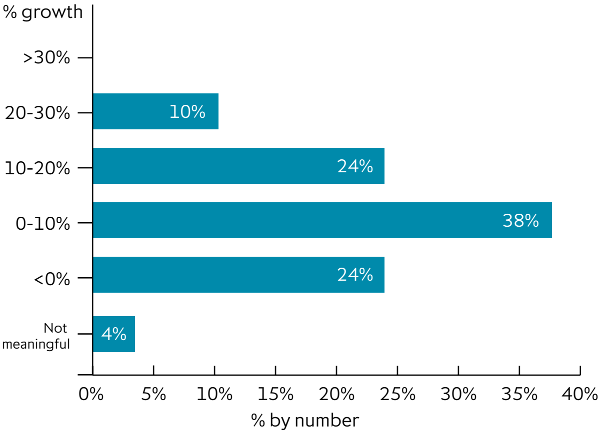
#Sale completed in February 2017.

ANALYSIS OF THE 30 LARGEST UNDERLYING INVESTMENTS

The tables below analyse the 30 companies in which ICG Enterprise had the largest investments by value at 31 January 2017. These investments may be held directly or through funds or, in some cases, in both ways.

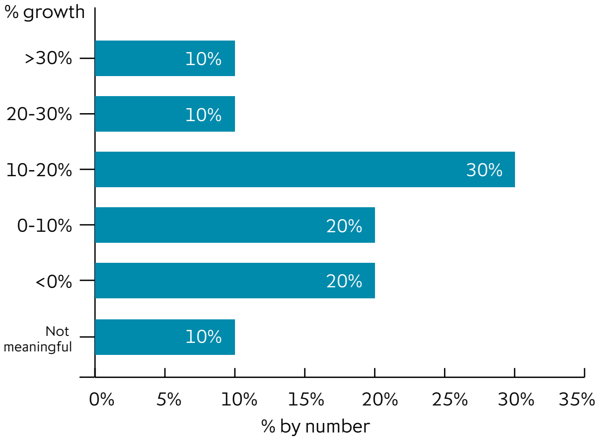
Revenue Growth*
Fig: 3.1

8.5% AVERAGE



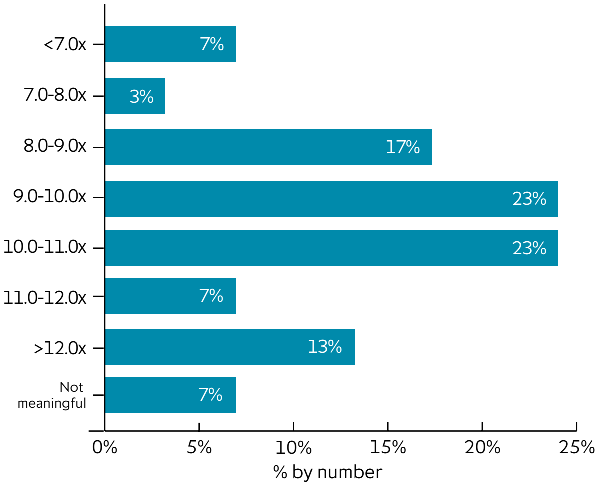
EBITDA Growth**
Fig: 3.2

14.0% AVERAGE



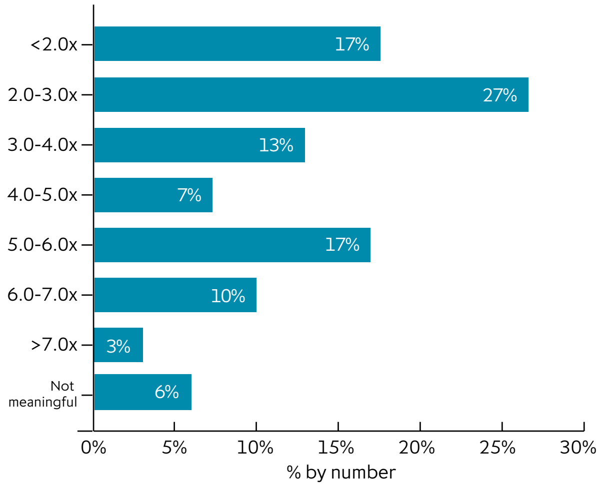
Enterprise value as a multiple of EBITDA***
Fig: 3.3

9.7x AVERAGE



Net debt as a multiple of EBITDA****
Fig: 3.4

3.6x AVERAGE



* Excludes one company where comparatives are not available
** Excludes one company where comparatives are not available as well as two companies where the EBITDA is not meaningful
*** Excludes two companies where the EBITDA is not meaningful
**** Excludes two companies where this metric is not meaningful

THE 30 LARGEST FUND INVESTMENTS

The 30 largest funds by value at 31 January 2017 are:

1-15

	Fund	Year of commitment	Country/ region	Value £m	Outstanding commitment £m
1	**Graphite Capital Partners VIII *** Mid-market buyouts	2013	UK	51.6	39.8
2	**Graphite Capital Partners VI **** Mid-market buyouts	2003	UK	30.7	2.1
3	**CVC European Equity Partners V **** Large buyouts	2008	Europe/ USA	24.5	1.3
4	**BC European Capital IX **** Large buyouts	2011	Europe	22.1	2.2
5	**Fifth Cinven Fund** Large buyouts	2012	Europe	17.1	2.7
6	**Thomas H. Lee Parallel Fund VI** Large buyouts	2007	USA	14.4	1.1
7	**Deutsche Beteiligungs Fund V** Mid-market buyouts	2006	Germany	14.2	0.3
8	**Graphite Capital Partners VII */**** Mid-market buyouts	2007	UK	13.6	4.7
9	**PAI Europe V **** Mid-market and large buyouts	2007	Europe	12.3	1.1
10	**Activa Capital Fund II** Mid-market buyouts	2007	France	11.3	1.8
11	**ICG Velocity Partners Co-Investor **** Mid-market buyouts	2016	USA	11.0	2.3
12	**ICG Europe V **** Mezzanine and equity in mid-market buyouts	2012	Europe	10.8	1.2
13	**CVC Capital Partners VI** Large buyouts	2013	Global	10.7	7.6
14	**TDR Capital II** Mid-market and large buyouts	2006	Europe	10.2	0.8
15	**Doughty Hanson & Co V **** Mid-market and large buyouts	2006	Europe	10.1	6.5
	Total of the largest 15 fund investments			264.6	75.5

16-30

	Fund	Year of commitment	Country/ region	Value £m	Outstanding commitment £m
16	**ICG Europe VI **** Mezzanine and equity in mid-market buyouts	2015	Europe	9.7	12.1
17	**Bowmark Capital Partners IV** Mid-market buyouts	2007	UK	9.3	–
18	**IK VII** Mid-market buyouts	2013	Europe	9.3	0.5
19	**TDR Capital III** Mid-market and large buyouts	2013	Europe	9.1	3.0
20	**Permira V** Large buyouts	2013	Europe	8.7	0.8
21	**One Equity Partners VI** Mid-market buyouts	2016	USA/ Europe	8.5	3.4
22	**Deutsche Beteiligungs Fund VI** Mid-market buyouts	2012	Germany	8.1	1.0
23	**Hollyport Secondary Opportunities V** Tail-end secondary portfolios	2015	Global	8.1	2.3
24	**ICG European Fund 2006 B **** Mid-market buyouts	2014	Europe	7.2	2.1
25	**PAI Europe VI** Mid-market and large buyouts	2013	Europe	6.9	10.4
26	**ICG Strategic Secondaries Fund II** Secondary fund restructurings	2016	USA	6.9	14.0
27	**Nordic Capital Partners VIII** Mid-market and large buyouts	2013	Nordic	6.3	3.6
28	**Egeria Private Equity Fund IV** Mid-market buyouts	2012	Netherlands	5.7	3.2
29	**Bowmark Capital Partners V** Mid-market buyouts	2013	UK	5.4	5.8
30	**Candover 2005 Fund **** Large buyouts	2005	Europe	5.3	0.1
	Total of the largest 30 fund investments			379.1	137.8
	Percentage of total investment Portfolio			63.8%	

* Includes the associated Top Up funds.

** All or part of interest acquired through a secondary fund purchase.

PORTFOLIO ANALYSIS

CLOSING PORTFOLIO BY VALUE AT 31 JANUARY 2017

	ICG £m	Third party £m	Graphite Capital £m	Total £m	% of investment Portfolio
Primary investments in funds	22.9	263.3	80.1	366.3	61.7%
Secondary investments in funds	25.8	45.3	15.8	86.9	14.6%
Direct and co-investments	11.6	84.5	45.0	141.1	23.7%
Total Portfolio	60.3	393.1	140.9	594.3	100%
% of Portfolio	10.1%	66.2%	23.7%	100%	
Undrawn commitments	41.1	212.5	46.7	300.3	
Total exposure	101.4	605.6	187.6	894.6	
% exposure	11.3%	67.7%	21.0%	100.0%	

The following tables analyse the companies in which ICG Enterprise had investments at 31 January 2017.

Sector breakdown
Fig: 4.1

19.1% BUSINESS SERVICES

17.7% HEALTHCARE & EDUCATION

16.1% CONSUMER GOODS & SERVICES

14.1% INDUSTRIALS

11.5% LEISURE

8.5% AUTOMOTIVE SUPPLIES

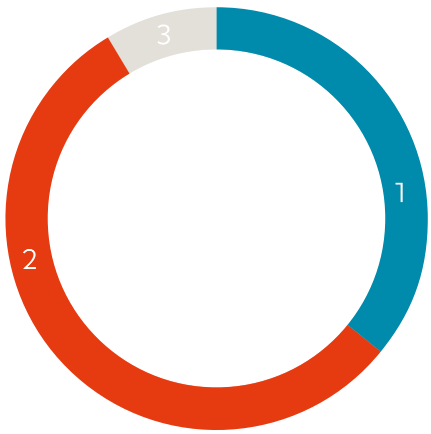
5.3% FINANCIALS

3.5% TECHNOLOGY & TELECOMMUNICATIONS

3.1% MEDIA

1.1% CHEMICALS

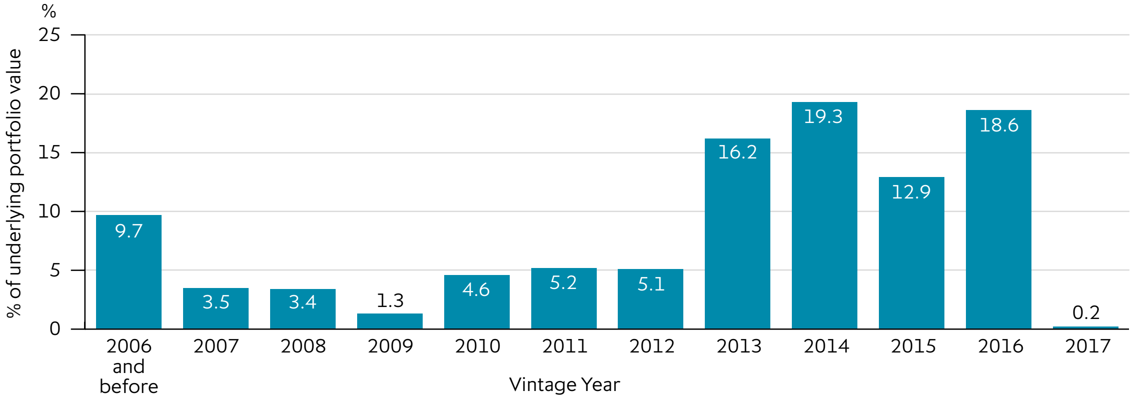
Investment type
Fig: 4.2



1. Large buy-outs	36.1%
2. Mid-market buy-outs	55.4%
3. Small buy-outs	8.5%
Total	100.0%

Year of investment

Fig: 4.3



Geographic distribution

Fig: 4.4

UK	40.4%	Scandinavia	5.4%
North America	21.1%	Spain	2.8%
Germany	10.8%	Other Europe	2.0%
France	9.0%	Italy	1.5%
Benelux	5.6%	Rest of World	1.4%

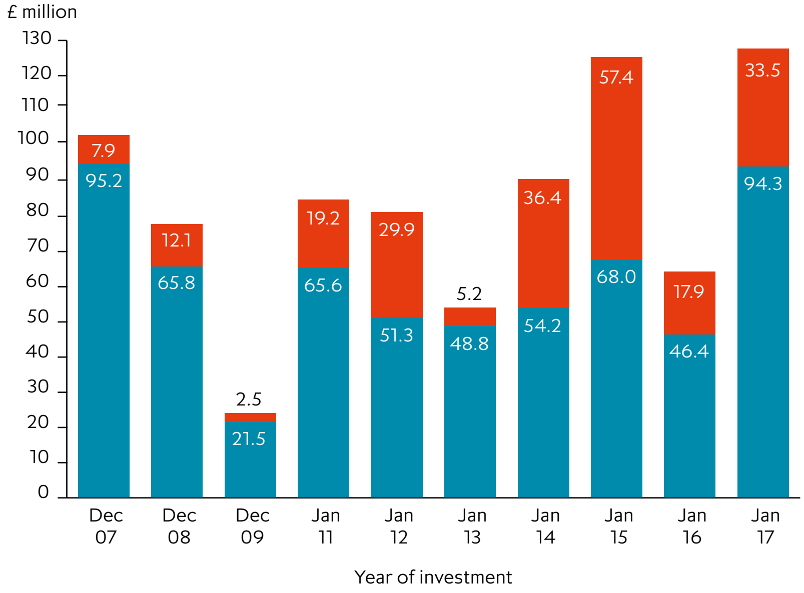
INVESTMENT ACTIVITY

NEW INVESTMENTS

Drawdowns

Co-investments and secondary fund purchases

INVESTMENTS INTO THE PORTFOLIO



LARGEST NEW UNDERLYING INVESTMENTS

Investment	Description	Manager	Country	Cost* £m
System One	Provider of temporary staff and other associated services	Thomas H Lee Partners	USA	8.9
Roompot	Operator and developer of holiday parks	PAI Partners	Netherlands	7.7
Beck & Pollitzer	Provider of industrial machinery installation and relocation	Graphite Capital	UK	7.4
New World Trading	Operator of distinctive pub restaurants	Graphite Capital	UK	6.5
ITN Networks	Operator of television advertising networks	ICG	USA	4.8
Cambium	Provider of educational solutions and services	ICG	USA	4.2
Southern Theatres	Operator of multiplex stadium seating movie theatres	ICG	USA	3.7
Infobase Publishing	Provider of educational solutions	ICG	USA	3.1
Time Education	Provider of specialist education tutoring	ICG	South Korea	2.1
inVentiv Health	Provider of outsourced services to the healthcare industry	Advent	USA	2.0
Total of 10 largest new underlying investments				50.4

*Cost of investment is calculated as the Company's share of the fund's cost of investment plus any co-investment amounts paid.

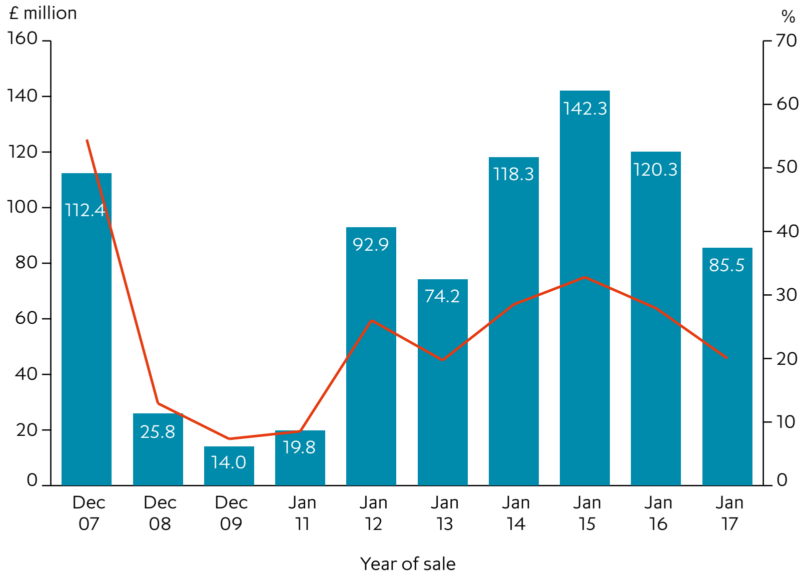
REALISATION ACTIVITY

REALISATIONS

Proceeds

Proceeds as a percentage of opening portfolio

REALISATION FROM THE PORTFOLIO*



* Excluding secondary sales of fund interests

LARGEST UNDERLYING REALISATIONS

Investment	Manager	Year of investment	Realisation type	Proceeds £m
Spheros	Deutsche Beteiligungs	2011	Trade	8.9
David Lloyd Leisure	TDR Capital	2013	Recapitalisation	5.0
Swissport	PAI Partners	2011	Trade	3.4
U-POL	Graphite Capital	2010	Recapitalisation	3.1
La Maison Bleue	Activa	2012	Secondary	3.1
Broetje-Automation	Deustche Beteiligungs	2012	Trade	3.1
Technogym	Arle Capital	2008	IPO	3.0
Loungers	Piper	2012	Secondary	2.9
inVentiv Health	Thomas H Lee Partners	2010	Partial sale	2.5
Stork	Arle Capital	2008	Trade	2.0
Total of 10 largest underlying realisations				37.0

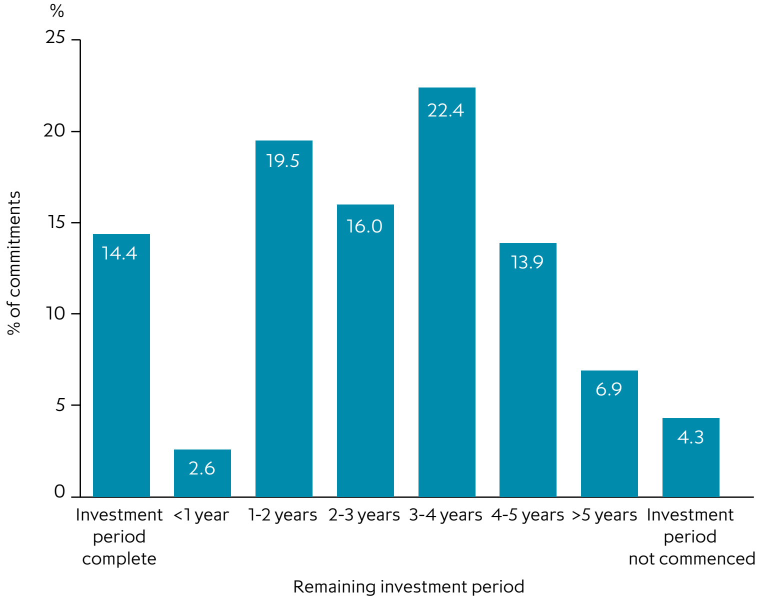
COMMITMENTS ANALYSIS

The following tables analyse commitments at 31 January 2017. Original commitments are translated at 31 January 2017 exchange rates.

	Original commitment £m	Outstanding commitment £m	Average drawdown percentage	% of Outstanding commitments
Investment period not commenced	12.9	12.9	0.0%	4.3%
Funds in investment period	457.0	244.2	46.6%	81.3%
Funds post investment period	574.3	43.2	92.5%	14.4%
	1,044.2	300.3	71.2%	100%

Movement in outstanding commitments in the year	£m
As at 1 February 2016	253.8
New primary commitments	117.6
New commitments relating to co-investments and secondary purchases	8.3
Drawdowns	(94.3)
Currency and other movements	14.9
As at 31 January 2017	300.3

COMMITMENTS AT 31 JANUARY 2017 – REMAINING INVESTMENT PERIOD



NEW COMMITMENTS IN THE YEAR TO 31 JANUARY 2017

Fund	Strategy	Geography	£m
Primary commitments			
ICG Strategic Secondaries II	Secondary fund restructurings	USA	18.6
Sixth Cinven Fund	Large buyouts	Europe	15.5
BC European Capital X	Large buyouts	Europe/USA	12.9
ICG Asia Pacific Fund III	Mid-market buyouts	Asia	12.3
Gridiron Capital III	Mid-market buyouts	USA	12.2
One Equity Partners VI	Mid-market buyouts	Europe/USA	12.0
Advent Global Private Equity VIII	Large buyouts	Europe/USA	11.7
Permira VI	Large buyouts	Europe	9.0
IK VIII	Mid-market buyouts	Europe	8.4
Piper Private Equity Fund VI	Small buyouts	UK	5.0
Total primary commitments			117.6
Commitments relating to co-investments and secondary purchases			8.3
Total new commitments			**125.9**

3 SUPPLEMENTARY INFORMATION

CURRENCY EXPOSURE

Portfolio*	31 January 2017 £m	31 January 2017 %	31 January 2016 £m	31 January 2016 %
– Sterling	269.1	45.3%	209.1	48.8%
– Euro	156.5	26.3%	122.8	28.7%
– US dollar	115.4	19.4%	60.9	14.2%
– Other European	41.5	7.0%	33.5	7.8%
– Other	11.8	2.0%	1.9	0.5%
Total	594.3	100%	428.2	100%

*Currency exposure is calculated by reference to the location of the underlying Portfolio companies' headquarters.

Outstanding commitments	31 January 2017 £m	31 January 2017 %	31 January 2016 £m	31 January 2016 %
– Sterling	77.5	25.8%	102.3	40.3%
– Euro	166.2	55.4%	131.2	51.7%
– US dollar	54.5	18.1%	18.4	7.2%
– Other European	2.1	0.7%	1.9	0.8%
Total	300.3	100%	253.8	100%

DIVIDEND ANALYSIS

HISTORICAL RECORD

Financial year ended	Revenue return per share p	Ordinary dividend per share p	Special dividend per share p	Total dividend per share p	Net asset value per share p	Closing mid-market share price p
31 January 2017	8.13	20.0	–	20.0	871.0	698.5
31 January 2016	11.07	11.0	–	11.0	730.9	545.0
31 January 2015	12.96	10.0	5.5	15.5	695.2	575.0
31 January 2014	19.02	7.5	8.0	15.5	677.2	563.5
31 January 2013	3.15	5.0	–	5.0	631.5	487.0
31 January 2012	6.33	5.0	–	5.0	569.4	357.0
31 January 2011	1.51	2.25	–	2.25	534.0	308.0
31 December 2009	-0.11	2.25	–	2.25	464.1	305.0
31 December 2008	5.12	4.5	–	4.5	449.0	187.0
31 December 2007	8.86	8.0	–	8.0	519.4	474.0
31 December 2006	7.44	6.5	–	6.5	454.6	386.0

Deutsche Beteiligungs sold Spheros, the bus climate systems manufacturer, to a trade buyer after a four year holding period

2.5x

Multiple of original cost of investment achieved on disposal

CASE STUDY: SPHEROS

ICG Enterprise invested in Spheros Group ("Spheros") in December 2011 both through its commitment to Deutsche Beteiligungs AG Fund V ("the Fund") as well as in a co-investment alongside the Fund. ICG Enterprise was one of only two co-investors in the deal.

Spheros is a global market leader in the development and manufacture of air conditioning and heating systems for buses. Headquartered in Germany, the company has six production sites on three continents serving both mature Western markets as well as emerging economies where strong growth is underpinned by population growth and the trend towards urbanisation.

Deutsche Beteiligungs ("DBAG") has a long and successful track record of investing in automotive supply businesses, including Preh in which ICG Enterprise also co-invested in 2004.

At the time of acquisition, in a secondary buyout, Spheros employed 700 people and generated revenues of €185 million. Over the four years of ownership by Deutsche Beteiligungs the number of employees increased to 1,045 and revenues grew to €245 million. This was achieved by investing in the company's capabilities in electronics and by acquiring a similar company in the US.

In December 2015 DBAG agreed to sell Spheros to Valeo, a listed automotive supplier in France achieving a return of 2.5 times original cost, equivalent to an annualised return of 26%. ICG Enterprise received the majority of the sales proceeds of £8.9m in April 2016.

FINANCIAL INFORMATION

INCOME STATEMENT

	Notes	Year to 31 January 2017 Revenue return £'000	Capital return £'000	Total £'000	Year to 31 January 2016 Revenue return £'000	Capital return £'000	Total £'000
Investment returns							
Income, gains and losses on investments	2,10	9,892	105,194	115,086	12,100	33,761	45,861
Deposit interest	2	242	–	242	309	–	309
Other income	2	17	–	17	115	–	115
Foreign exchange gains and losses		–	2,993	2,993	–	747	747
		10,151	108,187	118,338	12,524	34,508	47,032
Expenses							
Investment management charges	3	(1,552)	(4,657)	(6,209)	(1,509)	(4,260)	(5,769)
Other expenses	4	(1,638)	(1,145)	(2,783)	(1,722)	(1,123)	(2,845)
		(3,190)	(5,802)	(8,992)	(3,231)	(5,383)	(8,614)
Profit before tax		6,961	102,385	109,346	9,293	29,125	38,418
Taxation	6	(1,184)	787	(397)	(1,292)	1,292	–
Profit for the year		5,777	103,172	108,949	8,001	30,417	38,418
Attributable to:							
Equity shareholders		5,777	103,172	108,949	8,001	30,417	38,418
Basic and diluted earnings per share				153.43p			53.13p

The columns headed 'Total' represent the income statement for the relevant financial years and the columns headed 'Revenue return' and 'Capital return' are supplementary information, in line with the Statement of Recommended practice for investment trusts issued by the Association of Investment Companies in November 2014. There is no Other Comprehensive Income.

BALANCE SHEET

	Notes	31 January 2017 £'000	31 January 2016 £'000
Non-current assets			
Investments held at fair value			
– Unquoted investments	10,17	491,099	356,939
– Quoted investments	10,17	364	–
– Subsidiary investments	10,17	80,718	57,168
		572,181	414,107
Current assets			
Cash and cash equivalents	11	38,522	103,831
Receivables	12	2,384	4,038
		40,906	107,869
Current liabilities			
Payables	13	354	634
Net current assets		40,552	107,235
Total assets less current liabilities		612,733	521,342
Capital and reserves			
Share capital	14	7,292	7,292
Capital redemption reserve		2,112	2,112
Share premium		12,936	12,936
Capital reserve		581,753	484,782
Revenue reserve		8,640	14,220
Total equity		612,733	521,342
Net asset value per share (basic and diluted)	15	871.0p	730.9p

The financial statements on pages 36 to 57 were approved by the Board of directors on 4 May 2017 and signed on its behalf by:

Directors **Mark Fane** **Jeremy Tigue**

CASH FLOW STATEMENT

	Notes	Year to 31 January 2017 £'000	Year to 31 January 2016 £'000
Operating activities			
Sale of portfolio investments		50,338	89,941
Purchase of portfolio investments		(102,621)	(56,213)
Interest income received from portfolio investments		7,263	8,951
Dividend income received from portfolio investments		2,629	2,882
Other income received		259	384
Investment management charges paid		(6,143)	(5,840)
Other expenses paid		(1,380)	(1,269)
Net cash (outflow)/inflow from operating activities		(49,655)	38,836
Financing activities			
Bank facility fee		(1,089)	(1,963)
Purchase of shares into treasury		(6,201)	(9,110)
Equity dividends paid	8	(11,357)	(14,816)
Net cash outflow from financing activities		(18,647)	(25,889)
Net (decrease)/increase in cash and cash equivalents		(68,302)	12,947
Cash and cash equivalents at beginning of year	11	103,831	90,137
Net (decrease)/increase in cash and cash equivalents		(68,302)	12,947
Effect of changes in foreign exchange rates		2,993	747
Cash and cash equivalents at end of year	11	38,522	103,831

The notes on pages 40 to 57 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Company	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Revenue reserve £'000	Total shareholders' equity £'000
Year to 31 January 2017							
Opening balance at 1 February 2016	7,292	2,112	12,936	363,325	121,457	14,220	521,342
Profit for the year and total comprehensive income	–	–	–	(1,178)	104,350	5,777	108,949
Transfer on disposal of investments	–	–	–	–	–	–	–
Dividends paid or approved	–	–	–	–	–	(11,357)	(11,357)
Purchase of shares into treasury	–	–	–	(6,201)	–	–	(6,201)
Closing balance at 31 January 2017	7,292	2,112	12,936	355,946	225,807	8,640	612,733

Company	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Revenue reserve £'000	Total shareholders' equity £'000
Year to 31 January 2016							
Opening balance at 1 February 2015	7,292	2,112	12,936	348,412	115,077	21,035	506,864
Profit for the year and total comprehensive income	–	–	–	2,200	28,217	8,001	38,418
Transfer on disposal of investments	–	–	–	21,837	(21,837)	–	–
Dividends paid or approved	–	–	–	–	–	(14,816)	(14,816)
Purchase of shares into treasury	–	–	–	(9,124)	–	–	(9,124)
Closing balance at 31 January 2016	7,292	2,112	12,936	363,325	121,457	14,220	521,342

The notes on pages 40 to 57 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

These financial statements relate to ICG Enterprise Trust plc ("the Company", formerly Graphite Enterprise Trust PLC). The registered address and principal place of business of the Company is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU.

(a) Basis of preparation

The financial information for the year ended 31 January 2017 has been prepared in accordance with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards ("IFRS") and the Statement of Recommended Practice (the "SORP") provisions currently in effect issued by the Association of Investment Companies in November 2014.

IFRS comprises standards and interpretations approved by the International Accounting Standards Board and the IFRS Interpretations Committee as adopted in the European Union as at 31 January 2017.

These financial statements have been prepared on a going concern basis and on the historical cost basis of accounting, modified for the valuation of certain assets at fair value.

The principal accounting policies adopted are set out below. These policies have been applied consistently throughout the current and prior year.

In order to reflect the activities of an investment trust company, supplementary information which analyses the income statement between items of revenue and capital nature has been presented alongside the income statement. In analysing total income between capital and revenue returns, the directors have followed the guidance contained in the Statement of Recommended Practice for investment trusts issued by the Association of Investment Companies in November 2014. The following requirements of the SORP have been followed:

- Capital gains and losses on investments sold and on investments held arising on the revaluation or disposal of investments classified as held at fair value through profit or loss should be shown in the capital column of the income statement.
- The income statement shows a revenue column and a capital column prepared in accordance with the guidance per the SORP.
- Returns on any share or debt security for a fixed amount (whether in respect of dividends, interest or otherwise) should be shown in the revenue column of the income statement.
- The Board should determine whether the indirect costs of generating capital gains should also be shown in the capital column of the income statement. If the Board decides that this should be so, the management fee should be allocated between revenue and capital in accordance with the Board's expected long term split of returns, and other expenses should be charged to capital only to the extent that a clear connection with the maintenance or enhancement of the value of investments can be demonstrated.

The accounting policy regarding the allocation of expenses is set out in note 1(h).

In accordance with IFRS 10 (amended), the Company is deemed to be an investment entity on the basis that:

(a) it obtains funds from one or more investors for the purpose of providing investors with investment management services;

(b) it commits to its investors that its business purpose is to invest funds for both returns from capital appreciation and, investment income; and

(c) it measures and evaluates the performance of substantially all of its investments on a fair value basis.

As a result, the Company's subsidiaries are included in unquoted investments at fair value as the subsidiaries are also deemed to be investment entities.

Future changes to accounting policies

The following standards have been published and will be mandatory for the Company in the future.

IFRS 9 – Financial instruments (mandatory for the Company from the year to 31 January 2019)

IFRS 15 – Revenue from Contracts with Customers (year to 31 January 2018).

These are not currently expected to have a significant effect on the financial statements.

(b) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss; and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The classification of financial assets is determined at initial recognition.

Financial assets at fair value through profit or loss

The Company classifies its quoted and unquoted investments as financial assets at fair value through profit or loss. These assets are measured at subsequent reporting dates at fair value and further details of the accounting policy are disclosed in note 1(c).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are classified as current assets and measured at amortised cost using the effective interest method. The Company's loans and receivables comprise cash and cash equivalents and trade and other receivables in the balance sheet.

(c) Investments

All investments are designated upon initial recognition as held at fair value through profit or loss (described in these financial statements as investments held at fair value) and are measured at subsequent reporting dates at fair value. Changes in the value of all investments held at fair value, which include returns on those investments such as dividends and interest, are recognised in the income statement and are allocated to the revenue column or the capital column in accordance with the SORP (see note 1(a)). More detail on certain categories of investment is set out below. Given that the subsidiaries and associates are held at fair value and are exposed to materially similar risks as the Company, we do not expect the risks to materially differ from those disclosed in note 17.

Unquoted investments

Fair value for unquoted investments is established by using various valuation techniques.

Funds and co-investments are valued at the underlying investment manager's valuation where this is consistent with the requirement to use fair value.

Where this is not the case, adjustments are made or alternative methods are used as appropriate. The most common reason for adjustments is to take account of events occurring after the date of the manager's valuation, such as realisations.

The fair value of direct unquoted investments is calculated in accordance with the 2015 International Private Equity and Venture Capital Valuation Guidelines. The primary valuation methodology used is an earnings multiple methodology, with other methodologies used where they are more appropriate.

Quoted investments

Quoted investments are held at the last traded bid price on the balance sheet date. When a purchase or sale is made under contract, the terms of which require delivery within the timeframe of the relevant market, the contract is reflected on the trade date.

Subsidiary undertakings

The investments in the subsidiaries are recognised at fair value through profit and loss.

The valuation of the subsidiaries is shown net of an accrual for the estimated value of interests in the co-investment incentive scheme. Under these arrangements, ICG and certain of its executives and, in respect of certain historic investments, the executives and connected parties of Graphite Capital Management LLP (the "Former Manager") (together "the Co-investors"), are required to co-invest alongside the Company, for which they are entitled to a share of investment profits if certain performance hurdles are met. These arrangements are discussed further in the Report of the Directors on page 70. At 31 January 2017, the accrual was estimated as the theoretical value of the interests if the portfolio had been sold at the carrying value at that date.

Associates

Investments which fall within the definition of an associate under IAS 28 (Investments in associates) are accounted for as investments held at fair value through profit or loss, as permitted by that standard.

The Company holds an interest (including indirectly through its subsidiaries) of more than 20% in a small number of investments that may normally be classified as subsidiaries or associates. These investments are not considered subsidiaries or associates as the Company does not exert control or significant influence over the activities of these companies/partnerships as they are managed by other third parties.

(d) Receivables

Receivables include unamortised fees which were incurred directly in relation to the agreement of a financing facility. These fees will be amortised over the life of the facility on a straight line basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash and short term bank deposits with an original maturity of three months or less.

(f) Dividend distributions

Dividend distributions to shareholders are recognised in the period in which they are paid or approved.

(g) Income

When it is probable that economic benefits will flow to the Company and the amount can be measured reliably, interest is recognised using the effective interest method.

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on equity shares where no ex-dividend date is applicable are brought into account when the Company's right to receive payment is established.

Income distributions from funds are recognised when the right to distributions is established.

(h) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated to the revenue column in the income statement, consistent with the SORP, with the following exceptions:

- Expenses which are incidental to the acquisition of investments (transaction costs) are allocated to the capital column.
- Expenses which are incidental to the disposal of investments are deducted from the disposal proceeds of investments and therefore also effectively allocated to the capital column.
- The Board expects the substantial majority of long term returns from the portfolio to be generated from capital gains. The investment management and

- bank facility charges have been allocated 75% to the capital column and 25% to the revenue column in line with this expectation.
- Other expenses are allocated to the capital column where a clear connection with the maintenance or enhancement of the value of investments can be demonstrated.

All expenses allocated to the capital column are treated as realised capital losses (see note 1(k)).

(i) Taxation

Investment trusts which have approval as such under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

Tax recognised in the income statement represents the sum of current tax and deferred tax charged or credited in the year. The tax effect of different items of expenditure is allocated between capital and revenue on the same basis as the particular item to which it relates.

Deferred tax is the tax expected to be payable or recoverable on the difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are not recognised in respect of tax losses carried forward to future periods.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets are realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(j) Foreign currency translation

The functional currency of the Company is sterling since that is the currency of the primary economic environment in which the Company operates. The presentation currency for the Company is also sterling.

Transactions in currencies other than sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, financial assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the balance sheet date.

Gains and losses arising on the translation of investments held at fair value are included within gains and losses on investments held at fair value in the income statement. Gains and losses arising on the translation of other financial assets and liabilities are included within foreign exchange gains and losses in the income statement.

(k) Revenue and capital reserves

The revenue return component of total income is taken to the revenue reserve within the Statement of Changes in Equity. The capital return component of total income is taken to the capital reserve within the Statement of Changes in Equity.

Gains and losses on the realisation of investments including realised exchange gains and losses and expenses of a capital nature are taken to the realised capital reserve (see note 1(h)). Changes in the valuations of investments which are held at the year end and unrealised exchange differences are accounted for in the unrealised capital reserve.

The revenue reserve is distributable by way of dividends to shareholders. The realised capital reserve is distributable by way of share buy backs.

(l) Treasury Shares

Shares that have been repurchased into treasury remain included in the share capital balance, unless they are cancelled.

(m) Critical estimates and assumptions

Estimates and judgements used in preparing the financial information are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable. The resulting estimates will, by definition, seldom equal the related actual results.

The only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the valuation of unquoted investments. Note 1(c) sets out the accounting policy for unquoted investments.

Judgement is required in order to determine appropriate valuation methodologies and subsequently in determining the inputs into the valuation models used.

Judgment is also required when determining whether the underlying investment managers' valuations are consistent with the requirements to use fair value.

(n) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the segments has been identified as the Board. It is considered that the Company's operations comprise a single operating segment.

2 INVESTMENT RETURNS

	Year ended 31 January 2017 £'000	Year ended 31 January 2016 £'000
Income from investments		
Dividends from UK companies	91	658
UK investment income	3,902	2,752
Overseas interest and dividends	5,899	8,690
	9,892	12,100
Other income		
Deposit interest on cash	242	309
Other	17	115
	259	424
Total income	10,151	12,524
Analysis of income from investments		
Quoted in the United Kingdom	91	658
Unquoted	9,801	11,442
	9,892	12,100

3 INVESTMENT MANAGEMENT CHARGES

	Year ended 31 January 2017			Year ended 31 January 2016		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management charge	1,552	4,657	6,209	1,415	4,244	5,659
Irrecoverable VAT	–	–	–	94	16	110
	1,552	4,657	6,209	1,509	4,260	5,769

Following the appointment of ICG as manager on 1 February 2016, the management fee charged for managing the Company was reduced to 1.4% (from 1.5%) of the value of invested assets and 0.5% of outstanding commitments, in both cases excluding funds managed by Graphite Capital Management LLP and ICG. No fee is charged on cash or liquid asset balances. The amounts payable during the year are set out above.

Management charges for 2016 set out in the table above were payable to Graphite Capital Management LLP, the Former Manager, for managing the Company. The Former Manager is a related party for the purposes of the year ended 31 January 2016.

The allocation of the total investment management charges was unchanged in 2017 with 75% of the total allocated to capital and 25% allocated to revenue.

3 INVESTMENT MANAGEMENT CHARGES (CONTINUED)

The table below sets out the management charges that the Company has borne in respect of its investments in funds managed by the Former Manager in periods when the Former Manager was a related party, and those borne in respect of its investments in funds managed by the Manager in periods when the Manager was a related party.

	Year ended 31 January 2017 £'000	Year ended 31 January 2016 £'000
ICG Europe Fund VI	299	*
ICG Europe Fund V	320	*
ICG European Fund 2006B	94	*
ICG Strategic Secondaries Fund II	185	*
ICG Velocity Partners Co-Investor	115	*
ICG Asia Pacific III	124	*
Graphite Capital Partners VI**	*	(120)
Graphite Capital Partners VII	*	86
Graphite Capital Partners VIII	*	1,561
	1,137	1,527

*Not applicable as the manager of this fund was not a related party in the year.
**In the year to 31 January 2016, Graphite Capital Partners VI credited the Company with £120,000 of management charges.

4 OTHER EXPENSES

The Company did not employ any staff in the year to 31 January 2017 (2016: none).

	Year ended 31 January 2017		Year ended 31 January 2016	
	£'000	£'000	£'000	£'000
Directors' fees (see note 5)		252		252
Fees payable to the Company's auditor for the audit of the Company's annual accounts	85		61	
Fees payable to the Company's auditor and its associates for other services:				
Audit of the accounts of the subsidiaries	53		35	
Audit-related assurance services	20		20	
Other services not covered above	6		6	
Total auditors' remuneration		164		122
Administrative expenses		840		987
		1,256		1361
Bank facility costs allocated to revenue		382		361
Expenses allocated to revenue		1,638		1,722
Bank facility costs allocated to capital		1,145		1,084
Transaction costs allocated to capital		–		39
Expenses allocated to capital		1,145		1,123
Total other expenses		2,783		2,845

5 DIRECTORS' REMUNERATION AND INTERESTS

The fees paid by the Company to the directors are shown in the Directors' Remuneration section on page 76. No income was received or receivable by the directors from any other entity in the Company. The directors' interests in the share capital of the Company are shown in the Report of the Directors on page 79.

6 TAXATION

In both the current and prior years the tax charge was lower than the standard rate of corporation tax, principally due to the Company's status as an investment trust, which means that capital gains are not subject to corporation tax. The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly the Company's profits for the year ended 31 January 2017 are taxed at an effective rate of 20% (2016: 20.17%). The effect of this and other items affecting the tax charge is shown in note 6(b) below.

	Year ended 31 January 2017 £'000	Year ended 31 January 2016 £'000
a) Analysis of charge in the year		
Tax charge on items allocated to revenue	787	1,292
Tax charge on items relating to prior years	397	–
Total tax charge allocated to revenue	1,184	1,292
Tax credit on items allocated to capital	(787)	(1,292)
Corporation tax	397	–
b) Factors affecting tax charge for the year		
Profit on ordinary activities before tax	109,346	38,418
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20.17%)	21,869	7,749
Effect of:		
– net investment returns not subject to corporation tax	(21,637)	(6,960)
– dividends not subject to corporation tax	(526)	(133)
– expenses not deductible for tax purposes	–	20
– current year management expenses not utilised/(utilised)	294	(206)
– other deductions	–	(470)
– overseas tax suffered	397	–
Total tax charge	397	–

The Company has no carried forward excess management expenses (2016: nil). There are no carried forward deferred tax assets or liabilities (2016: nil). Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments. For all investments the tax base is equal to the carrying amount.

The total tax charge for the year relates to the write off of irrecoverable Italian withholding tax previously recognised on the balance sheet.

7 EARNINGS PER SHARE

	Year ended 31 January 2017	Year ended 31 January 2016
Revenue return per ordinary share	8.13p	11.07p
Capital return per ordinary share	145.30p	42.06p
Earnings per ordinary share (basic and diluted)	153.43p	53.13p

Revenue return per ordinary share is calculated by dividing the revenue return attributable to equity shareholders of £5.8m (2016: £8.0m) by the weighted average number of ordinary shares outstanding during the year.

Capital return per ordinary share is calculated by dividing the capital return attributable to equity shareholders of £103.2m (2016: £30.4m) by the weighted average number of ordinary shares outstanding during the year.

Basic and diluted earnings per ordinary share are calculated by dividing the earnings attributable to equity shareholders of £108.9m, (2016: £38.4m) by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding (excluding those held in treasury) during the year was 71,010,218 (2016: 72,310,909). There were no potentially dilutive shares, such as options or warrants, in either year.

8 DIVIDENDS

	Year ended 31 January 2017 £'000	Year ended 31 January 2016 £'000
Final in respect of year ended 31 January 2016: 6.0p (PY: 10.0p) per share	4,280	7,232
Special in respect of year ended 31 January 2016: 0p (PY: 5.5p) per share	–	3,977
Interim in respect of year ended 31 January 2017: 10.0p (PY: 5.0p) per share	7,077	3,607
Total	11,357	14,816

The Board has proposed a final dividend of 10.0p per share in respect of the year ended 31 January 2017 which, if approved by shareholders, will be paid on 20 June 2017, to shareholders on the register of members at the close of business on 2 June 2017.

9 SUBSIDIARY UNDERTAKINGS AND UNCONSOLIDATED STRUCTURED ENTITIES

Subsidiary undertakings

ICG Enterprise Trust Limited Partnership (97.5% owned), ICG Enterprise Trust Co-investment Limited Partnership (99.0% owned) and ICG Enterprise Trust (2) Limited Partnership (97.5% owned) ("the Partnerships"), which are registered in England, are subsidiary undertakings at 31 January 2017.

In accordance with IFRS10 (amended), the Partnerships are not consolidated and are instead included in unquoted investments at fair value.

The value of the subsidiaries is shown net of an accrual for the interests of the Co-investors in the co-investment incentive scheme. As at 31 January 2017, £20.8m (2016: £11.9m) was accrued in respect of these interests at the year end. During the year, the Co-investors invested £0.2m and received payments of £1.4m. More than 90% of payments related to investments made in 2008 or before, reflecting the very long term nature of the incentive scheme. See page 72 for further details of the operation of the scheme.

Unconsolidated structured entities

The Company's principal activity is investing in private equity funds and directly into private companies. Such investments may be made and held via a subsidiary. The majority of these investments are unconsolidated structured entities as defined in IFRS 12.

The Company holds interests in closed ended limited partnerships which invest in underlying companies for the purposes of capital appreciation. The Company and the other limited partners make commitments to finance the investment programme of the relevant manager, who will typically draw down the amount committed by the limited partners over a period of four to six years.

The table below classifies the Company's interests in unconsolidated structured entities by manager (Graphite Capital, the former Manager; ICG, the Manager; or other third party managers) and by type of investment (fund, giving exposure to a portfolio of companies, or co-investment, giving exposure to a single company in each case). The table presents for each category the related balances and the maximum exposure to loss.

As at 31 January 2017	Unquoted investments £'000	Co-investment incentive scheme accrual £'000	Total £'000	Maximum loss exposure £'000
Graphite Capital fund investments	95,979	–	95,979	95,979
Graphite Capital co-investments	39,521	(1,779)	37,742	37,742
ICG fund investments	48,660	(719)	47,941	47,941
ICG co-investments	11,625	(457)	11,168	11,168
Third party fund investments	308,678	(13,061)	295,617	295,617
Third party co-investments	83,464	(4,288)	79,176	79,176
	587,927	(20,304)	567,623	567,623

9 SUBSIDIARY UNDERTAKINGS AND UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

As at 31 January 2016	Unquoted investments £'000	Co–investment incentive scheme accrual £'000	Total £'000	Maximum loss exposure £'000
Graphite Capital fund investments	73,519	–	73,519	73,519
Graphite Capital co-investments	32,381	(929)	31,452	31,452
ICG fund investments	15,859	(341)	15,518	15,518
ICG co-investments	11,979	(332)	11,647	11,647
Third party fund investments	233,240	(7,948)	225,292	225,292
Third party co-investments	56,007	(1,919)	54,088	54,088
	422,985	(11,469)	411,516	411,516

The Company also holds investments of £4.1m (2016:£2.6m) that are not unconsolidated structured entities. In addition the Company also holds quoted stock investments of £0.4m (2016:nil). Further details of the Company's investment portfolio are included in the Supplementary Information section on pages 21 to 33.

10 INVESTMENTS

The tables below analyse the movement in the carrying value of the investment portfolio in the year. In accordance with accounting standards, this note has been prepared on a fund-level basis rather than an underlying investment basis.

A fund is considered to generate realised gains if it is more than 85% drawn and has returned at least the amount invested by the Company. All gains and losses arising from the underlying investments of such funds are presented as realised. All gains and losses in respect of other funds are presented as unrealised.

Direct investments are considered realised when they are sold.

Investments are held by both the Company and through the underlying subsidiary Partnerships. An analysis of gains and losses on a looking –through legal structure on an underlying investment basis is presented on page 11 of the Portfolio Review.

	Quoted £'000	Unquoted £'000	Subsidiary Undertakings £'000	Total £'000
Cost at 1 February 2016	–	264,466	28,184	292,650
Unrealised appreciation at 1 February 2016	–	92,473	28,984	121,457
Valuation at 1 February 2016	–	356,939	57,168	414,107
Movements in the year:				
Purchases at cost	460	102,161	12,097	114,718
Sales				–
– capital proceeds	(29)	(61,809)	–	(61,838)
– realised gains and losses based on carrying value at previous balance sheet date	–	844	–	844
Movement in unrealised appreciation	(67)	92,964	11,453	104,350
Valuation at 31 January 2017	364	491,099	80,718	572,181
Cost at 31 January 2017	432	333,579	40,281	374,292
Unrealised appreciation at 31 January 2017	(68)	157,520	40,437	197,889
Valuation at 31 January 2017	364	491,099	80,718	572,181

10 INVESTMENTS (CONTINUED)

	Quoted £'000	Unquoted £'000	Subsidiary Undertakings £'000	Total £'000
Cost at 1 February 2015	1,890	272,632	29,410	303,932
Unrealised appreciation at 1 February 2015	3,072	85,198	26,807	115,077
Valuation at 1 February 2015	4,962	357,830	56,217	419,009
Movements in the year:				
Purchases at cost	–	52,500	(1,222)	51,278
Sales				
– capital proceeds	(5,291)	(84,650)	–	(89,941)
– realised gains and losses based on carrying value at previous balance sheet date	–	5,544	–	5,544
Movement in unrealised appreciation	329	25,715	2,173	28,217
Valuation at 31 January 2016	–	356,939	57,168	414,107
Cost at 31 January 2016	–	264,466	28,184	292,650
Unrealised appreciation at 31 January 2016	–	92,473	28,984	121,457
Valuation at 31 January 2016	–	356,939	57,168	414,107

	31 January 2017 £'000	31 January 2016 £'000
Realised gains based on cost	28,762	27,381
Amounts recognised as unrealised in previous years	(27,918)	(21,837)
Realised gains based on carrying values at previous balance sheet date	844	5,544
Increase in unrealised appreciation	104,350	28,217
Gains on investments	105,194	33,761

10 INVESTMENTS (CONTINUED)

Related undertakings

At 31 January 2017, the Company held interests in three limited partnership subsidiaries, ICG Enterprise Trust Limited Partnership, ICG Enterprise Trust (2) Limited Partnership, and ICG Enterprise Trust Co-investment Limited Partnership. The value of these interests represented 89%, 70% and 100% (2016: 73%, 86% and 0%) respectively of the net assets of each partnership at the balance sheet date. The registered address and principal place of business of the partnerships is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU.

In addition the Company held an interest (including indirectly through its subsidiaries) of 20% or more in the following entities:

As at 31 January 2017

Investment	Instrument	% interest*
Cognito IQ Limited^	Preference shares	43.7%
Cognito IQ Limited^	Ordinary shares	34.1%
CSP Secondary Opportunities II Unit Trust**	Limited partnership interests	59.7%
Graphite Capital Partners VI+	Limited partnership interests	20.8%
Graphite Capital Partners VII Top Up Plus+	Limited partnership interests	20.0%
Graphite Capital Partners VIII Top Up+	Limited partnership interests	41.1%
Standard Brands (UK) Limited#	Ordinary shares	65.8%
The Groucho Club Limited***	Ordinary shares	21.6%
The Laine Pub Company Limited****	Preference shares	42.6%
The Laine Pub Company Limited****	Ordinary shares	32.4%

As at 31 January 2016

Investment	Instrument	% interest*
Cognito IQ Limited^	Preference shares	43.3%
Cognito IQ Limited^	Ordinary shares	32.5%
CSP Secondary Opportunities II Unit Trust**	Limited partnership interests	59.7%
Graphite Capital Partners VI+	Limited partnership interests	20.8%
Graphite Capital Partners VII Top Up Plus+	Limited partnership interests	20.0%
Graphite Capital Partners VIII Top Up+	Limited partnership interests	41.1%
Standard Brands (UK) Limited#	Ordinary shares	63.0%
The Groucho Club Limited***	Ordinary shares	21.6%
The Laine Pub Company Limited****	Preference shares	42.6%
The Laine Pub Company Limited****	Ordinary shares	30.0%

* The percentage shown for limited partnership interests represents the proportion of total commitments to the relevant fund. The percentage shown for shares represents the proportion of total shares in issue.
^ Address of principal place of business is Rivergate House, Newbury Business Park, London Road, Newbury, England, RG14 2PZ
** Address of principal place of business is No 1 Seaton Place, St Helier, Jersey JE4 8YJ
+ Address of principal place of business is Berkeley Square House, Berkeley Square, London, England, W1J 6BQ
# Address of principal place of business is Cleeve Court, Cleeve Rd, Leatherhead, England, KT22 7SD
***Address of principal place of business is 45 Dean Street, London, England, W1D 4QB
**** Address of principal place of business is Park House Crawley Business Quarter, Manor Royal, Crawley, West Sussex, England, RH10 9AD

These investments are not considered subsidiaries or associates as the Company does not exert control or significant influence over the activities of these companies/partnerships.

11 CASH AND CASH EQUIVALENTS

	31 January 2017 £'000	31 January 2016 £'000
Cash at bank and in hand	38,522	103,831

12 RECEIVABLES – CURRENT

	31 January 2017 £'000	31 January 2016 £'000
Prepayments and accrued income	939	1,912
Subsidiary undertakings	1,445	2,126
	2,384	4,038

As at 31 January 2017, prepayments and accrued income included £0.5m (2016: £1.0m) of unamortised costs in relation to the bank facility. Of this amount £0.3m (2016: £0.5m) is expected to be amortised in less than one year.

13 PAYABLES – CURRENT

	31 January 2017 £'000	31 January 2016 £'000
Accruals	354	537
Other creditors	–	97
	354	634

14 SHARE CAPITAL

Equity share capital	Number	Authorised Nominal £'000	Number	Issued and fully paid Nominal £'000
Balance at 31 January 2016 and 31 January 2017	120,000,000	12,000	72,913,000	7,292

All ordinary shares have a nominal value of 10.0p. At 31 January 2017, 72,913,000 shares had been allocated, called up and fully paid. Of this total, the Company held 2,568,508 shares in treasury (2016: 1,586,163) leaving 70,344,492 (2016: 71,326,837) shares not held in treasury, all of which have equal voting rights. The market value of the Company's ordinary shares at 31 March 1982 was 16p.

15 NET ASSET VALUE PER SHARE

The net asset value per share is calculated on equity attributable to equity holders of £612.7m (2016: £521.3m) and on 70,344,492 (2016: 71,326,837) ordinary shares in issue at the year end. There were no potentially dilutive ordinary shares, such as options or warrants, at either year end. Calculated on both the basic and diluted basis the net asset value per share was 871.0p (2016: 730.9p).

16 CAPITAL COMMITMENTS AND CONTINGENCIES

The Company and its subsidiaries had uncalled commitments in relation to the following portfolio investments.

	31 January 2017 £'000	31 January 2016 £'000
Graphite Capital Partners VIII *	39,827	56,019
Graphite Capital Partners VII * / **	4,745	7,644
Graphite Capital Partners VI **	2,084	2,084
Total Graphite funds	**46,656**	65,747
ICG Strategic Secondaries Fund II	14,005	–
ICG Europe VI **	12,101	11,327
ICG Asia Pacific Fund III	9,510	–
ICG Velocity Partners Co-Investor **	2,270	–
ICG European Fund 2006 B **	2,065	8,937
ICG Europe V **	1,191	514
Total ICG funds	**41,142**	20,778
Sixth Cinven Fund	17,166	–
BC European Capital X	12,874	4,567
Advent Global Private Equity VIII	12,604	–
Thomas H Lee Equity Fund VII	11,609	12,449
Charterhouse Capital Partners X	10,803	11,442
Silverfleet II	10,388	11,442
PAI Europe VI	10,386	10,624
Gridiron Capital Fund III	8,223	–
Permira VI	8,197	–
Activa Capital Fund III	7,673	9,218
CVC European Equity Partners VI	7,616	9,724
IK VIII	7,072	–
Doughty Hanson & Co V **	6,534	5,807
The Fourth Alcuin Fund	6,471	8,541
Bowmark Capital Partners V	5,760	7,091
Bain Capital Europe IV	5,539	4,745
Piper Private Equity Fund VI	4,925	–
Harwood Private Equity IV	4,447	6,600
Nordic Capital Partners VIII	3,572	3,913
One Equity Partners VI	3,413	–
Egeria Private Equity Fund IV	3,164	4,771
TDR Capital III	3,004	4,119
GCP Capital Partners Europe II **	2,901	1,526
TowerBrook IV	2,832	2,843
Fifth Cinven Fund	2,658	4,945
Hollyport Secondary Opportunities V	2,250	6,975
BC European Capital IX **	2,158	4,567
Commitments of less than £2,000,000 at 31 January 2017	28,262	31,338
Total third party	**212,501**	167,247
Total commitments	**300,299**	253,772

* Includes the associated Top Up Funds.
** Includes interest acquired through a secondary fund purchase.

As at 31 January 2017, the Company (excluding its subsidiaries) had uncalled commitments in relation to the above portfolio of £232.9m (2016: £216.1m).

17 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is an investment company as defined by section 833 of the Companies Act 2006 and conducts its affairs so as to qualify as an investment trust under the provisions of section 1158 of the Corporation Tax Act 2010 ("Section 1158"). The Company's objective is to provide shareholders with long term capital growth through investment in unquoted companies, mostly through specialist funds but also directly.

Investments in funds have anticipated lives of approximately ten years. Direct investments are made with an anticipated holding period of between three and five years. Investment agreements will, however, usually provide that any loans advanced to investee companies are for a longer period than this. The agreements will usually provide for repayments to be made by instalments with provision for full repayment on sale or flotation.

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (comprising currency risk, interest rate risk and price risk), investment risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Manager has overall responsibility for managing the risks and the framework for monitoring and coordinating these risks. This is monitored by the Board. The Company's financial risk management objectives and processes used to manage these risks have not changed from the previous period and the policies are set out below:

Market risk

(i) Currency risk

The Company's investments are principally in the UK and continental Europe and are primarily denominated in sterling and in euros. There are also smaller amounts in US dollars and in other European currencies. The Company is exposed to currency risk in that movements in the value of sterling against these foreign currencies will affect the net asset value and the cash required to fund undrawn commitments. The Board regularly reviews the level of foreign currency denominated assets and outstanding commitments in the context of current market conditions and may decide to buy or sell currency or put in place currency hedging arrangements.

The composition of the net assets of the Company by currency at the year end is set out below:

31 January 2017	Sterling £'000	Euro £'000	Other £'000	Total £'000
Investments	274,454	223,854	73,873	572,181
Cash and cash equivalents and other net current assets	33,447	2,611	4,494	40,552
	307,901	226,465	78,367	612,733

31 January 2016	Sterling £'000	Euro £'000	Other £'000	Total £'000
Investments	203,837	115,851	94,419	414,107
Cash and cash equivalents and other net current assets	87,093	12,359	7,783	107,235
	290,930	128,210	102,202	521,342

These figures are based on the currency of the location of the underlying portfolio companies' headquarters.

The effect of a 25% increase or decrease in the sterling value of the euro would be a fall and a rise of £36.5m and £36.3m in the value of shareholders' equity at 31 January 2017 respectively (2016: £28.9m and £27.9m based on 25% increase or decrease). The effect of a 25% increase or decrease in the sterling value of the euro on profit after tax would be a fall and a rise of £18.9m and £60.6m (2016: £30.6m and £30.6m based on 25% increase or decrease). The percentages applied are based on market volatility in exchange rates over recent periods.

(ii) Interest rate risk

The fair value of the Company's investments and cash balances are not directly affected by changes in interest rates.

17 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iii) Price risk

The risk that the value of a financial instrument will change as a result of changes to market prices is one that is fundamental to the Company's objective, which is to provide long term capital growth through investment in unquoted companies. The investment portfolio is continually monitored to ensure an appropriate balance of risk and reward in order to achieve the Company's objective. No hedging of this risk is undertaken.

The Company is exposed to the risk of change in value of its private equity investments. For all investments the market variable is deemed to be the price itself. The table below shows the impact of a 30% increase or decrease in the valuation of the investment portfolio. The percentages applied are reasonable based on the managers' expectation of potential changes in portfolio valuation in light of volatility in the market.

	31 January 2017		31 January 2016	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
30% (2016: 30%) movement in the price of investments				
Impact on profit after tax	199,156	(157,465)	128,053	(128,133)
Impact as a percentage of profit after tax	182.8%	(144.5%)	285.8%	(286.0%)
Impact on shareholders' equity	165,350	(168,413)	118,036	(121,208)
Impact as a percentage of shareholders' equity	27.0%	(27.5%)	22.6%	(23.2%)

Investment and credit risk

(i) Investment risk

Investment risk is the risk that the financial performance of the companies in which ICG Enterprise invests either improves or deteriorates, thereby affecting the value of that investment. Investments in unquoted companies whether indirectly or directly are by their nature subject to potential investment losses. The investment portfolio is highly diversified.

(ii) Credit risk

The Company's exposure to credit risk arises principally from its investment in cash deposits. The Company aims to invest the majority of its liquid portfolio in assets which have low credit risk. The Company's policy is to limit exposure to any one investment to 15% of gross assets. This is regularly monitored by the Manager as a part of its cash management process.

Cash is held on deposit with three UK banks and totalled £38.5m (2016: £103.8m). Of this amount £25.1m was deposited at Lloyds Bank ("Lloyds"), which currently has a credit rating of BAA1 from Moody's, and this represents the maximum exposure to credit risk at the balance sheet date. No collateral is held by the Company in respect of these amounts. None of the Company's cash deposits were past due or impaired at 31 January 2017 (2016: nil).

Liquidity risk

The Company has significant investments in unquoted companies and funds which are inherently illiquid. The Company also has substantial undrawn commitments to funds, the great majority of which are likely to be called over the next five years. The Company aims to manage its affairs to ensure sufficient cash, other liquid assets and undrawn borrowing facilities will be available to meet contractual commitments when they are called and also seeks to have cash generally available to meet other short term financial needs. All cash and cash equivalents are available on demand. The Company's liquidity management policy involves projecting cash flows and considering the level of liquidity necessary to meet these.

The Company has access to committed bank facilities of a headline £103.0m, which are structured as parallel sterling and euro facilities of £50.0m and €61.7m (£53.0m). The facilities are provided jointly by Lloyds and The Royal Bank of Scotland ("RBS"). Of the total facilities, £20.0m and €23.6m will expire in March 2020 after being renewed in March 2017 on the following basis:

- Upfront Cost: 90bps
- Non-utilisation fees: 90bps
- Margin: 300bps

The remaining balance of £30.0m and €38.1m will expire in April 2019.

As at 31 January 2017 the Company's financial liabilities amounted to £0.3m of payables (2016: £0.6m) which were due in less than one year.

17 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Capital risk management

The Company's capital is represented by its net assets, which are managed to achieve the Company's investment objective. The Company currently has no debt.

The Board can manage the capital structure directly since it has taken the powers, which it is seeking to renew, to issue and buy-back shares and it also determines dividend payments. The Company is subject to externally imposed capital requirements with respect to the obligation and ability to pay dividends by section 1159 Corporation Tax Act 2010 and by the Companies Act 2006, respectively.

Total equity at 31 January 2017, the composition of which is shown on the balance sheet was £612.7m (2016: £521.3m).

Fair value estimation

IFRS 7 requires disclosure of fair value measurements of financial instruments categorised according to the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The valuation techniques applied to level 1 and level 3 assets are described in note 1(c).

The sensitivity of the Company's investments to a change in value is discussed on pages 53 and 54.

The following table presents the assets that are measured at fair value at 31 January 2017. The Company had no financial liabilities measured at fair value at that date.

	Level 1 £'000	Level 2 £'000	Level 3 £'000
Investments held at fair value			
Unquoted investments – indirect	–	–	383,068
Unquoted investments – direct	–	–	108,031
Quoted investments – direct	364	–	–
Subsidiary undertakings	–	–	80,718
Total investments held at fair value	364	–	571,817

The following table presents the assets that are measured at fair value at 31 January 2016. The Company had no financial liabilities measured at fair value at that date.

	Level 1 £'000	Level 2 £'000	Level 3 £'000
Investments held at fair value			
Unquoted investments – indirect	–	–	272,495
Unquoted investments – direct	–	–	84,444
Quoted investments – direct	–	–	–
Subsidiary undertakings	–	–	57,168
Total investments held at fair value	–	–	414,107

All unquoted and quoted investments are valued at fair value in accordance with IFRS 13.

17 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The following tables present the changes in level 3 instruments for the year to 31 January 2017.

31 January 2017	Unquoted investments (indirect) at fair value through profit or loss £'000	Unquoted investments (direct) at fair value through profit or loss £'000	Subsidiary undertakings £'000	Total £'000
Opening balances	272,495	84,444	57,168	414,107
Additions	94,116	8,365	12,097	114,578
Disposals	(49,920)	(11,889)	–	(61,809)
Gains and losses recognised in profit or loss	66,377	27,111	11,453	104,941
Closing balance	383,068	108,031	80,718	571,817
Total gains for the year included in income statement for assets held at the end of the reporting period	45,734	19,838	11,453	77,025

The following tables present the changes in level 3 instruments for the year to 31 January 2016.

	Unquoted investments (indirect) at fair value through profit or loss £'000	Unquoted investments (direct) at fair value through profit or loss £'000	Subsidiary undertakings £'000	Total £'000
Opening balances	289,491	68,339	56,217	414,047
Additions	43,857	8,643	(1,226)	51,274
Disposals	(77,790)	(6,860)	–	(84,650)
Gains and losses recognised in profit or loss	16,937	14,322	2,177	33,436
Closing balance	272,495	84,444	57,168	414,107
Total gains for the year included in income statement for assets held at the end of the reporting period	16,937	14,322	2,177	33,436

18 RELATED PARTY TRANSACTIONS

Transactions between the Company and the Former Manager are disclosed in note 3. Significant transactions between the Company and its subsidiaries are shown below:

Subsidiary	Nature of transaction	Year ended 31 January 2017 £'000	Year ended 31 January 2016 £'000
ICG Enterprise Trust Limited Partnership	Increase in amounts owed to subsidiaries	3,338	3,549
	Income allocated	248	875
ICG Enterprise Trust (2) Limited Partnership	Increase/(decrease) in amounts owed to subsidiaries	1,683	(2,325)
	Income allocated	1080	1284
ICG Enterprise Trust Co – Investment Limited Partnership	Increase in amounts owed by subsidiaries	14,991	–
	Income allocated	204	–

Amounts owed by subsidiaries represent funding provided by the Company to its subsidiaries to allow them to make investments. The balances will be repaid out of proceeds from their portfolios.

	Amounts owed by subsidiaries		Amounts owed to subsidiaries	
Subsidiary	31 January 2017 £'000	31 January 2016 £'000	31 January 2017 £'000	31 January 2016 £'000
ICG Enterprise Trust Limited Partnership	–	–	28,709	25,371
ICG Enterprise Trust (2) Limited Partnership	36,939	35,678	2,944	–
ICG Enterprise Trust Co – Investment Limited Partnership	14,991	–	–	–

Transactions between the Company and its related undertakings:

During the 2016 financial year the Company made a £1.1m follow-on investment in Cognito IQ Limited, paid £0.1m of fees in respect of its investment in Standard Brands (UK) Limited and made an investment of £3.0m in The Groucho Club Limited. These entities are related undertakings of the Company as disclosed in Note 10.

A full list of related undertakings is presented in note 10.

Funds managed by the Company's current and Former Manager:

	Year ended 31 January 2017			Year ended 31 January 2016		
Fund	Original commitment £'000	Remaining commitment £'000	Fair value £'000	Original commitment £'000	Remaining commitment £'000	Fair value £'000
ICG Europe Fund VI*	21,457	12,101	9,683	10,763	11,327	48
ICG Europe Fund V*	13,198	1,191	10,828	7,176	514	7,797
ICG Europe Fund 2006B*	19,312	2,065	7,163	16,145	8,937	8,013
ICG Strategic Secondaires Fund II**	19,879	14,005	6,873	–	–	–
ICG Velocity Partners Co-Investor**	11,927	2,270	10,994	–	–	–
ICG Asia Pacific III**	11,927	9,510	3,119	–	–	–
Total	97,700	41,142	48,660	34,084	20,778	15,858

* Euro denominated positions translated to sterling at spot rate on 31 January 2016 and 31 January 2017.
** US dollar denominated positions translated to sterling at spot rate on 31 January 2016 and 31 January 2017.

At the balance sheet date the Company has fully funded its proportionate share of all commitments invested due to all ICG managed funds in which it is invested, including ICG Strategic Secondaries Fund II and ICG Europe Fund VI.

	Year ended 31 January 2016		
Fund	Original commitment £'000	Remaining commitment £'000	Fair value £'000
Graphite Capital Partners VIII	80,000	45,009	29,778
Graphite Capital Partners VIII Top Up Fund	20,000	11,010	6,547
Graphite Capital Partners VII	42,800	5,279	10,162
Graphite Capital Partners VII Top Up Fund	10,000	1,322	1,679
Graphite Capital Partners VII Top Up Fund Plus	6,000	1,042	1,508
Graphite Capital Partners VI	78,188	2,084	23,845
Graphite Capital Partners V	15,000	–	–
Total	251,988	65,746	73,519

The funds managed by the Former Manager are not considered a related party from 1 February 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;

and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Having taken advice from the Audit Committee, the directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed on pages 68 and 69, confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Mark Fane
4 May 2017

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ICG ENTERPRISE TRUST PLC

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, ICG Enterprise Trust plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 January 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Accounts (the "Annual Report"), comprise:

- the Balance Sheet as at 31 January 2017;
- the Income Statement for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

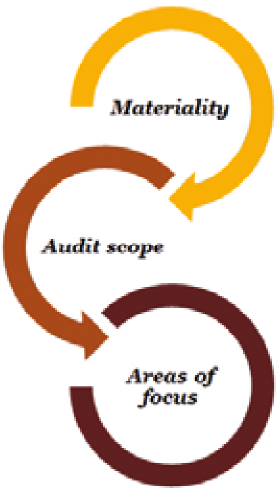
The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

OUR AUDIT APPROACH

Context

On 1 February 2016, ICG Alternative Investment Limited (a subsidiary of Intermediate Capital Group plc) became the Manager of ICG Enterprise Trust plc (formerly Graphite Enterprise Trust PLC) (the "Company") with Intermediate Capital Group plc acquiring the private equity fund investment business of Graphite Capital Management LLP (the "former Manager"). A number of investment professionals also transferred to Intermediate Capital Group plc at that time as part of the change of Manager.

Overview



- Overall materiality: £6.1 million which represents 1% of net assets.

- The Company is an investment company which has three subsidiaries, also investment companies, managing a widely diversified portfolio. The Company financial statements hold the subsidiaries as investments at fair value in accordance with IFRS 10; each subsidiary is a Limited Partnership.
- We audited the complete financial information of the Company and the three subsidiaries which accounted for all of the Company's income, its profit before tax, and net assets.
- We tailored the scope of our audit taking into account the types of investments within the Company, the accounting processes and controls, and the industry in which the Company operates.

- Valuation of unquoted investments.
- Recognition of investment income and gains / losses from investments.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICG ENTERPRISE TRUST PLC
CONTINUED

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

AREA OF FOCUS	HOW OUR AUDIT ADDRESSED THE AREA OF FOCUS
Valuation of unquoted investments *Refer to page 80 (Report of the Audit Committee), page 41 (Accounting Policies) and pages 47 to 49 (notes).* The investment portfolio at 31 January 2017 comprised direct co-investments and fund investments. We focused on the valuation of investments as investments represented a material balance in the financial statements (£572.2m) and the valuation assumptions used to derive fair value generally do not have observable inputs that reflect quoted prices in active markets and are therefore, more subjective. The valuation of investments is shown net of the incentive scheme accrual which represents amounts accruing to executives of the Manager's and former Manager's co-investment incentive scheme at the year end. The calculation is relatively complex and is dependent upon the valuations of the unquoted investments.	The majority of investments which are in private equity direct co-investments and private equity funds were valued by the Manager based on third party manager reports. We tested the process that the Manager used to value these investments. In particular, for funds and co-investments, we: • Checked a sample of the funds' and co-investments' most recent audited financial statements or latest investor capital statements to substantiate the valuations applied; • Understood the accounting policies of the underlying fund managers to assess whether they are in accordance with International Financial Reporting Standards and the International Private Equity and Venture Capital Valuation ('IPEV') guidelines; • Assessed the validity of any adjustments made by the Manager to reflect cash or quoted stock movements (for quoted investments in the underlying funds) between the reporting dates of the fund managers and 31 January 2017; • Checked the accuracy of a sample of prior year valuations based on estimated and unaudited reports, to their respective audited financial statements to assess the historical accuracy of the underlying fund managers' estimates; • Independently confirmed a sample of the valuations and percentage ownership with the underlying fund managers; and, • Recalculated the amounts due to executives of the former Manager and Manager under the incentive scheme accrual based on the methodology outlined in the subsidiary limited partnership agreements. Where applicable, we verified inputs to the calculation back to supporting documentation. No misstatements were identified in our testing of co-investments and investments in private equity funds which required reporting to those charged with governance.

AREA OF FOCUS	HOW OUR AUDIT ADDRESSED THE AREA OF FOCUS
Recognition of investment income and gains / losses from investments *Refer to page 80 (Audit Committee Report), page 41 (Accounting Policies) and pages 44 and 48 to 49 (notes).* Investment income comprises mainly dividends and distributions received from direct co-investments and fund investments. The majority of gains and losses on investments represent fair value changes in the value of investments over the financial year and gains and losses made on the disposal of investments. Unrealised fair value movements are based on the change in investment valuations which in themselves are subjective as noted above. Investment income and gains and losses on investments are measures used to calculate returns being achieved by the Company and so there is a potential incentive for the Manager to overstate this figure in order to enhance results. This, combined with the size of the balance, made this an area of focus.	We tested investment income receipts to supporting documentation by performing the following procedures: • Agreed amounts to bank statements; • Re-calculated distributions and dividends based on the terms of the agreements; • Agreed amounts to distribution notices received from the underlying fund manager of the fund investments and co-investments. We also assessed the appropriateness of the allocation of investment income and net gains between income and capital based on the requirements of the Association of Investment Companies Statement of Recommended Practice; • We recalculated unrealised gains and losses on investments based on the valuation movement in investments over the year. The calculation of these gains was supported by evidence obtained from the work we performed over investment valuations; and • We recalculated the realised gains and losses on investments based on distribution notices and dividends received. No misstatements were identified by our testing which required reporting to those charged with governance.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the company, the accounting processes and controls, and the industry in which the company operates.

The Company is an investment company which has three subsidiaries, also investment companies, managing a widely diversified portfolio. The Company financial statements hold the subsidiaries as investments at fair value in accordance with IFRS 10; each subsidiaries is a Limited Partnership. The Company and the subsidiaries are managed by ICG Alternative Investment Limited, part of Intermediate Capital Group plc (the "Manager").

We audited the complete financial information of the Company which included the financial information of the subsidiaries at fair value within the 'investments held at fair value' line of the Balance Sheet. This also included the incentive scheme accrual.

We tailored the scope of our audit taking into account the types of investments within the Company, the accounting processes and controls, and the industry in which the Company operates.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICG ENTERPRISE TRUST PLC CONTINUED

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£6.1 million (2016: £5.2 million).
How we determined it	1% of net assets.
Rationale for benchmark applied	We believed that net assets was the most appropriate benchmark because this is the key metric against which the performance of the Company is measured. It is also a generally accepted measure used for companies in this industry.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £306,000 (2016: £260,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the directors' statement, set out on page 74, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the company has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the company's ability to continue as a going concern.

OTHER REQUIRED REPORTING

Consistency of other information and compliance with applicable requirements

Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Directors. We have nothing to report in this respect.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

• information in the Annual Report is: - materially inconsistent with the information in the audited financial statements; or - apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or - otherwise misleading.	We have no exceptions to report.
• the statement given by the directors on page 58, in accordance with provision C.1.1 of the UK Corporate Governance Code (the "Code"), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the company's position and performance, business model and strategy is materially inconsistent with our knowledge of the company acquired in the course of performing our audit.	We have no exceptions to report.
• the section of the Annual Report on pages 80 to 81, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report.

The directors' assessment of the prospects of the company and of the principal risks that would threaten the solvency or liquidity of the company

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:

• the directors' confirmation on page 9 of the Annual Report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the directors' explanation on page 9 of the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

Under the Listing Rules we are required to review the directors' statement that they have carried out a robust assessment of the principal risks facing the company and the directors' statement in relation to the longer-term viability of the company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICG ENTERPRISE TRUST PLC CONTINUED

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report - Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the Code. We have nothing to report having performed our review.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Report of the Directors, we consider whether those reports include the disclosures required by applicable legal requirements.

Alex Bertolotti (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

4 May 2017

- The maintenance and integrity of the ICG Enterprise Trust plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GOVERNANCE

THE BOARD

Each of the members of the Board is an independent non-executive director

MARK FANE
Chairman

Mark Fane was appointed to the Board in 2000 and became Chairman of the Board in 2009. He was a non-executive director of Ottakar's from 1992 until its takeover by HMV in July 2006. He is Chairman and Chief Executive of Crocus.co.uk, an internet-based gardening retailer established in 1999. He is a non-executive director of the Royal Horticultural Society and Chairman of the RHS Investment Committee. He is also a non-executive director of Chatsworth House Trust and Chairman of the Garden Museum. He will retire from the Board following the 2017 Annual General Meeting.

PETER DICKS
Chairman of Audit Committee
Senior Independant Director

Peter Dicks was appointed to the Board in 1998. He was co-founder of Abingworth PLC, a venture capital investment company, where he worked from 1973 to 1991. Since then he has been non-executive director or chairman of a number of companies. He is currently a non-executive director of Interactive Investor plc, Mears Group PLC and Miton UK MicroCap Trust plc.

JEREMY TIGUE
Member of Audit Committee

Jeremy Tigue was appointed to the Board in 2008. He joined F&C Management in 1981 and was the fund manager of Foreign & Colonial Investment Trust from 1997 to 2014. He is Chairman of Syncona Limited and a non-executive director of The Mercantile Investment Trust plc, The Monks Investment Trust PLC and Standard Life Equity Income Trust PLC. Assuming he is re-elected at the 2017 Annual General Meeting, he will become Chairman of the Board from the end of the 2017 Annual General Meeting.

ANDREW POMFRET
Member of Audit Committee

Andrew Pomfret was appointed to the Board in March 2011. He joined Rathbone Brothers Plc as finance director in 1999, and served as chief executive from 2004 until February 2014. He is currently a director of the Wealth Management Association, a member of the Prudential Regulation Authority's Practitioner Panel, non-executive chairman of Miton UK MicroCap Trust plc and a non-executive director of Aberdeen New Thai Investment Trust PLC, Interactive Investor plc and Sanne Group Plc.

LUCINDA RICHES
Member of Audit Committee

Lucinda Riches was appointed to the Board in July 2011. She worked at UBS and its predecessor firms for 21 years until 2007 where she was a managing director, global head of Equity Capital Markets and a member of the board of the investment bank. She is a non-executive director of UK Financial Investments Limited, The Diverse Income Trust plc, The British Standards Institution, Ashtead Group plc and CRH plc. She is also a trustee of Sue Ryder.

SANDRA PAJAROLA
Member of Audit Committee

Sandra Pajarola was appointed to the Board in March 2013. She worked for 13 years at Partners Group, a very large global investor in private equity and other private assets, until 2012. She was a member of the Global Investment Committee which was responsible for commitments to more than 500 private equity funds.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2017

The directors present their report and the audited financial statements for the year ended 31 January 2017

The Directors' Report should be read in conjunction with the Chairman's Statement, Strategic Report, Portfolio Review and Market Review (pages 3 to 16) and the Directors' Remuneration section (pages 76 to 79).

Status of the Company
ICG Enterprise Trust plc ("the Company") is an investment company as defined by section 833 of the Companies Act 2006 and is registered and domiciled in England (number 1571089). During the year under review the Company carried on the business of an investment trust. The last accounting period for which the Company has been approved by HM Revenue & Customs in accordance with the provisions of Section 1158 of the Corporation Tax Act 2010 is the year ended 31 January 2016. The Company will retain its investment trust status with effect from 1 February 2016 provided it continues to satisfy the conditions of Section 1158 of the Corporation Tax Act 2010. The Company has subsequently directed its affairs with the objective of retaining such approval.

The Company's shares are eligible for tax-efficient wrappers such as Individual Savings Accounts (ISAs), Junior ISAs, and Self Invested Personal Pensions (SIPPs).

Reporting period
This Annual Report has been prepared for the year to 31 January 2017.

Investment policy
The Company's investment policy is set out on page 84. There have been no material changes to it since last year.

No material change will be made to the investment policy without prior shareholder approval.

Dividend
An interim dividend in respect of the year ended 31 January 2017 of 10.0p was paid on 21 October 2016. A final dividend of 10.0p per share will, if approved, be paid on 20 June 2017 to holders of ordinary shares on the register at the close of business on 2 June 2017. This would bring the total dividend for the year to 20.0p per share.

Directors
All of the directors listed on pages 68 and 69 held office throughout the year and up to the date of signing the financial statements.

Ms Pajarola is resident in Switzerland. All of the other directors of the Company are resident in the UK. The directors' biographical details demonstrate the wide range of skills and experience that they bring to the Board. In addition to the requirement of the Articles of Association that one third of the Board is subject to retirement each year, all directors are required to submit themselves for re-election at least every three years.

However, in accordance with corporate governance principles, the Board has decided that all directors will submit themselves for re-election every year.

Mr Fane is retiring from the Board and so will not stand for re-election. If re-elected by shareholders, Mr Tigue will become Chairman of the Board from the end of the 2017 Annual General Meeting.

Mr Dicks will be stepping down as Chairman of the Audit Committee from the end of the 2017 Annual General Meeting and will be replaced by Mr Pomfret if re-elected by shareholders.

Directors' remuneration
The Company has no employees or executive directors and consequently does not have a remuneration committee as recommended by the UK Corporate Governance Code.

The Directors' Remuneration Report, which shareholders will be asked to approve at the Annual General Meeting, can be found on pages 76 to 79.

Manager

On 1 February 2016, ICG Alternative Investment Limited ("ICG" or "the Manager") was appointed manager of the Company. ICG is authorised as an Alternative Investment Fund Manager and is regulated by the Financial Conduct Authority. The Manager was appointed in succession to Graphite Capital Management LLP ("Graphite Capital" or "the Former Manager") which acted as manager of the Company during the period prior to 31 January 2016.

The Manager provides investment management, company secretarial and general administrative services to the Company under a management agreement. This agreement can be terminated by either party giving not less than one year's notice.

The investment management fee payable under this new agreement is calculated as 1.4% of the investment portfolio (reduced from 1.5%) and 0.5% of outstanding commitments to funds in their investment periods, in both cases excluding the funds managed directly by Graphite Capital (see Figure 5.1) and now also excluding the funds managed directly by ICG (see Figure 5.2).

Certain Graphite Capital Funds are subject to separate arrangements which are set out below:

- For Graphite Capital Partners VIII, the annual management charge was 2.0% of original commitments.
- For the Top Up Funds, the annual management charge was 1.0% of the amounts drawn down and invested.
- For the remaining funds, the annual management charge was between 0.75% and 2.0% of the cost of unrealised investments
- These charges were at the same levels as those paid by third party investors in Graphite Capital funds.
- The incentive arrangements within these funds are comparable to those that are in place in the Company's co-investment incentive scheme (see next page).

The Board reviews the activities and performance of the Manager on an ongoing basis, and reviews the investment strategy annually.

The Board reviews the Company's investment record over short and long term periods, taking into account factors including the net asset value per share and the share price as well as the general competence of the Manager.

The Board also considers the performance of the Manager in carrying out its company secretarial and general administrative functions.

In addition, the Audit Committee carries out a formal assessment of the Manager's internal controls and risk management systems every year.

5 GOVERNANCE

Graphite Capital Funds
Fig: 5.1

Fund	31 January 2017 Original commitment £'000	31 January 2017 Remaining commitment £'000	31 January 2017 Fair value £'000	31 January 2016 Original commitment £'000	31 January 2016 Remaining commitment £'000	31 January 2016 Fair value £'000
Graphite Capital Partners VIII	80,000	28,963	45,014	80,000	45,009	29,778
Graphite Capital Partners VIII Top Up Fund	20,000	10,864	6,607	20,000	11,010	6,547
Graphite Capital Partners VII	42,800	3,474	10,653	42,800	5,279	10,162
Graphite Capital Partners VII Top Up Fund	10,000	671	1,569	10,000	1,322	1,679
Graphite Capital Partners VII Top Up Fund Plus	6,000	600	1,398	6,000	1,042	1,508
Graphite Capital Partners VI	78,188	2,084	30,738	78,188	2,084	23,845
Graphite Capital Partners V	15,000	–	–	15,000	–	–
Total	251,988	46,656	95,979	251,988	65,746	73,519

Based on the above, it is the Board's opinion that the continuing appointment of ICG as manager of the Company on the agreed terms is in the best interests of shareholders as a whole.

Co-investment incentive scheme

ICG and certain of its executives and, in respect of certain historic investments, the executives and connected parties of the Former Manager (together "the Co-investors"), are required to co-invest alongside the Company, for which they are entitled to a share of investment profits if certain performance hurdles are met, as set out below.

The Co-investors are required to contribute 0.5% of the cost of every new fund investment (excluding those by Graphite Capital funds, which have separate comparable arrangements, and any ICG fund investments made after 1 February 2016) and direct investment made by the Company.

If such an investment has generated at least an 8% per annum compound return in cash to the Company (the "Threshold"), the Co-investors are entitled to receive 10% of the Company's total gains from that investment, out of future cash receipts from the investment or, very rarely, in specie on the flotation of underlying portfolio companies.

For investments made before 24 May 2007, if the Threshold is not achieved the Co-investors do not recover their contribution. For investments made after 24 May 2007, the Co-investors recover their contribution at the same rate as the Company recovers the cost of its investment.

Further details of these arrangements can be found in notes 1 and 9 to the financial statements.

Capital

As at 31 January 2017, 72,913,000 ordinary shares of 10.0p each were in issue and fully paid, including 2,568,508 shares which were bought back into treasury. 3,308,508 Treasury Shares, representing 4.5% of the Company's share capital, were held as at 3 May 2017, being the latest practical date before publication of this document.

Resolutions will be proposed at the forthcoming AGM to:

- allot up to a maximum of 22,969,482 ordinary shares of 10p each, representing 33% of the Company's issued share capital (excluding shares held as Treasury Shares) (resolution 11 on page 86) as at 3 May 2017; and

ICG Funds
Fig: 5.2

Fund	31 January 2017 Original commitment £'000	31 January 2017 Remaining commitment £'000	31 January 2017 Fair value £'000	31 January 2016 Original commitment £'000	31 January 2016 Remaining commitment £'000	31 January 2016 Fair value £'000
ICG Europe Fund VI*	21,457	12,101	9,683	10,763	11,327	48
ICG Europe Fund V*	13,198	1,191	10,828	7,176	514	7,797
ICG European Fund 2006B*	19,312	2,065	7,163	16,145	8,937	8,013
ICG Strategic Secondaries Fund II**	19,879	14,005	6,873	–	–	–
ICG Velocity Partners Co-Investor**	11,927	2,270	10,994	–	–	–
ICG Asia Pacific III**	11,927	9,510	3,119	–	–	–
	97,700	41,142	48,660	34,084	20,778	15,858

* Euro denominated positions translated to sterling at spot rate on 31 January 2016 and 31 January 2017.
** US dollar denominated positions translated to sterling at spot rate on 31 January 2016 and 31 January 2017.

- disapply pre-emption rights on up to 10% of the issued share capital (excluding shares held as Treasury Shares) to enable the Board to re-issue any ordinary shares held in treasury without having first to offer them to all existing shareholders (resolution 12 on page 86); and to renew the directors' authority to buy back up to 10,433,713 ordinary shares (being 14.99% of the issued share capital (excluding shares held as Treasury Shares as at 3 May 2017)) subject to the constraints set out in the resolution (resolution 13 on page 87). The authority will be used where the directors consider it to be in the best interest of shareholders. It is the current intention of the Board that any shares thus purchased would be held as Treasury Shares.

Substantial share interests

At 3 May 2017, the Company had received no notifications of disclosable interests in its issued share capital.

Greenhouse gas emissions

The Company has no greenhouse gas emissions to report, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Transfer of shares and voting rights

All ordinary shares have equal voting rights. There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company, and no agreement to which the Company is party that affects its control following a takeover bid.

Corporate governance

The Company is committed to appropriate standards of corporate governance. The Board applied the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council in 2014 (the "Governance Code") during the year ended 31 January 2017. A copy of the Governance Code can be obtained from the website of the Financial Reporting Council (www.frc.org.uk).

The Board is currently comprised of six non-executive directors. There is no Chief Executive position within the Company as day-to-day management of the Company's affairs has been delegated to the Manager. The Board regularly reviews the independence of its members and, having due regard to the definitions and current guidelines on independence under the Governance Code, considers all directors to be independent. There are no relationships or circumstances relating to the Company that are likely to affect their judgement. Mr Dicks is the Senior Independent Director.

Number of meetings attended/eligible to attend in the year ended 31 January 2017

Fig: 5.3

	Board	Nominations	Audit
Mark Fane	4/4	2/2	–
Peter Dicks	4/4	2/2	3/3
Sandra Pajarola	4/4	2/2	3/3
Andy Pomfret	4/4	2/2	3/3
Lucinda Riches	4/4	2/2	3/3
Jeremy Tigue	4/4	2/2	3/3

It is the responsibility of the Board to ensure that there is effective stewardship of the Company's affairs. Strategic issues are determined by the Board and a formal schedule of operational matters reserved for the Board has been adopted. In order to enable them to discharge their responsibilities, directors have full and timely access to relevant information.

The Board, which meets at least four times each year, reviews the Company's investment portfolio and investment performance and considers financial reports. There is also contact with the directors between meetings where this is necessary for the Company's business.

There is an agreed procedure under which directors, wishing to do so in the furtherance of their duties, may take independent professional advice at the Company's expense. The directors also have access to the advice and services of the company secretary, which is a subsidiary of the Manager.

The quorum for any Board meeting is two directors but attendance by all directors at each meeting is strongly encouraged. During the year under review, four regular meetings were held and attended by all directors. A number of additional telephone meetings regarding routine matters were also held. In the cases where directors were unable to attend Board meetings, the relevant directors were contacted by the Chairman before and/or after the meeting to ensure that they were aware of the issues being discussed and to obtain their input.

During the year under review, the Board has maintained appropriate insurance cover in respect of legal action against the directors. The policy does not cover dishonest or fraudulent actions by the directors.

The Board has contractually delegated responsibility for management of the investment portfolio and the provision of accounting and company secretarial services to the Manager.

Custody of unquoted securities has been contractually delegated to an FCA regulated third party custodian, Aztec Financial Services (UK) Limited ("Aztec").

Aztec has also been appointed the Company's depositary, in accordance with the Alternative Investment Fund Managers Directive.

Custody of quoted securities has been contractually delegated to an FCA regulated third party custodian, Charles Stanley & Co Limited, although Aztec retains liability for safeguarding in respect of these assets.

Performance evaluation

The Board has a formal process for the annual evaluation of its own performance and that of the Chairman. This process is based on an open discussion and assessment of the Board and its committees, with the Chairman making recommendations to improve performance where necessary.

Nominations Committee

All of the directors serve on the Nominations Committee which meets when necessary to select and propose suitable candidates for appointment or reappointment to the Board. The Committee is chaired by Mr Fane. When making an appointment, the Board considers the existing composition of the Board to determine areas which require strengthening. Independent external consultants are used to help identify a shortlist of candidates. The Board's approach to diversity is discussed on page 9.

The Board's tenure and succession policy seeks to ensure that the Board is well balanced by the appointment of directors with a range of skills and experience. Candidates for the Board are assessed as to the appropriateness of their skills and experience prior to their appointment. New directors are given a detailed briefing on the workings of the Company by the Chairman and by executives of the Manager.

There were two meetings of the Committee during the year (2016: zero). Both related to the retirement of the Chairman and the proposal of the new Chairman, as well as a discussion of longer term succession planning. The new Chairman was appointed after a process led by the Senior Independent Director - no wider search was held due to the quality of the internal candidates available on the Board. As a further result of these discussions, Mr Dicks will step down as Chairman of the Audit Committee from this year's Annual General Meeting, to be replaced by Mr Pomfret, and the Committee has also adopted a Board Succession Plan to ensure that succession matters are appropriately considered in the coming years.

Going concern

Having reviewed the balance sheet and current activities of the Company, the directors believe that it is appropriate to continue to adopt the going concern basis of preparation of the Company's financial statements. The Company's business activities, together with factors likely to affect its future development, performance, position and cash flows are set out in the Chairman's Statement, Strategic Report, Portfolio Review and Market Review on pages 3 to 16.

Investor relations

Both the Company's Annual Report and Accounts, containing a detailed review of performance and of changes to the investment portfolio, and Interim Report, containing updated information in a more abbreviated form, are made available to investors either by post or through the Company's website. A copy of the latest analyst presentation is available on the Company's website. At the AGM, investors are given an opportunity to question the Chairman, the other directors and the Manager. The Manager holds regular discussions with shareholders and values the feedback obtained in this manner. The Board is kept informed of all material discussions with investors. In addition, the directors and in particular the Senior Independent Director, are available to enter into dialogue with shareholders on any relevant matter; they can be contacted via the registered office of the Company (see Useful Information section).

Disclosure of information to auditors

Each of the persons who are a director at the date of approval of this report confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(2) each director has taken all the steps that he or she ought to have taken as a director in order to become aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution re-appointing them and authorising the directors to determine their remuneration will be submitted at the AGM.

Annual General Meeting

The Annual General Meeting of the Company will be held at Stationers' Hall, Ave Maria Lane, London EC4M 7DD on 13 June 2017 at 2.00p.m. The resolutions are set out in the Notice of Meeting on page 86.

By order of the Board,

Company Secretary
ICG Nominees 2015 Limited

4 May 2017

DIRECTORS' REMUNERATION

REMUNERATION COMMITTEE

As the Board is comprised solely of non-executive directors, the Company does not have a Remuneration Committee. The determination of the directors' fees is dealt with by the whole Board.

STATEMENT BY CHAIRMAN OF THE BOARD

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Company presents its Remuneration Policy and Remuneration Report separately.

The remuneration policy sets out how the Company proposes to pay the directors, including each element of remuneration that the directors are entitled to and how this supports the Company's long term strategy and performance. All provisions of this policy are expected to remain in effect until the Annual General Meeting in 2017 when the Company is next required to submit its policy on the remuneration of its directors to the members. At the Annual General Meeting, the Remuneration Policy as set out below will be resubmitted to a vote of shareholders. No changes are proposed to the Remuneration Policy save for a proposal to increase the aggregate amount of directors fees.

The remuneration report sets out how the remuneration policy has been implemented in the year.

In accordance with the remuneration policy set out below, the Board performed an annual review of directors' fees. The fees payable to the directors were adjusted to reflect the growth of the Company and the remuneration levels of other comparable investment trusts.

COMPONENTS OF REMUNERATION PACKAGE

	Year ended 31 January 2017 £	Year ended 31 January 2016 £
Basic director's fee	34,300	33,600
Additional fee for chairman	20,100	19,700
Additional fee for chairman of the Audit Committee	5,500	5,400
Additional fee for other members of the Audit Committee	3,600	3,500

REMUNERATION POLICY

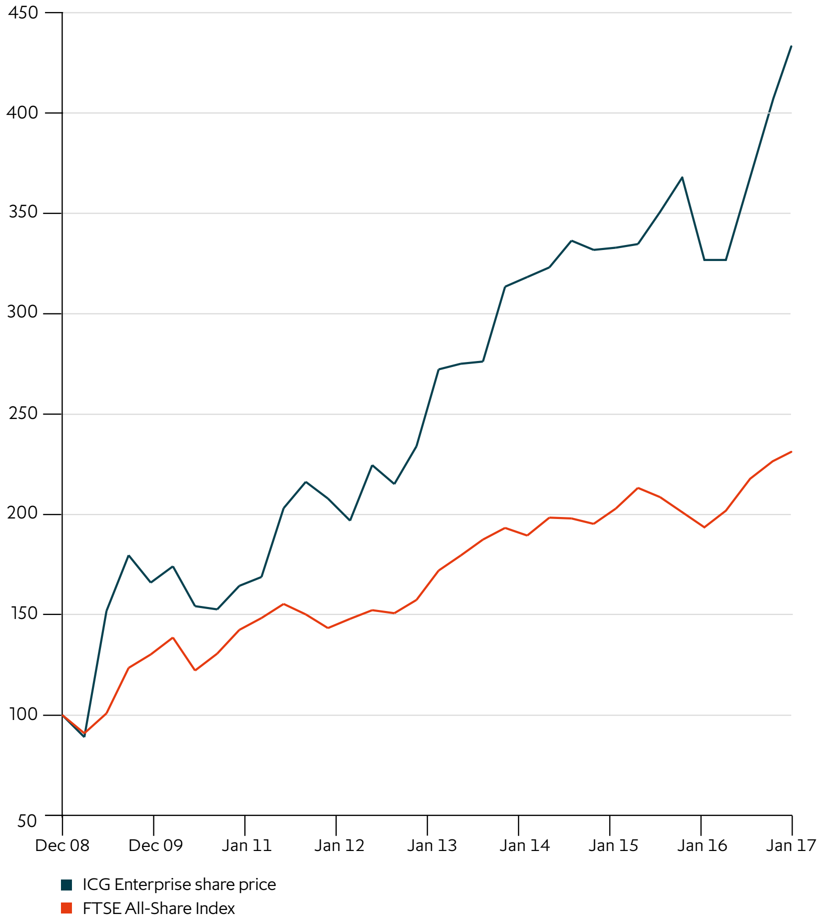
It is the Company's policy to determine the level of directors' fees having regard to the level of fees payable to non-executive directors in the industry generally, the role that individual directors fulfil, the time committed to the Company's affairs and the limits stated by the Company's Articles of Association. It is not the Company's policy to include an element of performance related pay. The remuneration policy is unchanged from the prior year.

The Company's performance is measured against the FTSE All-Share Index as this is considered to be the most appropriate benchmark.

The level of fees for directors is reviewed annually, in arrears, by the Board and any adjustment back-dated to the start of the financial year. For example, the level of fees for the year ending 31 January 2018 will be determined towards the end of that financial year.

Share price performance*

Fig: 6.1



* On a total return basis (i.e. including the effect of re-invested dividends)

Until the review is completed, the directors will be remunerated at levels for the year to 31 January 2017 set out above.

The Articles of Association currently limit the aggregate fees payable to the directors to a total of £300,000 per annum. The Board considers that this may no longer provide sufficient flexibility in the medium term given the need to hire new incremental directors for succession purposes and proposes to increase this limit to a total of £350,000 per annum.

The Board considers the remuneration policy as described above to be effective in supporting the short and long term strategic objectives of the Company by ensuring that the Company continues to be able to recruit and retain non- executive directors who are suitably qualified and experienced to supervise the Company's affairs.

Service contracts

It is not the Company's policy to enter into service contracts with its directors. No director has a service contract with the Company. The directors each serve under a letter of appointment.

Notice period and loss of office payment policy

The directors are subject to a notice period of one month unless removed by a resolution at a General Meeting or pursuant to any provision of the Articles of Association. It is not the Company's policy to enter into arrangements that entitle any of the directors to compensation for loss of office. No director is entitled to any such compensation.

Statement of consideration of conditions elsewhere in the Company

The Company has no employees. Therefore the Company cannot take into account the pay and employment conditions of its employees when setting and implementing the remuneration policy.

Statement of consideration of shareholder views

The Company places great importance on communication with its shareholders. The Company has had regular dialogue with shareholders throughout the year to 31 January 2017 and confirms that no negative views were expressed in relation to its remuneration policy.

DIRECTORS' REMUNERATION REPORT

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, this is indicated below.

Remuneration in the year (audited)

	Year ended 31 January 2017			Year ended 31 January 2016		
Name	Fees £'000	Taxable benefits £'000	Total £'000	Fees £'000	Taxable benefits £'000	Total £'000
Mark Fane	54	–	54	53	–	53
Peter Dicks	40	–	40	39	–	39
Sandra Pajarola*	38	6	44	37	12	49
Andy Pomfret	38	–	38	37	–	37
Lucinda Riches	38	–	38	37	–	37
Jeremy Tigue	38	–	38	37	–	37
Total	246	6	252	240	12	252

* Ms Pajarola is resident in Switzerland and the Company has agreed to reimburse her for the costs of travel to London (including appropriate accommodation) to attend meetings of the Board. These costs are presented gross of tax as taxable benefits. The fees were paid to Lake Valley Consulting AG for making her available to serve as director of the Company.

The directors were not entitled to any loss of office payments, pension benefits, share options or other incentives in the year ended 31 January 2017 (2016: £nil).

Relative importance of spend on pay

The following table compares the remuneration paid to the directors with aggregate distributions to shareholders in the year to 31 January 2017 and the prior year. This disclosure is a statutory requirement. However the directors consider that this comparison is not meaningful as its objective is to provide shareholders with long term capital growth and share buy-backs and the dividend form only a small part of shareholders' returns.

Components of remuneration package	Year ended 31 January 2017 £'000	Year ended 31 January 2016 £'000
Directors' remuneration	252	252
Shareholder distributions in the year	14,719	23,880

Directors' shareholdings and share interests (audited)

The beneficial interests of the directors in the shares of the Company are shown below. There is no requirement for the directors to own securities of the Company. Save as disclosed below, no director had any notifiable interest in the securities of the Company.

Name	31 January 2017 Number of shares	31 January 2016 Number of shares
Mark Fane	143,910	143,910
Peter Dicks	7,000	7,000
Sandra Pajarola	6,000	6,000
Andy Pomfret	20,000	20,000
Lucinda Riches	20,000	20,000
Jeremy Tigue	94,260	94,260
Total	291,170	291,170

There has been no change in the number of shares held since the year end.

Statement of shareholder voting

The remuneration policy was last approved at the Annual General Meeting on 11 June 2014, with the following votes cast:

Votes	Number	%
For	22,498,547	96.6%
Against	788,789	3.4%
Withheld	249,983	

At the Annual General Meeting held on 16 June 2016, a resolution to approve the directors' remuneration report for the year ended 31 January 2016 was passed on a poll with the following votes cast:

Votes	Number	%
For	19,913,903	96.9%
Against	650,699	3.1%
Withheld	241,422	

The Board does not consider the numbers of votes against these resolutions to be significant.

Resolution to approve directors' remuneration report

A resolution to approve the remuneration report for the year ended 31 January 2017 will be put to the members at the forthcoming Annual General Meeting (see resolution 9 on page 85).

On behalf of the Board

Mark Fane

Chairman
4 May 2017

REPORT OF THE AUDIT COMMITTEE

AUDIT COMMITTEE

The Audit Committee is comprised of five non-executive directors: Mr Dicks (Chairman of the Committee), Ms Pajarola, Mr Pomfret, Ms Riches and Mr Tigue. As set out on pages 68 to 69 the members of the Committee have a range of recent and relevant financial experience.

The Committee operates within written terms of reference clearly setting out its authority and duties. The primary role of the Committee is to review the interim and annual financial statements, the effectiveness and scope of the external audit, the risks to which the Company is exposed and mitigating controls, compliance with regulatory and financial reporting requirements. The Committee also provides advice to the Board on whether the annual report and accounts, taken as a whole, are fair, balanced and understandable.

The Committee meets at least three times a year. A quorum is any two of the members of the Committee but attendance at each meeting is strongly encouraged.

Three meetings were held in the financial year, and were quorate. The Company's auditors, PricewaterhouseCoopers LLP, attended all three meetings. The Committee also has direct access to the auditors as necessary at other times and the opportunity to meet the auditors without the Manager being present.

The main matters discussed at these meetings were the review of the Company's internal controls, the annual plan of the auditors, the report of the auditors following their audit, the effectiveness of the audit process and the independence of the auditor, and the annual and interim financial statements.

SIGNIFICANT ISSUES IN RELATION TO THE FINANCIAL STATEMENTS

In its review of the financial statements, the Committee considers in particular whether the investment portfolio is fairly valued. Before the year end, the Committee discussed the valuation process in detail with the Manager and reviewed the plan of the external auditors to ensure that it was appropriately designed to provide assurance over the valuation of the portfolio. After the year end, the Manager reported the results of the valuation process, including the sources of valuation information and the methodologies used. The auditors separately reported the results of their audit work to the Committee. The Committee concluded that the valuation process had been properly carried out and that the investment portfolio has been fairly valued.

Auditing standards require the auditors to consider the risks of fraud in revenue recognition and of management override of internal controls. The auditors also focus on the calculation of the co-investment incentive accrual as it is relatively complex. The principal area of potential material impact from these risks is the valuation of the investment portfolio, which is discussed above.

Following a thorough review, and discussion with the Manager and the auditors, the Committee has advised the Board that the annual report and accounts for the year ended 31 January 2017, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

INTERNAL CONTROLS AND NEED FOR AN INTERNAL AUDIT FUNCTION

The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness. The purpose of the controls is to ensure that the assets of the Company are safeguarded, proper accounting records are maintained and the financial information used within the business and for publication is reliable.

All of the Company's management functions are delegated to the Manager which has its own internal control and risk monitoring arrangements. The Committee has made an assessment of these arrangements, with reference to the Company's risk matrix. The results were satisfactory.

The Audit Committee assessed the Manager's arrangements, with reference to the Company's risk matrix. The Committee also reviewed a Statement of Internal Controls for the year to 31 January 2017 which sets out the key internal controls over the administration of the Company's investments. As in previous years the auditors were engaged to carry out agreed upon procedures to test these controls, and the results were satisfactory.

In accordance with the Alternative Investment Fund Managers Directive ("the Directive"), the Company has appointed Aztec Financial Services (UK) Limited ("the Depositary") as depositary. The Depositary's responsibilities include the monitoring of the cash flows of the Company, the safe keeping of the Company's assets, and the general oversight of the Company including its compliance with its investment policy. The Audit Committee has reviewed the Depositary's reports for the period from 1 February 2016 to 31 January 2017, that set out the testing and procedures carried out by the Depositary to satisfy itself that it is fulfilling its obligations, and that the Company was operating in accordance with the Directive. The report did not identify any issues.

The Committee considers, therefore, that an internal audit function specific to the Company is unnecessary.

Audit independence and effectiveness

The Audit Committee has reviewed the provision of non-audit services and believes them to be cost-effective and not an impediment to the auditors' objectivity and independence. In the year ended 31 January 2017, £6,550 (2016: £5,000) was payable by the Company for the provision of training for the directors. In addition, £54,920 (2016: £53,900 was payable by the Former Manager) was payable by the Manager to the auditors for agreed upon procedures testing designed to provide assurance on the controls of the manager to the Audit Committee. It has been agreed that all non-audit work to be carried out by the external auditors must be pre-approved by the Audit Committee. Any special projects would be approved by the Audit Committee in advance.

The Committee reviews the performance of the auditors each year. The Committee considers a range of factors including the quality of service, their expertise and the level of audit fee.

PricewaterhouseCoopers LLP (including its predecessor firms) has acted as auditors to the Company since 1981. For the year ended 31 January 2015, the Committee conducted a formal tender process that led to the reappointment of PricewaterhouseCoopers LLP as auditors. The Company is aware that, as a result of the EU Audit Directive and Regulation, companies where the auditor was appointed on or before 16th June 1994 cannot renew or enter into an audit engagement with the auditor that extends beyond 2020.

The Committee will carry out a tender process in respect of external audit services during 2018 to ensure compliance with legislation, taking into consideration FRC guidance on best practice in particular ensuring independence in respect of potential audit firms. The existing external audit firm will not be invited to re-tender given the duration of its tenure to date. The new external audit firm is expected to be appointed in respect of the year ending 31 January 2020.

The Committee remains satisfied with the performance of the auditors and recommends that they be reappointed auditor for the year ending 31 January 2018.

Peter Dicks

Chairman of the Audit Committee
4 May 2017

ADDITIONAL DISCLOSURES REQUIRED BY THE ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE

The management of the Company was transferred from Graphite Capital Management LLP ("the Former Manager") to ICG ("the Manager") on 1 February 2016. The Manager became authorised as an AIFM on 10 April 2014.

The Directive requires certain disclosures to be made in the annual report of the Company. Many of these disclosures are included in other sections of the annual report, principally Strategic Report (pages 8 and 9), Manager's Review (pages 11 to 19), Financial Information (pages 36 to 65) and Governance (pages 68 to 89). This section completes the disclosures required by the Directive.

ASSETS SUBJECT TO SPECIAL ARRANGEMENTS

The Company holds no assets subject to special arrangements arising from their illiquid nature.

LEVERAGE

The Company has no borrowings and therefore is not currently leveraged. The Company will not employ leverage in excess of 30% of its gross asset value.

PROFESSIONAL LIABILITY OF THE MANAGER

In accordance with the requirements of the Directive, the Manager holds additional capital to cover potential professional liability risks. In addition the Manager holds professional indemnity insurance.

REDEMPTION RIGHTS

The shares of the Company are listed on the London Stock Exchange.

Shareholders may buy and sell shares on that market. As the Company is closed ended, shareholders do not have the right to redeem their investment.

FAIR TREATMENT OF SHAREHOLDERS

The Manager is governed by a board consisting of both non-executive and executive directors which oversees and manages the ICG group of which the Manager is part. ICG has a number of committees that assists in this regard, together with a risk function that through a risk framework assists in the identification, control and mitigation of the ICG group's risks. This includes, but is not limited to, the fair treatment of the ICG group's regulatory clients, fund investors and corporate investors. Details of the ICG's governance and risk framework can be found in ICG's annual report which is available on request or at www.icgam.com

RISK PROFILE AND RISK MANAGEMENT

The risks and uncertainties facing the Company are regularly reviewed by the Board, the Audit Committee and the Manager. The principal risks faced by the Company and the approach to managing those risks are set out in the Strategic Report (pages 8 and 9).

The sensitivity of the Company to market, credit and investment, and capital risk is discussed in note 17 of the financial statements (page 53). The risk limits currently in place in respect of the diversification of the portfolio and credit risk are set out in the Investment Policy (page 84).

MATERIAL CHANGES

There have been no material changes in relation to the matters described in Article 23 of the Directive.

REMUNERATION

Under the Alternative Investment Fund Managers Directive ("AIFMD"), we are required to make disclosures relating to remuneration of certain staff working for the Manager, which acted as manager of the Company throughout the year ended 31 January 2017.

Amount of remuneration paid

The Manager paid the following remuneration to staff in respect of the financial year ending on 31 January 2017 in relation to work on the Company:

	£'000
Fixed remuneration	1,211
Variable remuneration	169
Total remuneration	1,380
Number of beneficiaries	9

The above disclosures reflect those staff of the Manager involved in the management of the Company, and only to the extent that their remuneration is attributable to the activities of the Manager in respect of the Company. It is not possible to attribute remuneration paid to individual staff directly to income received from any fund and hence the above figures represent a notional approximation only. Variable remuneration includes carried interest received.

Given the change of manager from 1 February 2016, the amounts paid to senior management of the Manager are spread across a significantly wider set of alternative investment funds ("AIFs"). As a result the amounts paid to senior management of the Manager who also performed functions that had a material impact on the risk profile of the Company are not material and have not been disclosed.

Co-investment incentive scheme

The incentive paid by the Company during the year ended 31 January 2017 is disclosed in note 9 to the financial statements.

Remuneration and incentivisation policies and practices

The overriding principle governing the Manager's remuneration decisions is that awards, in particular of variable remuneration, do not encourage risk taking which is inconsistent with the investment objectives (and therefore risk profiles) of the funds managed by the firm. Remuneration consists of salary, bonus, profit share and carried interest.

The carried interest arrangements are intended to closely align the interests of investors and the firm – under these arrangements, payments may only be made when investment profits have been realised in cash. The operation of these arrangements is set out in the Report of the Directors on page 72.

The Manager has a remuneration committee which takes remuneration decisions. The committee takes into account the short and long term performance of the firm, of the funds managed by the firm, and of individuals.

INVESTMENT POLICY

The objective of ICG Enterprise is to provide shareholders with long term capital growth through investment in unquoted companies, mainly through specialist funds but also directly. Both the objective and the policy remain unchanged subsequent to the appointment of ICG as Manager on 1 February 2016.

ASSET ALLOCATION

ICG Enterprise invests principally in unquoted companies either indirectly through a fund or directly in a company. Where investments are made through a fund, that fund may itself be either unquoted or quoted. Unquoted companies in which ICG Enterprise has an interest may from time to time obtain a quotation and the Company may continue to hold its interest in quoted form. Investments in unquoted companies and quoted companies held post-flotation will typically comprise between 50% and 100% of the Company's gross assets.

The Company makes a significant majority of its investments through funds. It also invests directly, mainly in the form of co-investments alongside funds.

The Company expects the largest part of its investment portfolio to be in well established companies. The Company may also invest in infrastructure projects, early stage companies and other unquoted investments.

Underlying investments will mostly be in equity or equivalent risk instruments. A minority of investments may also be in lower risk instruments such as mezzanine debt.

The Company may from time to time make investments which provide exposure to other asset classes or which provide exposure to unquoted companies in other forms. These investments (including the market exposure provided by them) may comprise up to 40% of the Company's gross assets.

RISK DIVERSIFICATION

ICG Enterprise's policy is to maintain an investment portfolio which provides exposure to unquoted companies across a broad range of sizes, with the greatest emphasis on medium sized and large companies.

The aim is for the portfolio to be diversified by geography, industry sector and year of investment.

The Company will ensure that its interest in any one portfolio company, taking into account direct and indirect holdings, will not exceed 15% of the Company's total investments at the time of initial acquisition or subsequent addition. It is the Company's policy to invest no more than 10% of its gross assets in other listed investment companies.

BORROWINGS

The companies in which ICG Enterprise invests often use borrowings to enhance the returns to equity investors. The funds through which the Company invests may also use borrowings.

The Company does not expect to take on long term borrowings but may have long term facilities. Short to medium term borrowings may be required from time to time.

OVERCOMMITMENT

Overcommitment is the practice of making commitments to funds which exceed the cash available for immediate investment. The Company may be overcommitted in order to ensure that it is more fully invested in the future. The level of over commitment is monitored regularly by the Board and the Manager, taking into account uninvested cash, the availability of bank facilities, the projected timing of cash flows to and from the portfolio, and market conditions.

CASH

The Company holds cash on deposit with UK banks or invests it in debt instruments or funds which themselves invest in such instruments. These investments are typically very liquid, with high credit quality, low capital risk and low maturity. The Company will invest cash only in low risk assets and will limit exposure to any one bank, fund or issuer to 15% of gross assets.

BENCHMARK

The Company's benchmark is the FTSE All-Share Index, which measures the share price performance of quoted companies of all sizes in the UK. The Board considers that this provides the most appropriate comparator for the Company's shareholders.

CURRENCY RISK

The Company holds investments in currencies other than sterling and is exposed to the risk of movements in the exchange rate of these currencies. From time to time the Company may put in place hedging arrangements in order to manage currency risk.

THE ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting (pages 86 and 87) sets out in full the resolutions to be voted on at the Meeting. The effect of each proposed resolution, if passed by the shareholders, is summarised below:

RESOLUTION 1

Approve the audited financial statements for the year ended 31 January 2017 (pages 36 to 58) together with the Independent Auditors' Report (pages 59 to 65) and the Report of the Directors (pages 70 to 75).

RESOLUTION 2

Approve the recommended final dividend of 10.0p per ordinary share for the year ended 31 January 2017.

RESOLUTIONS 3 TO 7

Approve the re-election of Mr Dicks, Mr Tigue, Mr Pomfret, Ms Riches and Ms Pajarola. Mr Dicks has served on the Board for more than nine years and therefore, as recommended by the UK Corporate Governance Code, retires annually and offers himself for re-election. All other directors are offering themselves for re-election annually in accordance with corporate governance principles.

RESOLUTION 8

Re-appoints the auditors, PricewaterhouseCoopers LLP, who has indicated their willingness to continue in office. This is recommended by the Audit Committee (see page 81).

RESOLUTION 9

Approve the remuneration report as set out in the Directors' Remuneration section for the year ended 31 January 2017.

RESOLUTION 10

Approve the remuneration policy as set out in the Directors' Remuneration section for the year ended 31 January 2017.

RESOLUTIONS 11 AND 12

Renew the authority of the Board to increase the share capital of the Company by issuing shares subject to certain conditions (the "Share Issue Authorities").

Resolution 11 gives the Board the ability to issue shares equivalent to 33% of current share capital. In such circumstances, the Companies Act requires that existing shareholders are given the opportunity to participate before new shareholders ("pre-emption"). Resolution 12 gives the Board the ability to issue shares equivalent to 10% of current share capital without pre-emption applying.

The Listing Rules do not permit the Company to issue shares at a discount to NAV per share unless they are offered to existing shareholders first. This would be unchanged by these resolutions.

The Share Issue Authorities will expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or if earlier, 31 July 2018.

RESOLUTION 13

Renews the authority of the Company to make market purchases of up to 14.99% of the issued ordinary shares (the "Buy-back Authority").

The price paid for a share under the Buy-back Authority will be at least 10p (the nominal value of a share) and no more than the highest of (a) 5% above the average share price over the five business days preceding the date of the market purchase, (b) the price of the last independent trade in the Company's shares and (c) the highest amount bid. These limits are in accordance with company law and the Listing Rules.

The Buy-back Authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2018, or if earlier, 31 July 2018.

RESOLUTION 14

Allows the calling of a general meeting (unless it is an Annual General Meeting) on not less than 14 days' notice.

RESOLUTION 15

Amends the limit for the total amount payable to directors to £350,000 to allow for Board rotation/expansion

NOTICE OF MEETING

Notice is hereby given that the thirty-sixth Annual General Meeting of ICG Enterprise Trust plc will be held at Stationers' Hall, Ave Maria Lane, London, EC4M 7DD on 13 June 2017 at 2.00p.m. for the following purposes.

Resolutions 12 to 15 inclusive will be proposed as special resolutions, requiring 75% of votes cast to be in favour in order to be passed. All other resolutions will be proposed as ordinary resolutions, requiring more than 50% of votes cast to be in favour.

ORDINARY BUSINESS

1. To receive and adopt the reports of the directors and auditors and the Company's financial statements for the year ended 31 January 2017.
2. To declare a final dividend of 10.0p on the ordinary shares of the Company.
3. To re-elect P. Dicks as a director.
4. To re-elect J. Tigue as a director.
5. To re-elect S. Pajarola as a director.
6. To re-elect L. Riches as a director.
7. To re-elect A. Pomfret as a director.
8. To re-appoint PricewaterhouseCoopers LLP as auditors to the Company to hold office until the conclusion of the next general meeting at which financial statements are laid before the Company, and to authorise the directors to fix the remuneration of the auditors.
9. To consider, and if thought fit, to approve the remuneration report set out in the Directors' Remuneration section of the Annual Report for the year ended 31 January 2017.
10. To consider, and if thought fit, to approve the remuneration policy as set out in the Directors' Remuneration section of the Annual Report for the year ended 31 January 2017.

AUTHORITY TO ALLOT SHARES

11. THAT:

    a. the directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £2,296,948.24 (representing 22,969,482 ordinary shares of 10p each as at 3 May 2017, such amount being equivalent to 33% of the issued ordinary share capital excluding shares held as Treasury Shares) during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the Annual General Meeting of the Company in 2018, or, if earlier, on 31 July 2018; and

    b. all authorities and powers previously conferred under section 551 of the Act are hereby revoked, provided that such revocation shall not have retrospective effect.

SPECIAL BUSINESS

Disapplication of pre-emption rights (see note 1)

12. THAT:

    a. subject to the passing of resolution 11 above the directors be empowered to allot equity securities as defined in section 560(1) or section 560(3) of the Act wholly for cash during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the Annual General Meeting of the Company in 2017, or, if earlier, on 31 July 2018. In connection with an allotment of shares pursuant to the authority referred to in resolution 11 above or the sale of treasury shares, up to an aggregate nominal amount of £696,044.92 (representing 6,960,449 ordinary shares of 10p each as at 3 May 2017, such amount being equivalent to 10% of the issued ordinary share capital (excluding shares held as Treasury Shares)) as if section 561 of the Act did not apply to any such allotment or sale; and

b. by such power the directors may make offers or agreements which would or might require equity securities to be allotted after the expiry of such period.

AUTHORITY TO PURCHASE SHARES

13. THAT:

the Company be and is hereby unconditionally and generally authorised for the purpose of section 701 of the Act to make market purchases (as defined in section 693 of that Act) of ordinary shares of 10p each in the capital of the Company on such terms and in such manner as the directors may determine, provided that:

a. the maximum number of shares which may be purchased is 10,433,713 (being approximately 14.99% of the issued ordinary share capital as at 3 May 2017 (excluding shares held as Treasury Shares));

b. the minimum price which may be paid for each ordinary share is 10p;

c. the maximum price which may be paid for a share is an amount equal to the highest of (a) 105% of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased, and (b) the price of the last independent trade or (c) the highest current bid, as stipulated by Commission-adopted Regulatory Technical Standards pursuant to article 5(6) of the Market Abuse Regulation; and

d. this authority shall expire at the conclusion of the Annual General Meeting of the Company held in 2018 or, if earlier, on 31 July 2018 (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is varied, revoked or renewed prior to such time.

GENERAL MEETING ON A MINIMUM 14 DAYS' NOTICE

14. THAT:

a general meeting other than an Annual General Meeting may be called on not less than 14 days' notice.

DIRECTOR SERIVCE FEES

15. THAT:

The maximum aggregate amount payable to directors of the Company for their services be increased from £300,000 to £350,000.

By order of the Board

Company Secretary
ICG Nominee 2015 Limited
4 May 2017

Registered office:
Juxon House, 100 St Paul's Churchyard,
London, EC4M 8BU

NOTICE OF MEETING: EXPLANATORY NOTES

Note 1: In accordance with Listing Rule 15.4.11, unless authorised by shareholders, the Company may not issue shares at a discount to net asset value unless they are first offered to existing shareholders pro-rata to their existing holdings.

Note 2: A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. To be effective, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, Computershare Investor Services PLC, the Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 2.00pm on Friday 9 June 2017. In view of this requirement, investors holding shares in the Company through the F&C Private Investor, Personal Equity or Pension Savings Plans, an F&C Child Trust Fund, an F&C Junior ISA or in a F&C Individual Savings Accounts should ensure that forms of direction are returned to Computershare Investor Services PLC not later than 2.00pm on Tuesday 6 June 2017. The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every ordinary share of which he is the holder. Holders of Subscription shares are not entitled to attend and vote at this meeting.

To appoint more than one proxy, members will need to complete a separate proxy specifying clearly on each proxy form how many shares the proxy is appointed in relation to. A failure to specify the number of shares each proxy appointment relates to or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope.

Note 3: A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.

Note 4: As at 3 May 2017 (being the last business day prior to the publication of this notice) the Company's issued share capital amounted to 69,604,492 ordinary shares carrying one vote each and 3,308,508 non-voting Treasury Shares which represents approximately 4.5% of the total number of the ordinary share capital of the Company. Total issued share capital, including Treasury Shares, was 72,913,000.

Note 5: Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered on the Register of Members of the Company as at 6.00p.m. on the day which is two days before the day of the meeting (or, in the event of any adjournment, as at 6.00p.m. on the day which is two days prior to the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Note 6: CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual, which is available to download from the Euroclear website (www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual.

The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting and determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Note 7: In accordance with section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the AGM put by a shareholder attending the meeting to be answered. No such answer need be given if:

a. to do so would:

   i. interfere unduly with the preparation for the AGM, or

   ii. involve the disclosure of confidential information;

b. the answer has already been given on a website in the form of an answer to a question; or

c. it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Note 8: Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to:

a. the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

Note 9: A copy of this Notice of Annual General Meeting is incorporated in the Annual Report for the year ended 31 January 2017 available on the Company's website: www.icg-enterprise.co.uk

Note 10: The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (except Saturdays, Sundays and public holidays) until the date of the AGM and at the place of the AGM for a period of fifteen minutes prior to and during the meeting: (a) the terms and conditions of appointment of non-executive directors; and (b) a copy of the Current Articles of Association. None of the directors has a contract of service with the Company.

If you are in any doubt as to the content or action you should take, you should consult immediately your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the Company, please send this document, together with the accompanying Form of Proxy and Attendance Card, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was affected for transmission to the purchaser or transferee.

GENERAL INFORMATION

UNDERSTANDING PRIVATE EQUITY

Listed private equity provides access to an asset class with an attractive operating model for the price of a share

WHAT IS PRIVATE EQUITY?

Private equity is a term used to describe investment in private, unquoted companies; it is an alternative ownership model to a public market listing. One of its principal features is a stronger alignment of interests between investors in companies and their managers. The private equity model has many attractions and these can generate higher returns.

Private equity covers a wide spectrum of investments, from start-up companies capitalised at less than £1m to acquisitions of large established companies of all sizes. The main sub-sectors of the private equity market are buy-outs, which include management buy-outs (MBOs) and buy-ins (MBIs), and venture capital, which covers early stage investing. ICG Enterprise focuses on buy-out investments.

A buy-out generally involves the purchase of a majority or a significant minority of the equity of a well-established, profitable company by one or more private equity funds, which invest alongside the existing management team (an MBO) or a new management team (an MBI). The sellers may be the founders or other individuals, or larger companies seeking to divest subsidiaries or sell an investment on the secondary market. Quoted companies may also be acquired by private equity investors in public to private transactions.

Private equity managers provide focused strategic and operational guidance to the companies in their portfolio, which contrasts with public ownership where a company may have to deal with the competing demands of a diverse range of shareholders. There is also less short term performance pressure on private equity owned companies than in the public markets, making it possible to adopt a longer term approach.

When companies are ready for disposal, they may be sold to a trade buyer (a company in the same sector), or to a financial buyer (including other private equity funds – known as a secondary buy-out). Alternatively they may be floated on a stock market in an initial public offering (IPO).

Alignment of interest

Both company management teams and private equity managers are incentivised to maximise returns for the ultimate investors in the private equity funds.

Careful use of leverage

As the ownership model increases the confidence of lenders, buy-out investments may use higher levels of debt than similar quoted companies to increase equity returns. This normally includes bank debt (referred to as senior debt) and sometimes mezzanine debt. Mezzanine debt is junior debt with a higher return than senior debt to compensate for the greater risk.

How a private equity fund works

The most common model for a private equity fund is for institutional investors to make commitments to a private equity manager to fund an investment programme.

Once these commitments are in place, the private equity manager then identifies and makes investments in companies over a period of years, drawing down investors' cash only when an investment has been completed.

The manager then works to develop those companies and seeks to achieve their profitable disposal. When investments are sold, cash is returned to investors.

Private equity funds are generally structured with a life of ten years. Most of the cash is typically drawn down over a period of four to six years and may begin to be returned in the fourth or fifth year, reflecting the underlying buying and selling of companies in the fund. As a result, the maximum net amount drawn down by an individual fund is often considerably less than the total amount committed to it.

Fund investing

A private equity fund-of-funds invests primarily in funds managed by private equity managers. The task of the fund-of-funds manager is to select high quality managers, gain access to their funds and construct a diversified, balanced portfolio for investors.

Overcommitment

In order to achieve full or near full investment, it is usual for fund-of-funds to make commitments exceeding the amount of cash immediately available for investment. This is described as overcommitment. When determining an appropriate level of overcommitment, careful consideration needs to be given to the rate at which commitments might be drawn down, and the rate at which realisations will generate cash from the existing portfolio to fund new investment.

Primary and secondary fund investments

A commitment to a private equity fund at the beginning of its life is called a primary commitment. It may also be possible to acquire an interest in a fund which is part way through its life, from an existing investor, and this is called a secondary investment. The price of a secondary investment depends primarily on the quality of the portfolio and its future prospects, and may represent a premium or a discount to the most recent reported net asset value of the portfolio.

Co-investments

When a private equity manager has an investment opportunity that is too large for its fund to make alone (for example, because of diversification limits), they may invite their fund investors to participate alongside that fund. An investment of this kind is called a co-investment. Typically no additional fees are paid to the private equity manager in respect of a co-investment. Co-investments can increase the overall returns from a fund investment programme.

Investor access to private equity

Traditional private equity funds are difficult for most private investors to access, as minimum commitment sizes are typically at least £5m. It can also be difficult for existing investors in private equity funds to sell their interests, as secondary market liquidity can be limited.

Investors take on a long term obligation to fund a manager's investment programme, which requires careful management of cash resources in order to ensure that all commitments can be met. Private equity managers only report their fund's valuation to investors at most once a quarter.

Benefits of listed private equity

Investing in listed private equity removes many of these barriers to investment. Investors can gain exposure to a diversified private equity portfolio for the price of a share, there is daily liquidity in those shares and the value of the shareholding is known at any point in time. There is no obligation to fund future commitments. In addition, the manager of a listed private equity fund deals with the complex legal structuring that is common to private equity transactions. For these reasons, listed private equity is an attractive way to gain access to the asset class for many types of investor, but particularly for private shareholders and small institutions.

HOW TO INVEST IN ICG ENTERPRISE

ICG Enterprise is listed on the London Stock Exchange and its shares can be bought and sold just as those of any other listed company.

A straightforward way for individuals to purchase and hold shares in the Company is to contact a stockbroker, savings plan provider or online investment platform.

You may be able to find a stockbroker using the website of the independent Wealth Management Association (WMA) at www.thewma.co.uk

You may also be able to purchase shares via your bank account provider.

For a small fee, your chosen intermediary can purchase shares in the Company on your behalf.

The Company's shares are eligible for tax-efficient wrappers such as Individual Savings Accounts ("ISAs"), Junior ISAs, and Self Invested Personal Pensions ("SIPPs").

Information about ISAs and SIPPs, as well as general advice on saving and investing, can be found on the government's free and independent service at www.moneyadviceservice.org.uk

As with any investment into a company listed on the stock market, you should remember that:

- the value of your investment and the income you get from it can fall as well as rise, so you may not get back the amount you invested; and
- past performance is no guarantee of future performance.

This is a medium to long term investment so you should be prepared to invest your money for at least five years.

If you are uncertain about any aspect of your decision to invest, you should consider seeking independent financial advice.

Details of the Company's website and contact information for potential and existing shareholders can be found in the Useful Information section on the next page.

USEFUL INFORMATION

Address
ICG Enterprise Trust plc
Juxon House
100 St Paul's Churchyard
London EC4M 8BU
020 3201 7700

Registered number: 01571089
Place of registration: England

Website
www.icg-enterprise.co.uk

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
www-uk.computershare.com/investor
0370 889 4091

F&C savings schemes
Investors through F&C savings schemes can contact the Investor Services team on:

Telephone: 0345 600 3030
E-mail investor.enquiries@fandc.com

Financial calendar
The announcement and publication of the Company's results may normally be expected in the months shown below:

March/April	Final results for year announced, Annual Report and financial statements published
June	Annual General Meeting and First quarter's results
September	Interim figures announced and half-yearly report published
December	Third quarter's result

All announcements may be viewed on the Company's website (see above).

Manager
ICG Alternative Investment Limited
Juxon House
100 St Paul's Churchyard
London EC4M 8BU
020 3201 7700

Authorised and regulated by the Financial Conduct Authority (FRN: 606186).

Broker
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

Dividend – 2017
An interim dividend of 10.0p was paid on 21 October 2016.

A final dividend of 10.0p is proposed in respect of the year ended 31 January 2017, payable as follows:

Ex-dividend date (shares trade without rights to the dividend)	1 June 2017
Record date (last date for registering transfers to receive the dividend)	2 June 2017
Dividend payment date	20 June 2017

Payment of dividends
Cash dividends will be sent by cheque to the first-named shareholder at their registered address, to arrive on the payment date.

Alternatively, dividends may be paid direct into a shareholder's bank account via Bankers' Automated Clearing Service ("BACS"). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC (see contact details above).

Share price
The Company's mid-market ordinary share price is published daily in the Financial Times and Daily Telegraph under the section 'Investment Companies'. In the Financial Times the ordinary share price and the subscription share price are listed in the sub-section 'Conventional-Private Equity'.

ISIN/SEDOL numbers
The ISIN/SEDOL numbers and code for the Trust's ordinary shares are:

ISIN	GB0003292009
SEDOL	0329200
Reuters	ICGT.L

AIC
The Company is a member of the Association of Investment Companies.
www.theaic.co.uk

GLOSSARY

Alternative Performance Measures ("APMs") are a term defined by the European Securities and Markets Authority as "financial measures of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework".

APMs are used in this report if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company and for comparing the performance of the Company to its peers, taking into account industry practice. Definitions and reconciliations to IFRS measures are provided in the main body of the report or in this Glossary, where appropriate.

Co-investment incentive scheme accrual represents the estimated value of interests in the co-investment incentive scheme operated by the Company. At both 31 January 2017 and 31 January 2016, the accrual was estimated as the theoretical value of the interests if the Portfolio had been sold at its carrying value at those dates.

Drawdowns are amounts invested by the Company into funds when called by underlying managers in respect of an existing commitment.

EBITDA stands for earnings before interest, tax, depreciation and amortisation, which is a widely used valuation measure in the private equity industry.

Enterprise value is the aggregate value of a company's entire issued share capital and net debt.

FTSE All-Share Index Total return is the change in the level of the FTSE All-Share Index, assuming that dividends are re-invested on the day that they are paid.

Full realisations are exit events (e.g. trade sale, sale by public offering, or sale to a financial buyer) following which the residual exposure to an underlying company is zero or immaterial.

Funds in investment period are those funds which are able to make new investments under the terms of their fund agreements, usually up to five years after the initial commitment.

Net asset value per share Total Return is the change in the Company's net asset value per share, assuming that dividends are re-invested at the end of the quarter in which the dividend was paid.

Net debt is calculated as the total short term and long term debt in a business, less cash and cash equivalents.

Overcommitment
In order to achieve full or near full investment, it is usual for private equity fund investors to make commitments exceeding the amount of cash immediately available for investment. This is described as "overcommitment". When determining the appropriate level of overcommitment, careful consideration needs to be given to the rate at which commitments might be drawn down, and the rate at which realisations will generate cash from the existing portfolio to fund new investment.

Portfolio
Throughout, reference is made to the "Portfolio", which represents the aggregate of the investment Portfolios of the Company and of its subsidiary limited partnerships. This is consistent with the commentary in previous annual and interim reports. The Board and the Manager consider that this is the most relevant basis for shareholders to assess the overall performance of the Company and comparison with its peers.

The closest equivalent amount reported on the balance sheet is "investments at fair value". A reconciliation of these two measures is presented below.

£m	Investments at fair value as per balance sheet	Cash held by subsidiary limited partnerships	Balances receivable from subsidiary limited partnerships	Co-investment incentive scheme accrual	Portfolio
31 January 2017	572.2	–	1.4	20.7	594.3
31 January 2016	414.1	–	2.2	11.9	428.2

Post-crisis investments are defined as those completed in 2009 or later.

Pre-crisis investments are defined as those completed in 2008 or before, based on the date the original deal was completed, which may differ from when the Company invested if acquired through a secondary.

Realisation proceeds are amounts received by the Company in respect of the Portfolio, which may be in the form of capital proceeds or income such as interest or dividends.

Share price Total Return is the change in the Company's share price, assuming that dividends are re-invested on the day that they are paid.

Total Return is a performance measure that assumes the notional re-investment of dividends. This is a measure commonly used by the listed private equity sector and listed companies in general.

The tables below set out the share price and the net asset value per share growth figures for periods of one, three, five and ten years to the balance sheet date, on both an unadjusted basis (i.e. without dividends re-invested) and on a Total Return basis.

Unadjusted performance in years to 31 January 2017	1 year	3 year	5 year	10 year*
Net asset value per share	19.2%	28.6%	53.0%	91.6%
Share price	28.2%	24.0%	95.7%	81.0%
FTSE All-Share Index	15.7%	10.3%	31.6%	19.8%

Total Return performance in years to 31 January 2017	1 year	3 year	5 year	10 year*
Net asset value per share	23.4%	38.1%	66.9%	119.4%
Share price	31.6%	35.1%	118.3%	115.2%
FTSE All-Share Index	20.1%	22.6%	57.0%	71.2%

* As the Company changed its year end in 2010, the ten year figures are for the 121 month period to 31 January 2017.

Underlying valuation movement is the change in the valuation of the Company's Portfolio, before the effect of currency movements.

Undrawn commitments are commitments that have not yet been drawn down (see definition of drawdowns).

Uplift on exit represents the increase in gross value relative to the underlying manager's most recent valuation prior to the announcement of the disposal. Excludes a small number of investments that were public throughout the life of the investment. May differ from uplift in the reporting period in certain instances.

This report is printed using papers which are derived from sustainable sources and are approved as FSC® mixed sources products. The inks used are vegetable based. The printer is registered as an FSC® supplier accredited with ISO 9000:2000 Quality Management system and ISO 14001:2004 Environmental Management System and is also certified as a CarbonNeutral® printing company.

FSC® www.fsc.org MIX Paper from responsible sources FSC® C016486

www.icg-enterprise.co.uk