Annual Report and Accounts 2023

Intermediate Capital Group PLC

Contents

Our Annual Report for 2023

This report combines all aspects of ICG's performance and reflects how we are addressing areas which we believe have the potential to have a material impact on the delivery of our strategic objectives.

Unless otherwise stated, performance information is for the year ended 31 March 2023.

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Highlights

Third-party assets under management[1] ($bn)

$77.0bn

(2022: $68.5bn)

Profit before tax (£m)

£251.0m

(2022: £565.4m)

Ordinary dividend per share (p)

77.5p

(2022: 76.0p)

Number of employees

582

(2022: 525)

Number of clients

647

(2022: 586)

1. During the year the Group updated its AUM measurement policy, see page 54.

A global alternative asset manager

ICG is a global alternative asset manager providing flexible and sustainable solutions across the capital structure to help companies develop and grow.

We manage capital on behalf of our global client base across four asset classes.

Our business

As a global alternative asset manager we help grow our clients' capital and provide flexible, sustainable financing solutions to companies. We are well placed to capitalise on future opportunities and continue to generate long-term value for our shareholders and clients through:

Our vision

Global leadership in alternative asset management focusing on a diversified product offering and creating value for shareholders, clients and employees

Our purpose

Creating value by providing capital to help businesses develop and grow

Read more on page 4 →

Our values

Performance for our clients

Entrepreneurialism and innovation

Ambition and focus

Taking responsibility and managing risk

Working collaboratively and acting with integrity

Our asset classes

Investing across the capital structure to deliver our strategic objectives

Structured and private equity
Providing structured and equity financing solutions to private companies

Private debt
Providing debt financing to high-quality corporate borrowers

Real assets
Providing debt and equity financing solutions in the real estate and infrastructure sectors

Credit
Investing in primary and secondary credit markets

Read more on page 5 →

Our people

We succeed because of our people and culture, with a world-class team demonstrating integrity, diversity and collaboration

Read more on page 28 →

Sustainability

We invest responsibly across all our asset classes and are committed to being a Net Zero Asset Manager by 2040

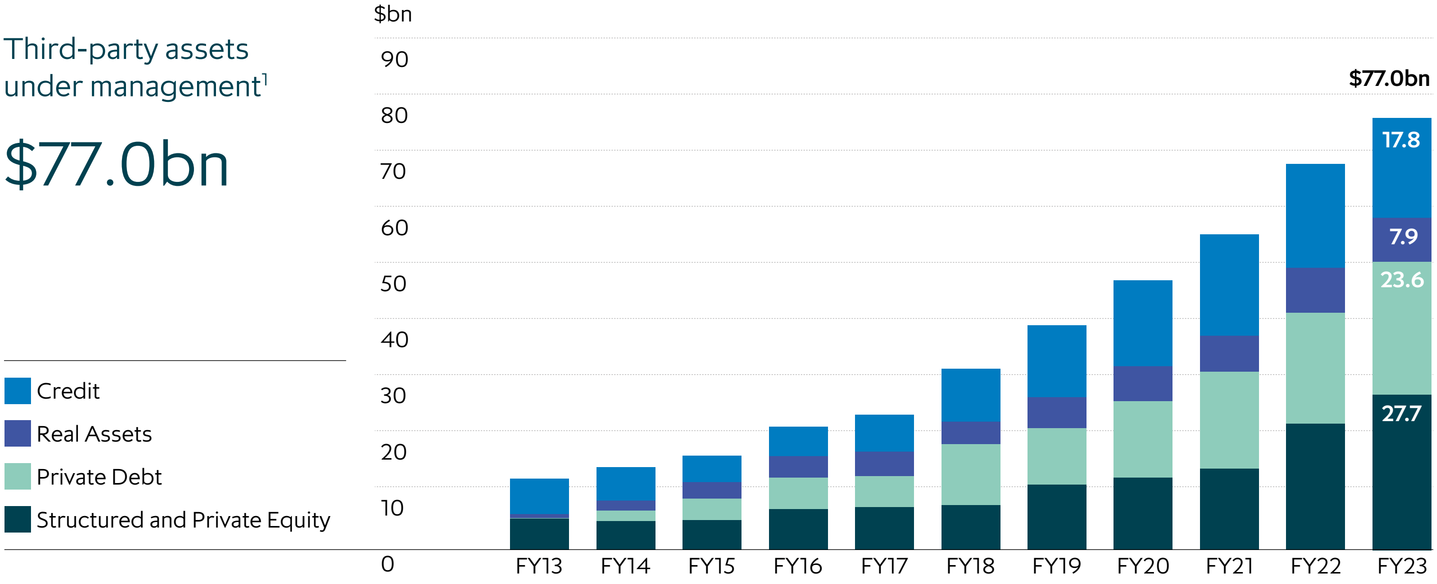
Read more on page 26 →

Delivering long-term growth

ICG generates long-term value through growing assets under management, generating management fees and increasing fund management company profits.

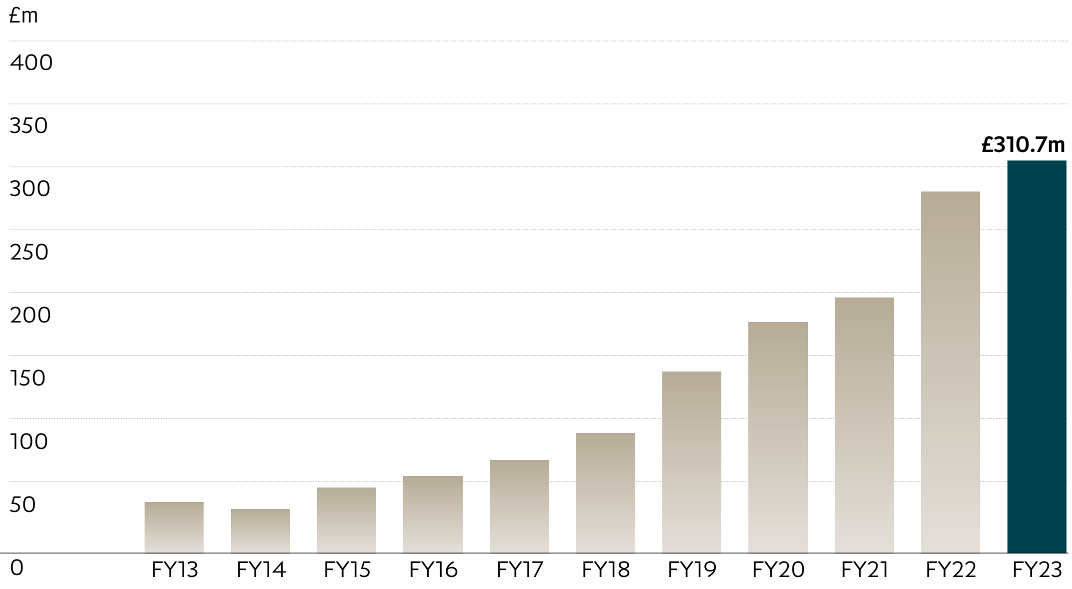
Third-party assets under management[1]

$77.0bn



Fund management company profit before tax

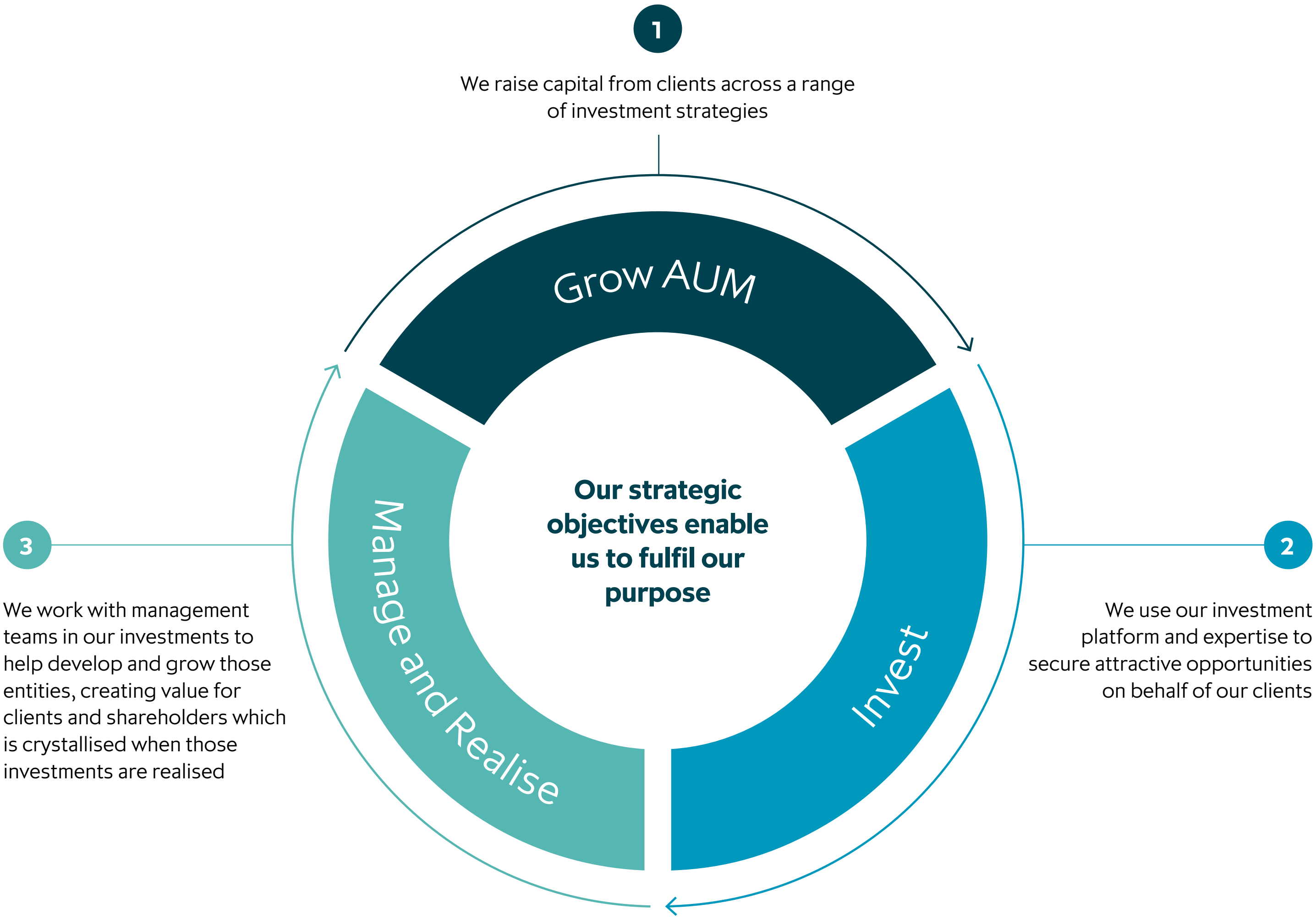
£310.7m



1. During the year the Group updated its AUM measurement policy, see page 54.

What we do

Our purpose is to create value by providing capital to help businesses develop and grow



How we create value

We help grow our clients' capital and provide flexible, sustainable financing solutions to companies.

We manage capital, typically in long-term closed-end funds and across market cycles, on behalf of a global and diverse client base.

We receive fee income for managing our clients' capital.

We leverage our global footprint, local presence and long track record to source and execute attractive investment opportunities.

Our long-term success is underpinned by our track record of investing in attractive opportunities, managing those investments well, and being disciplined in our approach to realisations.

Read more on page 8 →

Our Key Performance Indicators (KPIs) help us monitor our progress:

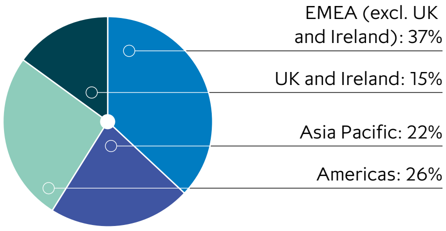
Key Performance Indicator	Strategic objective
Total AUM	1
Weighted-average fee rate	1
Fund Management Company operating margin	1 2
Deployment of direct investment funds	2
Percentage of realised assets exceeding performance hurdle	3
UK senior management gender diversity	1 2 3
Return on equity	
Ordinary dividend per share	

Read more on page 18 →

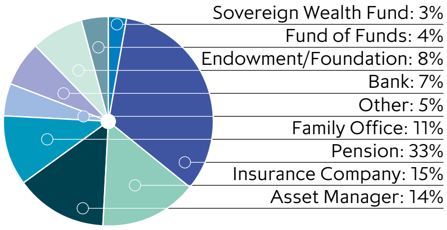
Our clients

We develop long-term relationships and serve a global client base, helping them meet their investment objectives.

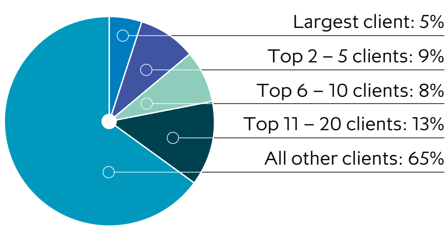
Client split by geography



Client split by type



Client diversification[1]



1. Weighted by % of third-party AUM, excluding CLOs and listed vehicles.

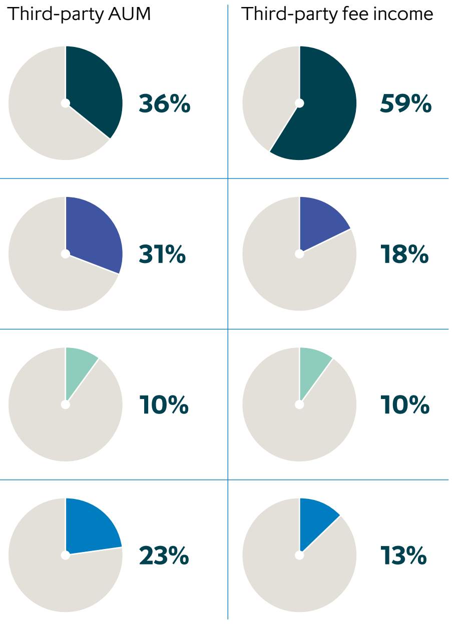
Our strategies

We manage our AUM across four asset classes, providing capital to our portfolio companies across the capital structure in the most appropriate form to meet their needs.

Our asset classes

Structured and Private Equity →	Provides structured and equity solutions to private companies, including both control transactions and minority investments	6 strategies
Private Debt →	Provides debt financing to high-quality corporate borrowers	3 strategies
Real Assets →	Provides debt and equity financing in the real estate and infrastructure sectors	5 strategies
Credit →	Investing in primary and secondary credit markets	6 strategies

Contribution to FMC



Read more on page 54 →

Our people

Our business is organised to reflect our emphasis on investment performance, client focus, and operational excellence.

Investment teams

Originate and manage investments on behalf of our funds, deploying our clients' capital in line with the stated investment objectives

298

Marketing and client relations

Originate and manage client relationships, market new strategies and subsequent vintages of existing strategies to our clients

61

Corporate and business services

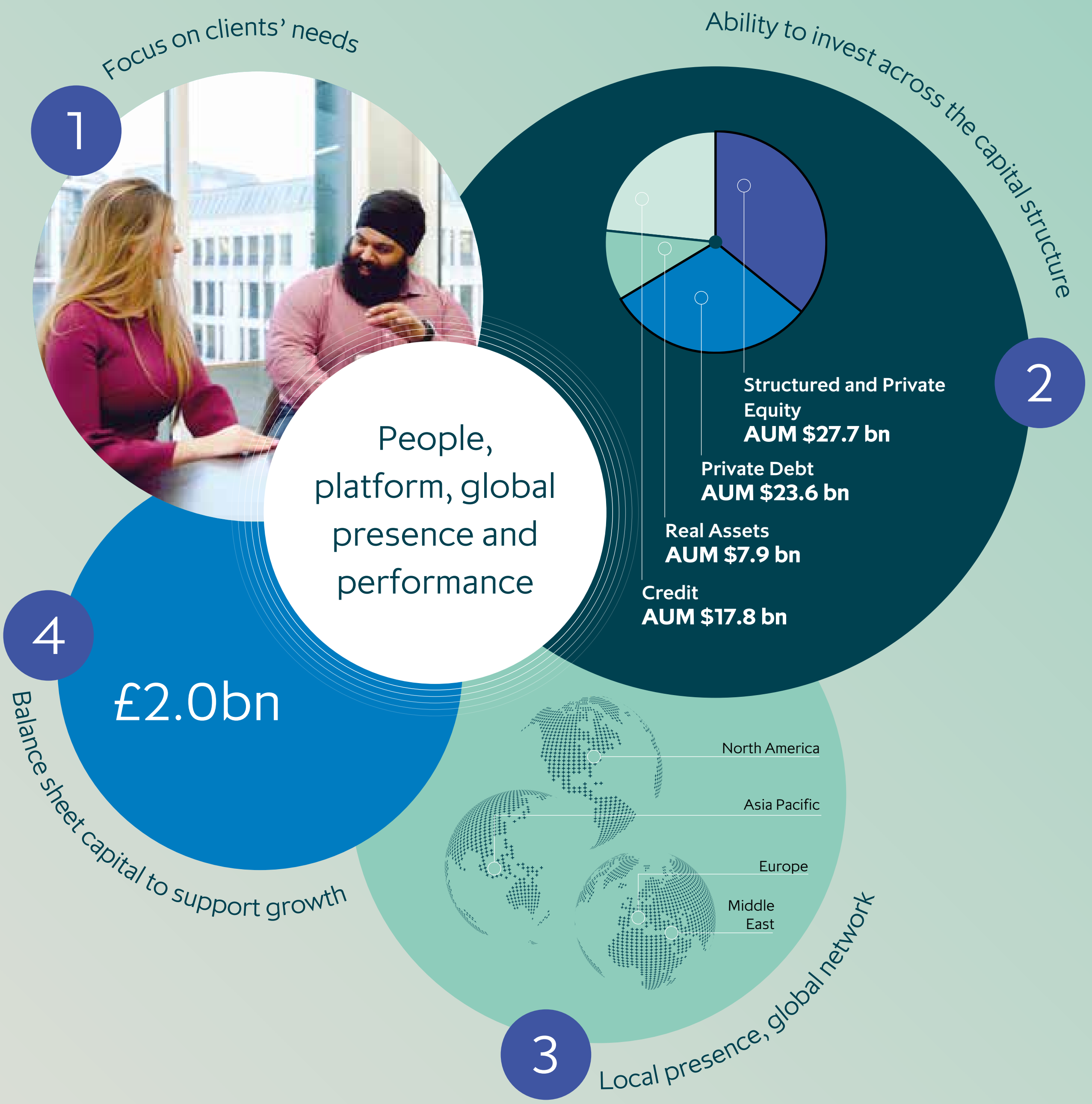
Support the business in areas such as finance and tax, operations and risk, legal, compliance and human resources, ensuring we have a scalable platform

223

Read more on page 26 →

Our competitive advantages

ICG's entrepreneurial culture, breadth of investment strategies and our well-capitalised platform enables us to sustain business activity throughout economic cycles.



1

A focus on clients' needs

Our global marketing and client relations team ensures that we continue to understand and meet the requirements of our clients.

Our clients include pension funds and insurance companies, and thereby indirectly we serve millions of individuals globally.

Our strong client franchise enables us to grow existing strategies and launch new strategies.

Read more on page 5 →

2

Ability to invest across the capital structure

We manage AUM across four asset classes, providing capital to our portfolio companies across the capital structure in the most appropriate form to meet their needs.

Structured and Private Equity funds provide capital to private companies, including both control transactions and minority investments.

Private Debt funds provide debt financing to high-quality corporate borrowers.

Real Assets funds provide debt and equity financing in the real estate and infrastructure sectors.

Credit funds invest in primary and secondary credit markets.

Read more on page 54 →

3

Local presence, global network

We are a world-class firm of outstanding professionals, and we form a purposeful community together with our colleagues, the businesses with which we work and our investors.

With offices in 16 cities worldwide, our teams form part of the local business landscape, and create value through unique market access based on meaningful insights and long-standing relationships.

Find more information online at icgam.com →

4

Balance sheet capital to support growth

Our balance sheet is a strategic advantage that enables us to seed and accelerate new strategies and align our interest with our clients.

Read more on page 54 →

Our track record of growth

ICG was founded in 1989 on the principles of flexible capital solutions, specialist experience and local knowledge. The values we established back then still hold true today.

We are as proud of our long-term relationships with our clients and portfolio companies, and the diversity of our thinking, as we are of our returns.

Over time, we have broadened our specialist strategies and our global reach.

2012
Refocus of corporate strategy
In 2010 ICG refocuses its corporate strategy, developing a third-party investment business and building a dedicated client function.

In 2012 we launch our inaugural direct lending strategy, creating a European market leader in response to the lack of capital provision by traditional lenders.

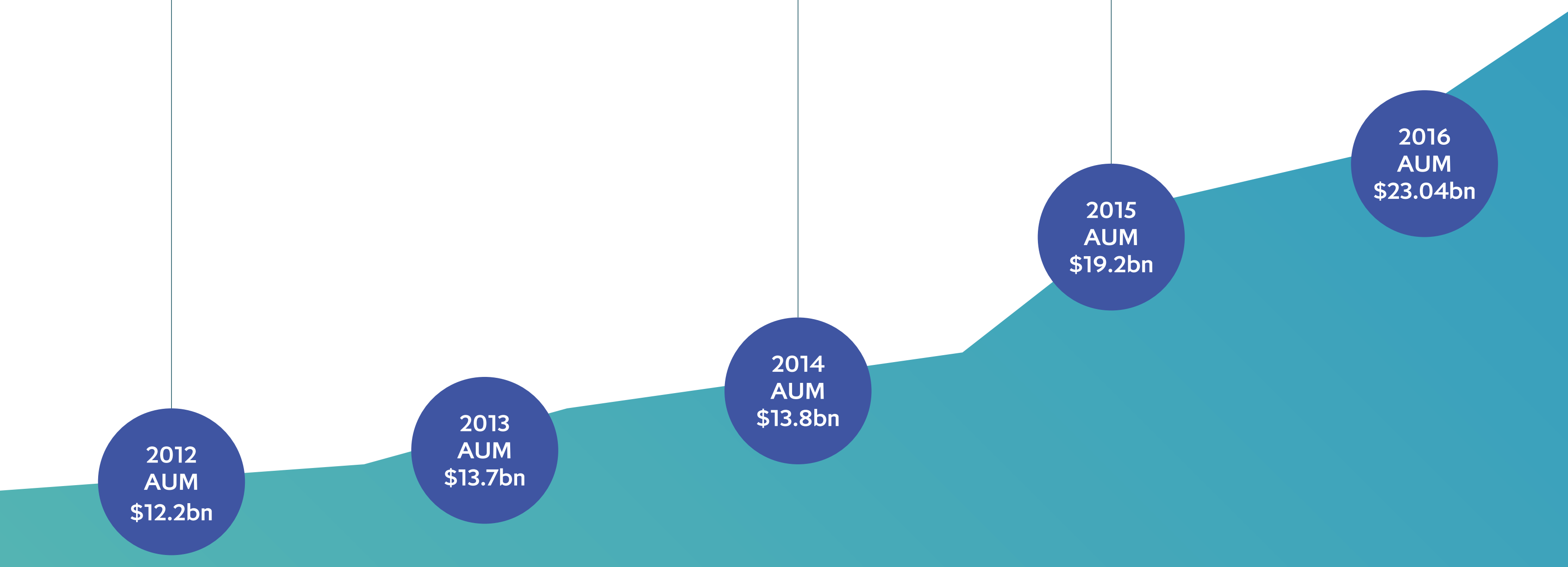
2014
Expansion continues
The founding members of our Strategic Equity team join ICG, launching a future flagship strategy.

Development of our Real Assets business continues with the completion of the acquisition of Longbow, a UK real estate financing business.

2015 - 2017
A new fundraising record and changes in leadership
Europe Fund VI sets a new ICG record closing at €3bn in 2015 and two years later, our second direct lending vintage, Senior Debt Partners III, raises €5.2bn.

Graphite Enterprise Trust, a private equity investment trust and one of ICG's founding shareholders 26 years earlier, is acquired in 2015, becoming the ICG Enterprise Trust – a FTSE250 company in its own right.

As Christophe Evain retires in 2017, Benoît Durteste becomes Chief Executive Officer and Chief Investment Officer.



Track record of growth in assets under management

We are focused on investing responsibly, operating with purpose, and leading change in our industry.

2017 AUM $25.5bn

2018 AUM $35.3bn

2018 - 2019

Enhancing diversity and inclusion

We set clear priorities around inclusion — firm goals to foster a workplace in which each individual is supported to succeed and be themselves. ICG signs the Women in Finance Charter, which includes a commitment to having 30% of management roles filled by women by 2023. We enter into a partnership with teh British Universities and Colleges Sport (BUCS) to support the next generation of female leaders across the UK and establish a 'returnship' programme for women who re-enter the financial services industry after extended career breaks.

We continue to drive impressive success as Europe VII closes at €4.5bn and fundraising across all strategies totals €10.1bn for the fiscal year.

In 2019, Vijay Bharadia is appointed Chief Finance and Operating Officer and Executive Director.

2019 AUM $36.2bn

2020 AUM $50.0bn

2020

Fast growth and a focus on Environmental, social, and governance (ESG)

In 2020 we launch an inaugural €500m Eurobond and Antje Hensel-Roth joins the Board as Chief People and External Affairs Officer.

As the Covid-19 pandemic comes to a head, we work hard to continue to deliver outstanding performance. Our focus on managing our business based on inclusion and responsibility becomes ever more important amid enormous challenges on the physical and mental wellbeing of our teams, our stakeholders and partners.

At the end of 2020, we win the Financial News Alternatives Provider of the Year award, and ICG achieves its highest-ever score in the annual UN backed Principles for Responsible Investment (UN PRI) responsible investing assessment.

2021 AUM $59.6bn

2021 - 2022

Leading on climate

We adopt a commitment to reach Net Zero in operations by 2040, using our position of influence to lead change in our industry.

Our commitment to the Women in Finance Charter, made in 2018, is reached two years ahead of the 2023 target, with a 41% representation of women in UK senior management roles and 35% globally.

2022 AUM $72.1bn

2023 AUM $80.2bn[1]

2023

Delivering growth through cycles

Our fund management company delivers year-on-year growth in fee-earning AUM, fee income and profits, and the balance sheet performs in line with our expectations during a period of volatile market conditions.

We take a long-term view on investing for future growth, hiring selectively across the firm and investing balance sheet capital in seed assets for a number of strategies during the year.

1. During the year the Group updated its AUM measurement policy, see page 54.

Building and scaling a platform

> I believe the investments we have made give us substantial runway to continue to grow in the coming years, and that in many respects ICG is still at the beginning of its journey.

William Rucker
Chair

To my fellow shareholders,

It is a pleasure to write to you as Chairman of ICG, a role I am honoured to have taken on in January 2023. I would like to start by expressing my gratitude on behalf of the Board to Andrew Sykes, who fulfilled the duties of Interim Chairman while the search for a permanent Chairman was undertaken. I look forward to his continued insight and guidance around the Board table in his role as Senior Independent Director.

Since Andrew's letter last year, geopolitical and economic uncertainty has continued to rise. The economic landscape has become increasingly complex, with inflation reaching multi-year highs in a number of countries, which has in turn forced central banks to raise interest rates at a time when many economies are slowing down. Today, the outlook remains nuanced. Certain countries and sectors are more vulnerable, while others are demonstrating significant resilience.

Elevated levels of uncertainty present difficulties for Boards. Many businesses, ICG included, can react tactically in the short term as opportunities present themselves. However, to create long-term value, they are required to make strategic decisions around allocating economic and intellectual capital, and then to pursue these vigorously and consistently over a number of years. An unclear outlook and an increasing cost of capital make these decisions more challenging, and we have seen some of the implications of this during the last twelve months in elevated volatility within public markets, a transfer of value from equity to debt, reduced valuations in many sectors, and a slowdown in M&A activity globally.

Against this background, I am comforted that private markets have shown a remarkable ability to adapt and innovate across economic cycles. Indeed, ICG's business model today is the result of a strategic decision taken over a decade ago to pivot to being a third-party asset manager – a transition that was pursued with determination and to great effect. There have been a number of periods of economic uncertainty during that time since the Global Financial Crisis, including the Euro crisis, Brexit, and of course Covid-19 pandemic. Throughout all of these we have focused on executing a clear strategy of expanding our product offering, client base, and AUM. This has been delivered consistently and successfully, and in doing so we have grown and diversified the sources and robustness of our fee income.

There is always the risk that long-term ambitions get forgotten during periods of short-term challenge. Concerted efforts to reduce our environmental impact and to enhance diversity, equity and inclusion in the workplace must not be seen as optional and "only for the good times". I am proud to Chair in ICG an organisation that is action-orientated in these areas, being amongst the first group of alternative asset managers to commit to net zero (by 2040) and exceeding its commitment made under the UK Women in Finance Charter two years earlier than planned. Of course, many other initiatives in these areas continue and I am pleased with the progress we have made over the last 12 months.

As a direct result of these decisions and actions, ICG today is better positioned – strategically, financially, operationally and culturally – than at any time in our history. We manage our clients' assets across a broad range of products, spanning the entire capital structure from common equity to senior debt. From the perspective of our portfolio companies, we are a partner who can provide the most appropriate form of capital to meet their needs. For our clients, this diversification allows us to help them achieve their investment objectives in their alternative asset allocations – whether in Structured and Private Equity, Private Debt, Real Assets, or Credit. For shareholders, the diversity of our business is a powerful driver of resilience and growth, providing multiple avenues to increase our AUM and thereby develop further long-term streams of management fee income.

A consequence of our business and financial model is that we are able to sustain business activity across economic cycles, and this is visible in the results we report for FY23. We continued to deploy and realise our clients' capital, and recorded year-on-year growth across AUM, fee income, FMC PBT and the distributions made to our shareholders[1].

Our confidence in the long-term and through-cycle prospects of ICG is underlined by our simplification of the dividend policy to being progressive. We are also stating the we intend over the long-term to increase the dividend per share by at least mid-single digit percentage points on an annualised basis. The breadth and scale of ICG today allows us to have this dividend policy as an integral part of our approach to capital allocation, running alongside commitments to our funds and using our balance sheet to seed new strategies.

None of this is instant. Building and scaling a platform that generates compounding growth over the long-term takes time, and that is precisely what we are doing at ICG. In recent months, Andrew Sykes and I have had a number of discussions with shareholders in a variety of forums. We have both been encouraged by the level of engagement around ICG; the clear understanding our shareholders have of the business; and the thoughtful, long-term view with which they approach ICG's strategy and our potential to generate long-term equity value. I look forward to more discussions with shareholders and our broader stakeholders in the coming months.

OUR GROUP

We are global, but multi-local rather than multinational

582 employees

16 countries

Post year-end there were two changes to the Board. Kathryn Purves stepped down after nine years as a Non-Executive Director, during which time she made a wide-ranging contribution including chairing the Risk Committee and more recently serving as Senior Independent Director. We also announced the appointment of David Bicarregui, who joined ICG in April and who will take up the role of CFO in July, replacing Vijay Bharadia. I would like to pass on my and the Board's thanks to Kathryn and to Vijay for their significant contributions to ICG.

The last twelve months have demonstrated the strategic and financial benefits of our scale and diversification. Notwithstanding our strong historical growth, I believe the investments we have made give us substantial runway to continue to grow in the coming years, and that in many respects ICG is still at the beginning of its journey. Mindful of the uncertainty and volatility we may face in the future, we are well positioned to navigate complex markets for the benefit of our clients, portfolio companies and shareholders.

Over a number of decades I have watched and admired ICG's growth and development from afar. I am excited at the prospect of being actively involved in its future, and look forward to working with the ICG team, our shareholders and other stakeholders in the years to come.

William Rucker
Chair

1. Including the proposed final dividend of 52.2p for the year ending 31 March 2023

Predictability in unpredictable markets

ICG has performed strongly over the last twelve months on both a strategic and financial level.

Benoît Durteste
CEO and CIO

The last twelve months have been a busy and successful period for ICG. Our scale and breadth have enabled us to capture opportunities in a dynamic market environment. The investment landscape and client appetite have shifted towards our areas of particular expertise such as structured transactions, private debt and infrastructure. We have continued to execute successfully on our strategy of growing up and growing out, and have invested selectively across the organisation to augment our investment teams, marketing and client relations offering, and to enhance our operating platform. By investing today, we are positioning ourselves to benefit from what could be a rapid and significant rebound in private markets activity when conditions become less volatile, and when the market could continue to further concentrate around scaled, broad managers.

Over the last year we have developed opportunities that embed further long-term growth potential. The single largest contributor to fundraising this year was our direct lending strategy, Senior Debt Partners, which raised $3.3bn during the financial year ended 31 March 2023 (FY23) and which is continuing to fundraise – an already-successful strategy that became incrementally attractive both to clients and portfolio companies given its exposure to floating rate debt and its ability to provide debt financing when many other sources were not available. The year saw the final closes of three funds (all at or above their original hard-caps) which in aggregate account for $13.2bn of third-party AUM[1] at 31 March 2023, including Europe VIII closing with almost twice as much capital committed from clients as the previous vintage. We launched second vintages of Infrastructure, Europe Mid-Market and Sale and Leaseback; marketed a number of first-time funds; hired new teams for future strategies, including Infrastructure Asia and Real Estate Asia; and invested £214m of our balance sheet capital to seed a number of future strategies.

The financial results we are reporting today reflect this strong strategic performance. Third-party fee income for the year was £501.0m, up 12% compared to FY22 (with management fees up 23%), and record Fund Management Company (FMC) profit before tax was £310.7m, up 9% compared to FY22. Our diversified and robust balance sheet is performing in line with our expectations, generating NIR of 4% over the twelve months. At 31 March 2023 the balance sheet had net gearing of 0.50x and total available liquidity of £1.1bn. The Board has declared a final dividend of 52.2p per share, bringing total dividends for the year to 77.5p per share, an increase of 2% compared to FY22. Over the last five years, ordinary dividends per share have grown at an annualised rate of 21%, and the Board is reaffirming its commitment to a progressive dividend policy.

1. Europe VIII ($8.3bn), Asia Pacific IV ($0.9bn), Strategic Equity IV ($4.0bn)
2. Includes the impact of a policy change in FY23 which increased third-party AUM by $3.1bn and fee-earning AUM by $0.5bn

The nature of our business is that we generate growth and value over the long-term, and in recent years we have successfully scaled and broadened our product offering and client franchise. We have raised a total of $33bn so far in this fundraising cycle since the beginning of FY22, and are on track to meet our accelerated fundraising guidance of at least $40bn cumulatively from FY22 to FY24. We now manage $77bn of client capital, up 15%[2] in the year and 19%[2] on an annualised basis over the last five years. Over the same period our third-party fee income has grown at an annualised rate of 25% and our FMC profit before tax at 27%. Our balance sheet has delivered long-term value for our shareholders, generating a five-year average net investment return of 11.2% and a NAV per share annualised growth rate of 9.7% over the same period.

How we grow to $100bn AUM and beyond

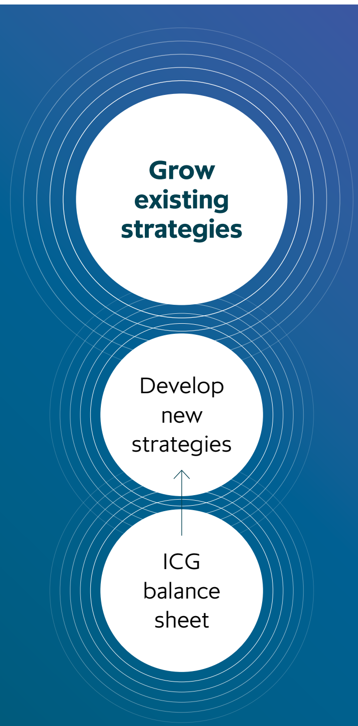
Our growth strategy is built on the breadth of our product offering, the strength of our investment track record, and our ability to retain and grow our client base.

We grow by raising larger successor vintages of existing strategies (growing up), and bringing new strategies to market (growing out), thereby building an attractive and increasingly broad waterfront of strategies.

Growing up is very asset-light with significant operational leverage.

Growing out broadens our product offering and revenue streams, increasing the size of the Group's addressable market and diversifying its future growth profile.

By managing these two routes of growth effectively and efficiently, we create significant long-term value.



ICG's business model today therefore provides a high degree of stability and visibility, which is particularly powerful during periods of volatility such as we have experienced over the last twelve months. At 31 March 2023 we had $62.8bn of fee-earning AUM, with an indicative annualised management fee generation potential of ~£459m, and a further $14.7bn of AUM that is not yet fee-earning which, when deployed, has the indicative potential to generate ~£116m of annualised management fees.

Our ability to deliver attractive returns for our clients underpins our future success. Our portfolio companies are generally continuing to show strong operational performance, with those in our European Corporate strategy for example showing LTM EBITDA growth of 13% and those in direct lending (SDP) showing LTM EBITDA growth of 20%. We are reporting increases in fund valuations across many of our strategies for the period; very low loss ratios with historically high returns in debt strategies; and attractive life-to-date IRRs, MOICs and DPIs in strategies with equity exposure. During the year we realised $6.9bn of third-party fee-earning AUM at a realised annualised return of 18.7%[3], further anchoring the performance of our funds. The track records we are developing today are important components of marketing future vintages, and we continue to pay very close attention to portfolio management to reinforce our track record.

Successful execution of our strategies around Sustainability and Diversity, Equity and Inclusion (DEI) are important components of our ability to generate value for our clients and portfolio companies. In January we published our latest Sustainability and People Report, detailing our achievements over the last twelve months and our areas of future focus. I was delighted to welcome a new Global Head of Sustainability and ESG in an enhanced role during FY23, and we are rapidly building on an already-strong position. At the first anniversary of ICG's commitment to be net zero by 2040, nine portfolio companies have set science-based greenhouse gas (GHG) emissions reduction targets: 15% of relevant investments in our first year alone. Furthermore, many other portfolio companies have advanced their target-setting plans, placing us on track to achieve our interim target of 50% of relevant investments having such targets by 2026. Our achievements in the areas of Sustainability and ESG are recognised in our public ESG ratings, and for the first time ICG became a member of Dow Jones Sustainability Indices (DJSI) Europe as a result of our assessment by Standard and Poor's (S&P) Global CSA. In the related area of DE&I, we were delighted to be top-ranked for Private Equity globally in the Honordex, measuring DE&I efforts and outcomes. This sits alongside extensive work around enhancing DE&I not just for ICG but across our industry, including through a comprehensive charity framework designed to increase career access to our industry for underprivileged groups.

3. Return achieved on full realisations, weighted on original invested cost

2023 performance summary

We have made strong progress during the year against our strategic objectives

Grow AUM

$10.2bn

Record third-party AUM raised, bringing total AUM to $80.2bn

Invest

$10.5bn

Record third-party AUM deployed from our direct investment funds

Manage and realise

$5.3bn

Continued value creation within our portfolio, realisations of $5.3bn of third-party fee-earning AUM within direct investment funds

- Total AUM of £80.2bn with record fundraising of $10.2bn
- Sustained investment activity across our business
- Third-party fee income: £501m during the period, an increase of 12% compared to FY22
- Fund Management Company profit before tax of £310.7m an increase of 9% compared to FY22
- Total dividends for FY23 of 77.5p per share, an increase of 2% compared to FY22 and the thirteenth consecutive annual increase in ordinary dividend per share

Looking to FY24 and beyond, I remain excited by our prospects. We reiterate our fundraising target of at least $40bn cumulatively from FY22 to FY24, and we will be marketing a number of first-time and follow-on vintages in the coming year. We will invest for the future, across our product offering, client franchise and operating platform.

We are well placed to deploy capital in dynamic market conditions, with $20.9bn of dry powder at 31 March 2023 and local origination teams with exceptional market access, supported by a disciplined investment process. We have hundreds of companies across our portfolio, giving us access to a large number of datapoints on the performance of businesses across geographies and sectors, enabling us to spot trends early and understand more holistically how investment opportunities might perform. In the near-term, transaction volumes might remain slower in the broader market. ICG is well positioned to execute on opportunities that are particularly attractive today, including in structured transactions, private debt and real assets.

Longer-term, I expect the structural demand for private markets to remain intact, and it was good to welcome many of you to our shareholder seminar in January on fundraising and client strategy. For portfolio companies, the attractions of private capital are largely unimpacted by the broader macroeconomic context: bilateral bespoke agreements; being capitalised by investors with substantial dry powder to support future growth; and an ability to focus on longer-term value creation. For clients, lower volatility, higher returns, longer duration, and investments in parts of the economy that cannot be accessed through public markets continue to make allocations to private markets an important component of a long-term asset allocation strategy. Our strategy of "growing up" and "growing out" has enabled us to capture a growing breadth of the market and has generated significant value for shareholders, accelerated by our strong balance sheet. I see ample runway for many years of profitable growth by continuing to execute successfully on our strategy.

I believe there will be substantial rewards for the winners emerging from this era of higher interest rates, inflation and macro uncertainty. To be amongst that group, private markets managers will need sufficient scale to be relevant, a broad product offering, a differentiated origination capability, a track record of managing portfolios to generate value through cycles, and a sophisticated client strategy and operating platform.

ICG possesses all of those qualities. Today we are larger, broader, more financially resilient, and the FMC more profitable than at any point in our history, and I believe we are well positioned to navigate the future for the benefit of our clients, portfolio companies and shareholders.

Benoît Durteste
CEO and CIO

Market environment

Market		
Economic growth	**Inflation**	**Interest rates**
Description		
• Broadly, the economic outlook became more challenging during the majority of 2022 due to a number of factors including inflation, interest rates, geopolitical tension and public market volatility. According the International Monetary Fund's (IMF) July 2022 report, "*a tentative recovery in 2021 was followed by increasingly gloomy developments in 2022 as risks began to materialize. Global output contracted in the second quarter of 2022, owing to downturns in China and Russia, while US consumer spending undershot expectations.*" In April 2023, they reported that *"On the surface, the global economy appears poised for a gradual recovery…. Below the surface, however, turbulence is building and the situation is quite fragile."* • On a global level the IMF expects growth to be 2.8% in 2023 and then rise modestly to 3.0% in 2024, although with considerable variation between geographies.	• The spectre of inflation continued during 2022, with US Consumer Price Index growth reaching its highest levels in 40 years. In the US, the consumer price index rose 5.0% in the 12 months to 31 March 2023 (12 months to 31 March 2022: 8.5%); and Euro Area CPI was 6.9% (12 months to 31 March 2022: 7.4%). • The notable shift in inflation narrative during the year was in the debate around how entrenched higher inflation is likely to be. At the start of 2022, expectations were more anchored in a transitory period of higher inflation. That shifted rapidly towards a concern that higher inflation could last for longer. With many central banks targeting nominal inflation, such concerns led to a rapid shift in interest rate policy.	• The period of near-zero interest rate policy for over a decade post the Global Financial Crisis came to dramatic end – at least for now – during 2022. In response to increasing concerns about inflation, central banks globally moved swiftly during the second half of 2022 to increase rates, with a rapid series of 75bps rises in the US and other marked increases from central banks globally. • Raising interest rates against a broader background of a slowing global economy is likely to be a challenging balance act for central banks, with three possible outcomes: a so-called "hard landing", where higher rates trigger a recession; a "soft landing", where central banks hold rates high enough to contain inflation but low enough to keep economic growth positive; and "stagflation", where rates are low enough to prevent a recession but too low to contain inflation– risking a period of low growth, moderate-to-high inflation and interest rates, and a stagnant economy.
What this means for ICG		
• Our range of investment strategies and ability to invest across the capital structure mean that we are well-positioned to invest throughout economic cycles. • As part of our due diligence when making investments, our investment professionals model how potential portfolios are likely perform during a range of scenarios including a downturn. As such, as a reduction in global growth is always factored into our investment case. • From a shareholder perspective, management fees on our closed-end funds are almost always charged either on committed capital or invested capital, so are not impacted by movements in fund valuations. Our balance sheet invests alongside our funds and therefore its performance will be correlated to the performance of the funds.	• High inflation could make it harder for clients to achieve a 'real return', potentially making alternatives more attractive and supporting incremental client demand. • Certain of our investment strategies – such as Infrastructure – are also potentially more attractive in an inflationary environment. Our investment management activities factor inflation risk into investment decisions that we make and how we engage with portfolio companies during our period of ownership. • At the Group level our largest costs are employee costs, and we continue to ensure we hire selectively and remain competitive as an employer.	• The main driver of our profitability and growth is third-party fee income, which is not directly impacted by movements in interest rates. • Our direct lending strategy, Senior Debt Partners, provides 'floating rate' debt to portfolio companies; in periods of higher interest rates, this strategy is generating higher returns for our clients. From a portfolio company perspective, we take a conservative approach to leverage when investing in equity or debt and we will typically require our portfolio companies to hedge a portion of their interest rate exposure. • All of the term debt at the ICG plc level is fixed rate.
Read more Our business model page 4 → Our management fees page 58 → The valuation of our balance sheet page 60 →		Read more Our debt facilities page 217 →

Sources: Bain – 2023 Global Private Equity Report; Preqin – Future of Alternatives 2025

Industry

Market activity

Description

- 2022 was very much a "year of two halves" in private market activity. The first six months continued at broadly the same pace as the record-breaking 2021, despite increasingly persistent inflation, the invasion of Ukraine and rising broader geopolitical tensions. In June – when the Federal Reserve issued the first in a series of 75bps increases in interest rates – credit became scarcer and more expensive, public market valuations came down materially in several sectors, and transaction velocity in private markets slowed substantially.
- Globally the net result was still the second largest year in terms of buyout values historically, but a reduction of 35% compared to 2021 and very much weighted to the first half of the year.
- Aggregate transaction value in North America and Europe were each down by ~30% year-on-year, with APAC down 59% due in part to Covid-related restrictions. Buyout transaction count reduced by a more modest 10% compared to FY22 – the mid-market space proving more resilient than the 'mega buyouts' – average deal value globally reduced by 23% from $1,245m to $964m.

What this means for ICG

- Lower transaction activity across the market impacted the pace of deployment and realisations in many of our funds during FY23 – although deployment within our direct lending strategy (Senior Debt Partners) benefited due to the scarcity of other forms of debt finance.
- While slower deployment over the medium term extends fundraising cycles, lower realisations mean that we earn management fees for longer.

Read more
Investment activity in FY23 page 56 →
Our management fees page 58 →

Fund raising

Description

- "*The long-term outlook for fund-raising remains exceedingly bullish*" state Bain & Company in their Global Private equity report. Indeed, 2022 saw $1.3tn raised globally – the second-highest total ever. It was 10% down compared to 2021, but 6% higher than the 2017 -2021 average.
- Increased macroeconomic uncertainty, lower public valuations, a slowdown in realisations, and the substantial levels of capital committed to private markets in recent years led to more caution from Limited Partners during the year. The picture however was nuanced, with buyouts raising 5% less than their 2017 – 2021 average while infrastructure raised 46% more and direct lending 37% more.
- The longer-term drivers for private markets as a whole remain intact. Again according to Bain & Company's 2022 report, "*Private market returns… are outpacing public returns over every time horizon, while alternative funds provide access to the broad global economy and the fullest range of asset classes. These advantages explain why private markets continue to grow relative to the public markets.*"

What this means for ICG

- Our diversity of strategies is a strategic advantage from a fundraising perspective as it allows us to help clients meet their investment objectives across a wide range of funds and across economic cycles.
- Our balance sheet also provides support to fundraising, demonstrating clear alignment with clients and enabling us to provide seed capital to new strategies.
- In the shorter term, a more challenging fundraising market is likely to benefit incumbent managers with strong brands and track records – a trend from which we expect ICG to benefit.
- The longer-term structural tailwinds supporting our AUM growth are expected to remain in place, and we have the platform and expertise to successfully execute on the opportunity.

Read more
Our range of strategies page 5 →
Fundraising in FY23 page 55 →

Sources: Bain – 2023 Global Private Equity Report; Preqin – Future of Alternatives 2025

ICG is well positioned to benefit from private market trends

Strong track record of investment performance

Read more on page 54 →

Structured and holistic approach to responsible investing

Read more on page 26 →

Multiple strategies to suit clients' investment objectives

Read more on page 5 →

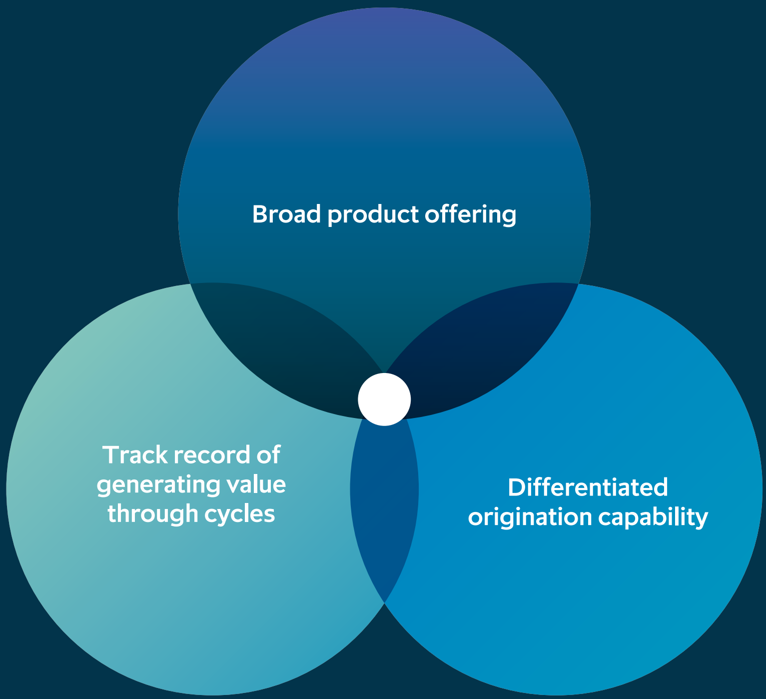
Proven ability to innovate and pioneer new strategies in response to client demand and market opportunity

Read more on page 12 →

Scalable and unified operating platform

Read more on page 4 →

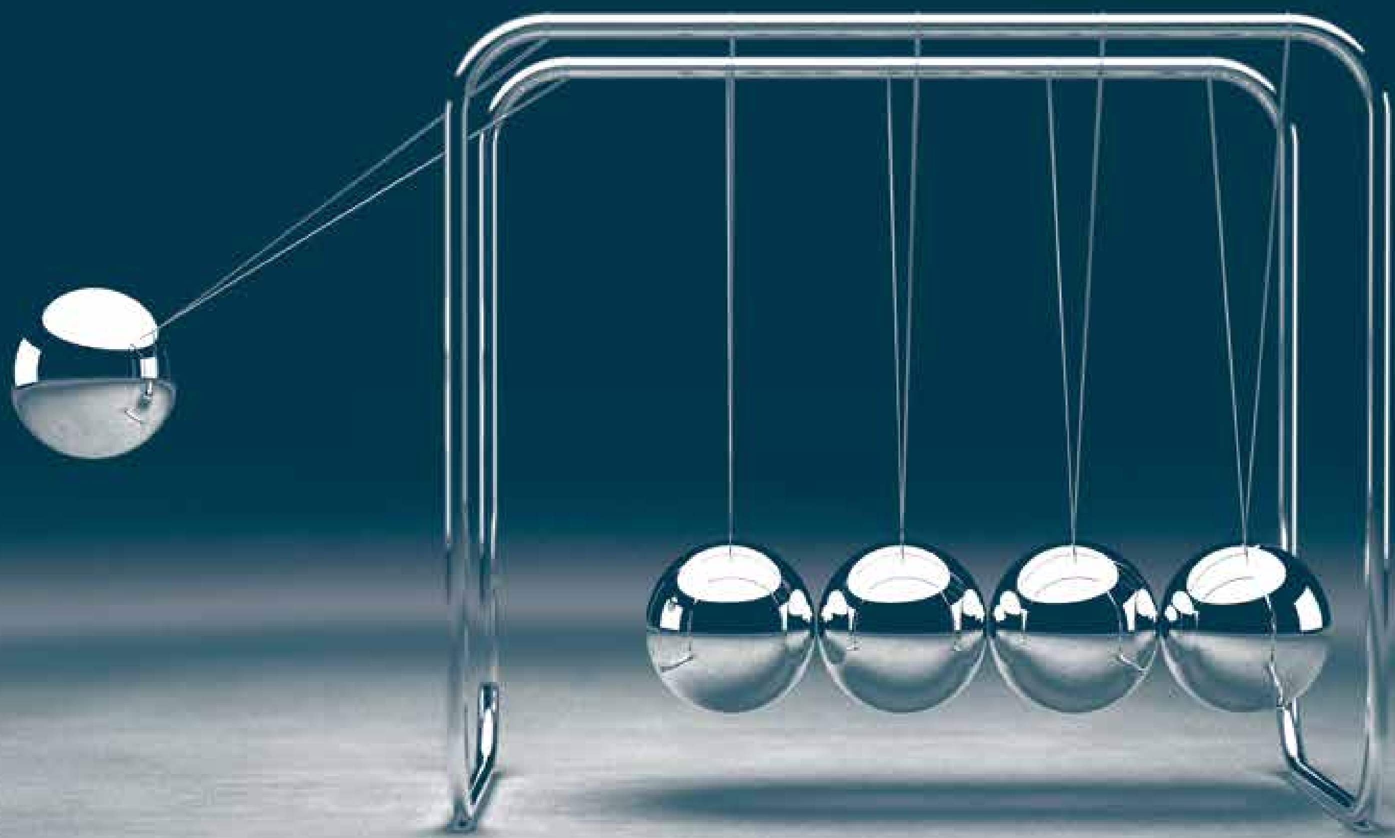
How we are positioned



An exciting future

Successfully fundraising, growing AUM, and increasing profits from our fund management activities underline the powerful economic characteristics that underpin ICG's resilient business model today.

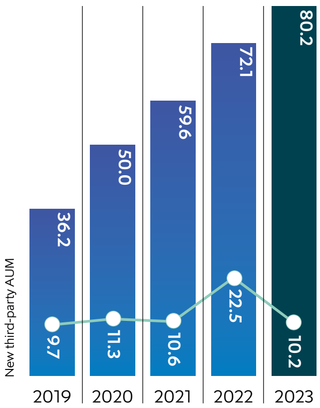
We are well positioned to navigate an exciting future with many opportunities likely to arise as the economic landscape continues to evolve.



Measuring progress

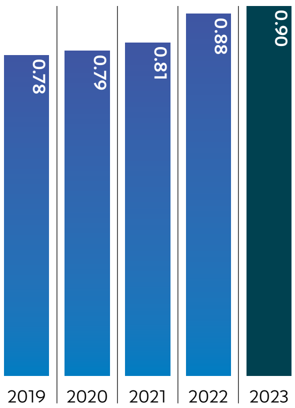
Total AUM[1] ($bn) Ⓐ

$80.2bn



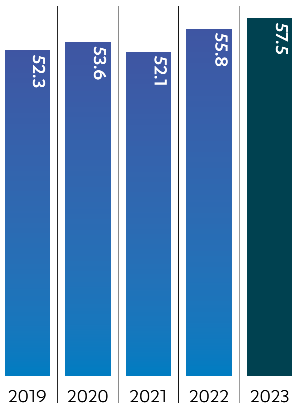
Weighted-average fee rate (%) Ⓐ

0.90%

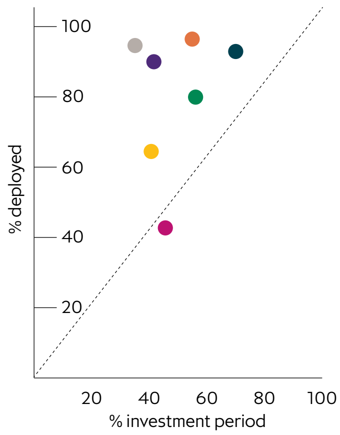


FMC operating margin (%) Ⓐ

57.5%



Deployment of direct investment funds (%)



Rationale

Raising third-party funds is one of the leading indicators of the Group's profitability.

We expect to raise at least $40.0bn in aggregate over FY22 to FY24.

The weighted-average management fee rate on fee-earning AUM is a measure of profitability.

Fee rates vary across our strategies. The weighted-average fee rate will depend on the composition of fee-earning AUM.

The FMC operating margin is a measure of the efficiency of our fund management activities. The Group has invested substantially in its growth and the return on this investment is measured through the operating margin. The Group is targeting a margin above 50% for its fund management business.

Direct investment funds have a defined investment period. We monitor progress against a straight-line deployment basis as an indicator of timing for any subsequent fund raising.

Outcome

Total AUM of $80.2bn up 14% compared to FY22 on a constant currency basis.

Third-party fundraising in line with guidance at $10.2bn; on track to meet accelerated fundraising target of $40bn.

The effective management fee rate on our fee-earning AUM at the period end was 0.90% (FY22: 0.88%). The increase was due to the fundraising within Structured and Private Equity in strategies with higher fee rates charging fees on committed capital as well as a positive mix effect in other asset classes.

The FMC operating margin of 57.5% (FY22: 55.8%) was materially above our medium-term guidance of above 50%, driven in part by catch-up fees and a strong focus on cost control.

During the period we deployed a total of $10.5bn of AUM on behalf of our direct investment funds (FY22:$15.0bn).

Key to funds

- North America Private Debt Fund II
- Real Estate Partnership Capital VI
- Sale & Leaseback Fund I
- Asia Pacific Fund IV
- Infrastructure Equity Fund I
- Europe Mid-Market Fund
- Strategic Equity Fund IV

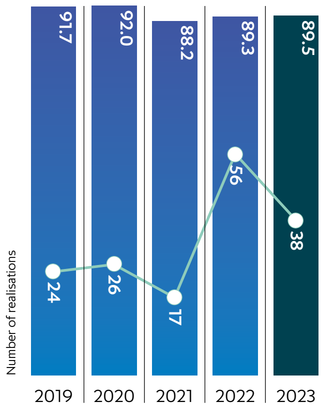
Strategic alignment

Ⓐ Alternative performance measures - see page 54

1. During the year the Group updated its AUM measurement policy, see page 54.

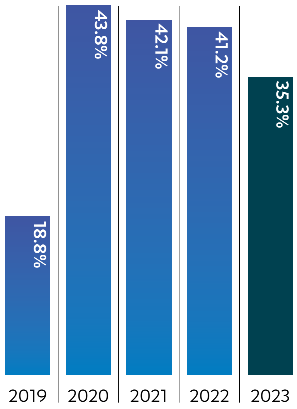
Percentage of realised assets exceeding performance hurdle (%)

89.5%



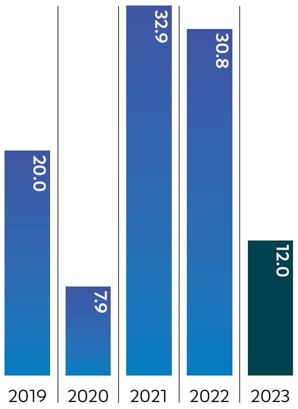
UK senior management gender diversity (%)

35.3%



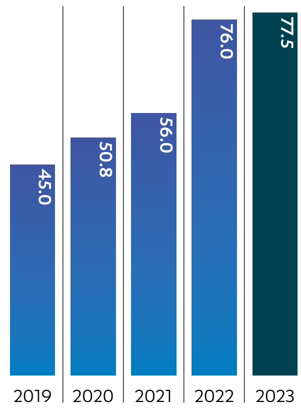
Return on equity (%) A

12.0%



Ordinary dividend per share (p)

77.5p



Rationale

An indicator of our ability to manage portfolios to maximise value is the level of realised assets for which the return is above the fund performance hurdle rate. This is the minimum return level clients expect and the point at which the Group earns performance fees.

Details of the hurdle rate per fund can be found on page 215.

We believe a more diverse and inclusive workforce will enhance the delivery of our strategic objectives and shareholder value. We have pledged to increase the number of women in senior management roles in an industry in which senior investment positions are predominantly held by men.

Return on equity reflects the post-tax performance of the Fund Management Company and the Investment Company as well as the level of balance sheet equity.

The Group's ability to pay dividends and return value to shareholders is a measure of its ability to generate returns from managing third-party funds.

The Group's dividend policy is progressive. Over the long-term, the Board intends to increase the dividend per share by at least mid-single digit percentage points annually.

Outcome

Our strategies continued to perform strongly. The outcome for the year on this KPI is in line with our long-term average.

Following a change in management organisation during the year the Group has maintained its gender diversity above the Women in Finance target.

Group profit after tax of £229.3m (FY22: £538.0m) driven by an increased FMC profit before tax of £310.7m (FY22: £286.2m) offset by an IC loss of £52.6m (FY22: Profit £282.6m), and a higher group effective tax rate of 11.2% (FY22:5.4%).

Group net asset value was largely unchanged at £1,977m (FY22: £1,995m).

Our progressive dividend policy has been maintained, with a 2% increase in dividend per share compared to FY22.

Over the last five years our ordinary dividend per share has increased at an annualised rate of 21%.

Details of our Executive Director KPIs are shown on page 103 →

Engagement with our stakeholders

Section 172 statement

As required by the Companies Act 2006, the Directors have had regard to wider stakeholders' needs when performing their duties under s.172. In particular, the Directors recognise the importance of acting in a way that promotes the long-term success of the Company to the benefit of its members as a whole.

We set out on the following pages how the Directors considered the interests of stakeholders. The clearest example of this is in capital allocation and the use of our balance sheet to support the long-term growth of our Fund Management Company.

During the year, in their decision making, management and the Board balanced a number of considerations including:

- Alignment of the Group's interests with its clients, co-investing in our strategies alongside our clients, while seeking to reduce the Group's commitments in the longer term where appropriate
- The longer-term prospects of new funds, what quantity of third-party AUM such funds and future vintages are likely to attract, and the management fee generation of such new funds
- Maintaining robust capitalisation, with strong liquidity, mindful of our long-term ambition to have zero net gearing
- The prevailing market conditions and macroeconomic forecasts

Our key stakeholder groups

The Directors consider that the following groups are the Group's key stakeholders. The Board seeks to understand the interests of each stakeholder group so that these may be properly factored into the Board's decisions. We do this through various methods including direct engagement by Board members where relevant; receiving reports and updates from management; and receiving input and counsel from external experts as appropriate.

Read about how the Board engages with stakeholders on page 21

Shareholders and lenders

Clients

Why is it important to engage?

Shareholders and lenders

Effective access to capital is crucial for the success of the Group, and fostering a supportive investor base that is interested in the long-term prospects of the Group is of strategic importance.

We seek to foster a two-way dialogue with both current and potential shareholders and lenders.

We strive to communicate clearly to them our performance and prospects.

We also seek to understand their views on our industry and our business so that these perspectives can be factored into management and Board decisions.

Clients

Clients entrust us with their capital to invest on their behalf. The single largest driver of our long-term growth is continuing to attract increasing levels of capital from our clients and growing our client base.

Ensuring that we understand our clients' needs and serve them appropriately is fundamental to the success of the Group.

How have the Board and management engaged?

Shareholders and lenders

The Group conducts an active Investor Relations programme, engaging with shareholders, lenders and rating agencies throughout the year using a variety of channels. During FY23 these included one-on-one and group meetings, shareholder roadshows following results and on an ad hoc basis (in a number of geographies), and shareholder dinners (including with Non-Executive Directors and members of the management team).

The Board and management receive feedback on shareholder and lender views directly from our shareholders, rating agencies and balance sheet finance providers, the Group's Shareholder Relations function and from third parties such as our corporate brokers.

The Interim Chair undertook a series of meetings with our largest shareholders without management present to receive shareholder feedback on the Group, our growth plan and management.

Clients

We are continually considering the position of our clients, and how we can best engage with them. More information on our clients can be found on page 5.

Our in-house marketing team engages regularly with all clients and potential clients, providing detailed updates on fund performance, new funds and other business developments, including ESG matters.

We held regular client investor days and investor conferences, ensuring our clients have access to our in-house distribution team as well as senior management and members of our investment teams.

What were the key topics of engagement?

Shareholders and lenders

- Long-term demand for alternative assets, and the potential impact of high interest rates and inflation on such demand
- Ability to deliver continued strong growth for shareholders
- Investment performance
- Clear communication of strategies
- Director Remuneration Policy
- Clarity around our balance sheet's function in driving new business
- Longer-term plans for the Group's balance sheet gearing

Clients

- Designing funds to meet clients' needs
- Strategy to grow our client base and increase "share of wallet" of existing clients
- Reporting of portfolio performance
- Integrating ESG considerations into our client reporting and our investment processes

Outcomes as a result of that engagement

Shareholders and lenders

- Increased engagement with current and potential shareholders both through regular reporting and off-cycle interactions
- Refined our disclosure on the performance of our funds
- Hosted a shareholder seminar on Client and Fundraising strategy as part of our annual programme of shareholder seminars
- S&P Ratings upgraded our credit rating in July 2022

Clients

- Continued to broaden our expertise and offering of funds to meet client needs
- Offered successor vintages of established funds to meet client demand
- Enhanced our monitoring, target setting and reporting for portfolio companies
- Continued to offer a number of funds with sustainable elements, including our new Article 9 Life Sciences Fund

Employees

Why is it important to engage?

The success of the Group depends on collaboration and expertise across teams.

Effective two-way communication with our employees is essential to build and maintain engagement.

Our employee engagement informs us where we are doing well and where further actions should be considered and applied.

How have the Board and management engaged?

We have a number of formal and informal channels to achieve this, including a significant employee engagement survey held during the year, regular whole company business briefings and regular team meetings.

Amy Schioldager is the NED responsible for employee engagement, and she held a number of sessions with employees during the year in individual and group forums.

Details of our employee engagement can be found on page 28.

What were the key topics of engagement?

- Growth and development of our employees
- Wellbeing of employees
- Enhancing our agile working arrangements
- Succession planning
- Ensuring that the employee experience is not adversely impacted by our growth trajectory
- Support for those affected by the cost-of-living crisis

Outcomes as a result of that engagement

- Continued formal engagement with senior management through “town halls” and more regular videos and information sharing
- Awarded an additional “cost of living” bonus to employees in lower salary bands, to help support our more vulnerable employees through the cost-of-living crisis
- Further advanced our employee-led networks during the year, including ensuring that employees across all our offices globally are able to actively participate
- Reviewed our policies, including around family building and care leave, to ensure that employees are able to balance their work and family lives
- Continued to hold significant global induction events for new joiners

Suppliers

Why is it important to engage?

We work to ensure that our key suppliers are engaged with our business and that each party understands the approach of the other.

This enables our suppliers to better meet our needs and us to understand their perspective, as well as delivering appropriate oversight of the supplier relationship.

How have the Board and management engaged?

We hold regular relationship meetings with our key suppliers to ensure that any issues in our interactions with them are fully considered and addressed, and to review supplier performance.

What were the key topics of engagement?

- Ability of key providers, including third-party administrators, to continue to provide a high-quality and fairly priced service
- Enhancement of ethical and responsible procurement practices including conducting of Modern Slavery risk assessment of suppliers
- Building broader relationships with key supplier team

Outcomes as a result of that engagement

- Reviewed key supplier contracts
- Reviewed processes with suppliers (both onboarding and the go-forward relationship) and developed a new and enhanced ESG assessment process which all new and existing material suppliers will be required to complete
- Rolled out our Supplier Code of Conduct
- Review of invoice payment process to ensure prompt payment of suppliers

Community	Environment
Why is it important to engage?	
We are a people business, with offices in 16 countries, investing money on behalf of clients including pension funds and insurance companies worldwide. Our actions may have meaningful and direct impacts on local communities. It is incumbent upon us to ensure that we actively cultivate and maintain strong local relationships and help our local communities share in our success.	We are aware of the impact of our business operations on the environment. We are seeking to reduce our own negative impact, and those of our funds' portfolio companies where relevant.
How have the Board and management engaged?	
We carried out a review of our charitable giving and we have decided to substantially increase our charitable capital allocation.	Details of our focus on environmental matters and climate risk can be found on pages 30 to 52.
What were the key topics of engagement?	
• Identifying the most appropriate way for the Group to positively impact the wider community • Continued commitment of employee time to charitable initiatives	• How to integrate climate risks into our corporate and portfolio management decision making • The most appropriate and credible way to align the business and investments to commit to meeting net zero trajectory • Ensuring that investment decisions are made with appropriate regard to environmental factors, including our shareholders', lenders', clients' and regulators' ESG requirement
Outcomes as a result of that engagement	
• Launched new charitable partnership in support of charities tackling the cost-of-living crisis via the "Million Meals Initiative" and we also doubled any charitable donations by ICG employees to these partner charities during the campaign • Committed £2.5m this financial year to support a variety of charitable causes • Continued enhancement of our charitable efforts, with a targeted approach to support social mobility and early career development	• Continued to reduce GHG emissions from our operations. Scope 1 and 2 (market-based) emissions decreased by 58% this reporting period, primarily due to a rise in the number of offices procuring 100% renewable electricity. This is despite a growth in the number of employees in the Group and their return to more frequent work from the office, following the global pandemic • Committed to support the goal of achieving net zero emissions across our operations and relevant investments by 2040. The commitment is supported by targets approved by the Science Based Target Initiative (SBTi) (see page 30)

Regulators

Why is it important to engage?

We are subject to regulation by a variety of financial regulators in a number of jurisdictions worldwide.

Understanding and adhering to the standards set by these bodies is of paramount importance to our standing as an asset manager and to meeting the expectations of our stakeholders.

We mandate our employees to comply with these standards, which are built into our business practices and processes.

How have the Board and management engaged?

We engage with regulators in a constructive and transparent manner, completing required filings and other submissions and acting responsively and thoughtfully to any inbound queries.

What were the key topics of engagement?

We participate in industry bodies and consultations and provide input to regulators through these and similar channels. Where requested or appropriate, we engage directly with regulators on specific topics.

Outcomes as a result of that engagement

- The EU Sustainable Finance Disclosure Regulation (SFDR) has been one of the most substantive disclosure regimes that covers our investment activities. For each fund in scope of the SFDR, we have prepared and made available to investors precontractual and periodic disclosures, identifying and communicating the extent of attainment of the promoted environmental and/or social characteristics or pursued sustainable objectives by each fund, as relevant and applicable
- Obtained clearer understanding of regulatory requirements in respect of a number of new requirements

Commitment to Community

Key stakeholders

We remain committed to serving and supporting our wider community.

Board

The Board made the decision to significantly increase our charitable contributions. The Board launched a new "Million Meals Initiative" to support charities addressing the cost-of-living crisis by allocating £500,000 of new funding across six leading charities.

The Board has also committed £4m from FY23 to FY25 to support three key partner charities, in addition to other charitable commitments and increasing the level of 'matched giving' the Company offers its employees. ICG's charitable contributions totalled over £2.5m for the year ending 31 March 2023.

Group

The Group has launched three new partnerships this year with the charities The Access Project, UpReach and Seizing Every Opportunity (SEO), with a targeted approach to support social mobility and early career development, in line with ICG's broader values. Further details can be found in the Remuneration Committee Report on page 106.

Key considerations:

- Our responsibility to wider society
- Impact of the cost-of-living crisis
- DE&I in the wider community

Continuing to assess the efficiency of our balance sheet

Key stakeholders

ICP.L

Board

The Board approves the strategy and business plan of the Group, which defines the approach to capital allocation.

The Board reviewed our balance sheet capital allocation policy with respect to the level of balance sheet commitment needed to establish a track record to enable the Group to raise third-party AUM and to demonstrate alignment of interests between the Group and its clients by way of co-investment. The Board decided to reduce the capital intensity of our business over the longer-term by reducing, where possible, the Group's commitments to its funds, while maintaining a focus on growing third-party AUM.

In determining which strategies capital is allocated to, consideration is given to the requirements of different stakeholders. In allocating capital we consider how to best support the growth of the business for shareholders; how the widening of our product range would benefit clients by offering new opportunities; and how different investment strategies benefit our potential portfolio companies by giving them access to capital to support their business and grow.

Group

During the year the Group launched eight funds, with aggregate balance sheet commitments of circa £800m. Our balance sheet commitments for Infrastructure Fund II and Strategic Equity V are smaller than the previous vintages. In addition, the Group invested £214m in seed assets for strategies including Life Sciences, LP Secondaries, US Mid-Market and Real Estate Opportunistic Equity Europe, with the expectation that these assets will be transferred to the funds once they have had a first close. The Group has also sought to reduce the balance sheet exposure to certain of its liquid credit strategies during the year, realising £101m of cash for redeployment to other strategies more in line with long-term growth drivers of the company.

Key considerations:

- Liquidity and gearing position of the Group
- Market opportunities and conditions
- Long-term AUM and fee potential of strategies
- Aligning the Group's interests with its shareholders and clients

Generating sustainable value

> Over the last year, against an increasingly challenging macro environment, ICG continued to grow – in AUM, in client base, in profitability, and in number of employees. We have maintained a strong focus on sustainability and people, as both are integral to our continued success.

Benoît Durteste
CEO and CIO

We develop long-term, resilient relationships to deliver value for shareholders, clients and employees, and work with our portfolio companies to foster positive impacts on society and the environment. We identify the ESG topics most relevant to our stakeholders, as well as those that align to our company values and investment ethos, and seek to include them in our investment strategies, in the companies in which our funds invest, and in our own operations.

Our focus on sustainability impacts all that we do. During the year the Group made progress on:

- sustainable investing (read more on page 30)
- our people initiatives (read more on page 28)
- our Scope 1 and 2 absolute emissions reduction target (read more on page 50)

In addition, we introduced mandatory ESG training for all employees.

Read our Sustainability and People Report →

Our Stewardship Code Statement →

Industry initiatives

GIIN GLOBAL IMPACT INVESTING NETWORK

initiative climat international Private equity action on climate change

TCFD

TNFD

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

INVEST EUROPE

The Net Zero Asset Managers initiative

Signatory of: PRI Principles for Responsible Investment

Investing sustainably

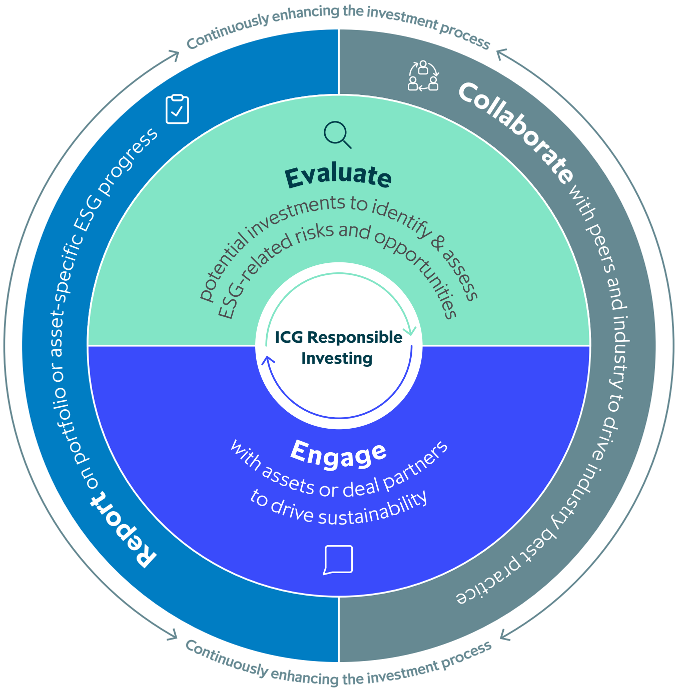
Sustainability issues are an important driver of investment value and a source of investment risk. Effectively implementing our responsible business practices helps us to deliver long-term value to our stakeholders. By supporting responsible and sustainable practices in our investments we can deliver both long-term value and attractive returns to our clients.

ICG has been a signatory to the UN PRI since 2013 and is an active contributor to a range of industry collaboration initiatives.

For each investment strategy, we consider ESG issues at every stage of the investment process – from exclusion, screening and due diligence to closing, monitoring and eventual exit. The level of our ability to effect change and influence the portfolio company varies by asset class, strategy and between investments. However, we strive to adopt best practice in our approach across all asset classes.

Our Responsible Investing Policy, which covers 100% of our AUM, is available at www.icgam.com.

Our approach to responsible investing



Key highlights from our focus on sustainable investing during the year

- Issued first progress update on our approved and validated science-based portfolio coverage target, covering 100% of our relevant investments (read more on page 48)
- ICG's proprietary climate risk assessment applied to investment strategies representing 98% of total AUM at the end of FY23 (page 46)
- 96% of capital raised in scope of SFDR, was into Article 8 funds
- Total ESG-linked fund-level financing has risen to $2.8bn, compared to $2.6bn at the end of FY22
- ESG-linked compensation for all ICG portfolio managers

Read our Task Force on Climate-related Financial Disclosures (TCFD) report on page 30 →

Read more about our overall approach to Sustainability in our 2022 Sustainability & People Report at www.icgam.com →

Our people

> We are proud of the excellence, commitment and diverse perspectives of our people. Our culture of balancing ambition, performance and inclusion remains a cornerstone of our strategy and a key driver of our success.

Antje Hensel-Roth
CPEAO

Our people initiatives focus on four areas

Diversity, Equity and Inclusion (DE&I)
Cultivating a diversity of perspectives, improving our teams' performance

Employee development
Helping our people reach their full potential and building the next generation of talent

Wellbeing and benefits
Supporting the physical and mental wellbeing of our employees, their families and dependents

Engagement and voice
Effective communication to build and maintain engagement

Our values support all we do

Performance for our clients
Entrepreneurialism and innovation
Ambition and focus
Taking responsibility and managing risk
Working collaboratively and acting with integrity

Progress in the year

DE&I anchored further – all leadership development now incorporates a focus on DE&I and enhanced training has been implemented

DE&I Champions Group is bringing all our employee networks together, including representatives from all regions to ensure global connectivity

Extensive efforts to improve access to our industry for under-represented groups through a combination of external bodies and a clear focus on access and education in our charitable giving

Ranked #1 globally by Honordex for DE&I initiatives within the private equity industry

Comprehensive mentoring and development programmes for employees throughout all stages of their careers through our global development platform, individual programmes, mentoring, coaching and networks

Introduced a number of new policies to help colleagues balance work and family lives: Global Conception and Family Building; Pregnancy Loss; Primary and Secondary Care Giver Leave; Carers Leave; and Female Health.

Extensive engagement through bi-annual pulse surveys, regular focus groups with the Employee Engagement NED, and roundtables focused on specific groups and topics

Key employee metrics

Number of permanent employees (total)

582

(2022: 525)

Number of permanent employees (FTE)

579

(2022: 523)

Employee turnover (%)

16.8%

(2022: 16.0%)

Female representation at Board (%)[1]

36%

(2022: 42%)

(see page 96 →)

Female representation in senior leadership (%)

32%

(2022: 35%)

(see page 53 →)

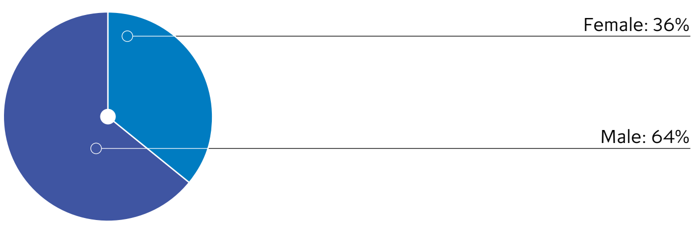
Female representation in all employees (%)

36%

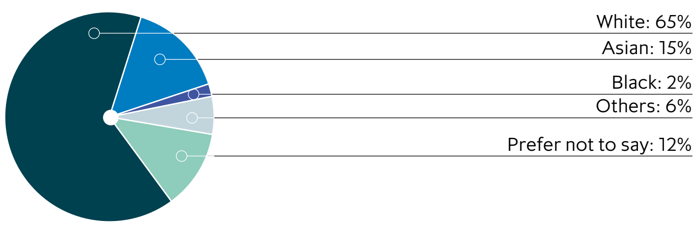
(2022: 35%)

1. This reduction in female representation from 42% in FY22 is a result of Kathryn Purves stepping down as a NED in March 2023 after over eight years of service.

Gender



Ethnicity (UK only)



Climate-related financial disclosures

This report provides the Group's climate-related financial disclosures consistent with the 11 recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Financial Conduct Authority (FCA) climate-related disclosure requirements for premium listed companies. This report presents our approach to incorporating climate-related risks and opportunities into our governance, strategy, risk management, and metrics and targets (as per the TCFD-recommended disclosures), the progress we have made over the past financial year and key steps we plan to take next.

Benoît Durteste
CEO and CIO

> Taking a robust and proactive approach to managing our exposure to climate-related risks, and seizing the opportunities presented by the low-carbon transition, are integral to reaching net zero GHG emissions across our operations and relevant investments[1] by 2040.

ICG began adopting the TCFD recommendations in 2019, and made its first disclosure in 2020. Since then, we have continued to evolve our approach, recognising the interconnectivity between our growth strategy; the evolving expectations of our shareholders, clients, regulators, and other stakeholders; and the emergence of best practice in our industry.

Over the past financial year, we have:

- further reinforced alignment and accountability for climate-related risks and opportunities across the organisation as part of a wider effort to embed climate and other ESG considerations into our investment culture (see page 37);
- enhanced the frameworks, tools and metrics we use to support our understanding of climate-related risks and opportunities and their possible (positive or negative) financial impact on our business and the funds we manage (see page 35);
- made progress against ICG's science-based targets (see page 49);
- begun incorporating, as standard, TCFD-recommended portfolio climate metrics into certain fund-level reporting to clients (see page 49); and
- continued to incorporate climate-related issues into the Group's Risk Management Framework (RMF) and policy framework (see page 39).

The third-party funds we manage are generally not consolidated into the Group from a financial perspective. However, we consider the climate-related risks and opportunities surrounding these funds and our fund management activities as a key part of our business. Where material we also look at the level of our Group operations – but we recognise that our operations have very limited climate-related risks exposure.

Please also refer to ICG's Climate Change Policy and previous TCFD reports on our website →

Our commitment to net zero

In November 2021, ICG announced its commitment to reach net zero GHG emissions across its operations and relevant investments by 2040. Our net zero commitment is supported by two ambitious emissions reduction targets by 2030, which have been approved and validated by the SBTi:

1. Ensure 100% of relevant investments[1] have SBTi-approved science-based targets by 2030, with an interim target of 50% by 2026.
2. Reduce the Group's direct (Scope 1 and 2) emissions by 80% by 2030 from a 2020 base year.

Our approach towards net zero is summarised in the Strategy section and key identified metrics are outlined in the Metrics and targets section.

1. Relevant investments include all investments within Structured and Private Equity and Real Assets where ICG has sufficient influence (defined as at least 25% equity ownership and at least one Board seat). Investment strategies in scope of ICG's potfolio coverage SBT represent 22% of AUM as at 31 March 2023.

Governance

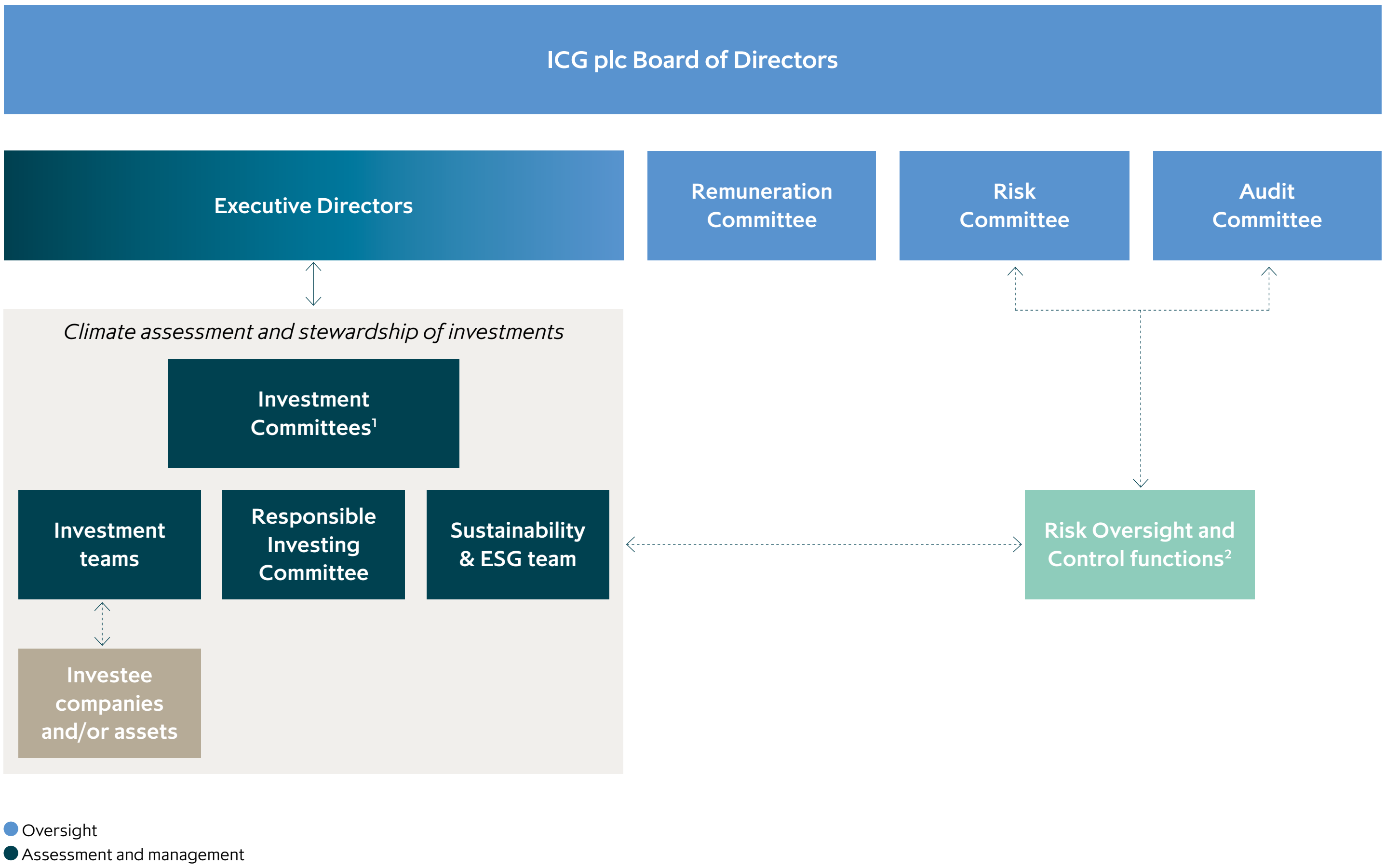
ICG's governance of climate-related risks and opportunities

TCFD recommended disclosure	
(a)	Description of ICG Board's oversight of climate-related risks and opportunities
(b)	Description of ICG Management's role in assessing and managing climate-related risks and opportunities

Oversight and management of climate-related risks and opportunities are incorporated into the Group's governance structure and risk management framework. The Board receives regular updates on climate-related matters, and has delegated oversight of such matters, including progress towards ICG's net zero commitment, and the implementation of ICG's Climate Change Policy, to the Executive Directors.

The diagram below provides an overview of the Group's governance structure for the oversight, assessment and management of climate-related risks and opportunities.

Organisational oversight of climate-related matters



1. Each fund has its own Investment Committee (IC). The ICs are comprised of senior investment professionals, including the respective fund Portfolio Manager(s).
2. Legal, Compliance, Risk, and Internal Audit functions.

Board oversight

ICG plc Board of Directors (the Board)

The Board comprises three Executive Directors, a Non-Executive Chair, and seven other Non-Executive Directors who have a broad and diverse set of relevant skills and experience.

The Board sets the Group's strategic direction and, when setting strategic objectives, it considers all material factors including those relating to climate change.

The Board is engaged in our focus on stewardship and ESG, and regularly receives reports on client considerations, client experience, investment performance and ESG matters. As part of this, the Board receives formal updates on ESG-related matters, including climate-related matters, at least twice every financial year. For specific climate-related targets (see Metrics and Targets section), the Board receives annual updates on progress. To facilitate the Board's engagement on these topics, the Board has nominated a Non-Executive Director to oversee management's implementation of ESG matters (see page 75). In addition, the Board also considers climate-related risks, as relevant, when reviewing the annual strategy and business plans over the short, medium, and long term, for example, in annual budgets, performance objectives and determining the risk appetite of the Group.

As part of the normal course of business, the Board receives updates on how these policies are being implemented.

Executive Directors

The Executive Directors implement the Group's approved strategy, including driving our net zero commitment and various climate-related programmes across the organisation. The CEO has lead responsibility for climate-related matters. As part of the Board, the CEO reviews and guides any decisions made regarding investment strategies, including the update and implementation of the Group's Responsible Investing Policy and the Climate Change Policy, as well as any arising or potential climate-related matters within the Group's fund management activities and operations.

Board Risk Committee

The Board Risk Committee oversees the Group's RMF, compliance processes and procedures, and controls assurance to ensure that all risks, including ESG and climate-related risks, are identified, managed, and monitored and that the Group is compliant with all applicable legislation. ICG's eight established principal risks incorporate or consider a variety of factors, including ESG and climate-related matters. Further information on our approach to managing risk can be found on page 66.

Board Audit Committee

The Board Audit Committee oversees the Group's financial reporting and related elements of its internal controls and regulatory compliance, including TCFD disclosure obligations of the Group and other climate-related disclosure requirements, such as the UK Streamlined Energy and Carbon Reporting (SECR) requirements.

Board Remuneration Committee

The Board Remuneration Committee oversees the Directors' Remuneration Policy and its application to senior employees, and reviews and approves incentive arrangements to ensure they are commensurate with market practice. Since FY22, the remuneration of the Executive Directors has been directly linked to several sustainability targets, including progress towards ICG's net zero commitment. See Remuneration Committee Report for further detail (page 103).

Role of Management

Climate-related risks are considered as a cross-cutting risk type that manifests through the Group's established principal risks and are integrated into the Group-wide risk management framework through existing policies, processes, and controls. We assess materiality primarily at a Group level, as well as specifically within our fund management activities. The Group risk management framework is consistent with the principles of the 'three lines of defence' model. This ensures clarity over responsibility for risk management and segregation of duties between those who take on risk and manage risk, those who oversee risk and those who provide assurance; and this approach is applied to climate-related risks and opportunities.

- The first line of defence with regards to climate-related risks comprises ICs and investment teams, who own and manage risk and controls across our fund management activities, and are guided and supported by the Sustainability & ESG team and the Responsible Investing Committee.
- The second line of defence is made up of the control and oversight functions, including the Legal, Risk and Compliance teams, who provide oversight and assurance that climate-related risk management policies and procedures are operating effectively.
- The third line of defence is Internal Audit who provide independent assurance over the design and operation of controls established by the first and second lines to manage climate-related risk.

Fund management activities

The overarching charters governing climate-related risks within our fund management activities are the Responsible Investing Policy and the Climate Change Policy, which cover 100% of our AUM. The Climate Change Policy contains an exclusion list and, furthermore, requires consideration of the implications of climate-related risks and opportunities in our investment due diligence, portfolio management, valuation, and decision-making processes.

The Board has delegated responsibility for the implementation of the Responsible Investing Policy and Climate Change Policy to the CEO. The CEO, who also serves as Chief Investment Officer, has ultimate accountability and oversight of investment processes of ICG's funds and is therefore responsible for climate-related issues across the investment process and in our portfolios.

Investment Committees

An assessment of climate-related risks and opportunities is included in all investment proposals, presented to, and considered by, the ICs of the vast majority of our investment strategies. Each IC is responsible for ensuring that climate-related issues are appropriately considered when taking an investment decision. This also includes ensuring that the Sustainability & ESG team's view is factored into the investment decision, where climate-related issues are material or unclear.

In FY23, supported by the Executive Directors, ICG incorporated ESG assessment into the annual performance appraisals of portfolio managers across the firm. The aim of this practice is to reinforce alignment and accountability at the right levels for achieving ESG excellence, while ensuring we comply with a continued increase in relevant regulatory requirements. It will also position portfolio managers to lead by example, ensuring ESG, including climate-related issues, are being appropriately and consistently considered in their teams' approaches to investment decision-making and portfolio management.

Responsible Investing Committee

The Group has had a Responsible Investing (RI) Committee since 2014, made up of our Head of Investment Office, Global Head of Sustainability & ESG, and senior investment professionals from ICG's investment strategies. The RI Committee promotes, supports, and helps to integrate responsible and sustainable business practices across ICG's investment strategies and the businesses in which we invest, in line with our Responsible Investing Policy and Climate Change Policy. The RI Committee is also responsible for ensuring that ICG's investment teams have the required skills and understanding to effectively identify ESG risks and opportunities and engage with relevant company management in our portfolio companies on ESG matters. The RI committee may escalate matters to the Executive Directors, as necessary.

Sustainability & ESG team

The Global Head of Sustainability & ESG reports to the Head of the Investment Office to ensure an embedded approach to ESG across the firm. The Sustainability & ESG team provides subject-matter expertise to the Group to support the assessment and management of climate-related risks and opportunities across our fund management activities, including assessment and engagement of investee companies; setting strategic objectives and targets; building capacity across the organisation; and fostering collaboration within the industry. The team works closely with Risk Oversight and Control functions within the Group, to ensure adequate governance frameworks and controls are in place to assess and manage climate-related risks. The Global Head of Sustainability & ESG provides updates to the Board twice a financial year and quarterly to the Executive Directors.

Investment teams

Day-to-day implementation of the Responsible Investing Policy and Climate Change Policy, and the integration of climate-related consideration in investment processes, are the responsibility of all portfolio managers and investment professionals, guided by the RI Committee and the Sustainability & ESG team.

Ensuring that our investment teams have sufficient knowledge to implement the Responsible Investing Policy and Climate Change Policy is essential. ICG is committed to providing investment teams with regular bespoke training, comprehensive guidance and access to online ESG tools to ensure they can identify and address ESG, including climate-related, risks and opportunities in their investment activities. The Sustainability & ESG team also provides regular briefings on emerging ESG topics, regulatory developments and industry best practice.

In FY23, ICG formally incorporated ESG assessment into the annual performance appraisals of portfolio managers across the firm to reinforce alignment and accountability at the right levels for achieving ESG excellence, while ensuring we comply with a continued increase in relevant regulatory requirements (as outlined earlier in this report).

Group operations

The CFOO, reporting to the CEO, is responsible for ensuring climate-related risks which might impact the Group's own operations are understood and mitigated.

The Operations and IT teams, with support from the Sustainability & ESG team, are responsible for assessing and managing climate-related risks associated with Group offices, IT infrastructure or third-party providers. Updates on climate-related issues are provided to the CFOO, as and when they manifest.

Training and capacity building

Comprehensive online ESG training has been delivered to all IC members and investment teams, and the Marketing and Client Relations team every two years over the last decade. During FY23, ICG has been developing its training programme so it can be delivered to the wider business. Mandatory training for all employees will incorporate core understanding of ESG at ICG, and will focus on specific themes, such as climate-related risks and opportunities. This will be supplemented by more advanced specific knowledge-building for relevant professionals such as investment teams in key topics that relate to their role. Learning pathways can be built upon as users expand their learning in priority topics such as climate change, diversity and inclusion, and governance. The new approach was rolled out at the end of FY23 and will evolve further over the coming years.

Strategy

The actual and potential impacts of climate-related risks and opportunities on ICG's businesses, strategy and financial planning

TCFD recommended disclosure	
(a)	Description of the climate-related risks and opportunities ICG has identified over the short, medium, and long term.
(b)	Description of the impact of climate-related risks and opportunities on ICG's businesses, strategy, and financial planning.
(c)	Description of the resilience of ICG's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Climate change remains one of the most existential challenges of our time – a threat to human lives, the natural world, individual livelihoods, and economies at large. Addressing this challenge is an urgent yet complex task that requires a fundamental transformation of the global economy, so that no more GHG emissions are added to the atmosphere.

As a global alternative asset manager, we recognise that climate-related risks and opportunities are most likely to materialise through our fund management activities and may have a material impact on investment performance and returns over the short, medium and long term. Therefore, it is important that we continue to act as good stewards of our clients' capital by properly accounting for climate-related risks and opportunities in the design of new products, our investment decisions and portfolio management activities, and the focused engagement with our investment counter-parties portfolio companies, and industry peers. As an investor and provider of capital, ICG has an opportunity and a responsibility to support the transition to a more sustainable and equitable economy, and play its role in limiting the most adverse impacts of climate change.

ICG's approach towards net zero

In November 2021, ICG announced its commitment to reaching net zero GHG emissions across its operations and relevant investments[1] by 2040. ICG's net zero commitment is supported by two ambitious emissions reduction targets by 2030, which have been approved and validated by the SBTi:

1. Ensure 100% of relevant investments[1] have SBTi-approved science-based targets by 2030, with an interim target of 50% by 2026; and
2. Reduce ICG's Scope 1 and 2 GHG emissions by 80% by 2030 from a 2020 base year.

While ICG's own operational emissions have negligible impact and exposure to climate-related risks compared to those of our investments, we recognise our responsibility to ensure our own business operations are fully accounted for. The Group will continue to deploy energy efficiency initiatives and source renewable energy, and will offset any residual emissions using credible removal solutions, as well as monitor the potential physical risks that may affect its operations.

1. Relevant investments include all investments within Structured and Private Equity and Real Assets where ICG has sufficient influence (defined as at least 25% equity ownership and at least one Board seat).Investment strategies in scope of ICG's SBT represent 22% of total AUM as at 31 March 2023.

In order to chart a path to net zero, ICG's top priority is the decarbonisation of our investment portfolios wherever possible, through our investment decision-making and engagement. Over time, the tools to assess financed emissions and measure net zero will evolve in the private markets. In addition to the setting of SBTs for relevant investments, ICG is developing a plan to systematically assess potential net zero solutions for the strategies not covered by our SBTs.

We will continue to engage with industry groups and thought leaders to explore decarbonisation tools and net zero measurement frameworks for asset classes which do not currently have them, and ICG will consider whether these new solutions might be applicable to our portfolios.

Another powerful tool for responding to climate change is ICG's capacity for investing in climate solutions needed for the real economy to reach net zero GHG emissions, such as the infrastructure required for the growth of renewable energy.

Lastly, a successful global approach to net zero will require the financial industry to account for nature's fundamental contributions to combating climate change, as well as a 'Just Transition[1]' to respond to the impacts that a changing climate has on human communities and livelihoods. ICG will reflect these considerations into our ESG assessment and action over time – taking a holistic approach.

ICG's net zero strategy will continue to evolve as we work towards building a more comprehensive approach across the firm, to support the global goals of decarbonising the real economy, and towards building a more sustainable financial system.

Climate-related risks and opportunities and their potential impact

The time horizons and materiality of the impact of climate-related risks and opportunities on our business may differ depending on a range of factors, including the nature and type of investments, geographical focus, and the external market environment.

Generally, we look at three time horizons for the potential impacts of climate-related risks and opportunities: short term (0 to 5 years), medium term (5 to 10 years) and long term (10 to 20 years). These are broadly related to the length of an individual investment (short term), the length of a fund's life (medium term) and a reasonable period of visibility for the Group as a whole (long term).

We consider climate-related risks as a cross-cutting risk type that manifests through the Group's established principal risks (see page 66), and therefore may affect the Group's strategic objectives (see page 4). The Board Risk Committee meets regularly to assess the Group's risk profile and factors climate-related risks and opportunities into its decision making when assessing which risks could have a material impact on our business, strategy and financial planning, in line with the Group's RMF and approved risk appetites.

We have developed policies and processes to support us in understanding where climate-related risks may be realised, prioritising and managing these risks and actively engaging as appropriate with portfolio companies or deal counterparties on these matters. Ensuring our portfolio managers, investment teams and the Sustainability & ESG team have the necessary skills and expertise to deliver on our ambitious climate commitments and successfully launch new strategies has required careful planning in terms of headcount and resource planning.

The table on page 36 outlines the relevant climate-related risks and opportunities we have identified within the Group's fund management activities and their potential impact on our business, strategic objectives and financial planning, as well as their link to the Group's principal risks. Each of these climate-related risks and opportunities may materially contribute, to varying degrees, to the manifestation of the principal risks it relates to. The Group has implemented a range of mitigating controls for each of these principal risks (see page 66). Further detail on how climate-related risks are identified and managed within our fund management activities is provided in the Risk Management section (see page 39).

1. The Paris Agreement preamble reflects the close links between climate action, sustainable development, and a just transition, with Parties to the Agreement "taking into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities", commonly referred to as a 'Just Transition'. Source: United Nations.

	Type	Description	Principal risks	Time horizon	Potential impact
Climate-related risks	Policy, regulatory and legal (Transition)	• Enhanced climate-related disclosure obligations for funds and investments • Increasing regulatory pressure (e.g. carbon price/tax and energy efficiency standards) and litigation risk for current and potential investments in carbon-intensive companies or real assets not adequately prepared for a transition to a low-carbon economy	• Legal, Regulatory and Tax risk	Short term	• Increased cost of compliance for funds and investments • Increased due diligence cost • Reduced fund performance and impact on ICG's track record • Loss of clients or reduced demand for our funds
	Market, technology and reputation (Transition)	• Changing preferences on climate change affecting demand for products and/or services of the Group as well as of current or potential investments • Increasing production costs affecting current and potential investments in certain sectors due to changing input prices and/or output controls • Substitution of existing products and services with lower emissions options impacting the competitiveness of current and potential investments in certain sectors • Stigmatisation of specific industries, impacting existing investment exposure	• Fund Performance risk • Financial risk • External Environment Risk	Short to long term	• Lower fund performance and impact on track record • Lower asset valuations impacting the Group's balance sheet and fund investments • Negative stakeholder perception and impact on ICG's brand and positioning • Loss of clients or reduced demand for our funds
	Acute and chronic physical risks (Physical)	• Increased severity and frequency of extreme weather events that may cause damage to physical assets or disrupt critical operations in certain industries and/or locations • Shifts in climate patterns, such as rising temperatures or sea levels that could affect entire sectors and geographic regions that haven't built resilience or adapted to such risks (typically in the longer term)	• Fund Performance risk • Financial risk	Short to long term	• Lower fund performance and impact on track record • Lower asset valuations impacting the Group's balance sheet and fund investments
Climate-related opportunities	Products and services (Transition)	• Evolution of existing investment strategies to further incorporate climate change mitigation and/or adaptation • Attracting new clients through strategies supporting the transition to low-carbon economy and investing in climate solutions	• Fund Performance risk • Financial risk	Short to medium term	• Increased Group revenues in line with growing demand • Growth in AUM through retention of current and attraction of new clients
	Market and reputation (Transition)	• Stronger performance of company and real asset investments aligned with the transition to a low-carbon economy; and with developed resilience to physical climate risks • Climate-linked financing reducing the cost of capital at deal and fund level	• Financial risk	Short to medium term	• Growth in AUM through retention of current and attraction of new clients • Enhanced brand and competitive reputation of Group and investments • Higher fund performance and enhanced track record • Higher asset valuations impacting the Group's balance sheet and fund investments

Resilience of our strategy to climate-related risks and opportunities

The Group has a highly resilient business model, which is driven by management fee income. This fee income is paid by our clients for managing our funds, and as such is long-term and visible in nature. The fees are predominantly charged on the basis of invested or committed capital that is contractually locked in for a long term and largely not based on fund valuation.

As such any short-term increase or decrease in the valuation of individual investments or funds (including as a result of climate-related issues) would not immediately impact the Group's financial position. However, the impact of climate change on portfolio companies or assets may impact the valuation of our investments in the short term, and the performance of funds in the medium term. Fund underperformance or a failure to develop funds that address our clients' requirements in respect of climate change is a medium to long-term risk to the Group.

ICG's net zero commitment has an important role in building the long-term resilience of our business strategy and funds to climate-related risks and opportunities. This is exhibited in the launch of new products and the investment decisions and management of portfolios to crystallise returns for our clients.

Developing our investment strategies

We future-proof our organisation in part by continually evolving our existing strategies and developing new strategies. This enables us to better serve the needs of our clients and to capitalise on a wider range of investment opportunities. An important component of considering new potential strategies is incorporating climate-related risk and opportunities into the approval process.

We seek unique opportunities, including those presented by the transition to a low-carbon economy, befitting ICG's investment approach and ability to invest across the capital structure to create sustainable value. For example, investments in real assets, such as commercial real estate, housing developments, renewable energy and other infrastructure delivering core services, can play an important role in supporting global economic growth, enhancing social cohesion and delivering the transition to a low-carbon economy. To capitalise on this growing investment opportunity, ICG has launched a number of strategies investing in infrastructure and real estate that underpin or have strong potential to align with the transition to a low-carbon economy and the goals of the Paris Agreement. As at 31 March 2023, these strategies constituted 48% of total AUM in Real Assets, compared to 40% a year earlier.

We have also considered climate change in the launch of the latest vintages of European Corporate and Mid-Market, Sale and Leaseback, Strategic Equity, and Infrastructure Equity investment strategies, which have explicit focus on engagement with portfolio companies on decarbonisation. Since 1 April 2021, ICG has raised a total of $11.6bn of capital in investment strategies with explicit focus on engagement on climate change and/or in scope of ICG's portfolio coverage science-based target. Such strategies represent 28% of total AUM, as at 31 March 2023.

Embedding climate considerations into investment decisions and portfolio management

We take a selective and thoughtful approach to making investments, with due consideration of climate-related risks and opportunities.

ICG's Exclusion List (see page 41) prohibits direct investments in certain coal, oil and gas activities which limits the exposure of our portfolios to investments with higher probability of becoming stranded assets in the medium to long term.

In addition, climate risk assessment is a mandatory step in the evaluation of new investment opportunities across the vast majority of ICG's investment strategies, with findings presented to ICs for consideration in investment decision making. Investment opportunities with potentially heightened climate risk exposure are discussed with the ICG Sustainability & ESG team and expert advisers, where appropriate. Between February 2021 and March 2023, we have declined 99 investment opportunities where climate-related risk was a contributing factor to the investment decision.

We also seek to invest in climate-related opportunities, primarily through our Real Assets investment strategies.

Following investment, material climate-related risks and opportunities are tracked and reviewed as a standard part of the portfolio monitoring process. Depending on the nature of the issues and the level of influence, we may ask portfolio companies or transaction counterparties to disclose to us how they manage these issues. Where we have sufficient influence, we support portfolio companies to address climate-related risks and capitalise on climate-related opportunities in a number of ways, including by:

- Assigning responsibility for climate-related matters;
- Sharing the results of our company-specific climate risk assessment, including scenario analysis, as relevant;
- Supporting a carbon footprint assessment of the business in line with the GHG Protocol and the development of a Board-level approved climate action and decarbonisation plan;
- Establishing company-specific climate change and energy-focused KPIs and targets; and
- Seeking validation by the SBTi.

At a fund level, we also seek to link our climate ambition to our third-party financing, where possible. Since 2021, we have raised a total of $2.8bn ESG-linked fund-level financing, including climate-related KPIs.

Exposure of portfolios to climate-related risks

Overall, our portfolios[1] as at 31 December 2022 have limited exposure to heightened climate-related risks, with only 3% of invested capital[1] assessed as having potentially heightened climate risk.

The principal mechanism for this assessment is ICG's proprietary climate risk assessment methodology, which was introduced in 2021 and which we further enhanced at the start of 2023 (see page 46). This climate risk assessment is incorporated into the due dilligence of new investment opportunities and results in a climate risk rating for any such investment opportunity.

While the assessment has some inherent limitations, the exposure metrics provide, in our view, a useful indication of the resilience of our funds' portfolios to climate-related risks. Please refer to the Metrics and Targets section for further detail of the assessment and breakdown of exposure by asset class.

Approach to scenario analysis

Starting in 2020, we have been conducting a formal assessment of the exposure to climate-related risks across our portfolios every two years. This assessment is considering the impact of climate-related drivers associated with both changing climatic conditions (physical risks) and the transition to a low-carbon economy (transition risks), such as policy, regulatory, market and technology changes on individual investments across key portfolios.

The latest such assessment, undertaken in 2022, included approximately 900 portfolio companies across our four asset classes covering almost 90% of our AUM as at 31 December 2021. The principal mechanism we employed for assessing climate risk across our portfolios was through proprietary climate risk assessment methodology and tools (see page 46).

We then conducted a scenario analysis on certain investments which we identified as having potentially heightened exposure to climate-related risks. This comprised 13 companies within our Structured and Private Equity and Private Debt asset classes.

We also conducted a sector-based transition-risk scenario analysis across 10 sectors that are more likely to have higher exposure to climate-related risks.

While the analysis confirmed that we have limited exposure to potentially heightened climate-related risks across our portfolios, this bottom-up approach enabled us to improve our understanding of the exposure of specific investments to transition and/or physical risks in the medium to long term. The findings of the analysis were shared with the portfolio company management teams, where relevant, to support their strategic decision making.

To conduct the transition risk scenario analysis, in line with market practice, we adopted three of the transition scenarios provided by the Network for Greening the Financial System (NGFS):

- Current Policies (base case) – this scenario assumes that only currently implemented policies are preserved, resulting in emissions growth until 2080, which leads to about 3°C of warming and severe physical risks.
- Below 2°C – this scenario gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C by the end of the century. Under this scenario net zero emissions are achieved after 2070. Physical and transition risks are both relatively low.
- Delayed Transition – this scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies. As a result, emissions exceed the carbon budget temporarily and decline more rapidly after 2030 to ensure a 67% chance of limiting global warming to below 2°C by the end of the century. This leads to both higher transition and physical risks than the the Below 2°C scenario.

Read the full description of the scenarios on the NGFS website: https://www.ngfs.net/ngfs-scenarios-portal/explore →

The physical risk scenario analysis was performed at a country-level looking at key operating geographies using two Representative Concentration Pathways (RCPs) adopted by the Intergovernmental Panel on Climate Change (IPCC):

- RCP4.5, described by the IPCC as a moderate scenario in which emissions peak around 2040 and then decline. This scenario assumes future implementation of emissions management and mitigation policies; and
- RCP8.5, is the highest baseline emissions scenario, in which emissions continue to rise throughout the twenty-first century, such that the most adverse effects of physical climate change manifest.

Building on this approach, with expert support from external advisers, we enhanced our proprietary climate risk assessment methodology to incorporate sector-based transition risk scenario analysis using the above scenarios. Implemented at the end of FY23, this enhancement will provide investment teams with more nuanced insight on climate-related risk as part of the ESG evaluation process for new deals, and enable us to consider the potential impact on portfolios under different transition scenarios.

Our approach to scenario analysis will evolve over time to further incorporate expectations of clients, regulators and best practice in the industry, with the aim to provide decision-useful and actionable insight for building resilience to climate-related risks of our portfolios.

1. The assessment was conducted for portfolios as at 31 December 2022, for which ICG's proprietary climate risk assessment methodology applies, and as such excluded ICG Enterprise Trust, LP Secondaries, Alternative Credit, Secured Credit, and Real Estate portfolios.

Group operations

We consider that the Group's direct operations are not materially exposed to physical climate-related risks because, amongst other factors, the Group procures mainly professional and business services and does not have a complex supply chain, does not make capital investments in research and development, and is able to operate flexibly from a variety of locations.

From a real estate perspective, the Group operates from leased offices, and our employees have the ability to work remotely. The Group has assessed the physical-climate-risk exposure of its office locations using an established external physical-climate-risk assessment tool. The results indicated that none of our key offices (London, New York, Warsaw and Paris) are likely to be materially exposed to physical climate-related risks in the short and medium term.

The Sustainability & ESG, Legal, Risk and Compliance, and Operations teams work closely to ensure the Group's compliance with current and emerging climate-related regulations of relevance to its operations, including the UK SECR.

To support ICG's net zero commitment, we have set science-based target to reduce our direct (Scope 1 and Scope 2) emissions by 80% by 2030 from a 2020 base year, and are on track to deliver (see page 49).

We also seek to link our climate ambition to our Group-level third-party financing, where possible. We have raised a total of £1.2bn ESG and sustainability-linked financing, including issuing a €500 million sustainability-linked Bond with adjustments to the coupon rate linked to progress against ICG's approved and validated science-based targets.

Risk management

The processes used by ICG to identify, assess and manage climate-related risks

TCFD recommended disclosure	
(a)	Description of ICG's processes for identifying and assessing climate-related risks.
(b)	Description of ICG's processes for managing climate-related risks.
(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into ICG's overall risk management.

Group Risk Management Framework

Risk management is embedded across the Group through a dedicated RMF, which ensures that current and emerging risks are identified, assessed, monitored, mitigated, and appropriately governed based on a common risk taxonomy and methodology. This is done within the risk appetite set by the Board, i.e. the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives. The Group adopts both a top-down and a bottom-up approach to risk assessment.

At a Group level, climate-related risk is considered broadly and has been incorporated into our Group-wide RMF as a cross-cutting risk. This means that we recognise the potential impact climate-related issues may have on other material risks within our RMF, namely the Group principal risks[1] (see page 66). In line with the recommendations of TCFD and regulatory guidance, the Group considers the financial and non-financial risks arising from physical climate risk (risks related to the physical impacts of climate change) and transition climate risk (risks related to the transition to a low-carbon economy).

1. The Group defines principal risks as those that would threaten the Group's business model, future performance, solvency, or liquidity.

Of the Group's eight principal risks, we have assessed the following as currently most likely to be impacted by climate-related matters, to varying degrees, as follows:

Principal risk	Potential impact	Process for risk identification and management
External Environment Risk	Climate-related conditions and/or events outside the Group's control, such as rapid shifts in climate policy and/or clients' climate requirements, volatility in energy markets, and/or increased frequency and severity of extreme weather events; may adversely affect our business, including by reducing the value or performance of the investments made by our funds, making it more difficult to find opportunities for our funds to exit and realise value from existing investments and to find suitable investments for our funds to effectively deploy capital.	• Implementation of Climate Change Policy • Screening and due diligence processes for new investment opportunities • Portfolio monitoring and stewardship (see table on page 41) • The Group's New Product Approval process requires ESG considerations, including climate-related risks and opportunities, to be integrated into the design of new strategies or funds where their nature allows us to drive better ESG outcomes
Fund Performance Risk	Climate-related issues (as described above) may affect the performance of our funds, and therefore make it more challenging to raise capital or new funds and affect our reputation, thereby impacting the Group's ability to grow and compete effectively.	
Financial Risk	Climate-related risks will increasingly be incorporated into risk assessments and asset valuations, which could have a material impact on the attractiveness of existing and potential investments impacting the Group's balance sheet and fund investments.	
Legal, Regulatory and Tax Risk	Increasing legal and regulatory requirements in relation to climate-related issues may result in increasing regulatory enforcement or litigation risk for the Group and its fund management entities and potential reputational damage due to instances of non-compliance with current or emerging climate-related regulations or market/client expectations, and ensuring that (where relevant) such requirements are embedded in our processes, procedures, controls and disclosures.	• Global regulatory horizon scanning, including current and emerging ESG and climate-related regulations • Participation in industry working groups focused on effective implementation of ESG-related regulations • ESG regulatory task-force within the Group comprising Legal, Sustainability & ESG, Risk and Compliance functions; monitoring the implementation of new regulatory requirements across the Group
Operational Resilience Risk	Potential operational disruption caused by climate-related issues. primarily physical risk, including within the Group's key third-party providers.	• Implementation of Climate Change Policy • Implementation of the Group's Sustainable fit-out guide to our offices • Implementation of the Supplier Code of Conduct • Third-party provider ESG assessment questionnaire rolled out in FY23 to better assess ESG-related risks, including arising from or related to climate change

Reputational risk, whilst not a principal risk, is also an important consideration for the Board and the Executive Directors, in setting and implementing the Group's strategic objectives. Therefore we recognise the potential impact to the Group if it is not seen by stakeholders to be adequately supporting the transition to a low-carbon economy, addressing clients' requirements on climate change, and demonstrating progress towards its commitment to reach net zero across its operations and relevant investments by 2040.

Further details of the Group's RMF, including the processes used to determine which risks could have a material financial impact on the Group, are set out on page 66 →

Incorporating climate considerations into fund management

We recognise that climate change may have a material impact on investment performance and returns over the short, medium and long term. As described above, we therefore have processes and procedures in place to account for climate-related risks and opportunities in the design of new products, the execution of our investment practices and processes and the focused engagement with and stewardship over investments.

The Group Climate Change Policy — covering 100% of ICG's AUM — requires us to consider the implications of climate-related risks and opportunities in our investment research, valuation, and decision-making processes.

Please refer to ICG's Climate Change Policy for further details including our complete Exclusion List →

Identifying, assessing and managing climate-related risks

Our approach to identifying, assessing, prioritising, and managing climate-related risks for active funds is summarised by key strategy in the table below:

Asset class	Structured and Private Equity			Private Debt		Real Assets			Credit
Key strategy	European and Asia Pacific Corporate	Strategic Equity	ICG Enterprise Trust / LP Secondaries	Senior Debt Partners	North America Capital Partners	Real Estate Debt	Real Estate Equity	Infrastructure Equity	Liquid Credit CLOs
Pre investment									
Exclusion List screening	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bespoke climate risk assessment	✓	✓	✓	✓	✓	✓	✓	✓	✓
Additional due diligence for higher climate risk exposures	✓	✓	✓	✓	✓	✓	✓	✓	✓
Climate risk assessment findings included in IC memos	✓	✓	✓[1]	✓	✓	✓[2]	✓[2]	✓	✓
Post investment									
Ongoing portfolio monitoring process (including through annual surveys, where relevant)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Climate stewardship and engagement	✓	✓		✓		✓[3]	✓	✓	✓[4]
Investment-specific climate-related targets and KPIs[5]	✓					✓[3]	✓	✓	

1. Applicable to direct investments by ICG Enterprise Trust.
2. Harmonised and formalised across all real estate investments from January 2023.
3. For certain investments in the European Real Estate Debt strategy as part of the strategy's Green Loan Framework.
4. Typically focused on improved disclosures on climate risk and GHG emissions by investee companies.
5. For investments where we have sufficient influence.

Exclusion List screening

For any direct investment, investment teams screen against ICG's Exclusion List which, among other activities, prohibits us from knowingly making direct investments in certain coal, oil and gas activities, to avoid exposure of our funds to investments that are inherently prone to having the most significant adverse environmental and/or social impacts which could impact their performance in the short, medium and/or long term.

For indirect investments, where feasible, ICG seeks to ensure that the Exclusion List is implemented subject to a materiality threshold.

Between February 2021 and March 2023, we have declined 99 investment opportunities where climate-related risk was a contributing factor to the investment decision.

Climate risk assessment

For each potential investment opportunity, we use a climate risk assessment tool and methodology bespoke to the nature of the investment (in a company or real asset) to help us identify and assess whether there are any material climate-related risks associated with an investment. As standard, these tools utilise established external and ICG proprietary sources of data to support the assessment of both physical climate risks and transitional climate risks. A climate risk scorecard is produced and additional analysis must be completed for investment opportunities identified as having a higher exposure to climate-related risks. In situations where we have sufficient influence, external ESG due diligence, including a specific analysis of climate-related risks and opportunities, is conducted as standard. The findings of the climate risk assessment are consolidated and included as standard in the investment proposal to the respective IC for most strategies. Where material climate-related issues are identified, the IC may decide not to proceed; may request further action is taken to ensure these issues are properly investigated; or may require further actions to be taken following the closing of an investment.

In the year to 31 March 2023, we introduced a dedicated climate risk assessment for our Real Estate and LP secondaries strategies, with 98% of total AUM in funds in their investing period being covered by an assessment of climate-related risks.

Engagement and monitoring

Following an investment, material climate-related risks and opportunities are monitored and reviewed as a standard part of the portfolio monitoring process. Depending on the nature of the issue and the level of influence, ICG may seek to better understand how these issues are managed either through ongoing dialogue or through our annual ESG surveys. Climate change is an integral part of our annual ESG surveys which monitor governance and management of climate change, as well as performance and decarbonisation plans. We publish summary results of our ESG surveys in our annual Sustainability and People report.

Read our Sustainability and People Report →

Where ICG has sufficient influence, we undertake specific carbon footprint analysis of investments and set bespoke climate-related targets. For relevant investments, the investment team and Sustainability & ESG team engage directly with the board and management teams of the relevant portfolio companies to help them establish a baseline carbon footprint assessment, and then set emissions reduction targets aligned with the latest climate science and develop strategies to help deliver these targets. We also support portfolio companies to get these targets approved and validated by the SBTi.

The Group's exposure to climate risk arising from its balance sheet investment portfolio (seed assets) is managed in line with our standard fund management activities, as outlined on page 41.

Further embedding sustainability risks

In FY23, a cross-functional working group with representatives of Sustainability & ESG, Legal, Risk and Compliance teams was formed to review the Group's governance of sustainability risks (including climate-related risks) and their integration as part of the Group's processes, procedures, and RMF. This also included an update of ICG's Sustainability Considerations Policy, which summarises our approach to integrating sustainability risks and other sustainability-related considerations, as part of its internal porocesses and procedures.

Following the review, in FY24 we intend to implement any identified enhancements and further formalise our approach.

Group operations – identifying and managing climate-related risks

Physical climate risks

Following our established RMF and associated procedures, we consider that the Group's direct operations are not materially exposed to physical climate risks because, amongst other factors, the Group does not have a complex supply chain, does not make capital investments in research and development, and is able to operate flexibly from a variety of locations. From a real estate perspective, the Group operates from leased offices and our employees have the ability to work remotely. The Group has assessed the physical climate risk exposure of its office locations using an established external physical climate risk assessment tool. The results indicated that none of our key offices (London, New York, Warsaw and Paris) is likely to be materially exposed to physical climate risks.

The Group's consistent approach to the management of climate change is further demonstrated by a Sustainable Fit-Out guide which sets out our expected minimum standards for the sustainable fit-out, as necessary, of our offices to ensure lower-carbon development and enable the reduction of carbon emissions during operation. This policy is applied to all new material leases into which the Group enters.

All employees benefit from full remote working capability which minimises business risk and reduces reliance on our office locations for business continuity in the unlikely event of a physical climate risk being realised. In addition, 100% of our IT infrastructure systems and data resides in the cloud and the Group leverages cloud services from multiple providers, further reducing concentration risk.

We will continue to monitor changes in the exposure to physical climate risks of our direct operations and address any identified risks, as needed.

Transition climate risks

Enhanced GHG emissions reporting and climate-related compliance requirements have been identified as a potential climate-related risk to the Group operations. The Sustainability & ESG, Legal, Risk and Compliance and Operations and IT teams work closely to ensure the identification of relevant emerging regulatory requirements and the Group's compliance with climate-related regulation of relevance to its operations, including the UK SECR and the UK Energy Savings Opportunity Scheme (ESOS).

At the end of FY23, our assessment of key suppliers was enhanced to include a wider range of ESG considerations, including exposure to and capabilities to manage climate-related risks and opportunities, where relevant.This will be rolled out in FY24.

Metrics and targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

TCFD recommended disclosure	
(a)	Metrics used by ICG to assess climate-related risks and opportunities in line with its strategy and risk management process.
(b)	Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.
(c)	Description of the targets used by ICG to manage climate-related risks and opportunities and performance against targets.

The Group uses a variety of metrics and tools to assess climate-related risks and opportunities in line with its business strategy, net zero approach and risk management processes.

While a source of important insight into the Group's climate-risk exposure and a measure of progress towards our net zero commitment, some of these metrics and tools have inherent limitations (e.g. scope of coverage, availability of data as well as the uncertainty associated with some of the underlying assumptions). We utilise internal data and proprietary tools and methodologies, as well as external data sources and providers, to produce these climate metrics.

Category	Climate metrics	Group target and/or current activity
Climate-related risks exposure		
Climate risks	Proprietary climate risk rating	Climate-related risks (both physical and transition) are assessed as standard for all direct investment opportunities utilising our proprietary, asset-specific methodologies.
	Potentially heightened climate risk exposure	Conduct a Group-wide top-down portfolio assessment with a view to inform ICG's ESG and climate-specific objectives and priorities.
	Heightened climate risk sector exposure	Conduct a Group-wide top-down portfolio assessment with a view to inform ICG's ESG and climate-specific objectives and priorities.
Embedding climate considerations into our culture		
Remuneration	Proportion of Executive Directors remuneration linked to sustainability and climate considerations*	The Group and its Board has long-term approach to variable pay, which aligns our Executive Directors to the interests of our shareholders. As per the Directors' Remuneration Policy, the Group makes a single variable pay award each year to Executive Directors, based on a balanced scorecard of KPIs. Since FY22, the remuneration of the Executive Directors has been directly linked to several sustainability targets. See Remuneration Committee Report for further detail (page 103).
Investment lifecycle	ESG and climate considerations incorporated into the investment lifecycle	For each investment strategy, investment teams analyse ESG matters, including climate change, to the extent feasible, at each stage of the investment process, from screening, through due diligence, closing, monitoring and eventual exit. See page 41 as well as ICG Responsible Investing and Climate Change policies for further details.
Sustainability-linked financing	Amount of ESG or Sustainability financing, with climate-related metrics	The Group seeks to link its climate ambition to third-party financing, where possible.
Transition to low-carbon economy		
Decarbonising our investment portfolios	Financed emissions	Long-term goal: reach net zero GHG emissions across relevant investments by 2040. Interim target (approved and validated by the SBTi): 100% of relevant investments to have SBTi-approved science-based targets by 2030, with an interim target of 50% by 2026.
		Over time, the tools to assess financed emissions and measure net zero will evolve in the private markets. In addition to the setting of SBTs for relevant investments, ICG is developing a plan to systematically assess potential net zero solutions for the strategies not covered by our SBTs.
	Weighted average carbon intensity	The Group is establishing a baseline for this metric across its portfolios.
Capacity for investing in climate solutions	Investments in low-carbon and energy transition infrastructure and real estate*	ICG has three strategies that focus on investments in real assets that are already low-carbon in nature or support directly the energy transition.
	Installed renewable energy generating capacity	
Our operations	Scope 1 and 2 absolute GHG emissions (market and location based)*	Long-term goal: net zero GHG emissions across operations by 2040. Interim target (approved and validated by the SBTi): to reduce the Group's direct Scope 1 and Scope 2 GHG emissions by 80% by 2030 from a 2020 base year (market based).
	Scope 1 and 2 GHG emissions intensity (market based)*	ICG seeks to improve the GHG intensity of our operations, year on year.
	Purchased energy from renewable sources (%)	ICG seeks to maximise the proportion of electricity consumption from renewables sources, and encourage landlords to provide low-carbon heating solutions, wherever feasible.
	Scope 3 absolute GHG emissions*	The Group is establishing a complete baseline and assessing the tools and levers necessary to reduce its scope 3 emissions.

* Indicates a cross-industry climate-related metric as per the TCFD Guidance on Metrics, Targets, and Transition Plans, 2021

1. Source ICG, the Heightened climate risk sectors categorisation is based on the latest TCFD Implementation Guidance (October 2021) which identifies the following sectors with the highest likelihood of climate-related financial impacts: Energy, Transport, Materials & Buildings, and Agriculture, Food & Forestry Products. ICG has adapted these to incorporate the framework provided by the Guidance on Use of Sectoral Pathways for Financial Institutions, produced by the Glasgow Financial Alliance for Net Zero in June 2022.

Scope	Climate risk	Use and measurement
Individual direct investments	Transition & Physical	Assesses the potential physical and transition climate-related risks for individual investment opportunities using the Group's proprietary climate risks assessment methodology. Climate risk rating is incorporated into all investment proposals for consideration by ICs.
Investments across our Structured and Private Equity, Private Debt and Credit asset classes, and Infrastructure Equity strategy.	Transition & Physical	Measures the exposure of portfolios to potentially heightened climate risk based on the Group's proprietary climate risks assessment methodology, expressed as % of portfolio by cost/value of investments, and % of investments with material exposure.
Investments across our Structured and Private Equity, Private Debt, Real Assets and Credit asset classes.	Transition	Assess the exposure of certain portfolios to heightened climate risk sectors [1], expressed as % of portfolio by invested capital.
Executive Directors' annual variable pay	Transition & Physical	Assesses the link of executive remuneration with sustainability considerations, including the Group's net zero commitment (see page 103).
All investment strategies	Transition & Physical	Assesses the extent to which ESG and climate change considerations are embedded within the investment decision making and portfolio monitoring processes adopted by ICG.
Group and Fund related third-party financing	Transition & Physical	Measures the amount of third-party financing with built in climate-metrics that may adjust the margin or coupon of the facility. Expressed as an aggregate absolute amounts in GBP for the Group and USD for fund related third-party financing.
Relevant investments[2]	Transition	Measures the proportion of relevant investments covered by science based targets. Measured as % of invested capital. Monitored internally and reported publicly on an annual basis.
Other Active funds[3] making direct investments across our Structured and Private Equity, Private Debt, Real Assets, and Credit asset classes.	Transition	Assesses the absolute GHG emissions associated with and attributable to a portfolio of investments, expressed in tCO_2e. Monitored internally and reported to investors in certain active funds at least annually.
Active funds making direct investments across our Structured and Private Equity, Private Debt, Real Assets, and Credit asset classes.	Transition	Measures a portfolio's exposure to carbon-intensive investments, expressed in tCO_2e/ million revenue in fund currency for corporate investments; or in tCO_2e/m^2 for real estate investments. Monitored internally and reported to investors in certain active funds at least annually.
Infrastructure Equity, European Real Estate Debt, and Sale and Leaseback	Transition	Measures the proportion of Group's investments into low-carbon and energy transition related infrastructure and real estate, expressed as % of total AUM. Monitored internally and publicly reported annually.
Infrastructure Equity strategy	Transition	Measures the aggregate and annual change in installed renewable energy generating capacity, expressed in GW. Monitored internally and publicly reported annually.
Group operations: combustion of fuel, fugitive emissions, and purchased electricity and heat	Transition	Measures the direct operational carbon footprint of the Group in line with the GHG Protocol, expressed in tCO_2e. Assessed annually and reported publicly, subject to independent limited assurance.
Group operations: combustion of fuel, fugitive emissions, and purchased electricity and heat	Transition	Measures efficiency of the direct operational carbon footprint of the Group relative to its revenue, expressed in tCO_2e per £M revenue. Assessed annually and reported publicly, subject to independent limited assurance.
Group operations: purchased electricity and heat	Transition	Measures the proportion of purchased electricity and heat from renewable sources. Assessed annually and reported publicly, subject to independent limited assurance.
Group operations: business travel, purchased goods and services, water supply and waste generation	Transition	Measures the indirect operational carbon footprint of the Group in line with the GHG Protocol, expressed in tCO_2e. Assessed annually and reported publicly, subject to independent limited assurance.

2. Relevant investments includes all investments within Structured and Private Equity and Real Assets where ICG has sufficient influence - defined as at least 25% of fully diluted shares and a board seat.
3. Active funds for this metric are those third-party funds managed by ICG that principally focus on direct investments and that were either in fundraising or investing period or open-ended in nature, or were already measuring this metric at the start of FY22.

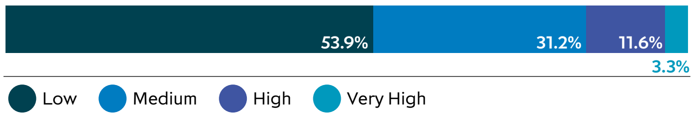
Assessing the exposure of portfolios to climate-related risks

Exposure to heightened climate-related risks by asset class

The principal mechanism ICG employs for assessing climate-related risks before making a direct investment in a company is a proprietary climate risk assessment methodology and tool that we developed in-house with the support of a third-party adviser. The assessment methodology utilises various external data sources, including TCFD guidelines, the SASB Climate Risk Technical Bulletin, ThinkHazard, the World Bank's Climate Change Performance Index and Carbon Pricing Dashboard, among others. Each investment opportunity receives an overall climate risk rating on a 4-grade scale from Low to Very High. The rating combines exposure to transition risk (sector and value chain) and physical risk, taking into account the countries of company headquarters and key operational assets.

While this assessment approach was designed primarily to support investment decision making and engagement, we also use the climate risk ratings to assess the exposure of relevant portfolios to potentially heightened climate-related risks. As at 31 December 2022, 85.0% of assessed portfolios received a climate risk rating of Low or Medium and only 3.3% with Very High risk rating, which we consider as potentially heightened climate-related risk.

Distribution of climate risk ratings for total assessed ICG portfolios (31 December 2022)



The proportion of investments with potentially heightened exposure to climate-related risks by asset class is presented in the table below. Overall, we saw low exposure of our portfolios as at 31 December 2022 across all assessed ICG asset classes, which is also in line with low exposure as at 31 December 2021.

Exposure of assessed portfolios[1] to potentially heightened climate-related risks by asset class

	Structured and Private Equity[2]		Private Debt		Infrastructure Equity (Real Assets)[3]		Credit[4]		Total assessed ICG portfolios	
Year	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
% of portfolio by investment cost[5]	**2.1%**	3.4%	**0.3%**	0.0%	**0.0%**	0.0%	**7.8%**	6.4%	**3.3%**	3.8%

1. Portfolio composition as at 31 December in each respective year.
2. Excludes ICG Enterprise Trust and LP Secondaries - assessed portfolio in 2022 represents 93% of third-party AUM in this asset class as at 31 December 2022 (2021: 93%).
3. Relates to Infrastructure Equity, which represents 16% of third party AUM in this asset class as at 31 December 2022 (2021: 16%)
4. Excludes Alternative Credit and Secured Credit portfolios. Assessed portfolio in 2022 represents 87% of third-party AUM in this asset class as at 31 December 2022 (2021: 91%)
5. Except for Liquid Credit figures which are based on Market Value of investments. 2022 figures as at 31 December 2022, 2021 figures based on latest available at the time of conducting the assessment.

Embedding climate considerations into our culture

Remuneration

The Group and its Board have a long-term orientated approach to variable pay, which aligns our Executive Directors to the interests of our shareholders. As per the Directors' Remuneration Policy, the Group makes a single variable pay award each year to Executive Directors, based on a balanced scorecard of KPIs, one of which is Culture, D&I and Sustainability. The details of the FY23 outcome and weighting for each Executive Director can be found on page 103.

During FY23, the Group took efforts to further embed assessment and management of climate-related risks and opportunities in our investment culture. The Group incorporated ESG assessment into the annual performance appraisals of portfolio managers across the firm. The aim of this practice is to reinforce alignment and accountability at the right levels for achieving ESG excellence, while ensuring we comply with a continued increase in relevant regulatory requirements. It will also position portfolio managers to lead by example, ensuring ESG and climate-related issues are being appropriately and consistently considered in their teams' approaches to investment.

Investment lifecycle

For each investment strategy, investment teams analyse ESG matters, including climate change, to the extent feasible, at each stage of the investment process, from screening, through due diligence, closing, monitoring and eventual exit.

See ICG Responsible Investing and Climate Change policies for further details about our approach. ICG Sustainability and People Report 2022 provides further insight into key process enhancements and highlights per asset class during 2022.

Sustainability-linked financing

At the Group level we have raised a total of $1.2bn ESG and sustainability-linked financing, including issuing a €500 million sustainability-linked Bond with adjustments to the coupon rate linked to progress against the Group's portfolio-level science-based target.

Across the funds managed by the Group, we have raised a total of $2.8bn ESG-linked fund-level financing since 2021, with climate-related metrics.

Transition to low-carbon economy

Our net zero strategy will continue to evolve as we work towards building a more comprehensive approach across the Group. Over time, as we incorporate measurement frameworks for our various investment portfolios and build our capabilities and access to relevant, quality data, we will expand our reporting on metrics, taking into consideration the upcoming, applicable TCFD-related regulatory requirements, the recommendations and guidance of the TCFD, industry best practice and stakeholder expectations. Below we outline the key metrics and targets we currently assess and monitor, where available.

Decarbonising our investment portfolios

Financed emissions

In November 2021, ICG committed to reach net zero GHG emissions across its operations and relevant investments. In order to meet this ambition we need to reduce emissions associated with our investment activities. To support our commitment we set a portfolio coverage science based target approved and validated by the SBTi:

- ICG's target for 100% of relevant investments to have SBTi-approved science-based targets by 2030, with an interim target of 50% by 2026.

As at 31 December 2022, the Group has engaged with all 32[6] portfolio companies across five investment strategies[7] qualifying as relevant investments, representing nearly $8bn of invested capital.

Over time, the tools to assess financed emissions and measure net zero will evolve in the private markets. In addition to the setting of SBTs for relevant investments, ICG is developing a plan to systematically assess potential net zero solutions for the strategies not covered by our SBTs.

In FY23 we continued to expand the measurement of financed emissions in line with the Partnership for Carbon Accounting Financials Standard, and inclusion of such data as standard in ESG reporting to clients or active funds. Disclosure of GHG data by private companies and for real estate property is still nascent, so for any gaps in actual data we utilise proxy data modelled by a reputable external data provider. At the end of FY23, financed emissions, alongside other portfolio metrics recommended by the TCFD, such as weighted average carbon intensity and portfolio carbon footprint, were assessed and reported for funds representing 36% of total AUM and we will continue to explore ways to increase this coverage.

6. Relevant investments that were in our portfolios at the time of setting our portfolio coverage target that are still in the portfolio as at 31 December 2022. Note that the SBTi currently does not validate and approve SBTs for educational institutions, so three portfolio companies in this sector have been excluded from our update.
7. These are Europe Corporate, Asia Pacific Corporate, Europe Mid-Market, and Infrastructure Equity.

32

companies located in Asia Pacific, Europe, and North America qualify as relevant investments for ICG's portfolio coverage target. ICG has engaged all such relevant investments on setting SBTi-approved GHG emissions reduction targets.

Completed | In progress | In early stages

Each of these companies is at a different stage of the SBT setting process, with progress shown below across three key milestones:

1 Establishing the required baseline carbon footprint by the SBTi[3]

13% are in early stages

16% are working on their baseline

28% have completed Scope 1 and 2 emissions, and are in the process of completing Scope 3 emissions calculations

44% have completed a full baseline

2 Developing SBTs and decarbonisation plans to deliver on them in the short to mid term

25% are in early stages

47% are in the process of developing their targets and plans

28% have a fully developed target and plan

3 Have set SBTs

	Number of relevant investments	% of relevant investments by invested capital	% of relevant investments by number of companies
Have set SBTs and submitted them to SBTi	**9**	**15%**	**28%**
Of which, have approved targets by SBTi	6	7%	19%

Commitments for over

69

thousand tonnes CO_2e of baseline emissions to be reduced in line with the latest climate science[4]

1. Relevant investments that were in our portfolios at the time of setting our portfolio coverage target that are still in this portfolio as at 31 December 2022. Note that the STBi currently does not validate and approve SBT's for educational institutions, so three portfolio companies in this sector have been excluded from our update.
2. These are Europe Corporate, Asia Pacific Corporate, Europe Mid-Market, and Infrastructure Equity.
3. Percentages are calculated based on number of companies in the respective stages, and may not add to 100% due to rounding.
4. As per the applicable SBTi requirements for target setting and validation, as of 31 December 2022.

Spotlight:
Towards harmonised GHG accounting and reporting in private equity – an iCI sector guidance

Private market investors are increasingly being called upon to set ambitious climate commitments. Regulators, investors, lenders, and other stakeholders alike, are demanding GHG reporting against consistent and comparable climate metrics.

Against this backdrop of rising transparency requests, the iCI members saw an opportunity to develop a specific guidance to private equity investors. As co-chair of the working group tasked with developing this guidance, ICG was proud to spearhead this effort, and bring our experience to bear in providing investors and their portfolio companies consistent guidance on:

1. Carbon footprinting - Calculating Scope 1, Scope 2 and Scope 3 emissions.
2. Financed emissions - Attributing GHG emissions from portfolios to GPs and Limited Partners.
3. Fund reporting - Aggregating emissions at the fund level and reporting to stakeholders.
4. Target setting - Conducting portfolio analysis with a view to set targets that support the transition to a net zero economy.

Capacity for investing in climate solutions

Investments in real assets, such as commercial real estate, housing developments, renewable energy and other infrastructure delivering core services, can play an important role in supporting global economic growth and enhancing social cohesion. The Organisation for Economic Co-operation and Development estimates[5] that $6.9 trillion per year is needed up to 2050 for investment in sustainable and resilient infrastructure to achieve the UN Sustainable Development Goals by 2030 and net zero emissions by 2050.

To capitalise on this growing investment opportunity, ICG has launched a number of strategies investing in infrastructure and real estate that underpin or have strong potential to align with the transition to a low carbon economy. These strategies have sustainability frameworks designed to align with specific UN Sustainable Development Goals (SDGs), and all incorporate climate-focused SDGs including SDG 7 (Clean Energy) and 13 (Climate Action); and deliver tangible, targeted improvements in the sustainability performance of assets as part of the asset management plans. As at 31 March 2023, these strategies constitute 48% of total Group AUM in Real Assets, compared to 40% a year earlier; and represent a growth opportunity for ICG.

In addition, as at 31 March 2023, 1.9GW of renewable energy capacity was deployed across the Infrastructure Equity portfolios, compared to 221 MW, as at 31 December 2020.

Our operations

The following targets and underlying metrics are used by the Group to assess climate-related risk and opportunities for its operations in line with its strategy and risk management process.

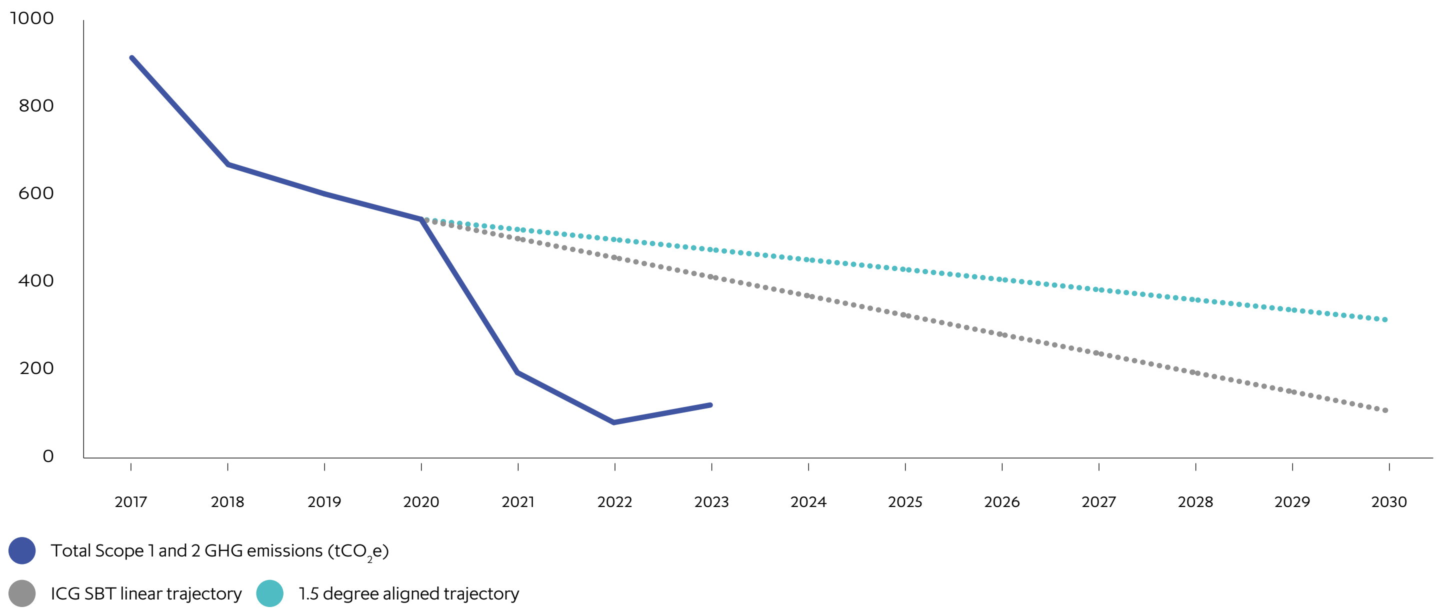
Long-term goal: net zero operations by 2040

Interim target (approved and validated by the SBTi): to reduce the Group's direct Scope 1 and Scope 2 GHG emissions by 80% by 2030 from a 2020 base year.

The Group measures and discloses its operational GHG emissions in compliance with the SECR requirements (see page 50). This includes Scope 1 and Scope 2 GHG emissions and related energy use broken down by region and source. In addition, we disclose scope 1 and 2 emissions intensity (tCO_2e/£M revenue), and Scope 3 GHG emissions related to business travel, purchased goods and services, water use, and generated waste.

The chart below illustrates ICG's emissions reduction versus its scope 1 and 2 SBT trajectory and a 1.5 degree aligned trajectory.

Group Scope 1 and 2 (market-based) GHG emissions (tCO_2e)



5. Source: UNEP, accessed on 29 November 2022, https://www.unep.org/explore-topics/green-economy/what-we-do/sustainable-infrastructure-investment

Annual Group GHG emissions statement

This statement has been prepared in accordance with our regulatory obligation to report GHG emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the UK government's policy on SECR.

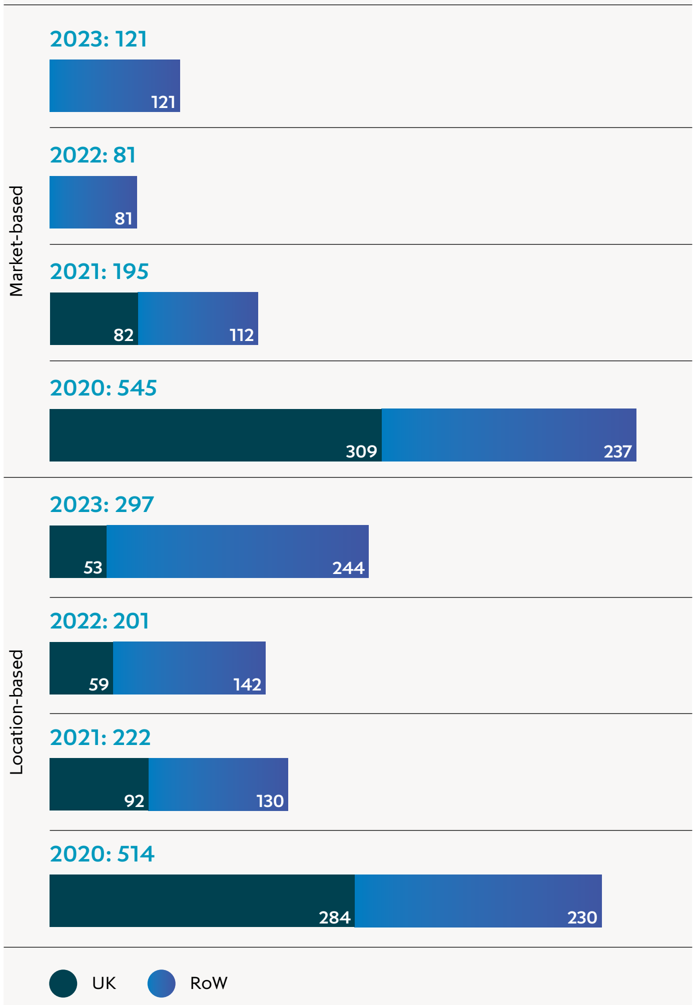
Operational GHG Emissions Performance

During the reporting period 1 April 2022 to 31 March 2023, our measured Scope 1 and Scope 2 (market-based) emissions totalled 121 metric tCO_2e compared to 81 metric tCO_2e in FY22. The scope 1 and 2 intensity equated to 0.20* metric tCO_2e/FTE and 0.19* metric tCO_2e/£mn revenue, compared to 0.13 metric tCO_2e/FTE and 0.08 metric tCO_2e/£mn revenue in FY22.

GHG Emissions[1]		FY23	FY22	FY21	FY20
Direct emissions (scope 1)	Combustion of fuel and operation of facilities	46*	7	11	66
Indirect emissions (scope 2)	Purchased electricity/ heat (location-based)	250*	194	211	448
	Purchased electricity/ heat (market-based)	75*	74	184	479
	Total scope 1 and 2[2]	**121**	**81**	**195**	**545**
Indirect emissions (scope 3)	Business travel (flights, rail, vehicles, taxis, hotels)	2,724*	749	41	2,640
	Waste generated in operation (incl. water)	3*	4	0.6	8
	New scope 3 categories to FY23				
	Purchased Goods and Services[3,4]	13,286*	–	–	–
	Fuel and energy related activities[3]	76*	–	–	–
	Total Scope 3	**16,089**	**753**	**42**	**2,648**

* ICG plc engaged Ernst & Young LLP (EY) to provide limited assurance over GHG emission metrics as indicated by * in the FY23 annual GHG Emission Statement. The assurance engagement was planned and performed in accordance with International Standard on Assurance Engagements (UK) 3000 (July 2020), as promulgated by the Financial Reporting Council (FRC). The assurance report is publicly available at https://www.icgam.com/sustainability-esg/. It includes details on the scope, respective responsibilities, approach, restrictions, limitations and conclusions. Previous years data were verified to ISO14064 by alternative providers.

Scope 1 and 2 emissions ($mtCO_2e$)[1]



FY23 Scope 1 and 2 (market-based) emissions have decreased by 78% from ICG's FY20 baseline, driven by an increase in the number of offices procuring 100% renewable electricity.

The year-on-year increase in scope 1 and 2 (market-based) emissions from FY22 to FY23 is primarily due to the expansion of ICG operations in North America (New York), and an improvement in the accessibility of heating (scope 1) data from landlords in leased facilities in other global operations. During FY23, ICG North America

1. Numbers in the table have been rounded up or down to the nearest metric tonne (mt) of CO_2e.
2. The sum of scope 1 and 2 emissions is based on the scope 2 market based data.
3. 2023 was the first year that Purchased Goods and services (PG&S) and fuel and energy related activities were calculated for ICG. PG&S calculation method used was a spend-based approach.
4. PG&S spend does not include third party administrators of funds managed by ICG.

moved to a larger office location, resulting in an overlap of two separate premises under ICG control for a period of 6 months from 31 August to 31 January 2023, while experiencing an increase in electricity demand (and therefore scope 2 location-based emissions) from its expanded workforce.

In FY23, ICG expanded its inventory profile to include its purchased goods and services (PG&S), which now constitute the majority of scope 3 emissions (82%). As this is the first year of estimating PG&S emissions, ICG has utilised a spend-based estimation method for this initial GHG profile of the supply chain. Waste and water related emissions have reduced year on year due to waste reduction measures implemented in our London office, whilst business travel has rebounded to pre-pandemic levels, driven by an increase in FTE and the removal of global restrictions to international travel.

Metrics	FY23	FY22	FY21	FY20
Scope 1 and 2 (market-based emissions) per FTE (mtC02e)[1]	0.20	0.13	0.35	1.07
Scope 1 and 2 (market-based emissions) per £Mn revenue ($mtCO_2e$)	0.19	0.08	0.24	1.32

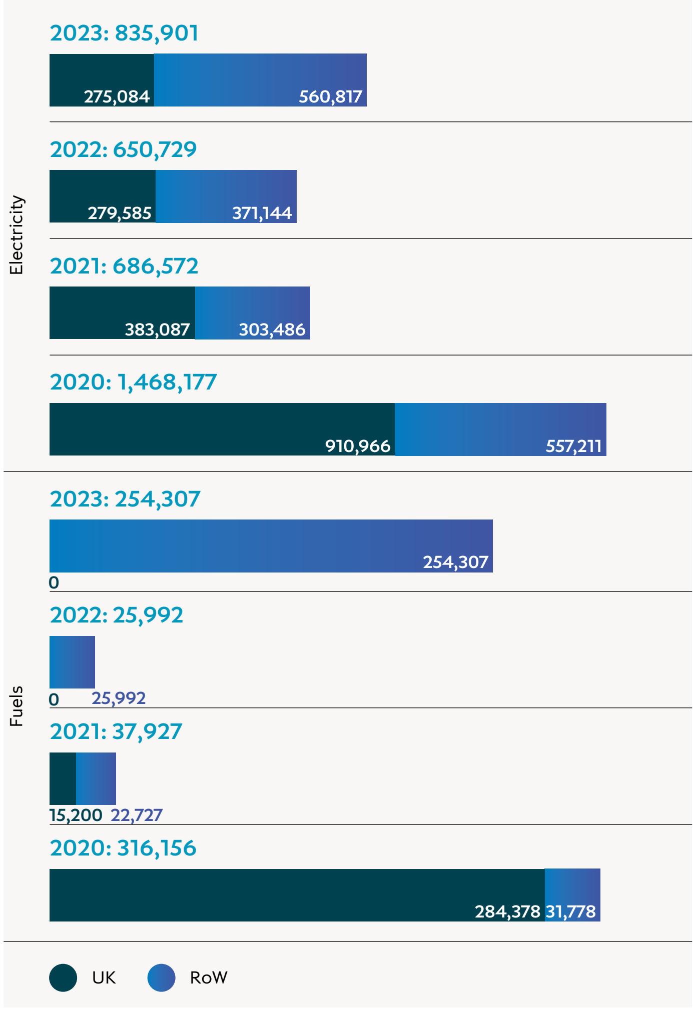
Energy Consumption and Efficiency

During the year, our total fuel and electricity consumption in our operations totalled 1,090 MWh. 25% of energy was electricity consumed in the UK, 33% was electricity consumed in the US, while the remaining 11 global sites consumed 18%. The remainder was through heating fuel in 4 sites globally. The split between fuel and electricity consumption is displayed in the table below. 76% of electricity purchased is from renewable sources either through green tariffs or backed by renewable energy certification, compared with 58% in the previous year. ICG continues to expand the purchase of renewable electricity while we explore energy efficiency solutions such as the installation of LED lighting in suitable global offices. Fuel consumption has increased from 2022 due to the new US office utilising natural gas as compared to the electric based heating system from the previous premises.

	FY23	FY22	FY21	FY20
Electricity [3]	835,901	650,729	686,572	1,468,177
Of which, from renewable sources [3]	638,697	379,161	154,744	–
Fuels[2,3]	254,307	25,992	37,927	316,156
Total Electricity and Fuels[3]	**1,090,207**	**676,721**	**724,499**	**1,784,333**

1. FTE figures include all staff: permanent employees and contractors
2. Natural gas and transportation fuels (petrol and diesel)
3. Units provided in kWh

Energy Consumption (kWh)



GHG statement methodology

Reporting period - 1 April 2022 - 31 March 2023

Boundary - Operational control. Facilities that are operated by ICG where we have more than five members of staff in the building on a permanent basis.

ICG quantifies and reports our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, alignment with the Scope 2 Guidance, and Corporate Value Chain (Scope 3) Standard. We consolidate our organisational boundary according to the operational control approach, which includes all our offices around the world with five or more employees.

The GHG sources that constituted our operational boundary for the 2023 reporting period are:

- Scope 1: Natural gas combustion within boilers and refrigerants from air-conditioning equipment
- Scope 2: Purchased electricity consumption for our own use (location based and market based)
- Scope 3: Business travel (rail, taxis, hotels (new to FY23) and air travel), water supply and waste generation, transmission and distribution of electricity (new to FY23 inventory), purchased goods and services (new to FY23).

In some cases, where data is missing, values have been estimated using either extrapolation of available data or data from the previous year as a proxy. Further detailed explanation of the calculation approach is provided in page 213.

The Scope 2 Guidance requires that we quantify and report Scope 2 emissions according to two different methodologies ("dual reporting"): (i) the location-based method, using average emissions factors for the country in which the reported operations take place; and (ii) the market-based method, which uses the actual emissions factors of the energy procured when certified green electricity has been procured.

Consumption data has been converted into CO_2 equivalent using:

- UK Government 2020, 2021 and 2022 Conversion Factors for Company Reporting across all emissions sources unless those below were used.
- International Energy Agency international electricity conversion factors (to calculate emissions from corresponding activity data)
- United States Environmental Protection Agency data for train travel in the US, and Network for Transport Measures (NTM) data for train travel in the EU.
- For business travel based on expenses, Quantis spend based emissions factors are used.
- Spend based emissions factors from the Department for Business, Energy and Industrial Strategy (BEIS) and sourced from the GHG Protocol scope 3 guidance.

Non-financial information statement

The Group complies with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. This information is intended to help stakeholders better understand how we address key non-financial matters. This aligns with the work we already do in support of the Taskforce on Climate-related Financial Disclosures, UN Global Compact and UN Sustainable Development Goals (see pages 30 to 52). Further details of the activities we undertake in supporting these frameworks are available on our website. Details of our principal risks and how we manage those risks are set out on page 66.

Employee matters

We aim for employees to have a sense of wellbeing and promote an inclusive working culture where they can freely question practices and suggest alternatives. We support agile working and offer access to a range of flexible benefits. We ensure our levels of overall remuneration are without gender bias and designed to attract, develop and retain talented employees.

Employee diversity

As at 31 March 2023, the Group has a permanent employee population of 582 of which 212 are women and 370 are men. There are three Executive Directors including one woman and one director from an ethnically diverse background. Of the 31 senior managers reporting to the Executive Directors (including those based outside the UK), 23% are women.

Board diversity

Biographical details of the Board are set out on page 78 with information on diversity on page 96.

Measurement

The Board approved a target of increasing the number of women in UK senior management to 30% by 2023 and a shareholder KPI has been established to reinforce a culture of inclusivity which supports a diverse and thriving workforce and lays the foundation for sustainable success (see page 18).

We have published our gender pay gap data which is set out on page 112.

Human rights and social matters

We do not tolerate discrimination of any nature and comply fully with appropriate human rights legislation.

Policies and standards

We are committed to preventing any form of Modern Slavery and human trafficking. We seek to ensure there are no such practices in our business and supply chain. During the year, we have carried out employee training and awareness raising and continued to include anti-slavery considerations in supplier selection and due diligence. We have also conducted a review of our own business, our portfolio companies that are covered by our statement, and material suppliers. No concerns were raised in any of our due diligence.

The Group's full policy on Modern Slavery can be found at www.icgam.com.

Anti-bribery and corruption

We are committed to ethical business across all our operations and investments. Our policy is never to offer, request or receive bribes, and to refuse any request to pay them. We actively seek to reduce opportunities for corruption. We do not invest in companies or projects that engage in corruption or appear to have a high risk of such behaviour and we investigate and deal with all reported or identified cases of corruption in line with our policy. The policy applies to all entities within the Group wherever we do business.

Environmental matters

The Group's disclosures in response to the recommendations of the TCFD are set out on page 30.

The Group's disclosures in accordance with the SECR requirements are set out on page 50.

A disciplined approach to investing for future growth

This has been a defining year for ICG both in our market standing and in our growth trajectory. Our scale, diversification, brand and investment performance have combined to generate a record year on many levels.

Vijay Bharadia
Chief Financial and Operating Officer

The Board and management monitor the financial performance of the Group on the basis of Alternative Performance Measures (APM), which are non-UK-adopted IAS measures. The APM form the basis of the financial results discussed in this review, which the Board believes assist shareholders in assessing their investment and the delivery of the Group's strategy through its financial performance.

The substantive difference between APM and UK-adopted IAS is the consolidation of funds and related entities deemed to be controlled by the Group, which are included in the UK-adopted IAS consolidated financial statements but excluded for the APM.

Under IFRS 10, the Group is deemed to control (and therefore consolidate) entities where it can make significant decisions that can substantially affect the variable returns of investors. This has the impact of including the assets and liabilities of these entities in the consolidated statement of financial position and recognising the related income and expenses of these entities in the consolidated income statement.

The Group's profit before tax on an UK-adopted IAS basis was below the prior period at £251.0m (FY22: £565.4m). On the APM basis it was below the prior period at £258.1m (FY22: £568.8m).

Detail of these adjustments can be found in note 4 to the UK-adopted IAS consolidated financial statements on pages 142 to 206.

AUM

Total AUM

During the period, total AUM grew 14% on a constant currency basis (up 11% on a reported basis) and at 31 March 2023 was $80.2bn (31 March 2022: $72.1bn). The balance sheet investment portfolio accounted for 4.1% of the Total AUM (31 March 2022: 5.0%).

Third-party AUM and fee-earning AUM

Third-party AUM grew 15% on a constant currency basis during the period, and stood at $77.0bn at 31 March 2023 (31 March 2022: $68.5bn).

Fee-earning AUM grew 10% on a constant currency basis during the period, and stood at $62.8bn at 31 March 2023 (31 March 2022: $58.3bn).

At 31 March 2023 we had $20.9bn of third-party AUM available to deploy in new investments (dry powder), $14.7bn of which is not-yet-fee-earning, but will be when the capital is invested or enters its investment period.

With effect from 31 March 2023, the methodology for calculating third-party AUM was updated in line with industry practice to include i) all uncalled capital commitments until they are legally expired (previously, uncalled capital commitments were removed from third-party AUM as a 'step-down' despite the fund being legally able to call such capital); and ii) permanent fund-level leverage where such leverage has been signed with the leverage provider and where we charge fees on the leverage. The aggregate impact of these changes is to increase third-party AUM by $3.1bn and fee-earning AUM by $0.5bn.

At 31 March 2023 56% of our fee-earning AUM was in euros; 31% in dollars; 12% in sterling; and 1% in other currencies. Our funds pay fees in their fund currency. Third-party AUM reduced by $1.6bn during the period due to FX movements, partially offset by positive market moves of $0.7bn impacting funds that charge fees on NAV. For more details on the impact of FX rates on our reported financials, see page 65.

Third-party AUM ($m)	Structured and Private Equity	Private Debt	Real Assets	Credit	Total
At 1 April 2022	22,507	19,806	8,028	18,127	**68,468**
Additions[1]	3,747	3,864	1,064	1,895	**10,570**
Realisations	(1,513)	(391)	(439)	(1,928)	**(4,271)**
Policy change	2,381	712	(7)	42	**3,128**
FX and other	606	(350)	(783)	(381)	**(908)**
At 31 March 2023	**27,728**	**23,641**	**7,863**	**17,755**	**76,987**
Change $m	5,221	3,835	(165)	(372)	**8,519**
Change %	23 %	19 %	(2)%	(2)%	**12 %**
Change % (constant exchange rate)[2]	26 %	20 %	3 %	(1)%	**15 %**

1. Includes $0.3bn of steps-up;
2. See page 65 for an explanation of constant exchange rate calculation

Fee-earning AUM ($m)	Structured and Private Equity	Private Debt	Real Assets	Credit	Total
At 1 April 2022	22,100	11,953	6,873	17,409	**58,335**
Funds raised: fees on committed capital	*3,367*	–	*414*	*422*	***4,203***
Deployment of funds: fees on invested capital	*436*	*4,451*	*928*	*1,411*	***7,226***
Total additions	3,803	4,451	1,342	1,833	**11,429**
Policy change	(38)	(10)	(11)	534	**475**
Realisations	(2,327)	(1,937)	(1,005)	(1,654)	**(6,923)**
FX and other	302	(208)	(337)	(224)	**(467)**
At 31 March 2023	**23,840**	**14,249**	**6,862**	**17,898**	**62,849**
Change $m	1,740	2,296	(11)	489	**4,514**
Change %	8 %	19 %	– %	3 %	**8 %**
Change % (constant exchange rate)[1]	10 %	22 %	5 %	4 %	**10 %**

1. See page 65 for an explanation of constant exchange rate calculation

Business activity

	Fundraising		Deployment[1]		Realisations[1,2]	
$bn	**FY23**	FY22	**FY23**	FY22	**FY23**	FY22
Structured and Private Equity	3.5	10.4	4.3	8.0	2.3	2.6
Private Debt	3.8	4.1	4.5	4.9	2.0	2.8
Real Assets	1.0	3.0	1.7	2.1	1.0	1.0
Credit	1.9	5.0	n/a	n/a	n/a	n/a
Total	**10.2**	**22.5**	**10.5**	**15.0**	**5.3**	**6.4**

1. Direct investment funds;
2. Realisations of third-party fee-earning AUM

Fundraising

- We attracted $10.2bn of new money during the period, in line with our guidance and bringing the total raised since 31 March 2021 to $32.8bn, on track to meet accelerated fundraising target of at least $40bn cumulatively between FY22 - FY24
- Structured and Private Equity attracted $3.5bn of capital. Within this, Strategic Equity IV raised $1.3bn, Europe VIII raised $1.2bn and Asia Pacific IV raised $450m. All three of these funds had final closes during the period at or above their original hard caps. During the year, we also raised for Strategic Equity V, LP Secondaries I and Europe Mid-Market II
- Private Debt was the largest contributor to fundraising during the period amongst our asset classes, attracting a total of $3.8bn, $3.3bn of which was in SDP V and SDP SMAs. During the period we launched North America Credit Partners III and had closed $427m of third-party commitments at 31 March 2023
- Real Assets raised $1.1bn, with the majority ($591m) coming from Real Estate Debt strategies. In addition we raised $414m for Sale and Leaseback II
- Credit raised $1.9bn, of which $1.2bn was from new CLOs (two in Europe and one in the US) and the remainder was within our liquid credit funds
- At 31 March 2023 funds that were actively fundraising included: SDP V and SDP SMAs; Strategic Equity V; North America Credit Partners III; Europe Mid-Market II; Infrastructure II; Sale and Leaseback II; LP Secondaries I; Life Sciences I; and various credit strategies. The timings of closes for those funds depends on a number of factors, including the prevailing market conditions

Deployment

- During the period we deployed a total of $10.5bn of AUM on behalf of our direct investment funds
- Within Structured and Private Equity, Strategic Equity saw strong activity, deploying $2.6bn (FY22: $2.5bn), with the remainder across European Corporate including Europe Mid-Market I and various other strategies
- Within Private Debt, deployment was driven by our direct lending strategy, Senior Debt Partners, which deployed $3.9bn. The Australia Senior Loan fund deployed $0.3bn and North American Private Debt $0.2bn
- Within Real Assets, real estate debt strategies deployed $0.9bn, Infrastructure Equity I deployed $0.5bn and Sale and Leaseback deployed $0.3bn

Realisations

- Despite the slowdown in transaction activity across the market, we continued to realise investments, with $5.3bn fee-earning AUM realised from our direct investment funds (FY22: $6.4bn)
- Structured and Private Equity accounted for $2.3bn of realisations within fee-earning AUM, with the majority of activity coming from Europe VI and Europe VII (2015 and 2018 vintages' respectively)
- Realisations of fee-earning AUM in Private Debt were $2.0bn, with the vast majority ($1.7bn) being within direct lending (Senior Debt Partners)
- Real assets accounted for $1.0bn of realisations within fee-earning AUM, almost all of which was across a range of real estate debt strategies

Performance of key funds

A summary of selected ICG drawdown funds that have had a final close at 31 March 2023 is set out below:

	Vintage	Total fund size[3]	% deployed[2]	Gross MOIC 31 March 2023	Gross MOIC 31 March 2022	DPI 31 March 2023
Structured and Private Equity						
Europe V	2011	€2.5bn		1.8x	1.8x	151%
Europe VI	2015	€3.0bn		2.2x	2.1x	171%
Europe VII	2018	€4.5bn		1.8x	1.7x	42%
Europe VIII	2021	€8.1bn	**43 %**	1.1x	1.1x	—%
Europe Mid-Market I	2019	€1.0bn	**78 %**	1.4x	1.2x	—%
Asia Pacific III	2014	$0.7bn		2.1x	2.1x	103%
Asia Pacific IV	2020	$1.0bn	**43 %**	1.4x	1.4x	—%
Strategic Secondaries II	2016	$1.1bn		2.9x	2.8x	136%
Strategic Equity III	2018	$1.9bn		2.3x	2.2x	28%
Strategic Equity IV	2021	$4.2bn	**95 %**	1.6x	1.3x	5%
Private Debt						
Senior Debt Partners II	2015	€1.5bn		1.3x	1.3x	75%
Senior Debt Partners III	2017	€2.6bn		1.2x	1.2x	43%
Senior Debt Partners IV	2020	€5.0bn	**100 %**	1.1x	1.1x	9%
North American Private Debt I	2014	$0.8bn		1.5x	1.4x	128%
North American Private Debt II	2019	$1.4bn	**92 %**	1.3x	1.2x	19%
Real Assets						
Real Estate Partnership Capital IV[1]	2015	£1.0bn		1.3x	1.3x	82%
Real Estate Partnership Capital V[1]	2018	£1.0bn		1.2x	1.2x	16%
Infrastructure Equity I	2020	€1.5bn	**90 %**	1.3x	1.2x	1%
Sale & Leaseback I	2019	€1.2bn	**99 %**	1.3x	1.3x	7%

Note co-mingled funds only. Where there are funds with multiple currencies, FX rates at 31 March 2023 used to convert
1. Gross MOIC as at 31 March 2023
2. For current vintages only
3. Third-party AUM plus ICG plc commitment at point of final close. MOICs and DPI for SDP III and SDP IV shown for EUR sleeves

Overview: Group financial performance

Fund Management Company (FMC) revenue was £539.9m (FY22: £512.8m) and FMC profit before tax was £310.7m (FY22: £286.2m), an increase of 9% compared to FY22, resulting in an FMC operating margin of 57.5% (FY22: 55.8%).

Net investment returns (NIR) for the Investment Company (IC) of 4%, or £102.3m, and over the last five years have averaged 11%. The IC as a whole recorded a (loss) of £(52.6)m (FY22: profit of £282.6m).

The Group generated a Group profit before tax of £258.1m (FY22: £568.8m) and Group earnings per share were 80.3p (FY22: 187.6p).

ICG has a progressive dividend policy, and the proposed final dividend of 52.2p per share brings the total dividend per share to 77.5p for FY23, an increase of 2% compared to FY22. Over the last five years the dividend per share has grown at an annualised rate of 21%.

Our balance sheet remains strong and well capitalised, with net gearing of 0.50x, total available liquidity of £1.1bn and a net asset value per share of 694p.

Our medium-term financial guidance remains unchanged from 31 March 2022.

£m unless stated	31 March 2023	31 March 2022	Change %
Third-party management fees	481.4	392.7	23%
Third-party performance fees	19.6	56.0	(65%)
Third-party fee income	**501.0**	**448.7**	**12%**
Movement in FV of derivative	(26.8)	(0.4)	n/m
Other income	65.7	64.5	2%
Fund Management Company revenue	**539.9**	**512.8**	**5 %**
Fund Management Company operating expenses	(229.2)	(226.6)	1%
Fund Management Company profit before tax	**310.7**	**286.2**	**9 %**
Fund Management Company operating margin	57.5 %	55.8 %	3%
Investment Company revenue	98.4	451.7	(78%)
Investment Company operating expenses	(103.1)	(118.6)	(13%)
Interest income	13.9	—	>100%
Interest expense	(61.8)	(50.5)	22%
Investment Company (loss) / profit before tax	**(52.6)**	**282.6**	**(119)%**
Group profit before tax	**258.1**	**568.8**	**(55)%**
Tax	(28.8)	(30.8)	(6%)
Group profit after tax	**229.3**	**538.0**	**(57)%**
Earnings per share	80.3 p	187.6p	(57%)
Dividend per share	77.5p	76.0p	2 %

	31 March 2023	31 March 2022	Change %
Liquidity	£1.1bn	£1.3bn	(16%)
Net gearing	0.50x	0.45x	0.05x
Net asset value per share	694p	696p	—%

Fund Management Company

The FMC is the Group's principal driver of long-term profit growth. It manages our third-party AUM, which it invests on behalf of the Group's clients.

Third-party fee income

Third-party fee income grew to £501.0m in FY23 (FY22: £448.7m), a year-on-year increase of 12% (an increase of 7% on a constant currency basis).

£m	Year ended 31 March 2023	Year ended 31 March 2022	Change %
Structured and Private Equity – management fees	283.1	206.2	37%
Structured and Private Equity – performance fees	13.4	47.3	(72)%
Structured and Private Equity	**296.5**	**253.5**	**17%**
Private Debt – management fees	83.7	66.5	26%
Private Debt – performance fees	6.3	6.1	3%
Private Debt	**90.0**	**72.6**	**24%**
Real Assets – management fees	48.9	61.4	(20)%
Real Assets – performance fees	(0.1)	0.1	n/m
Real Assets	**48.8**	**61.5**	**(21)%**
Credit – management fees	65.7	58.6	12%
Credit – performance fees	—	2.5	n/m
Credit	**65.7**	**61.1**	**8%**
Third-party fee income	**501.0**	**448.7**	**12 %**
Of which management fees	481.4	392.7	23%
Of which performance fees	19.6	56.0	(65)%

Our third-party fee income is largely comprised of management fees, which have a high degree of visibility and are directly linked to our fee-earning AUM.

The increase in management fees during FY23 was due to a number of factors including fundraising for Europe VIII and Strategic Equity IV (both of which charge fees on committed capital); net deployment within Private Debt (which charges fees on invested capital); and changes in foreign exchange rates. The £12.7m reduction in fee income for Real Assets was due to the prior period including £14.3m of catch-up fees (largely for Infrastructure Equity I and Sale and Leaseback I), which are non-recurring. Excluding those catch-up fees, third-party fee income for Real Assets is up approximately 3.4%.

Management fees during FY23 include a total of £30.6m catch-up fees (FY22: £14.3m). We do not expect significant catch-up fees for FY24 given the funds we have in market and the potential timing of first closes.

The effective management fee rate on our fee-earning AUM at the period end was 0.90% (FY22: 0.88%). The increase was due to the fundraising within Structured and Private Equity in strategies with higher fee rates charging fees on committed capital as well as a positive mix effect in other asset classes. The fee rate is split between asset classes as follows:

	31 March 2023	31 March 2022
Structured and Private Equity	1.26 %	1.24 %
Private Debt	0.82 %	0.83 %
Real Assets	0.91 %	0.87 %
Credit	0.49 %	0.47 %
Group	**0.90 %**	**0.88 %**

Performance fees are a relatively small part of our revenue, and during the five years to 31 March 2023 have accounted for an average of 10.2% of our third-party fee income. With lower transaction activity in the broader market, timing expectations for various exits within our funds have been extended. This has resulted in a lower level of performance fees being recognised in this period, although does not impact the absolute level of performance fees we expect to receive if our funds perform in line with expectations. At 31 March 2023 the Group had an asset of £37.5m of accrued performance fees on its balance sheet (FY22: £91.0m):

£m	
Accrued performance fees at 1 April 2022	91.0
Accruals during period	19.4
(Received) during period	(74.9)
FX and other movements	2.0
Accrued performance fees at 31 March 2023	**37.5**

Our funds charge fees in the fund currency, and third-party fee income for the period was 56% in euros, 32% in US dollars, 11% in sterling and 1% in other currencies. On a constant currency basis our third-party fee income grew by 7% compared to FY22.

Movements in Fair value of derivatives and other income

During the year the Group changed its policy regarding hedging of non-sterling fee income. Previously the Group's policy was to hedge non-sterling fee income to the extent that it was not matched by costs and was predictable (transaction hedges). For FY23 FMC revenue included a negative impact of £(26.8)m due to changes in the fair value of these transaction hedges (FY22: £(0.4)m). During the financial year the Group decided to no longer enter into transaction hedges as a matter of course (although it may still do so on an ad hoc basis), and economically closed out all outstanding transaction hedges. Further detail on our hedging policy and sensitivities can be found on page 65.

Other income includes recorded dividend receipts of £40.2m (FY22: £38.0m) from investments in CLO equity, which are continuing to be received in line with historical experiences. The FMC also recognised £25.0m of revenue for managing the IC balance sheet investment portfolio (FY22: £24.8m), as well as other income of £0.5m (FY22: £1.7m).

Operating expenses and margin

During the year we remained focussed on managing costs, resulting in operating expenses increasing by only 1% compared to FY22 and totalling £229.2m (FY22: £226.6m). Salaries increased broadly in line with headcount (which grew 11%), while incentive scheme costs grew by only 6%. Both administrative costs and depreciation and amortisation recorded absolute reductions compared to FY22. Administrative costs reduced due to lower professional and consulting costs, lower placement agent fees and lower recruitment costs given the lower hiring in FY23 compared to FY22.

Operating expenses for the period were 70% in sterling, 9% in euros, 14% in US dollars and 7% in other currencies.

£m	Year ended 31 March 2023	Year ended 31 March 2022	Change %
Salaries	85.0	76.0	12 %
Incentive scheme costs	92.2	87.2	6 %
Administrative costs	45.7	55.1	(17 %)
Depreciation and amortisation	6.3	8.3	(24 %)
FMC operating expenses	**229.2**	**226.6**	**1 %**
FMC operating margin	57.5 %	55.8 %	2 %

The FMC recorded a profit before tax of £310.7m (FY22: £286.2m), a year-on-year increase of 9% and an increase of 14% on a constant currency basis (excluding the change in fair value of derivatives).

The FMC operating margin of 57.5% (FY22: 55.8%) was above our medium-term guidance of above 50%, driven in part by a combination of catch-up fees and a strong focus on cost control.

Investment Company

The Investment Company (IC) invests the Group's proprietary capital to seed and accelerate emerging strategies, and invests alongside the Group's more established strategies to align interests between our shareholders, clients and employees. It also supports a number of costs, including for certain central functions, a part of the Executive Directors' compensation, and the portion of the investment teams' compensation linked to the returns of the balance sheet investment portfolio (Deal Vintage Bonus, or DVB).

Balance sheet investment portfolio

The balance sheet investment portfolio grew 3% in absolute terms during the year and was valued at £2.9bn at 31 March 2023 (31 March 2022: £2.8bn). It experienced net realisations during the period of £128m (FY22: £253m), being new investments of £666m (FY22: £952m) and realisations of £794m (FY22: £1,205m). Realisations in FY23 include £101m of proceeds received when we sold down a portion of the balance sheet's exposure to ICG's liquid credit funds.

We made a number of new seed investments totalling £214m, including on behalf of Life Sciences, LP Secondaries, US Mid-Market and Real Estate Opportunistic Equity Europe. These investments are held in anticipation of being transferred to a third-party fund. At 31 March 2023 the balance sheet held £330m of seed investments (31 March 2022: £178m).

At 31 March 2023 the balance sheet investment portfolio was 45% euro denominated, 27% US dollar denominated, 21% sterling denominated and 7% in other currencies.

£m	As at 31 March 2022	New investments	Realisations	Gains/ (losses) in valuation	FX & other	As at 31 March 2023
Structured and Private Equity	1,826	260	(513)	112	66	1,751
Private Debt	149	31	(33)	14	8	169
Real Assets	222	130	(88)	20	5	289
Credit[1]	447	31	(109)	(30)	24	363
Seed Investments[2]	178	214	(51)	(16)	5	330
Total Balance Sheet Investment Portfolio	**2,822**	**666**	**(794)**	**100**	**108**	**2,902**

1. Within Credit, at 31 March 2023 £65m was invested in liquid strategies, with the remaining £298m invested in CLO debt (£106m) and equity (£192m)
2. Formerly referred to as Warehouse investments. Adjusted to include three assets previously reported with Real Assets, with a combined value of £83m at 31 March 2022

Net Investment Returns

For the five years to 31 March 2023, Net Investment Returns (NIR) have been in line with our medium-term guidance, averaging 11.2%. For the twelve months to 31 March 2023, NIR were £102.3m (FY22: £485.7m), or 4% (FY22: 18%).

NIR was comprised of interest of £113.2m from interest-bearing investments (FY22: £76.8m), unrealised losses of £(13.2)m (FY22: gain of £404.0m) and other income of £2.3m. NIR were split between asset classes as follows:

	Twelve months to 31 March 2023		Twelve months to 31 March 2022	
£m	NIR (£m)	NIR (%)	NIR (£m)	NIR (%)
Structured and Private Equity	112.9	6%	457.7	27 %
Private Debt	14.4	9%	24.9	16 %
Real Assets	20.7	8%	9.7	5 %
Credit	(30.1)	(7%)	(0.5)	— %
Seed Investments[1]	(15.6)	(6%)	(6.1)	(4)%
Total net investment returns	**102.3**	**4 %**	**485.7**	**18 %**

1. FY22 NIR adjusted to reflect three assets with Seed Investments that were previously included within Real Assets

- Structured and Private Equity, which accounted for 60% of the total balance sheet investment portfolio at 31 March 2023, saw a positive NIR driven by European Corporate and Strategic Equity
- Within Private Debt, SDP is performing resiliently and a strong performance during year within North America Credit Partners[2] driving the majority of the positive NIR
- Real Assets - which as noted above now excludes three investments that have been moved to Seed investments - saw a strong return within Infrastructure, offsetting valuation reductions within Sale and Leaseback. The Real Estate debt strategies have continued to perform well, recording positive NIR during the year
- Credit NIR of £(30.1)m includes a reduction of £(40.2)m in the value of the balance sheet's holdings of CLO equity to reflect CLO dividend receipts recorded in the FMC and a reduction of £(6.3)m in respect of changes in the value of CLO debt and co-investments in our liquid credit funds. This is partially offset by a £16.4m valuation gain on CLO equity, driven by gains arising from actual defaults being lower than projections as well as by the passage of time increasing the current value of discounted future cashflows

2. Formerly North America Private Debt

In addition to the NIR, the IC recorded other revenue as follows:

£m	Year ended 31 March 2023	Year ended 31 March 2022	Change %
Changes in fair value of derivatives	16.8	(11.8)	n/m
Fee paid to FMC	(25.0)	(24.8)	1 %
Other	4.3	2.6	65 %
Other IC revenue	**(3.9)**	**(34.0)**	**n/m**

As a result, the IC recorded total revenues of £98.4m (FY22 revenue: £451.7m).

Investment Company expenses

Operating expenses in the IC of £103.1m decreased by 13% compared to FY22 (£118.6m), which was largely due to a £22.9m reduction in incentive scheme costs:

£m	Year ended 31 March 2023	Year ended 31 March 2022	Change %
Salaries	20.0	16.7	20 %
Incentive scheme costs	59.6	82.5	(28 %)
Administrative costs	20.7	16.0	29 %
Depreciation and amortisation	2.8	3.4	(18 %)
IC operating expenses	**103.1**	**118.6**	**(13 %)**

Lower incentive scheme costs were predominantly the result of lower accrual of DVB during the period: £36.6m compared to £66.5m in FY22. DVB, which is linked to the performance of certain investments within the balance sheet investment portfolio, only pays out upon cash realisations.

Employee costs for teams who do not yet have a third-party fund are allocated to the IC. For FY23, the directly-attributable costs within the Investment Company for teams that have not had a first close of a third-party fund was £24.4m (FY22: £15.4m). When those funds have a first close, the costs of those teams are transferred to the Fund Management Company.

Interest expense was £61.8m (FY22: £50.5m) and interest earned on cash balances was £13.9m (FY22: nil).

The IC therefore recorded a (loss) before tax of £(52.6)m (FY22: profit before tax £282.6m).

Group

Tax

The Group recognised a tax charge of £(28.8)m (FY22: tax charge of £(30.8)m), resulting in an effective tax rate for the period of 11.2% (FY22: 5.4%). The increase compared to the prior year is due to the change in composition of our earnings and the lower NIR in FY23 compared to FY22.

As detailed in note 14, the Group has a structurally lower effective tax rate than the statutory UK rate. This is largely driven by the Investment Company, where certain forms of income benefit from tax exemptions. The effective tax rate will vary depending on the income mix.

Dividend

The Board of ICG is simplifying our dividend policy and reaffirming it as a progressive dividend policy, demonstrating our confidence in the long-term growth prospects of the business. Over the long-term, the Board intends to increase the dividend per share by at least mid-single digit percentage points on an annualised basis. The dividend will continue to be paid in two instalments, with the interim dividend being one third of the prior year's total dividend.

For FY23, in addition to the 25.3p per share interim dividend, the Board is proposing a 52.2p per share final dividend. This would result in a total dividend of 77.5p per share being paid for the year, an increase of 2.0% compared to FY22 (76.0p). Over the last five years, ordinary dividends per share have increased at an annualised rate of 21%. We continue to make the dividend reinvestment plan available.

Balance sheet

Balance sheet strategy

Delivering our strategy and maximising shareholder value requires a clear approach to managing our balance sheet. We have a robust, diversified balance sheet and a strong liquidity position that allows us to invest in the business through economic cycles. This provides us with significant strategic and financial flexibility, enabling us to take advantage of opportunities to generate future incremental fee income.

Our approach to managing our balance sheet is structured around three priorities. These ensure we have the financial and operational flexibility to successfully execute our strategic objectives:

Align the Group's interests with its clients:

- co-invest in our strategies alongside our clients, whilst seeking to reduce the Group's commitments over time where appropriate

Grow third-party fee income in the FMC:

- fund and warehouse seed investments to launch new strategies that will be a source of future incremental management fees in the FMC

Maintain robust capitalisation:

- retain strong liquidity
- long-term objective of zero net gearing

Liquidity and net debt

At 31 March 2023 the Group had total available liquidity of £1,100m (FY22: £1,312m), net financial debt of £988m (FY22: £893m) and net gearing of 0.50x (FY22: 0.45x).

During the period cash reduced by £212m from £762m to £550m, including the repayment of £195m of borrowings that matured.

The table below sets out movements in cash, including certain APM metrics, which management believes will help shareholders understand where cash is being generated and used within the Company. The Glossary sets out the reconciliations from the APM cash measures in the table below to the UK-adopted IAS measures of Net cash flows from/(used in) operations; Net cash flows from/(used in) investing activities; and Net cash flows from/(used in) financing activities.

£m	FY23	FY22
Opening cash	762	297
Operating activities		
Fee and other operating income	573	388
Net cashflows from investment activities and investment income[1]	176	292
Expenses and working capital	(322)	(242)
Tax paid	(32)	(44)
Group cashflows from operating activities - APM[2]	395	394
Financing activities		
Interest paid	(64)	(56)
Purchase of own shares	(39)	(21)
Dividends paid	(236)	(166)
Net (repayment of) / proceeds from borrowings	(195)	302
Group cashflows from financing activities - APM[2]	534	59
Other cashflow[3]	(77)	7
FX and other movement	4	5
Closing cash	**550**	**762**
Available undrawn ESG-linked RCF	550	550
Cash and undrawn debt facilities (total available liquidity)	**1,100**	**1,312**

1. The aggregate cash (used)/received from balance sheet investment portfolio (additions), realisations, and cash proceeds received from assets within the balance sheet investment portfolio
2. Interest paid, which is classified as an Operating cash flow under UK-adopted IAS, is reported within Group cashflows from financing activities - APM
3. Investing cashflows (UK-adopted IAS) in respect of purchase of intangible assets, purchase of property, plant and equipment and net cashflow from derivative financial instruments ("Net cash flows used in financing activities" per Note 4) and "Payment of principal portion of lease liabilities" (see Note 4)

At 31 March 2023, the Group had drawn debt of £1,538m (31 March 2022: £1,655m). The change is due to the repayment of certain facilities as they matured, along with changes in FX rates impacting the translation value:

	£m
Drawn debt at 31 March 2022	1,655
Debt (repayment) / issuance	(195)
Impact of foreign exchange rates	78
Drawn debt at 31 March 2023	**1,538**

Net financial debt therefore increased to £988m (31 March 2022: £893m):

£m	31 March 2023	31 March 2022
Drawn debt	1,538	1,655
Cash	550	762
Net financial debt	**988**	**893**

During the period the Group's credit rating provided by S&P was upgraded to BBB, and at 31 March 2023 the Group had credit ratings of BBB (stable outlook) / BBB (stable outlook) from Fitch and S&P, respectively.

The Group's drawn debt is provided through a range of facilities. All facilities except the ESG-linked RCF are fixed-rate instruments. The weighted average cost of drawn debt at 31 March 2023 was 3.17% (31 March 2022: 3.29%). The weighted-average life of drawn debt at 31 March 2023 was 4.1 years (31 March 2022 4.6 years). The maturity profile of our term debt is set out below:

£m	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Term debt maturing	51	258	185	503	—	101	440

For further details of our debt facilities see Other Information (page 217).

Net asset value

Shareholder equity increased to £1,977m at 31 March 2023 (31 March 2022: £1,995m), equating to 694p per share (31 March 2022: 696p):

£m	31 March 2023	31 March 2022
Balance sheet investment portfolio	2,902	2,822
Cash and cash equivalents	550	762
Other assets	424	419
Total assets	**3,876**	**4,003**
Financial debt	(1,538)	(1,655)
Other liabilities	(361)	(353)
Total liabilities	**(1,899)**	**(2,008)**
Net asset value	**1,977**	**1,995**
Net asset value per share	**694p**	**696p**

Net gearing

The movements in the Group's cash position, debt facilities and shareholder equity resulted in net gearing increasing to 0.50x at 31 March 2023 (31 March 2022: 0.45x). We maintain our long-term objective of having zero net gearing.

£m	31 March 2023	31 March 2022	Change %
Net financial debt (A)	988	893	11%
Shareholder equity (B)	1,977	1,995	(1)%
Net gearing (A/B)	**0.50 x**	**0.45 x**	**0.05x**

Foreign exchange rates

The following foreign exchange rates have been used throughout this review:

	Average rate for FY23	Average rate for FY22	**31 March 2023 year end**	31 March 2022 year end
GBP:EUR	1.1560	1.1755	1.1375	1.1876
GBP:USD	1.2051	1.3626	1.2337	1.3138
EUR:USD	1.0426	1.1595	1.0846	1.1063

We report our AUM in dollars: 56.1% of our fee-earning AUM at 31 March 2023 was in euros; 30.6% in dollars; 11.5% in sterling; and 1.8% in other currencies.

At 31 March 2023 our third-party AUM was $77.0bn, based on FX rates at 31 March 2023. If GBP:USD had been 5% higher (1.2954) our reported third-party AUM would have been $0.5bn higher. If EUR:USD had been 5% higher (1.1388) our reported third-party AUM would have been $2.2bn higher.

Where noted, this review presents changes in AUM, third-party fee income and FMC PBT on a constant exchange rate basis. For the purposes of these calculations, prior period numbers have been translated from their underlying fund currencies to the reporting currencies at the respective FY23 period end exchange rates. This has then been compared to the FY23 numbers to arrive at the change on a constant currency exchange rate basis.

During the year the Group changed its policy regarding hedging of non-sterling net fee income. Previously the Group's policy was to hedge non-sterling fee income to the extent that it was not matched by costs and was predictable (transaction hedges). For FY23 FMC revenue included a negative impact of £(26.8)m due to changes in the fair value of these transaction hedges (FY22: £(0.4)m). During the financial year the Group decided to no longer enter into transaction hedges as a matter of course (although it may still do so on an ad hoc basis), and economically closed out all outstanding transaction hedges.

The table below sets out the indicative impact on our reported management fees, FMC PBT and NAV per share had sterling been 5% weaker or stronger against the euro and the dollar in the period (excluding the impact of any legacy hedges):

	Impact on FY23 management fees[1]	Impact on FY23 FMC PBT[1]	NAV per share at 31 March 2023[2]
Sterling 5% weaker against euro and dollar	+22.5m	+£22.7m	+15p
Sterling 5% stronger against euro and dollar	-(20.3)m	-£(20.5)m	-(14)p

1. Impact assessed by sensitising the average FY23 FX rates. Excluding impact of legacy hedges
2. NAV / NAV per share reflects the total indicative impact as a result of a change in FMC PBT and net currency assets

Managing risk

Effective risk management is a core competence underpinned by a strong control culture.

Our approach

The Board is accountable for the overall stewardship of ICG's Risk Management Framework (RMF), internal control assurance, and for determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives. In so doing the Board sets a preference for risk within a strong control environment to generate a return for investors and shareholders and protect their interests.

The risk appetite is reviewed by the Risk Committee, on behalf of the Board, and covers the principal risks that the Group seeks to take in delivering the Group's strategic objectives.

The Risk Committee is provided with management information regularly and monitors performance against set thresholds and limits to support the achievement of the Group's strategic objectives, within the boundaries of the agreed risk appetite. The Board also seeks to promote a strong risk management culture by encouraging acceptable behaviours, decisions, and attitudes toward taking and managing risk throughout the Group.

Managing risk

Risk management is embedded across the Group through ICG's RMF, which ensures that current and emerging risks are identified, assessed, monitored, controlled, and appropriately governed based on a common risk taxonomy and methodology. The RMF is designed to protect the interests of stakeholders and meet our responsibilities as a UK listed company and the parent company of a number of regulated entities.

The Board's oversight of risk management is proactive, ongoing and integrated into the Group's governance processes. The Board receive regular reports on the Group's risk management and internal control systems. These reports set out any significant risks facing the Group, and changes made to the systems. Evaluating risk events and corrective actions supports the Board's assessment of the Group's effectiveness at mitigating event impacts. The Board also meet regularly with the internal and external auditors to discuss their findings and recommendations, which helps it gain insight into areas that require improvement. The Board reviews the RMF regularly, and it forms the basis on which the Board reaches its conclusions on the effectiveness of the Group's system of internal controls.

Taking risk opens up opportunities to innovate and further enhance our business, for example new investment strategies or new approaches to managing our client relationships. Therefore, we maintain a risk culture that provides entrepreneurial leadership within a framework of prudent and effective controls to enable effective risk management.

Taking responsibility and managing risk is one of our key values that drive our success. For more information on our culture and values, see page 2.

Lines of defence

We operate a risk framework consistent with the principles of the 'three lines of defence' model. This ensures clarity over responsibility for risk management and segregation of duties between those who take on risk and manage risk, those who oversee risk and those who provide assurance.

- The first line of defence is the business functions and their respective line managers, who own and manage risk and controls across the processes they operate.
- The second line of defence is made up of the control and oversight functions who provide assurance that risk management policies and procedures are operating effectively.
- The third line of defence is Internal Audit who provide independent assurance over the design and operation of controls established by the first and second lines to manage risk.

Assessing risk

The Group adopts both a top-down and a bottom-up approach to risk assessment:

- The Risk Committee undertakes a top-down review of the external environment and the strategic planning process to identify the most consequential and significant risks to the Group's businesses. These are referred to as the principal risks.
- The business undertakes a bottom-up review which involves a comprehensive risk assessment process designed to facilitate the identification and assessment of key risks and controls related to each business function's most important objectives and processes. This is primarily achieved through the risk and control self-assessment process (RCSA).

The risk assessment process is supported by the Group's Risk Taxonomy which is a top-down comprehensive set of risk categories designed to encourage those involved in risk identification to consider all types of risks that could affect the Group's strategic objectives.

Key developments in FY23

During the year the Group undertook its first Internal Capital Adequacy and Risk Assessment (ICARA) under the requirements of the UK Investment Firm's Prudential Regulation (IFPR). The new regime sets new capital and liquidity requirements, revised remuneration and governance standards and requires ICG to complete an ICARA for our relevant UK entities. The Group is now identifying, assessing, and managing risk of harm to clients, markets, and the Group itself.

Other key initiatives included:

- Monitoring the Russia-Ukraine crisis for potential risks to people, assets, operations, and supply chains in the region and globally.
- Monitoring the macro-economic environment – the inflationary pressure, rising interest rates, and ongoing disruption to international supply chains – and adapting our approach as appropriate.
- Supporting the Audit Committee in its oversight of the Group's plans to implement the UK Government's audit reform proposals and strengthening internal controls.
- Monitoring risks associated with the Group's transformation agenda, recognising the challenges of implementation and successful delivery.
- Enhancing the combined assurance process to provide an integrated and coordinated approach to align the Group's assurance activities across the Group.

- Monitoring the Group's technology and resiliency requirements to ensure that the management of cyber risk remains appropriate to mitigate the continued and changing nature of the threat and to support the growth of the business.
- Further embedding ESG into the RMF.
- Improving the use of risk information and incorporating risk connectivity into the Group's RMF to allow for more proactive management of risk.

Principal risks and uncertainties

The Group's principal risks are individual risks, or a combination of risks, that can seriously affect the performance, future prospects or reputation of the Group. These include those risks that would threaten the Group's business model, future performance, solvency, or liquidity. The Group considers its principal risks across three categories:

1. Strategic and business risks

The risk of failing to respond to developments in our industry sector, client demand or the competitive environment, impacting the successful delivery of our strategic objectives.

2. Financial risks

The risk of an adverse impact on the Group due to market fluctuations, counterparty failure or having insufficient resources to meet financial obligations.

3. Operational risks

The risk of loss resulting from inadequate or failed internal processes, people or systems and external events.

Reputational risk is not in itself one of the principal risks. However, it is an important consideration and is actively managed and mitigated as part of the wider risk management framework.

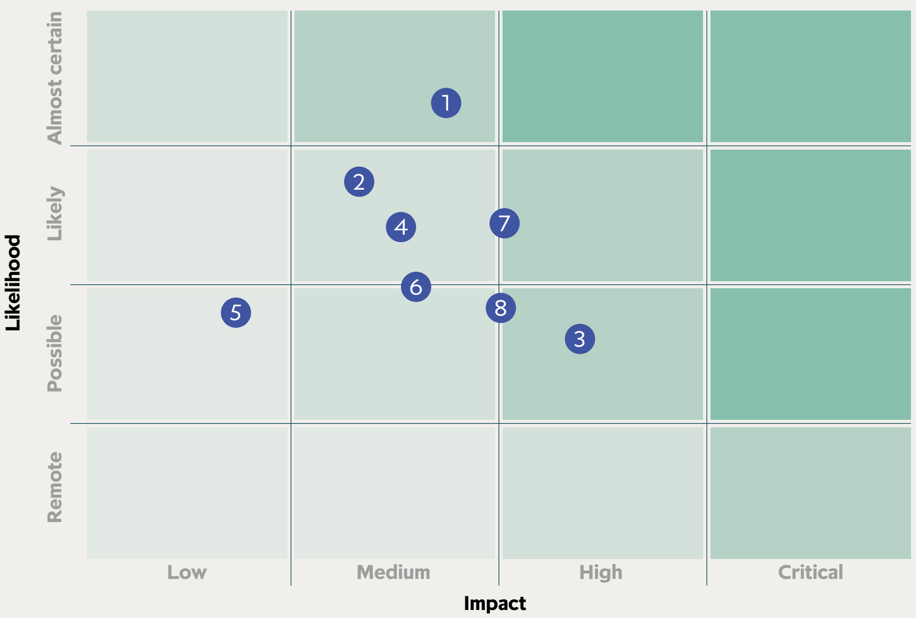
We use a principal and emerging risks process to provide a forward-looking view of the potential risks that can threaten the execution of the Group's strategy or operations over the medium to long term. We proactively assess the internal and external risk environment, as well as review the themes identified across our global businesses for any risks that may require escalation, updating our principal and emerging risks as necessary. The Board, Risk Committee and Executive Directors continue to monitor relevant impacts on the business which are considered further below.

Within the three categories noted above, the Group's RMF identifies eight principal risks which are accompanied by the associated responsibilities and expectations around risk management and control. Each of the principal risks is overseen by an accountable Executive Director, who is responsible for the framework, policies and standards that detail the related requirements.

The Directors confirm that they have undertaken a robust assessment of the principal risks in line with the requirements of the UK Corporate Governance Code, and that no significant failings or weaknesses in internal controls has been identified. In making this assessment the Directors consider the likelihood of each risk materialising, in the short and long term. This is supported by an annual Material Controls assessment and Fraud Risk Assessment, facilitated by the Group Risk Function, which provides the Directors with a detailed assessment of related internal controls. Additionally, Internal Audit findings, Compliance Monitoring findings, and risk events reported during the period are reviewed to assess whether any deficiency has been identified which is a significant failing or weakness.

The diagram below shows the Group's principal risks. The horizontal axis shows the impact of a principal risk if it were to materialise, and the vertical axis illustrates the likelihood of this occurring. The scales are based on the residual risk exposure remaining after mitigating controls.

Risk profile



Strategic and Business	Risk trend
1 External Environment Risk	↔
2 Fund Performance Risk	↑
Financial	
3 Financial Risk	↑
Operational	
4 Key Personnel Risk	↔
5 Legal, Regulatory and Tax Risk	↓
6 Operational Resilience Risk	↔
7 Third Party Provider Risk	↑
8 Key Business Process Risk	↔

External Environment Risk

Strategic alignment	Risk trend
1 2 3	↔

Risk appetite: Very High

Executive Director Responsible: Benoît Durteste

Risk Description

Geopolitical and macroeconomic concerns and other global events such as pandemics and natural disasters that are outside the Group's control could adversely affect the environment in which we, and our fund portfolio companies, operate, and we may not be able to manage our exposure to these conditions and/or events. In particular, these events have contributed, and may continue to contribute, to volatility in financial markets which can adversely affect our business in many ways, including by reducing the value or performance of the investments made by our funds, making it more difficult to find opportunities for our funds to exit and realise value from existing investments and to find suitable investments for our funds to effectively deploy capital. This could in turn affect our ability to raise new funds and materially reduce our profitability.

Key Controls and Mitigation

- The Group's business model is predominantly based on illiquid funds which are closed-ended and long-term in nature. Therefore, to a large extent the Group's fee streams are 'locked in'. This provides some mitigation in relation to profitability and cashflows against market downturn. Additionally, given the nature of closed-end funds, they are not subject to redemptions.
- A range of complementary approaches are used to inform strategic planning and risk mitigation, including active management of the Group's fund portfolios, profitability and balance sheet scenario planning and stress testing to ensure resilience across a range of outcomes.
- The Board, the Risk Committee and the Risk function monitor emerging risks, trends, and changes in the likelihood of impact. This assessment informs the universe of principal risks faced by the Group.

Trend and Outlook

Inflationary pressure, rising interest rates, and ongoing disruption to international supply chains means the macro-economic environment remains dynamic and the outlook unclear. The Group has proven expertise in navigating complex and uncertain market conditions, with our business model providing a high degree of stability. We have substantial dry powder across a range of strategies following our strong fundraising in the last 24 months. We have stable and visible management fee income, are not under pressure to deploy or realise, and can capitalise on opportunities that emerge across our asset classes.

We are actively supporting our portfolio companies as they seek to take advantage of the current market dislocation by growing organically and inorganically, as well as ensuring that they have the people, systems, and capital structures in place to navigate a period of potentially protracted uncertainty, including to ensure they are appropriately hedged against interest rate risks. Our portfolios remain fundamentally well positioned, with robust operational performance and reasonable leverage.

We remain alert to the current macroeconomic and geopolitical uncertainty and continue to monitor the potential impact on our investment strategies, clients, and portfolio companies, as well as the broader markets. While the uncertainty remains elevated, we do not see an increased risk to our operations, strategy, performance, or client demand as a result.

Fund Performance Risk

Strategic alignment	Risk trend
1 2 3	↑

Risk appetite: Moderate

Executive Director Responsible: Benoît Durteste

Risk Description

Current and potential clients continually assess our investment fund performance. There is a risk that our funds may not meet their investment objectives, that there is a failure to deliver consistent performance, or that prolonged fund underperformance could erode our track record. Consequently, existing investors in our funds might decline to invest in funds we raise in future and might withdraw their investments in our open-ended strategies. Poor fund performance may also impact our ability to raise subsequent vintages or new strategies impacting our ability to compete effectively. This could in turn materially affect our profitability and impact our plans for growth.

Key Controls and Mitigation

- A robust and disciplined investment process is in place where investments are selected and regularly monitored by the Investment Committees for fund performance, delivery of investment objectives, and asset performance
- All proposed investments are subject to a thorough due diligence and approval process during which all key aspects of the transaction are discussed and assessed. Regular monitoring of investment and divestment pipelines is undertaken on an ongoing basis
- Monitoring of all portfolio investments is undertaken on a quarterly basis focusing on the operating performance and liquidity of the portfolio
- Material ESG and climate-related risks are assessed for each potential investment opportunity and presented to, and considered by, the Investment Committees of all investment strategies. Further analysis is conducted for opportunities identified as having a higher exposure to climate related risks.

Trend and Outlook

Against a fast-moving global economic backdrop, we have continued to successfully manage our clients' assets. As expected, given our focus on downside protection, our funds are showing attractive performance through a period of volatility. In particular, our debt strategies are generating historically high returns for clients.

Fund valuations have remained stable during the period, with strong underlying performance of our portfolio companies and income from our interest-bearing investments largely offsetting reductions in valuation multiples or increasing costs of capital. Despite the slowdown in transaction activity across the market, we have continued to anchor the performance of key vintages through a disciplined approach to realisations.

The Group saw continued and significant client demand for our established and new strategies. We have held final closes for Europe VIII, Strategic Equity IV, and Asia Pacific IV, all above target size; launched the fifth vintage of our flagship direct lending strategy (SDP) and the second vintage of Sale and Leaseback launched the marketing of Europe Mid-Market II, Infrastructure II and Life Sciences I - a new strategy. We have seeded investments for - amongst others – Real Estate Opportunistic Equity Europe and Life Sciences. Our closed-end-funds model also provides visibility of future long term fee income and therefore Fund Management Company profits.

Looking ahead the outlook remains very positive. We continue to hire selectively to help drive future growth within our investment teams, and within Marketing and Client Relations, focussed on product and end-client expertise. We have a powerful local sourcing network and a diversified product offering of successful investment strategies that enable us to navigate dynamic market conditions, which helps to mitigate this risk.

More detail on the performance of the Group's funds can be found on page 54.

Strategic alignment

1 Grow AUM 2 Invest selectively 3 Manage portfolios to maximise value

Financial Risk

Strategic alignment: 1 2 3 — Risk trend: ↑

Risk appetite: High

Executive Director Responsible: Vijay Bharadia

Risk Description

The Group is exposed to liquidity and market risks. Liquidity risks refer to the risk that the Group may not have sufficient financial resources to meet its financial obligations when they fall due. Market risk refers to the possibility that the Group may suffer a loss resulting from the fluctuations in the values of, or income from, proprietary assets and liabilities. The Group does not deliberately seek exposure to market risks to generate profit; however, on an ancillary basis we will co-invest alongside clients into our funds, seed assets in preparation for new fund launches or hold investments in Collateralised Loan Obligations (CLOs) in accordance with regulatory requirements. Consequently, the Group is exposed to having insufficient liquidity to meet its financial obligations, including its commitments to its fund co-investments. In addition, adverse market conditions could impact the carrying value of the Group's investments resulting in losses on the Group's balance sheet.

Key Controls and Mitigation

- Debt funding for the Group is obtained from diversified sources and the repayment profile is managed to minimise material repayment events. The profile of the debt facilities available to the Group is reviewed frequently by the Treasury Committee.
- Hedging of non-sterling net exposure of income and expenditure, and net assets is undertaken to minimise short-term volatility in the financial results of the Group.
- Market and liquidity exposures are reported monthly and reviewed by the Group's Treasury Committee.
- Long-term forecasts and stress tests are prepared to assess the Group's future liquidity as well as compliance with the regulatory capital requirements.
- Investment Company (IC) commitments are reviewed and approved by the CEO and the CFOO on a case-by-case basis assessing the risks and return on capital.
- Valuation of the balance sheet investment portfolio is monitored quarterly by the Group Valuation Committee, which includes assessing the assumptions used in valuations of underlying investments.

Trend and Outlook

Global markets remain susceptible to volatility from a number of macro-economic and geopolitical factors. We continue to implement measures to mitigate the impact of market volatility and interest rate fluctuations in line with Group policy, and we will respond to the prevailing market environment where appropriate.

Our balance sheet remains strong and well capitalised, with net gearing of 0.50x, and with £1.1bn of available cash and unutilised bank lines as of 31 March 2023. In addition, the Group has significant headroom to its debt covenants. All of the Group's debt is fixed rate, with the exception of the RCF, which was undrawn as of 31 March 2023 and which is only intended to provide short-term working capital for the Group if required. Additionally, Standard & Poor carried out their year-end assessment of the Group's financial status and upgraded ICG to BBB (Stable), aligning them to Fitch at the BBB Stable level.

The Groups liquidity, gearing and headroom are in the finance review on page 54.

Key Personnel Risk

Strategic alignment: 1 2 3 — Risk trend: ↔

Risk appetite: Low to moderate

Executive Director Responsible: Antje Hensel-Roth

Risk Description

The Group depends upon the experience, skill and reputation of our senior executives and investment professionals. The continued service of these individuals, who are not obligated to remain employed with us, is uniquely valuable and a significant factor in our success. Additionally, a breach of the governing agreements of our funds in relation to 'Key Person' provisions could result in the Group having to stop making investments for the relevant fund or impair the ability of the Group to raise new funds if not resolved in a timely manner.

As such, the loss of key personnel could have a material adverse effect on our long-term prospects, revenues, profitability and cashflows and could impair our ability to maintain or grow assets under management in existing funds or raise additional funds in the future.

Key Controls and Mitigation

- An active and broad-based approach to attracting, retaining, and developing talent, supported by a range of complementary approaches including a well-defined recruitment process, succession planning, a competitive and long-term approach to compensation and incentives, and a focus on development through the appraisal process and mentoring programmes which is supported by a dedicated Learning and Development team.
- Continued focus on the Group's culture by developing and delivering initiatives that reinforce appropriate behaviours to generate the best possible long-term outcomes for our employees, clients, and shareholders.
- Promotion of a diverse and inclusive workforce with active support across a wide range of health and wellbeing activities.
- Regular reviews of resourcing and key person exposures are undertaken as part of business line reviews and the fund and portfolio company review processes.
- The Remuneration Committee oversees the Directors' Remuneration Policy and its application to senior employees, and reviews and approves incentive arrangements to ensure they are appropriate and in line with market practice.

Trend and Outlook

Attracting and retaining key people remains a significant operational priority. Strategic hiring across the organisation has continued during the period to ensure we have the breadth and depth of expertise to execute on the long-term opportunities ahead. Building on the investments we made in FY22, we have continued to welcome a number of senior hires within the organisation across our investment and ESG and Sustainability teams, helping to future-proof ICG as we continue to market and invest in a larger range of products.

Within our marketing and client relations teams a number of key positions have recently been filled, including a new Head of Client Relations and marketing specialists for insurance clients and real estate. These are notable hires as we continue to evolve our fundraising team, moving beyond our historical geographic organisation towards a more nuanced structure incorporating product specialisms where appropriate.

Staff turnover continues to be somewhat elevated in certain areas of finance and operations, where the hiring market remains particularly candidate driven. Against this backdrop we are still able to hire at the levels of experience and calibre required for ICG, and are meeting our recruitment objectives. We expect the candidate-driven dynamic to shift in the coming months as the financial industry adapts to a more challenging period.

Read more about our people on page 28.

Legal, Regulatory and Tax Risk

Strategic alignment	Risk trend
1 2 3	↓

Risk appetite: Low

Executive Director Responsible: Vijay Bharadia

Risk Description

Regulation defines the overall framework for the marketing and investment management and distribution of the Group's strategies and supporting our business operations. The failure of the Group to comply with the relevant rules of professional conduct and laws and regulations could expose the Group to regulatory censure, penalties or legal or enforcement action.

Additionally, the increase in demand for tax-related transparency means that tax rules are continuing to be designed and implemented globally in a more comprehensive manner. This raises a complex mix of tax implications for the Group, in particular for our transfer pricing, permanent establishment and fund structuring processes. The tax authorities could challenge our interpretation of these tax rules, resulting in additional tax liabilities.

Changes in the legal and regulatory and tax framework applicable to our business may also disrupt the markets in which we operate and affect the way we conduct our business. This could in turn increase our cost base, lessen our competitiveness, reduce our future revenues and profitability, or require us to hold more regulatory capital.

Key Controls and Mitigation

- Compliance and Legal functions are dedicated to understanding and fulfilling regulatory and legal expectations on behalf of the Group, including interactions with our regulators and relevant industry bodies. The functions provide guidance to, and oversight of, the business in relation to regulatory and legal obligations
- Compliance undertakes routine monitoring and deep-dive activities to assess compliance with relevant regulations and legislation
- The Tax function has close involvement with significant Group transactions, fund structuring and business activities, both to proactively plan the most tax efficient strategy and to manage the impact of business transactions on previously taken tax positions.
- Regulatory, legislative and tax developments are continually monitored to ensure we engage early in any areas of potential change

Trend and Outlook

ICG operates in highly regulated markets, and as the nature and focus of regulation and laws evolve, the complexity of regulatory compliance continues to increase and represents a challenge for our global business. Regulatory engagement through 2022 has focused on the Group's implementation of the IFPR, strategic transformation and regulatory initiatives. Proactive engagement on emerging focus areas has helped the regulatory risk profile remain broadly stable.

Legal risk continues to be impacted by the evolving UK legal and regulatory landscape due to the UK's exit from the EU and other changing regulatory standards as well as uncertainty arising from the current and future litigation landscape.

In December 2022 the Organisation for Economic Co-operation and Development published an implementation package in respect of the Pillar Two Model rules (also referred to as the 'Anti Global Base Erosion' or 'GloBE' rules), which are expected to come into force for the financial year commencing 1 April 2024. The Group's trading activities within the FMC are subject to tax at the relevant statutory rates in the jurisdictions in which income is earned. Pillar One is not expected to apply for the Group based the worldwide revenue threshold. The Group has performed an impact analysis on the Pillar Two proposals for a global minimum tax rate of 15% and does not expect the implementation to be significant.

The Group remains responsive to a wide range of developing regulatory areas and the increase in regulatory scrutiny around private markets more generally, and continues to invest in our Legal, Compliance and Tax teams to recruit specialist roles that optimise our coverage and enhance our monitoring and oversight capabilities.

Operational Resilience Risk

Strategic alignment	Risk trend
1 2 3	↔

Risk appetite: Moderate

Executive Director Responsible: Vijay Bharadia

Risk Description

The Group is exposed to a wide range of threats which can impact our operational resilience. Natural disasters, cyber threats, terrorism, environmental issues, and pandemics have the potential to cause significant disruption to our operations and change our working environment. Our disaster recovery and business continuity plans may not be sufficient to mitigate the damage that may result from such a disaster or disruption. Additionally, the failure of the Group to deliver an appropriate information security platform could result in unauthorised access by malicious third parties, breaching the confidentiality, integrity and availability of our data and systems. Regardless of the source, any critical system failure or material loss of service availability could negatively impact the Group's reputation and our ability to maintain continuity of operations and provide services to our clients.

Key Controls and Mitigation

- Operational resilience, in particular cyber security, is top of the Group's Board and Leadership agenda, and the adequacy of the Group's response is reviewed on an ongoing basis.
- Business Continuity and Disaster Recovery plans are reviewed and approved on at least an annual basis by designated plan owners, and preparedness exercises are complemented by an automated Business Continuity Planning tool.
- Providing laptops for all employees globally removes the physical dependency on the office and allows employees to work securely from home.
- The Group's technology environment is continually maintained and subject to regular testing, such as penetration testing, vulnerability scans and patch management. Technology processes and controls are also upgraded where appropriate to ensure ongoing technology performance and resilience.
- An externally managed security operations centre supplies the Group with skilled security experts and technology to proactively detect and prevent potential threats and to recover from security incidents, including cyber attacks.

Trend and Outlook

The Group continually seeks to increase operational resilience through adaptation, planning, preparation and Testing of contingency plans, and our ability to respond effectively to disruptive incidents and significant global events like the Covid-19 pandemic and Russia's invasion of Ukraine. We actively manage relationships with key strategic technology suppliers to avoid any disruption to service provision that could adversely affect the Group's businesses. Business continuity and contingency planning processes are regularly reviewed and tested.

The Group continues to strengthen its robust information security management framework and progress our programme to enhance and maintain levels of cyber hygiene. We implement ongoing training, phishing campaigns and disaster recovery exercises, aligned with threat intelligence, to support data privacy and operational resilience.

We maintain heightened vigilance for cyber intrusion. The Group's technology and resiliency requirements will continue to be kept under review to ensure that the management of our cyber risk provides appropriate mitigation and supports the growth of the business.

Strategic alignment

1 Grow AUM   2 Invest selectively   3 Manage portfolios to maximise value

Third-Party Provider Risk

Strategic alignment	Risk trend
1 2 3	↑

Risk appetite: Moderate

Executive Director Responsible: Vijay Bharadia

Risk Description

The Group outsources a number of functions to Third-Party Service Providers (TPP) as part of our business model, as well as managing outsourcing arrangements on behalf of our funds. The risk that the Group's key TPPs fail to deliver services in accordance with their contractual obligations could compromise our operations and impair our ability to respond in a way which meets client and stakeholder expectations and requirements. Any future over reliance on one or a very limited number of TPPs in a specific and important business area could also expose the Group to heightened levels of risk, particularly if the service is not easily substitutable. Additionally, the failure of the Group to maintain sufficient knowledge, understanding and oversight of the controls and processes in place to proactively manage our TPPs could damage the quality and reliability of these TPP relationships.

Key Controls and Mitigation

- The TPP oversight framework consists of policies, procedures, and tools to govern the oversight of key suppliers, including our approach to selection, contracting and on-boarding, management and monitoring, and termination and exit. In particular, we undertake initial and ongoing due diligence of our TPPs to identify and effectively manage the business risks related to the delegation or outsourcing of our key functions.
- Ongoing monitoring of the services delivered by our TPPs is delivered through regular oversight interactions where service levels are compared to the expected standards documented in service agreements and agreed-upon standards.

Trend and Outlook

The Group has continued to embed the TPP Governance and Oversight Framework during the course of the year, which has increased the resilience of our outsourced arrangements. The regular monitoring coordinated by the TPP Oversight Team has provided tangible measurement of performance to ICG's operational management and has allowed the correct focus to be applied to improve the day to day activities provided by our TPPs. The KPI reporting has provided an improved understanding of the performance themes across our TPPs and allowed us to benchmark the quality of services from across the supplier base. The Group will continue to embed the framework and gather further performance reporting ahead of potential rationalisation of the portfolio to those TPPs providing the most consistent services to the Group.

Key Business Process Risk

Strategic alignment	Risk trend
1 2 3	↔

Risk appetite: Moderate

Executive Director Responsible: Vijay Bharadia

Risk Description

All operational activities at the Group follow defined business processes. We face the risk of errors in existing processes, or from new processes as a result of the growth of the business and ongoing change activity which inherently increases the profile of operational risks across our business. The Group operates within a system of internal controls that provides oversight of business processes, which enables our business to be transacted and strategies and decision making to be implemented effectively. The risk of failure of significant business processes and controls could compromise our operations and disadvantage our clients, or expose the Group to unanticipated financial loss, regulatory censure, or damage to our reputation. This could in turn materially reduce our profitability.

Key Controls and Mitigation

- Key business processes are regularly reviewed, and the risks and controls are assessed through the RCSA process.
- A 'three lines of defence' model is in place, which ensures clarity over individual and collective responsibility for process risk management and to ensure policies, procedures and activities have been established and are operating as intended.
- Regular reporting and ongoing monitoring of underlying causes of operational risk events, to identify enhancements that require action.
- A well-established incident management processes for dealing with system outages that impact important business processes.
- An annual review of the Group's material controls is undertaken by senior management and Executive Directors.

Trend and Outlook

Our Operational Risk Framework defines our approach to the identification, assessment, management and reporting of operational risks and associated controls across the business. There were no significant changes to the Group's RMF's overall approach to risk governance or its operation in the period.

We monitor underlying causes of errors to identify areas for action, promoting a culture of accountability and continuously improving how we address issues. We also continue to enhance the RMF. Against the backdrop of macroeconomic uncertainty, and growth of the business, the operational risk profile has remained broadly stable with operational losses in line with previous years. Investment Operations, Fund Accounting and Finance continue to be the most material operational risk areas.

The Group continues to make progress on improving the scalability of our operations platform by implementing systems and enhancing infrastructure to manage our growth plans more effectively. Transformation and project activity, including workflow automation, is yielding more efficient and automated processes and a reduction in operational risk.

Climate Risk

The Group's risk management framework defines how climate risk, and broader ESG risks, are assessed for their proximity and significance to the Group. Climate risk is considered a cross-cutting risk type that manifests through all of ICG's established principal risks. While our direct operations have very limited exposure to climate-related risk, it is integrated into the Group-wide operational risk management framework through existing policies, processes, and controls. We consider the climate-related risks and opportunities surrounding our third-party funds and our fund management activities as a key part of our business. Climate-related risk for both our own operations and our fund management activity are addressed in greater detail in ICG's TCFD disclosures (see page 30).

Please refer to note 1 of the financial statements on page 150 which sets out how this risk has been considered in the basis of preparation.

Emerging Risks

Emerging risks are thematic risks with potentially material unknown components that may form and crystallise beyond a one-year time horizon. If an emerging risk were to materialise, it could have a material effect on the Group's long-term strategy, profitability, and reputation. Existing mitigation plans are likely to be minimal, reflecting the uncertain nature of these risks at this stage.

Emerging risks are identified through conversations and workshops with stakeholders throughout the business, attending industry events, and other horizon scanning by Group Risk and Compliance. The purpose of monitoring and reporting emerging risks is to give assurance that the Group is prioritising our response to emerging risks appropriately in our strategy, which is the primary risk management tool for longer-term strategic risks.

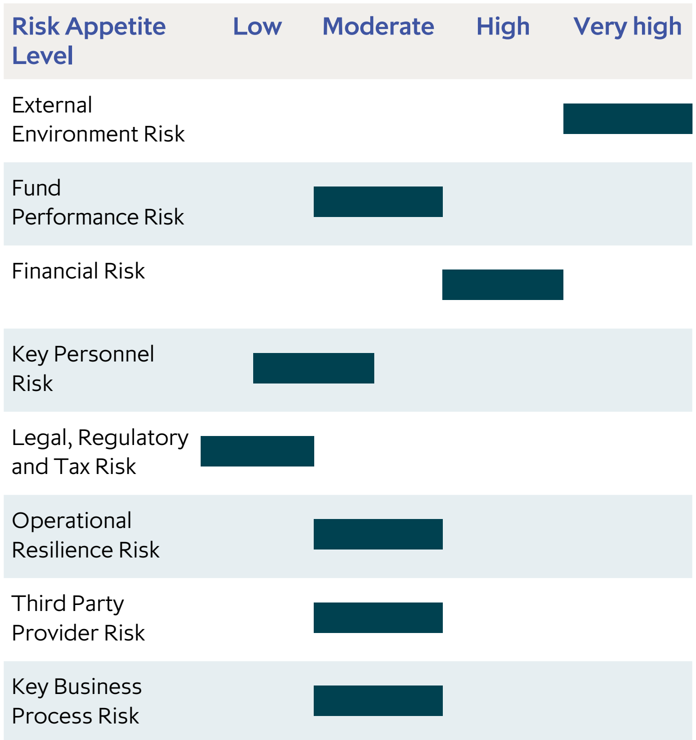
Examples of emerging risks which have been considered during the year include; current and developing macro challenges, including the elevated levels of inflation and interest rate rises that could impact the Group and our fund investments; ongoing risks related to the transformation programmes underway to deliver our strategy for growth; implications of IFPR; and the increased importance of diversity and other social issues.

Risk appetite for the principal risks

Risk appetite is defined as the level of risk which the Group is prepared to accept in the conduct of our activities. It sets the 'tone from the top' and provides a basis for ongoing dialogue between management, Executive Directors, and the Board with respect to the Group's current and evolving risk profile, allowing strategic and financial decisions to be made on an informed basis. The risk appetite framework is implemented through the Group's operational policies and procedures and internal controls and supported by limits to control exposures and activities that have material risk implications.

Risk Appetite Summary

The current risk profile is within our risk appetite and tolerance range.



Viability statement

In accordance with the UK Corporate Governance Code, the Directors have carried out a comprehensive and robust assessment of the prospects and viability of the Group.

The Group's long-term prospects are primarily assessed through the strategic and financial planning process. The main output of this process is the Group's strategic plan. The strategic plan is approved by the Board following a robust review and challenge process. This assessment also reflects the Group's strategic priorities (see page 4).

The review of the strategic plan is underpinned by the regular briefings received by the Board on macroeconomics, markets, new products and strategies, people management and processes (see page 76). New strategy reviews consider both the market opportunity for the Group and the associated risks, principally the ability to raise third-party funds, and deliver strong investment performance.

Period for assessing viability

The period covered by the Group's strategic plan, regulatory capital reporting, shareholder fundraising guidance and the deployment duration for some of the larger strategies is three years. This, combined with an assessment of the period over which forecasting assumptions are most reliable and taking into account the recommendations of the Financial Reporting Council in their 2021 thematic review publication, has led the Directors to choose a period of three years to March 2026 for their formal assessment of viability. The Directors are satisfied that a forward-looking assessment of the Group for this period is sufficient to enable a reasonable statement of viability.

Assessment of viability

The assessment of the Group's viability requires the Directors to consider the principal risks that could affect the Group, which are outlined on the previous pages. The Directors review the principal risks regularly and consider the options available to the Group to mitigate these risks so as to ensure the ongoing viability of the Group is sustained.

Stress testing is performed on the Group's strategic plan, which considers the impact of one or more of the key risks crystallising over the assessment period. The severe but plausible stress scenario applied to the strategic plan is a significant reduction in AUM arising as a result of one or more of the following principal risks crystallising:

- External environment risk
- Fund performance risk

Having reviewed the results of the stress tests, the Directors have concluded that the Group would have sufficient resources in the stressed scenario and that the Group's ongoing viability would be sustained. The stress scenario assumptions include maintaining the Group's dividend policy but this and other assumptions would be reassessed if necessary over the longer term.

In addition, the Group undertakes a reverse stress test to identify the circumstances under which the business model becomes unviable. The most likely scenario to cause the business model to be unviable is investment write-downs causing a breach of debt covenants. The reverse stress test determines the level of investment write-downs required to breach debt covenants and trigger a business model failure point, in the absence of any management actions.

Analysis of this scenario concluded that write-downs significantly in excess of those experienced during the global financial crisis or the Covid-19 related market downturn experienced in early 2020, without any mitigating actions, would be required in order for the Group to breach its banking covenants. The Directors however consider this level of write down as extremely remote.

Viability statement

Based on the results of the analysis, and in accordance with the provisions of the UK Corporate Governance Code, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the next three years. The Directors' assessment has been made with reference to the Group's current position and prospects, the Group's strategy, the Board's risk appetite, the Group's principal risks and the management of those risks, as detailed in the Strategic Report on pages 2 to 74.

Given the above, the Directors also considered it appropriate to prepare the financial statements on the going concern basis as set out on pages 127 and 151.

Corporate governance

From the Chair

Dear shareholders

I am writing as Chair of the Board for the first time, having assumed this role on 31 January 2023. Having served on a number of other listed boards, as well as having spent my career within a highly regulated industry, I am well aware of the importance of governance, transparency and communication with our shareholders; I will ensure that your Board upholds these standards throughout my tenure as Chair. I have enjoyed initial meetings with a number of long term shareholders, and it has been enlightening to receive the insight of their views. I look forward to more such meetings in the future.

Your Board is also very aware of its responsibilities to all of our stakeholders; we believe that the Group should act as a responsible participant in society and that our strategy should reflect this objective. The impacts of our decisions on different stakeholder groups are uppermost in our minds when discussing issues at Board meetings. You can read more detail on how various stakeholders were considered as part of the Board's decision-making process on page 20. During the year, we have continued to invest in our employees and the community around us; we have considerably enhanced our charitable giving, participated in a number of diversity and inclusiveness initiatives and continued to prioritise our responsible investment programme. Consideration of our wider profile and societal impact has been ever more prominent on the Board's agenda, and will continue to be a key area of focus in the coming year.

Our Board has a diverse membership in terms of gender, ethnicity, experience and background, and Board members' diversity of thought contributes both to broad and wide-ranging discussions and to carefully considered outcomes. The Board's effectiveness depends on this breadth of debate, and I am delighted to note that in the first few meetings I have attended all Directors have made significant contributions to our proceedings. A culture of open discussion and diverse perspectives is an important component of ICG's success to date, and will be a significant contributor to the future development of the Company.

Although the Board is performing well, we are all aware that standards are ever evolving and boards must rise to meet new challenges. We will conduct an externally led Board evaluation during the year to ensure that we remain focused on the challenges of the future; we will also consider long-term succession in the coming months particularly in light of recent changes.

As previously announced, Vijay Bharadia is stepping down as Chief Finance and Operating Officer in July 2023. Vijay has served ICG since May 2019 and contributed significantly to enhancing the financial and operational foundations of our business during a critically important phase of our growth, as well as being instrumental in navigating us through the Covid-19 pandemic. The Board is hugely grateful for Vijay's leadership and we wish him the very best for the future. Our search for a replacement focused on ensuring the appropriate skillset and experience, which resulted in us welcoming David Bicarregui on 2 April 2023. Vijay and David have been working closely together to facilitate the upcoming handover.

This year we also saw the retirement of Kathryn Purves. Kathryn had served on the Board since 2014, including as Chair of the Risk Committee and recently acting as Senior Independent Director. The Board is very grateful to her for her service. The Board and Nominations Committee are considering the composition of the Board and its search for a replacement for Kathryn, with the intention of welcoming a new Board member during the course of FY24. We are also grateful to Andrew Sykes for his leadership during his tenure as acting Chair during 2022.

Throughout the year, the Board and its Committees carefully considered the requirements of the revised Corporate Governance Code. We continued to comply with those requirements for the year ending 31 March 2023. We are also conscious of our responsibilities and duties to our stakeholders as part of our duty under section 172 of the Companies Act 2006. Your Board will continue ensure that ICG's business is run to high standards of governance.

The Board remains grateful for the support we have had from you all throughout the year, and we look forward to continuing our constructive dialogue.

William Rucker
Chair

24 May 2023

The Board's year

The work of the Board during the year was conducted through six formal meetings and regular informal engagement with executive management. The activity at formal meetings was reflective of a number of themes.

Financial performance and market outlook

The Board continually tracked progress against the Group's Board-approved budget and our financials were discussed in detail by the CFOO in his formal updates to each meeting. The executive management and the Board discussed the overall markets and the macroeconomic situation, as well as our performance in relation to fundraising, business development, deployment and realisation at each Board meeting during the year. A particular area of focus was the challenging external market environment and a general shift in the market with some investors beginning to restrict their commitment levels. In July, the Board held an all-day strategy session to review the business plan of the Group and opportunities for the future. With the Board's oversight and guidance, the Group is proceeding with caution, but with confidence that there are no material concerns with respect to the existing portfolio or long-term performance. The Executive Directors provided the Board with detailed reviews of potential growth opportunities in key investment strategies and regions. The Board also continued to demonstrate a strong oversight of the use of the Group's balance sheet to support certain funds, receiving regular updates and presentations from the CFOO, with a clear direction of reducing the capital intensity of the Group's business over the longer term reducing, where possible, the deployment of balance sheet capital. The budget for the forthcoming financial year was also reviewed and challenged by the Board during the year, and ultimately approved after discussion. The Board was also responsible for reviewing the recommendations of the Audit Committee as to reporting financial results at full year and half year, and as to final and interim dividends, and approving these after appropriate challenge.

Retirement of CFOO

As previously announced, Vijay Bharadia is stepping down as Group CFOO in July 2023. The Board conducted a search for a replacement and welcomed David Bicarregui to the Group as Vijay's successor on 2 April 2023. Vijay and David have been working closely together to facilitate the upcoming handover.

Management, leadership and employee-related matters

The Board continued to highlight as a priority area the ongoing desire to attract, retain and develop talent within the Group. The Board received regular updates focusing in particular on employee wellbeing and engagement, as well as growth and development across all layers of the workforce. Additional focus was dedicated to the Group's ambitions in relation to diversity and inclusion and the Board was updated that the Group had exceeded its targets under the Women in Finance Charter 18 months ahead of the target date. Discussion also included the various strategic new hires within the Group's leadership and the importance of succession planning. During the course of the year, the Board regularly reviewed the most appropriate ways to retain and develop employees, as well as introducing a flexible and agile working policy in direct response to employee feedback. The Board also received updates on the new office openings in our New York and Singapore locations. The Board continues to offer insight as to how the Group can continue to support its employees, encourage the development of senior leaders and attract new and diverse talent into the workforce, working closely with the Chief People and External Affairs Officer to deliver key aims. In addition to this, the Board considered management level matters and in doing so approved the Remuneration Committee's proposals for the Group's new Remuneration Policy and the recommendation of all current Board directors for re-election to be proposed to the shareholders at the upcoming AGM.

Change of Chairman

During the year, our search for a long-term Chair appointment focused on ensuring a strong balance of skills, diversity and expertise on the Board and after an extensive search process, and interviewing a number of candidates, the Board unanimously decided to appoint William Rucker as the new Chairman. This appointment took effect on 31 January 2023. The Board is looking forward to working closely with William to continue the Group's growth journey.

Operations, systems and risk

The Board continued to demonstrate strong oversight of the Group's operating platform during the year, receiving regular updates on how the corporate functions of the Group are adapting to support the continued growth of the business. The Board was updated on key developments, including the significant evolution of the Group's operational platform in both scale and complexity, to assist and facilitate the Group's growth, and the launch of a new streamlined onboarding function for investor know your customer processes. The Board also received briefings on upcoming system upgrades in the Finance and Compliance functions, including technology improvements to ensure effective oversight of third party suppliers, as well as the launch of a new centre of excellence in India to assist various Corporate Business Services functions. The Board continued to receive regular reviews of management's plans in relation to process improvements and technology solutions. The Board also focused on the role of governance in the Group's operations, systems and risk frameworks; in doing so the Board approved a new subsidiary governance framework.

Culture and values

The Board continued to provide important oversight and leadership in respect of the Group's culture and values. A particular focus for this year, sitting alongside the investment in employee-related matters covered earlier in this report, was the Group's focus on ESG. The Board received multiple updates with respect to embedding ESG values into the Group's business and products (including the further integration of ESG criteria in the Group's Investment Committee process) and into our culture, in particular through the Group's philanthropy programme. Andrew Sykes continued his input as the NED who oversees the Charity Working Group since its establishment in 2019 and Stephen Welton continued his work as the NED with responsibility for ESG matters. This year's Board discussions have resulted in the Board's approval of a significant increase in the Group's charitable giving budget to £2.5m for FY23.

Stakeholders and shareholders

The Board maintains its focus and oversight on the importance of the interests of stakeholders and shareholders, with particular emphasis on engagement (including the launch of the Group's new website) and delivery of results (including the strong performance of the issued corporate bond and the Group's recent upgraded credit rating by Standard & Poors). With this in mind, the Board continues to monitor prevailing market conditions and market opportunities and keeps the Group's strategic options under constant review. The Board also reviewed in detail the shareholder feedback from conferences and shareholder roadshows during the year and were pleased that existing holders remain supportive of the Group and its direction. Please refer to the Section 172 Statement on page 20 for further details of the Board's stakeholder engagement activities during the year.

Recurring matters

The Board also reviewed and/or approved a number of other standing matters, including reviewing the Terms of Reference of the Board and its Committees, compliance with Terms of Reference on an ongoing basis, the renewal of the Group's insurance policies, the Notice of Annual General Meeting, outside interests of Directors, reviewing fees of all NEDs (excluding the Chairman) and checking the shareholdings of senior executive employees are in line with the internal shareholding policy.

The Board also sought external views during the year. The Board was provided with a presentation by a corporate finance and advisory business, concerning the Company's general performance, engagement with shareholders and corporate messaging, and from the Company's brokers (Numis and Citi) on market perceptions of the Group. The Board regularly reviewed input from shareholders, with the Head of Investor Relations providing updates to each regular meeting and the Company Secretary providing a summary of governance-related input received from shareholders at the time of the Group's AGM.

Broad and diverse experience

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William Rucker
Chairman
Joined Board: 2023

William joined the Board on 31 January 2023.

William is Chair of Lazard in the UK, an investment bank focused on asset management and financial advisory businesses. He joined Lazard in 1987 from Arthur Andersen where he qualified as a Chartered Accountant.

William has extensive experience in the financial services sector as well as wide-ranging governance experience having served on, and been Chair of, the boards of a number of significant listed companies, charities and other bodies.

Other directorships
Marston's plc (Chair)
Lazard UK (Chair)

Benoît Durteste
Chief Executive Officer and Chief Investment Officer
Joined Board: 2012 (Chief Executive Officer since 2017)

Benoît Durteste has been ICG's Chief Executive Officer and Chief Investment Officer since 2017. He is an experienced investor with a strong understanding of the markets in which the Group operates. During his time on the Board he has been a strong contributor to the Group's strategic development, including leading its European investment business. He contributes a thorough understanding of financial markets and the Group's investment portfolio to Board proceedings. Benoît joined ICG in September 2002 with previous experience at Swiss Re, GE Capital Private Equity and BNP Paribas Levfin.

Other directorships
ICG entities and Chairman of the BVCA Alternative Lending Committee.

Vijay Bharadia
Chief Finance and Operating Officer
Joined Board: 2019

Vijay Bharadia is stepping down from the Board in July 2023. Vijay has extensive experience as a Chief Financial Officer in the alternative asset management sector. Prior to joining ICG he spent 10 years as International Chief Financial Officer for Blackstone with responsibility for financial, tax and regulatory reporting across Europe and Asia, as well as holding a wider operational and governance brief. Prior to that, he worked at Bank of America Merrill Lynch in a variety of roles, latterly as Co-Chief Financial Officer for EMEA Equities. Vijay was appointed as ICG's Chief Finance and Operating Officer and joined the Board in 2019.

Vijay will be succeeded by David Bicarregui who joined the Group on 2 April 2023.

Other directorships
ICG entities and Crown Estate Commissioner.

Antje Hensel-Roth
Chief People and External Affairs Officer
Joined Board: 2020

Antje Hensel-Roth has a wealth of experience in human capital management; prior to joining ICG she was Global Co-Head of the Investment Management Practice at Russell Reynolds Associates, during which time she acted as an adviser to the global alternative investment community. Since joining ICG in 2018, she has been a strong contributor to the strategic direction of the Group and has led a comprehensive drive for excellence in leadership, talent management and diversity and inclusion.

Antje is responsible for leading strategic human capital with a particular focus on business diversification strategies; she also leads communications and external affairs.

Other directorships
National Opera Studio.

Board Committees

- A Audit Committee
- N Nominations and Governance Committee
- Re Remuneration Committee
- RI Risk Committee
- Committee Chair
- I Independent

Virginia Holmes
Non Executive Director
Joined Board: 2017

Virginia Holmes brings to the Board an extensive knowledge of the financial services industry, including both investment management and banking. Her executive experience includes serving as Chief Executive of AXA Investment Managers in the UK and more than a decade with the Barclays Bank Group.

She is an experienced director of a number of UK PLCs (including serving on remuneration committees), who enhances the corporate governance understanding of the Board and aids it in considering its relationships with stakeholders, as well as bringing an extensive knowledge of the pensions sector.

Other directorships
Syncona Ltd , European Opportunities Trust PLC and Murray International Trust PLC.

Rosemary Leith
Non Executive Director
Joined Board: 2021

Rosemary Leith brings to the Board her deep expertise from 25 years in finance, principal investment, start-up creation and growth in Europe and North America. Rosemary is SID, Remuneration Committee Chair and a member of the Audit Committee of YouGov Plc, and was previously a Non-Executive Director of HSBC (UK) with responsibility for Digital. She is a Trustee of the National Gallery (London) and a Fellow at Harvard University's Berkman Center for Internet & Society. She has extensive experience in the technology and digital fields, including as a co-founding Director of the World Wide Web Foundation, and advises and invests in several technology businesses.

Other directorships
YouGov plc, World Wide Web Foundation, National Gallery and Bolon Management Limited.

Matthew Lester
Non Executive Director
Joined Board: 2021

Matthew Lester is a senior finance leader with extensive public company experience, having previously served as Group Chief Financial Officer of both Royal Mail plc and ICAP plc. Matthew serves as Chairman of Kier Group plc. He also previously served as a Non-Executive Director of both Man Group plc and Barclays Bank plc. He contributes a keen knowledge of finance matters to the Board. He succeeded Rusty Nelligan as Chair of the Audit Committee on 1 July 2022.

Other directorships
Kier Group plc.

Michael 'Rusty' Nelligan
Non Executive Director
Joined Board: 2016

Rusty Nelligan was a partner with PwC, retiring in 2016. As lead client partner for global companies in financial services and pharmaceutical life sciences, he was responsible for direction, development and delivery of services for independent audits, assurance and advisory projects relating to corporate governance, internal controls, risk management, regulatory compliance, acquisitions and financial reporting. Rusty was employed by PwC in the US from 1974, in Europe from 1994, and is a US Certified Public Accountant. His extensive experience of working closely with major international financial and corporate institutions on matters of corporate governance, financial reporting and internal controls has proven a valuable addition to the Board and Company's development in a growth environment. He stood down as Chair of the Audit Committee on 1 July 2022 but continues to serve on the Board and the Committee.

Other directorships
None.

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Amy Schioldager
Non Executive Director
Joined Board: 2018

Amy Schioldager was a senior executive at BlackRock where she was a member of the global executive committee and Head of Beta Strategies. She brings extensive knowledge of international investment markets and a track record of global expansion. She is based in the US, a region that is a key growth area for the Group. She was the Founder of BlackRock's Women's Initiative and Vice Chair of BlackRock's Corporate Governance Committee and brings valuable expertise to the Board in these areas. Amy acts as the Non Executive Director responsible for Employee Engagement, bringing forth employee views to the Board.

Other directorships
Boardspan, Inc. and Corebridge Financial, Inc.

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Andrew Sykes
Non Executive Director
Joined Board: 2018 (Interim Chairman from March 2022 to January 2023)

Andrew Sykes has a wealth of financial services and non executive experience. He was previously Chairman of Smith & Williamson Holdings Ltd, and Chairman of SVG Capital plc. Andrew spent 26 years of his executive career at Schroders PLC. He is an experienced director of UK listed companies with a deep knowledge of the financial services sector and of corporate governance requirements, which, together with his background as a senior executive in the asset management sector, has proven to be invaluable in helping oversee the Group's continued growth.

Other directorships
BBGI Global Infrastructure SA; Governor of Winchester College and member of Nuffield College Investment Committee.

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Stephen Welton
Non Executive Director
Joined Board: 2017

Stephen Welton has over 25 years' experience in the development capital and private equity industry as well as angel investing. He was the Founder of the Business Growth Fund (BGF), the UK's largest growth capital investor, and Chief Executive from its launch in 2011 until July 2020. He previously spent over 10 years at CCMP Capital. He started his career in banking and has also worked as the Chairman and Chief Executive Officer of various growth companies. His recent Executive Chairman role of BGF and deep investment experience mean that he is well placed to contribute to the Board on matters relating to strategy and business development.

Other directorships
Non- Executive Chairman Business Growth Fund plc (BGF) - stepping down in June 2023.

David Bicarregui
CFO Designate
Expected to join the Board: July 2023

David Bicarregui joined the Group with effect from 2 April 2023 and will stand for shareholder election to the Board in July 2023. David Bicarregui brings to the Board significant experience in finance and operational leadership, transformation and business growth. Prior to joining ICG, David spent 25 years with Goldman Sachs where he held various senior roles. Until 2022, he was Chief Financial Officer of Goldman Sachs International Bank and prior to that, Global-ex North America Treasurer. During his tenure, David led the growth of Goldman Sachs International Bank to become the largest of the firm's banks outside of North America.

Other directorships
Vice Chair, Board of Governors, St George's Weybridge.

Board Committees

- A Audit Committee
- N Nominations and Governance Committee
- Re Remuneration Committee
- Ri Risk Committee
- Committee Chair
- I Independent

Corporate governance framework

Board of Directors

Comprises the Chairman, Executive and Non Executive Directors (NEDs)

Has the authority to conduct the business of the Company in accordance with the Company's constitutional documents

Runs the Group for the long-term benefit of shareholders and other stakeholders

Read more on page 78 →

Executive Directors

Day-to-day authority (delegated from the Board) for the management of the Group and its business

General responsibility for:
The Group's resources
Executing the approved strategy
Financial and operational control
Managing the business worldwide

Read more on page 125 →

Audit Committee

Read more on page 84 →

Composed of NEDs

Oversees external and internal audit and the Group's financial reporting and disclosure

Committee liaises with:
CFOO
Head of Finance
Head of Investor Relations
Head of Internal Audit

Risk Committee

Read more on page 90 →

Composed of NEDs

Oversees the Group's risk management framework and system of internal controls

Committee liaises with:
Head of Risk
Global Head of Compliance
General Counsel and Company Secretary
Head of Internal Audit

Remuneration Committee

Read more on page 97 →

Composed of NEDs

Determines the Group's Remuneration Policy

Reviews the remuneration of senior management

Committee liaises with:
CPEAO
Human Resources
General Counsel and Company Secretary

Nominations and Governance Committee

Read more on page 94 →

Composed of NEDs

Evaluates the Board's composition, performance and succession planning

Oversees the Group's culture and diversity and inclusion initiatives

Considers candidates for Board positions

Committee liaises with:
CPEAO
Human Resources
General Counsel and Company Secretary

Board roles

Chairman

- William Rucker, who is responsible for:
  - Organising the business of the Board
  - Ensuring its effectiveness and setting its agenda
  - Effective communication with the Group's shareholders and other stakeholders

Read more in the Chairman's letter to shareholders on page 75

Non Executive Directors

- Virginia Holmes, Rosemary Leith, Matthew Lester, Rusty Nelligan, Amy Schioldager, Andrew Sykes and Stephen Welton act as NEDs of the Company
- All NEDs are independent
- Responsible for providing independent oversight of, and challenge to, the Executive Directors

Read more on the Directors' profiles on pages 78 to 80

Chief Executive Officer (CEO)

- Benoît Durteste, who oversees the Group and is accountable to the Board for the Group's overall performance

Chief Finance and Operating Officer (CFOO)

- Vijay Bharadia, who leads and manages the Group's financial affairs and the operating platform of the Group. Vijay will be stepping down in July 2023 and will be succeeded by David Bicarregui

Chief People and External Affairs Officer (CPEAO)

- Antje Hensel-Roth, who has responsibility for strategic human capital management, communications and external affairs

Senior Independent Director

- Andrew Sykes, who acts as a sounding board for the Chairman and, where necessary, acts as an intermediary for shareholders or other Directors if they feel issues raised have not been appropriately dealt with by the Chairman

Key Board support roles

Company Secretary

- Responsible for advising on legal, governance and listing matters at Board level and across the Group
- Provides advice and support to the Board and its Committees
- Manages the Group's relationships with shareholder bodies
- Each Committee's Secretary provides advice and support within the specialist remit of that Committee; they are responsible for ensuring that the Committee members receive relevant information and that appropriate matters are discussed

Committee Secretaries

- Nominations and Governance Committee: Company Secretary
- Remuneration Committee: Company Secretary
- Audit Committee: Head of Finance
- Risk Committee: Head of Risk

Financial year ended 31 March 2023 Board and Committee meeting attendance

Director	Board	Audit[2]	Risk[2]	Remuneration[2]	Nominations[2]
William Rucker[1]	1/1	–	–	1/1	1/1
Andrew Sykes	6/6	1/1[4]	3/3	5/5	5/5
Benoît Durteste	6/6	–	–	–	–
Vijay Bharadia	6/6	–	–	–	–
Antje Hensel-Roth	6/6	–	–	–	–
Virginia Holmes	6/6	–	3/3	5/5	5/5
Rosemary Leith	6/6	–	3/3	5/5	–
Matthew Lester	6/6	4/4	2/3[3]	–	5/5
Rusty Nelligan	6/6	4/4	3/3	–	–
Kathryn Purves	6/6	4/4	3/3	–	5/5
Amy Schioldager	6/6	4/4	3/3	–	5/5
Stephen Welton	6/6	–	–	5/5	5/5
Secretary	6/6	4/4	3/3	5/5	5/5

1. William Rucker joined the Board on 31 January 2023.
2. Some non-members attended part or all of some or all Committee meetings at the invitation of the Committee Chair.
3. Owing to prior commitments, Matthew Lester was unable to attend one Risk Committee meeting. This meeting had been scheduled prior to his appointment to the Committee.
4. Andrew Sykes rejoined the Audit Committee on 31 January 2023 following his tenure as Interim Chair. There was one Audit Committee meeting between 31 January 2023 and 31 March 2023.

Board Development and Evaluation

A series of detailed induction meetings in the period before my first Board meeting allowed me to fully contribute to Board proceedings from the start of my tenure.

William Rucker

Induction programme

A detailed and bespoke induction is conducted for every new Board member in order to give them a well-rounded view of the business and the markets they operate in. This takes place via a series of structured meetings over a two- to three-month period when the relevant Director is new to the Board.

Ongoing training and development

A regular programme has been established to ensure that all Board members remain up to date on both business specific and general industry matters. This is primarily done through the delivery of formal Board presentations from business unit heads – there is a detailed dive into one investment team's area at each Board meeting, while either the Board or its Committees receive detailed and operationally focused reviews from other areas. The Group's control functions also provide training on legislative and regulatory developments, and the training programme is supplemented by presentations from external advisers on matters such as takeover defence, ESG considerations and external market perceptions of the company. In addition, the Group monitors other external training undertaken by the NEDs, often from leading global advisory companies.

The Executive Directors attend Board training and have also undertaken courses on Compliance and operational matters such as anti-money laundering, anti-bribery and corruption and information security. Each also receives formal and ad hoc updates on statutory and regulatory developments, and leads presentations and other training sessions for other employees.

Board evaluation

The Board reviews its own performance annually, making an assessment of the effectiveness and performance of the Board as a whole, its Committees and each Director. Once every three years, this exercise is conducted as a formal external review led by independent experts.

The results of the most recent internal review were disclosed in full in the Annual Report for the year ending 31 March 2022, and during the year the Board has continued to progress the areas of refinement identified. The last external review was conducted in the spring of 2020, and as such a new external review was due this spring. However, in the light of the appointment of William Rucker as Chair only becoming effective on 31 January, and the retirements of Kathryn Purves and Vijay Bharadia from the Board being announced, it was concluded that it would be more beneficial for the Board to undertake this review later in the financial year once the new Chair is better embedded.

Audit Committee Report

Matthew Lester
Chair of the Audit Committee

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Governance

- Committee governance
- Best practice developments
- People and business changes

Financial reporting

- Content and integrity of annual and other periodic financial reporting
- Application of Alternative Performance Measures and reconciliations to IFRS reported financials
- Annual Report presentation: fair, balanced and understandable
- Accounting policies
- Key accounting judgements and estimates
- Going concern and viability

External audit

- Appointment and remuneration of external auditors
- Independence and objectivity
- Audit scope, quality and effectiveness
- Audit firm and leadership rotation and tender process

Internal controls and internal audit

- Financial operations: leadership, effectiveness
- Framework of internal controls over financial reporting
- Material controls underlying overall risk management, in conjunction with the Risk Committee
- Scope, planning, activities and resources of Internal Audit

Committee members

- Rosemary Leith
- Matthew Lester (Chair)
- Rusty Nelligan
- Kathryn Purves (until 1 April 2023)
- Amy Schioldager
- Andrew Sykes (from 30 January 2023)

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities relative to the integrity of financial reporting and effectiveness of internal controls. We oversee the Group's financial reporting and related elements of its accounting, disclosures, internal controls and regulatory compliance, in addition to the internal and external auditing processes.

Dear shareholders

I am pleased to present the Committee's report for the year ended 31 March 2023. Separate sections on Committee governance, Review of the year, External audit, Internal controls and Internal audit follow.

I would like to thank my predecessor, Rusty Nelligan, for his service as Chair of the Committee over the last six years. He has overseen significant enhancements to the system of internal controls, ensuring this matured appropriately to reflect the underlying business activities, and the successful transition of the external audit to EY.

My focus, as incoming Chair, is the effective oversight of the system of internal controls over financial reporting. The Committee works closely with the Risk Committee to assess any potential deficiencies identified by management, internal and external audit, the remediation of any issues and considers whether disclosure is required in accordance with the Corporate Governance Code.

The Group has grown significantly, and this backdrop, together with the nature of the underlying activities, has resulted in a complex operating environment which includes a number of manual processes. The financial reporting and audit risks which result are well understood, and the Committee is actively monitoring the changes being implemented by management to mitigate and manage these. The Committee notes that, while those changes will mitigate the risks arising, these risks cannot be completely eliminated, as we have seen this year. I would like to acknowledge the work done by management to further enhance the control environment, which continues to be materially effective, and look forward to working closely with the business as it continues to streamline and systematise in support of growth. I will report on progress in future years.

For the year ended 31 March 2023 a particular consideration of the Committee is the valuation of assets. In the light of considerable mark-downs in public markets during this period we have challenged management to demonstrate the effectiveness of controls over valuation and satisfied ourselves that those valuations are fair.

The Audit Committee has continued to coordinate with the Risk Committee and the Remuneration Committee with the aim of effectively covering pertinent topics in the most suitable forum.

The Committee plays a vital role in assisting the Board in its oversight responsibilities for the integrity of financial reporting, effectiveness of internal controls, and assessment of quality of the assurance functions. I would therefore be pleased to discuss the Committee's work with any shareholder.

Matthew Lester
Chair of the Audit Committee
24 May 2023

Committee governance

On behalf of the Board, the Committee encourages and seeks to safeguard high standards of integrity and conduct in financial reporting and internal control.

Our work focuses on the evaluation of significant estimates and judgements underlying the financial statements and the overall fairness and clarity of reported financial information.

Roles and responsibilities

The Committee meets regularly, at least four times a year. It is responsible for:

- Reviewing the annual and interim accounts before they are presented to the Board, in particular addressing any significant issues arising from the audit; accounting policies and clarity of disclosures; compliance with applicable accounting and legal standards; and information used in making significant judgements, including fair values, going concern and viability
- Monitoring the integrity of the financial statements of the Group, including its annual and half-yearly reports, trading updates and any other formal announcements relating to its financial performance, and advising the Board whether it considers the Annual Report to be fair, balanced and understandable
- Selecting and recommending the appointment and reappointment of the external auditor, including tenders where necessary; and negotiating and agreeing audit fees and scope of work
- Reviewing the performance of the external auditor in respect of scope of work, reporting, and quality of audit and overall service
- Reviewing independence, including key-partner rotation, and remuneration of the external auditor and the relationship between audit and non-audit work
- Approving the appointment or termination of the Head of Internal Audit; approving the internal audit charter; and monitoring the effectiveness of the internal audit function in the context of the Group's overall risk management framework
- Reviewing and assessing the annual internal audit plan and resources, receiving and evaluating internal audit reports, and monitoring management's responsiveness to internal audit findings and recommendations

In carrying out its duties, the Committee is authorised by the Board to obtain any information it needs from any Director or employee of the Group.

Composition

The Committee consists of independent NEDs only. The current members are Matthew Lester (Chair of the Committee), Rosemary Leith, Rusty Nelligan, Kathryn Purves (until 1 April 2023), Amy Schioldager and Andrew Sykes. Biographical details can be found on pages 78.

The Committee members have a wide range of business and financial experience, including accounting and auditing, risk management, asset management and investment, regulation and compliance, M&A, tax and international business practices. These skills ensure the Committee has the relevant sector competence to enable it to fulfil its terms of reference in a robust and independent manner. In particular, Matthew Lester has considerable experience as a CFO, Chair and Audit and Risk Committee Chair. The Board considers that he has recent and relevant financial experience.

The Executive Directors and Chairman of the Board are not members of the Committee but regularly attend meetings at the invitation of the Chair of the Committee, together with EY, the Group's external auditor, the Head of Internal Audit, the Head of Finance and the Head of Risk.

The Committee meets separately with the external auditors and Head of Internal Audit without management present at least twice a year to ensure that they are receiving full cooperation from management, obtaining all the information they require, and are able to raise matters directly with the Audit Committee if they consider it is desirable to do so.

In addition, the Chair of the Committee meets with the external auditors, Head of Internal Audit, Executive Directors, and other members of financial and operational management separately, and as appropriate, throughout the year.

Terms of reference

The Committee's terms of reference are approved and reviewed by the Board on a regular basis, most recently in May 2023. The terms of reference are available on the Group's website www.icgam.com, or by contacting the Company Secretary.

Effectiveness

The operations of the Committee were reviewed as part of the internal Board evaluation led by the Chairman in March 2022; the Committee was found to be operating effectively. For more details of this exercise, please see page 83.

Summary of meetings in the year

The Committee held four meetings during the year. The Committee members attending each of the meetings can be found on page 82.

Review of the year

The agenda of the Committee comprises recurring, seasonal and other business. Over the course of the year, the Committee considered and discussed the following significant matters:

The matter and its significance	Work undertaken	Comments and conclusion
Performance measures Alternative performance measures can add insight to the IFRS reporting and help to give shareholders a fuller understanding of the performance of the business See KPIs on page 18 and the Finance review on page 54	The Group uses a number of alternative performance measures, including but not limited to: • Cash and debt position • Cash generated from operating activities • Gearing • Balance sheet investment portfolio • Net investment return • FMC operating margin A full list can be found in the glossary on page 207. Strategic KPIs that are alternative performance measures are detailed on page 18. We discussed the use of alternative performance measures with the Executive Directors and the external auditor and reviewed their continued appropriateness and consistency with prior years.	We were satisfied that alternative performance measures, which are widely used in the asset management industry, can provide insight into performance from the perspective of our shareholders and other stakeholders. A review of the alternative performance measures was undertaken and we were satisfied that they did not detract from IFRS measures and were: sufficiently defined; consistently applied; and, where relevant, reconciled to IFRS measures.
Consolidation of investments in structured entities The Group holds investments in a number of structured entities which it manages. Judgement is required in assessing whether these entities are controlled by the Group and therefore need to be consolidated into the Group's financial statements See note 28 and the Auditor's Report on page 133	We challenged the information analysed by management to assess which third-party funds, carried interest partnerships, and portfolio companies are either controlled by the Group or over which the Group exercises significant influence.	We concluded that the Group controlled 63 warehouse-related entities, 19 funds and two carried interest partnerships. The Group exercised significant influence over six other entities during the financial year. Accordingly, the controlled entities have been consolidated into the Group's financial statements. This has had the impact of grossing up the balance sheet for IFRS compared to APM, with total assets increased by £5.2bn (2022: £4.8bn) and total liabilities increased by £5.1bn (2022: £4.8bn). The Committee concluded that the accounting policies and disclosures were appropriate and had been updated properly. Based on our inquiries of the Executive Directors and external auditors, we concluded policies are being properly applied in areas such as assessing control and significant influence. We concluded that the areas of judgement (see page 151) are properly explained. We gained comfort from the Executive Directors and the external auditors that the Group complied with its reporting requirements.

The matter and its significance	Work undertaken	Comments and conclusion
Investment valuation Investments in funds managed by the Group, in warehoused assets, in senior and subordinated notes of CLO vehicles and in disposal groups held for sale represent 84.2% of our total assets under IFRS. As the assets are mainly unquoted and illiquid, considerable professional judgement is required in determining their valuation See notes 5 and 10 to the financial statements and the Auditor's Report on page 133	The Committee received reports summarising the conclusions of the Group's Valuation Committee (GVC) and challenged the judgements made. The Committee paid particular attention to the valuations requiring considerable professional judgement, with direct input from the Chief Investment Officer on market conditions and relevant sector and company insights. Management determined that the most appropriate valuation methodology was applied to ensure that the investments were valued in accordance with the Group's accounting policies, which remain unchanged, and International Private Equity and Venture Capital Valuation or other relevant guidelines where applicable. The Committee inquired into the progress of ongoing asset realisations after the year end as an indicator of the reliability of the valuation process. In addition to the Executive Directors' procedures and the work of the external auditors, internal audit periodically reviews the valuation process and provides the appropriate assurance to the Committee of the Executive Directors' compliance with the Group's valuation policies, process and procedures.	The Committee reviewed the conclusions of the GVC, carefully considering the impact of the current economic environment on the judgement required. We reviewed the methodologies used to value the Group's investments and concluded that the valuations had been performed in line with the accounting policies. In our review of the financial statements we were satisfied that sufficient disclosures had been provided on the estimates and judgements made in determining the value of the portfolio.
Revenue recognition Revenue recognition involves certain estimates and judgements, particularly in respect of the timing of recognising performance fees, which are subject to performance conditions See note 3 to the financial statements and the Auditor's Report on page 133	We reviewed the revenue recognition of management fees, performance fees and investment income to confirm that the treatments were consistent with the Group's accounting policies.	The Committee concluded that revenue has been properly recognised in the financial statements.

In addition to the significant matters addressed above, the Committee also considered the impact of an operational error reported by management which led to understatements of revenue and cash and overstatements of trade receivables and financial assets in the prior year. The Committee carefully reviewed the nature and quantum of the errors and took external advice. The Committee was satisfied that the impact was not material to users of the accounts and consequently these immaterial items, where relevant, were reported in the current year. In addition, the Committee maintained a rolling agenda of items for its review including auditor independence and external audit effectiveness, internal audit, capital strategy, risk and treasury management capabilities, financial and management reporting (including any changes to the Group's accounting policies), accounting developments, relevant people changes, the going concern concept of accounting (see pages 127 and 151), the viability statement (see page 73), the Auditor's Report (see page 133), the Auditor's management letter and the fair, balanced and understandable assessment of the Annual Report. No issues of significance arose.

External audit

The Group complies with the UK Corporate Governance Code, the FRC Guidance on Audit Committees and the EU Regulation on Audit Reform. In addition, we comply with all aspects of the Competition and Markets Authority Statutory Audit Services Order.

Appointment and rotation

The Group's policy is to submit the external audit to tender every 10 years, as a fair balance between the costs and disruption of a tender and the benefits of a potential fresh pair of eyes and challenge, and for the external audit firm to be rotated at least every 20 years. The next tender must be completed for the financial year ended 31 March 2031.

Execution, quality and effectiveness

The Committee discusses and agrees the scope of the audit prior to its commencement.

The Committee reviews with EY the risks of material misstatement of the financial statements and confirms a shared understanding of these risks. While planning the audit, EY sets out the key tests that they perform on the higher-risk areas, and the Committee provides input on areas that it wants to receive particular attention.

The Committee Chair meets the lead audit partner regularly during the year and more frequently at the public reporting periods, to review Group developments and audit progress. The Committee also discusses with EY, prior to recommendation of the financial statements to the Board, the audit findings, including audit differences, and observations on internal controls, operations and resources. This includes discussions in private sessions without the Executive Directors present.

In assessing the quality and effectiveness of the external audit, the Committee considers the audit team's demonstrated competence, experience, diligence, objectivity, professional scepticism, current knowledge and its relationship with the Executive Directors and senior management. In particular, the Committee assesses the depth of review and level of challenge provided by the external auditors over the significant judgements and estimates made by management.

The Committee observed healthy debate initiated by EY, and received high-quality reports with detailed information on the scope and results of their work, including challenge to management judgements, estimates and assumptions. The Committee gained valuable insight from EY on the nature of operations underlying the Group's production of financial information, and received a current assessment of internal controls over financial reporting, to the extent observed as a by-product of their audit of the consolidated financial statements.

The overall assessment of audit quality includes an annual evaluation of the independence and objectivity of the external auditor and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements. This assessment is based in part on results of observation, inquiry and challenge, throughout the year, as well as periodic reflection and input collected separately from Committee members, Executive Directors and other relevant senior management. The annual evaluation of EY was undertaken by the Committee in September 2022.

In addition to the annual evaluation and regular review of reports and the working practices of the EY audit team, the Committee undertakes an ongoing assessment of external audit quality and effectiveness including, but not limited to, the following:

- The content of EY's annual Transparency Report which sets out their commitment to audit quality and governance
- Insights arising from the Audit Quality Review team (AQRt) of the Financial Reporting Council's annual audit of a sample of EY's audits. Following discussion with EY, insofar as any issues might be applicable, the Committee determines that EY has proper and adequate procedures in place for the audit
- The formal terms of engagement with the auditor, and the audit fee. The Committee determined that the Group audit fee of £1.9m (2022: £1.8m) appropriately reflected the scope and complexity of the work undertaken by EY

On the basis of this review and our ongoing interactions and observations, the Committee remains confident in EY's work and the Committee are satisfied that the audit is probing, challenging and effective and that the approach provides a reliable audit opinion with a reasonable expectation of detecting material errors, irregularities and fraud.

Non-audit services

The Board has an established policy setting out what non-audit services can be purchased from the firm appointed as external auditors. A copy of the policy can be found on the Group's website, www.icgam.com. The Committee monitors non-audit services provided to the Group by EY to ensure there is no impairment to their independence or objectivity.

During the year, the Group paid £0.4m (2022: £0.2m) to EY for the provision of corporate non-audit services. Of the fees, £0.3m (2022: £0.2m) is in respect of services in their capacity as auditor. The ratio of non-audit services to 70% of audit fees on a three-year rolling basis was 0.15:1 (2022: 0.13:1). A detailed analysis of fees paid by the Group to EY is shown in note 12 on page 169.

The Committee is satisfied that the services provided do not impair the independence of the external auditors.

Internal controls

Risk management and internal control matters are the responsibility of the Group's Risk Committee. Its report is set out on page 90.

The Group has an established control framework, designed to manage but not eliminate risks and provide reasonable but not absolute assurance against material losses or misstatements.

Effectiveness of controls

The Committee reviews the effectiveness of the financial control environment, including controls over our financial reporting and the preparation of financial information included in the Annual Report, taking into consideration the reports from internal audit, any areas where there has been a reported breach of an internal control and input from external sources, in particular the auditors. The Committee works closely with the Risk Committee to review the system of internal controls (see page 92).

The Committee reviews the operation of the finance function to ensure it is sufficiently resourced and has the appropriate processes and controls over financial reporting to fulfil its duties.

Internal audit

The Group has an internal audit function led by an experienced Head of Internal Audit, reporting to the Chair of the Audit Committee. The Head of Internal Audit has access to external service providers with specialised skills, to augment internal resources as needed.

Approach

In conformity with the Financial Services Code (Guidance on effective internal audit in the financial services sector), a risk-based planning process is performed annually. This includes consideration of business objectives and a focus on those risks identified as being most likely to impact delivery of the Group's strategy.

The resulting plan is reviewed and approved by the Committee, with regular updates provided. This is kept under constant review, with any significant changes recommended to the Committee for approval.

The Group has a number of regulated entities that have specific requirements for internal audit activities. These requirements are taken into account in the planning process and, as appropriate, relevant reports on audit scope and findings are shared with the Boards of the regulated subsidiaries.

Execution

The Committee considered and approved the updated internal audit strategy and plan for fiscal years 2023 and 2024. Updates on delivery of this plan, together with related status of remedial actions, are reported at each meeting of the Committee.

During the year, in accordance with the plan, 20 risk-based reviews were completed, responded to by management and reviewed by the Committee. We pay particular attention to identified themes across the business, relative importance and relationship of findings, recommended and agreed remedial actions, and compliance with timescales for resolution and follow-up.

The Committee is satisfied that delivery of the approved internal audit strategy and plan is providing timely and appropriate assurance on the controls in place to feasibly manage the principal risks to the Group.

Effectiveness and independence

The Committee monitors the effectiveness of Internal Audit within the context of the function's charter and stakeholder expectations. The Committee will periodically request an independent part to perform and external quality assessment of Internal Audit.

In the current period, the Committee concluded that the Internal Audit function is operating effectively, at the present level of operations. We continue to monitor resourcing in view of regulatory development and business growth.

The Committee also reviewed the independence of the Internal Audit function and concluded that it remained so.

Risk Committee Report

Rosemary Leith
Chair of the Risk Committee

AREAS OF FOCUS

Principal and emerging risks

- Identification and management of principal risks
- Risk appetite and tolerances
- Identification and monitoring of emerging risks

Governance

- Committee governance
- Oversight of risk and compliance policies
- Best practice and governance code developments

Risk management framework

- Effectiveness of risk management systems
- The operational resilience of the Group and asssessment of the Group's control environment
- Risk function resourcing

Regulatory risks

- Impact and implementation of regulatory change
- ICARA
- Compliance function resourcing

Committee members

- Rosemary Leith (Chair since 1 April 2023)
- Kathryn Purves (Chair and member until 1 April 2023)
- Rusty Nelligan
- Virginia Holmes
- Amy Schioldager
- Matthew Lester

The role of the Committee is to support the Board in identifying and managing risk, complying with regulations, and promoting good conduct.

Dear shareholders

I am pleased to present the Risk Committee Report for the year ended 31 March 2023.

The Committee's role and primary focus is to support the Group's Board in providing oversight and challenge of risk management processes and the internal control framework to ensure that we meet the expectations of our shareholders, regulators, and clients.

I would like to express my gratitude to Kathryn Purves for her service as Chair of the Risk Committee. Under her stewardship, the Group has implemented significant enhancements to the Risk Management Framework (RMF) and system of internal controls, ensuring that these matured in line with the growth of the business. Over her nine-year tenure, Kathryn also oversaw and helped the Group effectively navigate the evolving regulatory landscape.

In recent months, the Committee has worked closely with management to support the Group to identify and mitigate emerging risks arising from the macroeconomic environment, given the currently elevated interest rate and inflation environment. The Group has proven expertise in navigating complex and uncertain market conditions and our business model provides a high degree of stability. As a result, ICG and its portfolio companies are well positioned to navigate and take advantage of opportunities that arise in the current macroeconomic environment. Notwithstanding the short-term uncertainty, we do not see a materially increased risk to our operations, strategy, or investor demand in the longer term.

The extension of the conflict in Ukraine into its second year continues to impact the geopolitical environment. Our thoughts remain with people of Ukraine and with our colleagues and investors affected by the crisis. We are alert to the considerable uncertainty surrounding the ongoing conflict, and the scope for unpredictable geopolitical outcomes. We continue to monitor developments and potential ramifications for ICG. To date the implications for ICG have been minimal as the business does not have any material financial or operational exposure at the Group level or within the funds we manage, directly or indirectly, to Russia or Ukraine.

As a Committee we have closely monitored global regulatory developments to understand and anticipate potential implications for the Group and the wider alternative asset management sector. During the period ICG implemented the UK FCA's new prudential regime (the Investment Firms Prudential Regulatory Regime) and continues to evolve our approach to ESG in line with the developing sustainability regulations. The Committee continues to monitor future regulatory developments, including UK initiatives to reposition UK financial regulation.

Through continued transformation, the Group continues to enhance internal processes and controls to position the business for future growth. We are working closely with senior management to oversee the ongoing improvement and refinement of our internal controls in order that they remain relevant, robust, adaptable, and scalable.

This has been a period of transition and there have been a number of key people changes over the past 12 months. Risk and Compliance have been aligned under the leadership of Greg O'Connor to support the growth of the second line of defence and Group's evolution into a larger business. William Rucker has been appointed as the Chair of the Company Board. I have been appointed as Chair of the Risk Committee, replacing Kathryn Purves.

Looking ahead to the next financial year, it is anticipated that the Committee will continue to monitor the impacts and associated risks arising from the regulatory landscape, global climate change and sustainability, with a particular focus on consideration of emerging risks. The Group will continue to refine its cyber risk framework to ensure that ICG maintains robust procedures and controls that effectively mitigate cyber-related risks. There will also continue to be a focus on strengthening the wider risk and control environment.

ESG remains an important focus for the Committee as a source of risk; it also presents opportunities to strengthen resilience and market competitiveness of our investee companies. The Group recognises that divergent views on ESG among our Fund investors could affect our ability to raise funds from such stakeholders. ESG will be formally integrated into the RMF over the course of next year to position the Group to meet evolving regulatory requirements, and to successfully manage ESG-related expectations across the varied interests of our existing and prospective investors.

Finally, the Group is attentive to the challenges arising from the global turbulence and the impacts on our local communities. ICG recently completed a "Million Meals" initiative through which it supported six charities in the cities in which ICG has major operations worldwide to provide free meals to individuals and families in need due to the cost-of-living crisis. The Committee will continue to ensure that we are adopting a proactive response to the challenges, risks, and opportunities for the Group and our wider stakeholders.

I would be pleased to discuss the Committee's work with any shareholder.

Rosemary Leith
Chair of the Risk Committee
24 May 2023

Governance of risk

The Committee is mandated by the Board to encourage, and seek to safeguard, high standards of risk management and effective internal controls across the Group.

Roles and responsibilities

The Committee meets regularly and is responsible for providing oversight and challenge on:

- The Group's risk appetite, material risk exposures and the impact of these on the levels and allocation of capital
- Changes to the risk appetite framework and quantitative risk limits, ensuring its ongoing integrity and suitability to support the Board's strategic objectives
- The design, structure and implementation of the Group's risk management framework and its suitability to identify and manage current risks and react to forward-looking issues and the changing nature of risks
- Risk reports on the effectiveness of the Group's risk management framework and system of internal controls, including notification of material potential or actual breaches of risk limits and internal control processes and the remedial action taken or proposed
- Risks in relation to major investments, major product developments and other corporate transactions
- Regulatory compliance across the Group, which includes reviewing and approving the Group's compliance policies and monitoring compliance with those policies
- The remit of the risk management and compliance functions, ensuring they have adequate resources and appropriate access to information to enable them to perform their functions effectively

The Committee also reviews and recommends:

- The Internal Capital and Risk Assessment (ICARA) at least annually, to the Board
- The extent of Directors' and Officers' insurance coverage, to the Board
- The prosecution, defence or settlement of litigation or alternative dispute resolution for material potential liabilities, to the Board
- The effectiveness of the Group's risk management and internal controls systems, to the Board
- Alignment of the Remuneration Policy with risk appetite, and adjustments to any employee's remuneration for events that have been detrimental to the Group or events that have exceeded the Board's risk appetite, to the Remuneration Committee
- All material statements to be included in the Annual Report, half year report, prospectuses and circulars concerning risk management, to the Audit Committee

Composition

The current members are Rosemary Leith (Chair of the Committee), Virginia Holmes, Rusty Nelligan, Amy Schioldager, and Matthew Lester. Biographical details can be found on pages 78 to 80. The Committee members have a wide range of business and financial experience, including risk management, fund management and investment, regulation and compliance, M&A, tax, and international business practices. These skills enable the Committee to fulfil its terms of reference in a robust and independent manner.

Rosemary replaced Kathryn Purves on her retirement as Chair of the Committee at year end. Rosemary joined the Company as a NED in February 2021 and has been an active member of the Committee since.

The Executive Directors of the Board are not members of the Committee but attend meetings at the invitation of the Chair of the Committee. The Head of Risk, Group Head of Compliance and Risk, Head of Internal Audit, and the Company Secretary attend all the meetings.

Terms of reference

The Committee's terms of reference are approved and reviewed by the Board on a regular basis, most recently in May 2023.

The terms of reference are available on the Group's website, www.icgam.com, or by contacting the Company Secretary.

Effectiveness

The operations of the Committee were reviewed as part of the internal Board evaluation led by the Chairman in March 2022; the Committee was found to be operating effectively. For more details of this exercise, please see page 83.

Monitoring the effectiveness of controls

The Risk Committee is provided with several risk reports, which it uses to continually review the Group's risk management framework and works closely with the Audit Committee to review the system of internal controls. The reports enable the Committees to develop a cumulative assessment and understanding of the effectiveness with which internal controls are being managed and risks are being mitigated by management across the Group.

As part of their review the Committees consider whether the processes in place, including the risk and control self-assessment process, are sufficient to identify all material controls, defined as those critical to the management of the principal risks of the business. Additional reporting on the effectiveness of material controls is provided to the Audit Committee on an annual basis to support the review of the effectiveness of controls in managing the principal risks. No system of controls can be infallible. The Risk Committee and the Audit Committee review breaches as appropriate and consider these in reporting to the Board.

The Board, on recommendation from the Risk and Audit Committees, and considering the work of Internal Audit overseen by the Audit Committee, confirms that the Group's risk management and internal control systems are operating effectively, and material controls operated effectively throughout the year.

Summary of meetings in the year

The Committee held four meetings during the year. In the ordinary course of business, the Committee receives a report from the Head of Risk providing an assessment of each principal risk versus appetite, key risk events, key emerging risks, actions taken or being taken to manage the risks, and ongoing activity to enhance and develop the Group's RMF; and from the Group Head of Compliance and Risk on global compliance and implementation of relevant regulatory developments.

Over the course of the year the Committee considered and discussed the following significant matters:

- The Committee continued to closely monitor a number of significant regulatory change and oversight programmes to ensure successful execution, notably the evolution of regulatory responsibilities under the Investment Firm Prudential Regime (IFPR), which came into effect on 1 January 2022. The Committee held a dedicated ICARA session to understand more fully the requirements of the regime in order that we could effectively challenge the assumptions used in preparation of the 2022 ICARA process
- The Committee carried out a detailed review of the Group's 2022 ICARA and was satisfied that the operational risk and financial stress scenarios were appropriately calibrated and also stressed the particular vulnerabilities of the Group. They were further satisfied that the Group would meet internal and regulatory requirements for capital and liquidity in such scenarios. The ICARA will support the Committee in understanding changes to the risk profile of the Group and the capital position over the course of the year ahead
- The Committee welcomed an update from the Group's Global Head of Compliance and Risk regarding the control process the Group uses to identify, manage, and evidence conflicts of interest in relation to secondary transaction activity in continuation funds or other sales between ICG-managed funds. The Committee was satisfied that the conflicts that may arise are managed appropriately
- The Group's Cyber Security Lead presented the annual Information Technology and Cyber update to the Committee, which covered the cyber security standards, security protection tools, ongoing detection, and monitoring of threats, and testing of cyber response and recovery procedures
- The Committee reviewed an assessment of the operational and regulatory implications related to the potential expansion of the Group's wealth channel. The Committee recognises that finding new markets, distribution channels and investors for ICG funds is key for profitable growth and looks forward to receiving more detailed assessments of the Group's readiness to carefully capitalise this potential opportunity
- The Committee received an update on the Group's outsourced service providers and considered further resourcing plans to support the future growth of the business
- The Committee acknowledged the continued efforts to enhance the Group's annual Material Controls Assessment, and Fraud Risk Assessment and discussed with the Head of Risk the positive work undertaken to increase the scope and assurance coverage of these important risk processes. The Committee considers that these activities will ensure the ongoing improvement of the Group's control environment

Other matters considered

In addition to the significant matters addressed above, the Committee maintained a rolling agenda of items for its review, including the adequacy of resourcing in the Compliance and Risk functions, updates on key policies and a review of the annual Whistleblowing report and the Money Laundering Officer's report. The Committee meets privately with both the Head of Risk and the Global Head of Compliance and Risk on an annual basis.

Internal Audit, Risk and Compliance monitoring

Internal Audit, Risk and Compliance work closely together to ensure appropriate coverage of the Group's activities.

The Committee supported the Audit Committee in its oversight of the internal audit programme (see page 89), which is risk-based. It is designed to permit changes to the programme in the light of changed circumstances. In conjunction with the Audit Committee, the Committee reviews and approves the programme of compliance monitoring to be undertaken during the following fiscal year and at each of its subsequent meetings reviews the status and output of compliance monitoring undertaken relative to the planned programme.

Where there is a perceived overlap of responsibilities between the Audit and Risk Committees, the respective Committee Chairs will have the discretion to agree the most appropriate Committee to fulfil any obligation. During the year the Committee ensured that appropriate monitoring was undertaken in accordance with the approved programme for the year. No significant matters of concern were identified.

Nominations and Governance Committee Report

William Rucker
Chair of the Nominations and Governance Committee

AREAS OF FOCUS

Culture, diversity and inclusion

- Employee engagement and development
- Gender diversity considerations

Succession planning

- NED, Executive and senior management succession planning
- Talent development

Director skills and experience

- Director induction
- Director training

Appointments

- New Chairman, New CFO
- Board composition

Committee members

- William Rucker (Chair since 31 January 2023)
- Virginia Holmes
- Matthew Lester
- Andrew Sykes (Chair until 31 January 2023)
- Stephen Welton

The role of the Committee is to oversee the membership of the Board to ensure a balance of skills, diversity and experience among the Directors, and to oversee senior management succession planning and the governance practices and processes of the Group.

Dear shareholders

I am pleased to present the Nominations and Governance Committee report for the financial year ending 31 March 2023.

Good governance requires the appropriate balance of skills, diversity of thought and experience, independence and knowledge, making the work of the Nominations and Governance Committee a key part of our oversight and effectiveness.

The Committee's main focus during the year was in respect of my appointment as Chair of the Board; please see the letter from Andrew Sykes on the facing page in respect of this exercise.

Shortly after my appointment, the Committee met to discuss the composition of the Board and concluded that the Board remains well balanced and of an appropriate size and diverse skillset. The Committee noted the strong contribution to the Board of all Directors, regardless of their tenure. It was agreed that one or more further NED appointments should be made to replace Kathryn Purves following her retirement, to ensure adequate long-term succession planning and to enhance the diversity of the Board while maintaining its current skillset. We have commenced a process to search for appropriate candidates. The Committee also carried out its search with Russell Reynolds for the replacement of Vijay Bharadia as CFO on the basis of maintaining an appropriate spread of skills and experience on the Board and, after a thorough search, David Bicarregui was welcomed to the Group on 2 April 2023 and is working closely with Vijay in preparation for his handover in July 2023. The Committee has continued to monitor feedback received from employees gained through focus group sessions led by Amy Schioldager, the NED responsible for liaising with employees in order to gain insight into the culture of the Company. Employee views are always important to Committee and Board discussions, and I look forward to hearing more insight from her as we work together in the coming years.

During the year, the Committee also heard from management on the results of a detailed exercise on executive succession planning for key individuals and ensuring development and training opportunities for our key talent. NEDs have worked closely with the Chief People and External Affairs Officer with a focus on developing and growing our employees, particular emphasis has been placed on enhancing bench strength across the organisation, including the development of targeted development programmes for leadership, newly promoted individuals and emerging future leaders. ICG is a people business and developing our talent is crucial in helping to deliver the Group's strategic objectives.

The output from both internal and external Board evaluations is always front of mind for the Committee as we continue to evaluate the skills, composition and cohesion of our Board in the context of our business and strategy. We will bear the results of the forthcoming evaluation in mind as we continue to plan for long-term succession for our Board.

I would be pleased to respond to any shareholder questions about the Committee's work either at the AGM or otherwise.

William Rucker
Chair of the Nominations and Governance Committee
24 May 2023

Dear shareholders

Throughout the year being reported on, I acted as Chair of the Board and the Committee until the commencement of William Rucker's tenure as Chair on 31 January 2023. The primary activity of the Committee during this period was to conduct a search for a long term Chair of the Company following the unanticipated retirement of Lord Davies of Abersoch in January 2022.

This search was conducted with regard to a range of skillset, experience and diversity criteria, and taking into account the profiles of the existing Board members. The search, conducted with support from Russell Reynolds Associates, was thorough and robust. Members of the Committee and Executive Directors met with a number of candidates; after an extensive process, we were unanimously satisfied that William Rucker was the best possible candidate for the role given his extensive financial services industry expertise and his significant experience on boards of other listed companies.

I would like to thank my fellow Committee and Board members for their contribution to this process, including Kathryn Purves who acted as Senior Independent Director on an interim basis until 31 January 2023.

I would be happy to discuss the matters set out above with any shareholder.

Andrew Sykes
Senior Independent Director
24 May 2023

Committee governance

The Committee is responsible for:

- Identifying, and nominating for the Board's approval, candidates to fill any Board vacancy
- Succession planning, including the progressive refreshing of the Board, and developing executive talent below Executive Director level
- Ensuring that all appointments to the Board are made on objective criteria and that candidates have sufficient time to devote to their prospective responsibilities
- Appointing a NED as the Whistleblowing Champion
- Appointing a NED as the Employee Engagement Champion
- Appointing a NED as the ESG Champion
- Considering the composition of the Board to ensure that the balance of its membership between Executive Directors and NEDs is appropriate
- Overseeing diversity and inclusion, culture, employee engagement and other governance-related matters within the Group
- Annually assessing the continued fitness and proprietary of the Senior Management Function (SMF) holders, including the NEDs, together with reviewing the Group's responsibilities map which describes the management and governance arrangements, as required under the Senior Managers and Certification Regime (SM&CR)
- Ensuring the Group is managed to high standards of corporate governance

Composition

The Nominations and Governance Committee consists of NEDs: William Rucker (Chair of the Committee), Andrew Sykes, Virginia Holmes, Matthew Lester and Stephen Welton. Biographical details can be found on pages 78 to 80.

The Company Secretary acts as Secretary to the Committee.

Kathryn Purves served as a member of the Committee until her retirement from the Board on 1 April 2023.

Appointments of Executive Directors and NEDs are made as necessary as a result of discussions by the Committee and are subject to full Board approval and election or re-election at a General Meeting of the shareholders.

Terms of reference

The Committee's terms of reference are approved and reviewed by the Board on a regular basis, most recently in May 2023.

The terms of reference are available on the Group's website, www.icgam.com, or by contacting the Company Secretary.

Effectiveness

The operations of the Committee were reviewed as part of the internal Board evaluation led by the Chairman in March 2022; the Committee was found to be operating effectively. For more details of this exercise, please see page 83.

Summary of meetings in the year

The Committee held five meetings during the year. Over the course of the year the Committee considered and discussed the following significant matters:

- The search for, and appointment of, William Rucker as Chair of the Company. The Committee set parameters for a search (having discussed desired skills and experience and the importance of diversity to the Board), reviewed long-lists and short-lists of candidates provided by Russell Reynolds Associates, conducted interviews with a number of candidates and approved the offer of the role to Mr Rucker.
- The search with Russell Reynolds for, and recruitment of, David Bicarregui to succeed Vijay Bharadia, who will retire from the Board and his role as CFOO in July 2023. The Committee's search was focused on ensuring the ongoing balance of skillsets and experience on the Board.
- Whether it may be appropriate to appoint further NEDs to the Board to supplement the existing skillsets of the Board and to assist with long-term succession planning. It was concluded that in the current year no further appointments were needed, but this should be reviewed in the coming months by the Committee under the leadership of the new Chair.
- The appointment of Rosemary Leith as Chair of the Risk Committee following the retirement of Kathryn Purves from the Board.
- A detailed review of succession planning in respect of senior executive positions, including each Executive Director and other key leadership personnel within the organisation.
- The employee engagement NED, Amy Schioldager, provided insights on the culture of the Group and other feedback from the ongoing informal engagement programme to a joint session of the Committee and the Board. This was based on her engagement during the year with several groups and included the views of a wide range of employees drawn from a number of the different geographies in which the Group is active. She regularly met employees virtually or in person in groups of 10-12 and sought their views on a range of issues; more details are provided on page 22.

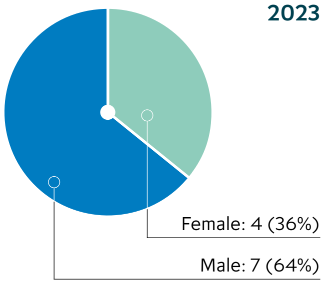
Other matters considered

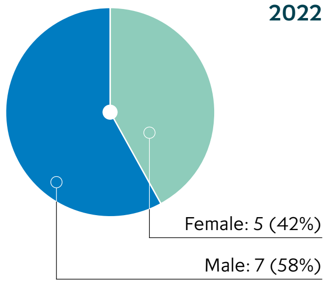
The Committee also conducted a review of the size and composition of the Board and its Committees, the skillset of all Directors, their ongoing training and development and the independence of NEDs. No points of concern were raised.

Diversity is very important to our Board. For the financial year ending 31 March 2023, we were compliant in respect of all Listing Rule requirements for board diversity – the percentage of female Board members was above 40%, we had a female SID (until Kathryn Purves stepped down as SID on 31 January 2023) and one Director from an ethnic minority background. At the date of publication, as a result of changes to the Board (namely the departure of Kathryn Purves in April 2023 and the retirement of Vijay Bharadia in July 2023), we are focusing efforts on hiring further Directors to increase diversity on the Board. The Committee monitors the diversity of the Group with a specific focus on senior management roles and their direct reports (see page 28). We are aware of the Listing Rules requirements for gender diversity in senior board roles and are factoring this in to our considerations.

Board gender diversity

2023 figures are as at publication date - throughout the year ended 31 March 2023 female Board representation was above 40%, see page 82 for more details.





Number of senior positions on the board at current date: Male: 4; Female: 0

Reporting table on ethnicity representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)
White British or other White (Including minority-white groups)	9	82%	3
Asian/Asian British	1	9%	1
Not specified/ prefer not to say	1	9%	

Non Executive Director area of expertise

Name	Asset Management	Investment	UK Corporate Governance	International	Risk Management	Financial
William Rucker (Chair)	●	●	●			●
Virginia Holmes	●	●	●	●		
Rusty Nelligan				●	●	●
Amy Schioldager	●	●		●	●	
Andrew Sykes (SID)	●	●	●		●	●
Stephen Welton	●	●			●	●
Rosemary Leith		●	●	●	●	
Matthew Lester	●	●	●		●	●

Remuneration Committee Report

AREAS OF FOCUS

Remuneration policy

- Continuous assessment of the effectiveness of the Group's remuneration policy
- Consideration of shareholder and representative shareholder bodies' feedback
- Consideration of business requirements and competitive landscape

Key performance indicators

- Setting of KPIs for the Executive Directors
- Monitoring performance against those KPIs

Governance, stakeholders and shareholders

- Consideration of feedback from shareholders
- Adherence to regulatory requirements

Executive remuneration

- Determination of Executive Directors' awards
- Review of awards payable to all material risk takers

Oversight of awards

- Determination of variable pay awards from the Annual Award Pool (AAP)
- Review of market data on award levels

Committee members

- Virginia Holmes (Chair)
- William Rucker
- Andrew Sykes
- Rosemary Leith
- Stephen Welton

Contents:

The role of the Committee is to support the Board in developing and implementing the remuneration policy, ensuring alignment with shareholders and company strategy, identifying and managing risk, complying with regulations, and promoting good conduct.

Dear shareholders

I am pleased to present the Committee's Report (the Report) for the year ended 31 March 2023.

The Report comprises three parts:

- This introductory statement, which explains the key decisions made by the Committee during, and in respect of FY23;
- The Annual Report on Remuneration for FY23. This details the performance and remuneration outcomes, and the governance process, together with my introductory statement and the 'at a glance section'. It is subject to the usual advisory vote at the AGM; and
- The Directors' Remuneration Policy (the Policy), including details of proposed modifications to the Policy. The Policy is subject to the usual triennial shareholder vote at the AGM.

Directors' Remuneration Policy and shareholder consultation

Our Directors' Remuneration Policy was last approved by shareholders in 2020, with 94.43% of votes in favour. Last year's Directors' Remuneration Report received overwhelming backing, with 98.34% of votes cast in favour. We are pleased that these results indicate strong and continued support from our shareholders for the Policy and its implementation. The Committee has undertaken a thorough review of the Policy in preparation for the triennial vote at the AGM this year.

We consulted widely with shareholders on a number of possible changes to the Policy and its implementation. These included a proposal to introduce a 'Super Stretch' performance level, above maximum, in the financial performance metrics used in the variable pay plan. This was intended to help drive outstanding levels of performance and return to shareholders, and to assist in recruitment and retention of talent. It was to be accompanied by a higher variable pay maximum above the current maximum levels.

The Committee also consulted on a proposal to re-position the base salary of the CEO/CIO (currently £410k) over a two-year period, as it is far adrift from benchmark levels (which are typically £750k-£800k). The need to re-position base salary has also been highlighted by our recent recruitment of a new CFO, where, to attract the preferred candidate, it was necessary to offer a base salary that is 46% higher than the current CEO/CIO base salary. Modest changes were also proposed to the base salaries of the other Executive Directors for FY24, to recognise the breadth of their roles and market levels of base salary.

We are grateful for the time and attention shareholders gave to the consultation. Some shareholders were fully supportive of all the proposals. Others felt that, whilst they understood the Committee's rationale, a higher variable pay maximum (even with the additional Super Stretch performance requirement), was difficult in the current economic and cost -of- living context. However, the majority supported the re-positioning of the CEO/CIO's base salary, given its substantial discount both to market benchmark levels and internal comparators.

Following the consultation process, the Committee carefully considered the feedback received, and in light of it, has decided not to proceed with the proposal to introduce the Super Stretch performance level or the accompanying increase in the higher variable pay maximum. We shall continue to monitor the effectiveness of the Policy going forward in enabling ICG to compete effectively for talent and support the business strategy. We may need to reconsider the question of variable remuneration levels for outstanding performance in future Policy periods.

The Committee decided that it should proceed with a phased re-positioning of the CEO/CIO's base salary, as it has become so far removed from market norms for CEOs in listed companies of ICG's size and scope, and this change was supported by the majority of respondents to the consultation. The original proposal was to re-position the base salary from the current level of £410k, to £750k in two steps: to £600k (46%) for FY24 and to £750k (25%) for FY25. We have decided to re-position more gradually, staging the increases over three years rather than two, and spreading these more evenly than in the original proposal. The proposed increases are now in the following three steps: to £500k (21.95%) for FY24; to £615k (23%) for FY25; and, to £750k (21.95%) for FY26. We had also proposed to move the base salary of the CPEAO (currently £442k) to £500k in FY24, to recognise the breadth of this role. However, we have also decided to spread this over two years, and to set the increase to £467,500 for FY24 (i.e. 5.77%), below the average increase for the wider workforce (6.52%), with the balance to £500,000 in FY25.

For the CFO role and CPEAO role, the Committee proposes to express the total variable pay maximum as a multiple of base salary rather than a monetary amount, from FY24 onwards. This approach is the norm for other listed companies. These multiples will be 4x base salary for the CFO role and 3.5x base salary for the CPEAO role. These are the same as the effective multiple that applied for the CFOO role, and slightly less than the effective multiple that applied to the CPEAO role, when the Policy was last approved by shareholders in 2020.

For the CEO/CIO, the Committee proposes to retain the current variable pay maximum of £6m for the Policy period FY24-26, but to transition to express this as a multiple of base salary from the start of FY26 once the phased base salary increases, described above, have been completed. The planned increases will take the base salary to £750k for FY26. The total variable pay maximum for the CEO/CIO would be 8x base salary (i.e. £6m) for FY26 and will then be reviewed as part of the next Policy review.

The Committee will continue to defer a high percentage (at least 70%) of total variable pay into ICG shares, vesting in thirds after 3, 4 and 5 years from the date when the variable pay is awarded.

Pension levels for current and future Executive Directors are already set no higher than the level for the majority of our UK employees (12.5% of base salary).

Further details of these Policy changes can be found on page 118.

Corporate Governance Code remuneration requirements

Our remuneration policies and practices comply with the remuneration requirements of the Corporate Governance Code, including in the following areas:

Strategic rationale and remuneration levels

Remuneration policy and practice within ICG are designed to support the strategy of the business, with a clear emphasis on sustainable, profitable growth. The variable pay structure for Executive Directors is simple, with a single performance scorecard containing clear financial and non-financial KPIs. This remains unchanged under the proposal for our Policy update. The scorecard drives a single variable pay award of which at least 70% is deferred into ICG shares, vesting over a 5-year period to promote long-term alignment. Executive directors also have in-service and post-exit shareholding requirements. The policy aligns to our company culture of recognising and rewarding performance and delivering outstanding annual and long-term value for stakeholders.

Each Executive Director has a target and maximum variable pay level, providing clear remuneration levels based on performance. The quantum of total remuneration at 'threshold', 'target' and 'stretch' performance levels is set appropriately and proportionately to ensure that the quantum of total remuneration at each level corresponds with performance. Payment of variable pay is also subject to maintaining robust risk and compliance controls, reinforced by malus and clawback provisions, with key 'triggers' as set out in the Directors' Remuneration Policy. The Committee also considers, prior to each year's award, whether discretion should be exercised to take account of wider performance or other relevant factors.

Engagement with shareholders and the workforce

The Committee closely monitors shareholder guidance and feedback on remuneration. Shareholder voting on AGM remuneration resolutions is reviewed annually, and major shareholders are directly consulted each year if they have indicated any disagreement with ICG's remuneration policy or practices. During annual engagement meetings, major shareholders have the opportunity to provide feedback to the Board and Remuneration Committee on ICG's remuneration approach.

There are a number of existing channels of communication with employees regarding ICG's remuneration policies, including executive remuneration and its alignment with wider company pay policy. Our company-wide employee engagement surveys, which during this financial year were conducted in June and November, enable colleagues, on a confidential basis, to provide feedback on a full range of employment issues, including remuneration. The NED responsible for employee engagement also holds a number of formal and informal sessions with employees during the year in individual and group forums across various locations. During these sessions employees are invited to provide feedback and comments on any issues of importance to them, including remuneration policies.

The Committee also receives regular feedback on how employees perceive the Group's remuneration policies and practices, and how these have influenced recruitment, retention and motivation of colleagues. This information is used by the Committee in its monitoring and development of remuneration policies.

Variable pay: a focus on long-term performance and leadership

Our remuneration approach encourages and reflects sustained, long-term performance, which aligns our executives to the interests of our shareholders. We make a single variable pay award each year to Executive Directors, based on a balanced scorecard of key performance indicators (KPIs) and funded from our capped Group variable pay pool (the Annual Award Pool – 'AAP').

The AAP is funded from the cash profits which the Group realises from its fund management business and its investments. It is capped at 30% of realised profits, annualised over a five-year period. Furthermore, for Executive Directors, at least 70% of the variable pay award is deferred over five years into shares, with vesting in three equal tranches after the third, fourth and fifth anniversaries of award. Prior to setting the targets for FY23, the Committee again completed an extensive review of the quantitative KPIs and refined the deliverables for the qualitative KPIs to ensure both were appropriately stretching and linked to strategic priorities. The KPIs were tested robustly and continue to be fully aligned with shareholders' goals and our Group's Strategic Objectives of growing AUM, investing selectively, and managing portfolios to maximise value.

The KPIs reflect the Group's long-term strategic goals and near-term operational priorities against the backdrop of the Group's continued evolution and the excellent progress in scale and diversification, as well as leadership on Diversity, Equity & Inclusion and Sustainability. They also reflect our position in the alternative investment industry as a leader of sustainable, inclusive business practices.

Each Executive Director has a target variable pay level and a maximum cap, the latter payable for outstanding performance only, relative to the annual targets set in the context of the evolution of the firm and its market environment. The Committee also liaises closely with both the Audit and Risk Committees to ensure that risk and audit matters are taken into account in determining the remuneration levels for the Executive Directors.

Business performance and remuneration for FY23

Against the backdrop of a complex and dynamic economic landscape and growing geopolitical and economic uncertainty, we are proud that business performance in the year ended 31 March 2023 continues to be very strong. ICG raised $10.2bn in new funds (which means that the three-year stretch KPI target was exceeded by $500m). The FMC (Fund Management Company) operating margin was 57.5%, which is an outstanding result given the investments the Group continues to make as it delivers on its growth strategy and the pressures of a high-inflation environment. Pre-Incentive Cash Profit (PICP) showed commensurately strong results for this year, at £531.8m.

We have a long-standing policy of awarding variable pay across the workforce of not more than 30% of PICP, measured on a five-year rolling basis. The Committee has determined that £109.9m should be awarded to eligible employees under the AAP for the year ended 31 March 2023, compared with £115.9m in the prior year. This is the result of continued strong individual and corporate performance and also takes into account an increase in bonus-eligible staff of 10.1% year-on-year. The awards are in the form of cash bonuses, deferred ICG share awards, and Deal Vintage Bonus (DVB) awards. DVB awards are a long-term incentive rewarding certain investment staff, excluding Executive Directors, for intra-year capital deployment.

The Committee has allocated 22.6% of PICP to the AAP on a five-year cumulative rolling percentage basis, which is 7.4 percentage points below the maximum 30% permitted under the Policy. This Policy provides a focus on long-term performance and only takes account of cash profits, thus aligning with shareholders' interests fully. It also allows us to even out some of the potential volatility in remuneration, where appropriate, and this, as well as the use of our Business Growth Pool (BGP), provides capacity to continue to develop the business through market cycles.

In addition to the AAP, and in accordance with the Policy, the Committee allocated £10.7m to the BGP to fund incentive awards during the year for teams developing new investment strategies which have not yet completed a fundraise. These include our Life Sciences, Infrastructure Equity Asia, Real Estate Opportunistic Equity for both Europe and Asia and US Mid-Market strategies. This pool excludes Executive Directors. This year's BGP award compares with £6.7m awarded in the prior year.

Executive Director variable remuneration for FY23

The total remuneration for the year for each Executive Director is shown in the table on page 107.

The variable pay awards reflect the very strong and continued performance across the Executive Director KPIs, as detailed in full in this Report. The targets and stretch levels for each KPI were set at a demanding level – especially in the more challenging fundraising and investment environment in FY23. The KPIs were weighted 65% on financial performance and 35% on non-financial criteria reflecting an increase in the weighting on financial performance for the CFOO and CPEAO which has previously been 60%. The total variable pay award for the CEO/CIO was determined in line with the performance achieved relative to the KPIs and target ranges that were set. The Committee exercised its discretion to make slightly lower awards to the CFOO and CPEAO than strictly formulaic KPI calculations would indicate. This reflects the nature of these roles and their scope to influence Group financial results and other KPIs relative to that of the CEO/CIO. Consequently, the Committee made variable pay awards of £5,850,000, £1,900,000 and £1,425,000 respectively to the CEO/CIO, CFOO and CPEAO this year.

80% of the CEO's variable pay award and 70% of the CFOO's and CPEAO's variable pay awards were deferred into ICG PLC shares vesting in equal tranches on the third, fourth and fifth anniversaries of award.

Board Changes

We were delighted to welcome William Rucker to the Board as Chair in January 2023. The annual fee for the role was set at £375k, in line with the median for comparable, listed financial services companies in the UK.

As previously announced, Vijay Bharadia will step down from the Board and his role of CFOO at the FY23 AGM. His 12-month notice period commenced on the date of the announcement (21 February 2023). He receives contractual payment in lieu of notice paid in monthly instalments for the remainder of his 12-month period, subject to mitigation. Although he is continuing to perform the Board CFOO role during the period from 1 April 2023 to the AGM in July, he will not receive variable pay in respect of this period. As a good leaver, he retains the deferred variable pay awards he earned in respect of performance in previous years. These will vest on the normal vesting dates (in thirds after 3, 4 and 5 years from grant), subject to a non-compete agreement. He is also required to retain his in-employment shareholding requirement of 2x base salary for two years post-employment. Further details of his leaving arrangements are provided in this Report.

I would like to take this opportunity to thank Vijay Bharadia for his valuable service over the past four years and we are looking forward to welcoming David Bicarregui as his successor. David has joined ICG in April and will stand for election to the Board at the AGM. To secure his appointment, the Committee agreed to a base salary of £600k, which is lower than his previous salary. David's maximum variable pay will be 4x base salary, which is the same effective multiple that applied to Vijay Bharadia when the Policy was last approved by shareholders in 2020 and is in line with the market, median total variable pay multiple for listed companies of our size.

Total Shareholder Return (TSR)

ICG has continued to deliver strong TSR performance. For the ten years to 31 March 2023, TSR was 327.3% versus 23.0% for the FTSE All Share Index.

Conclusion

Our Policy provides a clear, simple and predictable remuneration model, which helps drive and sustain the achievement of our corporate strategy as well as a prudent approach to risk. We believe that the updated Policy proposal recognising shareholder feedback, represents a natural continuation of these principles, taking into account the evolving landscape of alternative asset management and ICG's very strong position within it.

I hope you will provide your support for the proposed Directors' Remuneration Policy, and for the Directors' Remuneration Report for FY23.On behalf of the Remuneration Committee, I would like to thank all of our shareholders for their continued support.

Virginia Holmes
Chair of the Remuneration Committee

24 May 2023

Remuneration at a glance

Executive Remuneration Framework and Policy Summary for FY23

Purpose and link to strategy	Operation	Maximum opportunity	Outcomes for FY23
Base Salary Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group	Normally reviewed annually with any changes generally applying from the start of the financial year	In considering increases, the Committee assesses the range of salary increases applying across the Group, and local market levels	For FY24, the CEO's salary is increased by 21.95% to £500,000 as explained in the introduction to this Report. The CPEAO's salary is increased by 5.77% to £467,500, which is below the average for the wider workforce of 6.52% . The current CFOO's salary remains unchanged as he is stepping down from the Board in July.
Benefits Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group	Benefits currently receivable by Executive Directors include life assurance, private medical insurance and income protection	Provision and level of benefits are competitive and appropriate in the context of the local market	There have been no changes to the Executive Directors' benefits provision this year
Pension Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group	All Executive Directors are entitled to a pension allowance payable each month at the same time as their salary	A pension allowance of no more than the level available to the majority of the Group's workforce in the relevant location is provided	The Executive Directors' pension allowances are set no higher than the majority of the Group's workforce with the CEO and CPEAO at 12.5% and the current CFOO at 10%; there have been no changes this year
Total variable pay award Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group	The total variable pay award consists of the Cash Bonus Award and ICG PLC Equity Award (see below)	Max variable pay awards to Executive Directors are £6m for the CEO/CIO, £2m for the CFOO and £1.5m for the CPEAO	Variable pay awards for the CEO, CFOO and CPEAO were £5.85m, £1.9m and £1.425m respectively. 80% of the CEO's award and 70% of the awards for the other Executive Directors were deferred into shares, vesting over 5 years
ICG PLC Equity Award Rewards achievement of business KPIs, cash profits and employing sound risk and business management and aligns the interests of Executive Directors with those of shareholders	At least 70% of an Executive Director's total variable pay award shall be delivered in ICG PLC Equity Shares normally vest by one third in each of the third, fourth and fifth years following the year of grant	See details above in relation to the overall annual variable award	80% of the CEO's variable pay award and 70% of the CFOO's and CPEAO's variable pay awards were deferred into ICG PLC shares

Business performance

Profit Before Tax

£251.0m

(2022: £565.4m)

Third-Party Assets under Management[1]

$77.0bn

(2022: $68.5bn)

Ordinary Dividend per Share

77.5p

(2022: 76.0p)

Five-year AAP overview

We have a long-standing policy of awarding variable pay across the workforce of not more than 30% of PICP measured on a five-year rolling basis. The Committee has determined that £109.9m should be awarded to eligible employees under the AAP for the year ended 31 March 2023, compared with £115.9m in the prior year.

	FY19	FY20	FY21	FY22	FY23	Cumulative
Percentage of PICP over five years rolling	23.6%	22.2%	23.6%	24.4%	**22.6%**	22.6%
Spend on incentives (£m)	78.0	70.8	87.2	115.9	**109.9**	461.8
Number of employees	336	408	470	525	**582**	

1. During the year the Group updated its AUM measurement policy, see page 54.

KPI performance outcomes

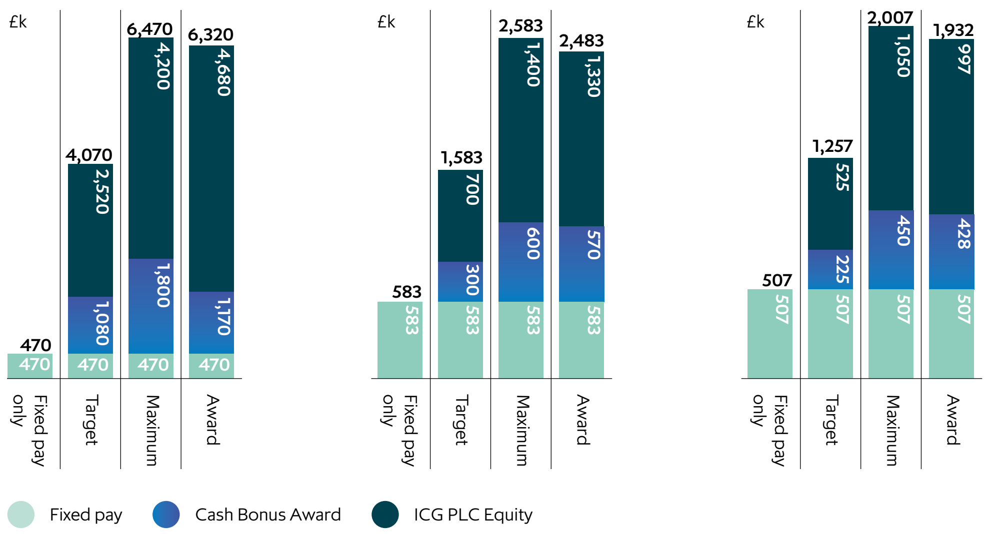
KPI	Link to strategic objectives	Threshold	Target	Stretch	FY23 Outcome
Quantitative KPIs					
Fundraising (three-year annualised)	1	$12.4bn	$13.2bn	$14.0bn	$14.5bn
Realised Portfolio Returns	2 3	4%	5.2%	7%	18.7%
FMC Operating Margin	1 2 3	45%	47%	50%	57.5%
Net Gearing	N/A		<0.75x		0.50x
Qualitative KPIs (% of max)					
Strategic Development	1 2 3				95%
Culture, DE&I and Sustainability	1 2 3				95%
Operating Platform & Risk Management	1 2 3				85%

Strategic alignment: 1 Grow AUM 2 Invest selectively 3 Manage portfolios to maximise value

Read more about performance on page 104.

Total remuneration (actual vs target)

Benoît Durteste **Vijay Bharadia** **Antje Hensel-Roth**



Executive Director performance

Awards in respect of annual performance[1]

KPI	Link to strategic objectives	Threshold	Target	Stretch	FY23 Outcome	CEO weighting	CFOO weighting	CPEAO weighting
Quantitative KPIs								
Fundraising (Three-year annualised)	1	$12.4bn	$13.2bn	$14.0bn	**$14.5bn**	**27.5%**	**20.0%**	**27.5%**
Realised portfolio returns	2 3	4%	5.2%	7%	**18.7%**	**15.0%**	**10.0%**	**10.0%**
FMC operating margin	1 2 3	45%	47%	50%	**57.5%**	**20.0%**	**27.5%**	**25.0%**
Net gearing[2]	N/A		<0.75x		**0.50x**	**2.5%**	**7.5%**	**2.5%**
Qualitative KPIs					**% of max**			
Strategic development	1 2 3				**95.0%**	**15.0%**	**10.0%**	**15.0%**
Culture, DE&I and Sustainability	1 2 3				**95.0%**	**12.5%**	**12.5%**	**12.5%**
Operating platform and risk management	1 2 3				**85.0%**	**7.5%**	**12.5%**	**7.5%**

Strategic objectives

1. Grow AUM
2. Invest selectively
3. Manage portfolios to maximise value

1. The on-target variable pay levels are 60% of maximum for the CEO and 50% of maximum for the CFOO and CPEAO. 25% of maximum is payable for threshold performance, and 100% of maximum for performance at stretch level or above.
2. The Board did not set threshold and stretch targets for net gearing but a target of <0.75x, which was met.

Executive Director Performance continued

At the outset of FY23, the Committee set stretching targets across all KPIs, commensurate with the continued growth and success of ICG and taking into account deteriorating market conditions. The Committee also reviewed the weightings between financial and non-financial KPIs and brought these in line for each Executive Director at a 65% weighting towards financial and a 35% weighting towards non-financial KPIs (previously, that split had been 60% to 40% for the CFOO and CPEAO). Individual KPIs within the two sections have been weighted differently to take account of the differences in executive roles.

Market conditions notwithstanding, ICG has delivered another very strong year, distinguishing itself further as a leader and high performer across market cycles. Stretch targets for the financial KPIs have been exceeded and performance against non-financial KPIs, which lay the foundations for sustainable success over the long-term, has been similarly strong.

Financial KPIs:

1. Fundraising

How performance is measured

Given the increased guidance to the market in June 2021 of US$40bn to be raised over four years with a minimum of US$7bn in any given year and our exceptional record fundraising in FY22, we increased the targets for our fundraising KPI as follows:

- The threshold target was raised from $6bn to $12.4bn annualised over three years
- The on-target was raised from $8bn to $13.2bn annualised over three years
- The stretch target was raised by ~20% from $11.5bn to $14bn annualised over three years

Performance achieved this year

ICG has exceeded its annualised target of $13.2bn by 9.6%, reaching $14.5bn annualised over three years and $10.3bn intra-year. This exceeds the KPI stretch target by $500mn / 3.6%.

We note that this very strong performance has been achieved against the backdrop of this being the lowest market fundraising year in Europe since 2015, with private equity down 37% year-on-year (source: Preqin/Evercore). The denominator effect, LPs' risk-off considerations in light of macro-economic and geo-political uncertainties, and a high saturation of funds competing for capital are well documented. Amid these challenges, ICG's multi-year strategy and client diversification continues to pay off, with particular success in the US, the Middle East and Asia.

2. Realised Portfolio Returns

How performance is measured

Realised Portfolio Returns measure the realised weighted investment returns in aggregate relative to the weighted average performance hurdle, which differs depending on the underlying investment strategy. As there is no recognised benchmark for the full suite of ICG's investment strategies, the Committee has opted for this measure as a clear expression of performance relative to the targets we agree with our clients for each investment strategy.

Despite the more difficult market context this year, the Committee retained the previous target levels for threshold, target and stretch.

Performance achieved this year

Investment performance, which forms the basis of future fund raising, growth of fee income and therefore FMC profitability, continues to be exceptional, putting ICG in a strong position for continued success. This has been tested and confirmed during this year's fundraising environment, and ICG's success despite the external headwinds is a strong reflection of its investment excellence – this year, Realised Portfolio Returns reached 18.7%.

3. Operating Margin

How performance is measured

Given that ICG's fundraising cycle had always planned for FY23 to be a year during which there would be naturally fewer funds in the market with fees on committed capital and thus lower fee flow; compounded by economic uncertainty, and significant inflation, the Committee adjusted the FY23 FMC Operating Margin KPI thresholds as follows vs FY22:

- Threshold from 47% to 45% (which was still higher than FY21 at 43%);
- On-target from 49% to 47% (which was still higher than FY21 at 45%); and
- Stretch from 51% to 50% (equal to FY21).

We consider these to be highly stretching, both relative to the wider UK market and our global competitors with a similar asset class mix and fee base as well as given the continued need to invest in what remains a high-growth business.

Performance achieved this year

Based on strong fundraising, significant revenue growth and a disciplined approach to cost management, the outperformance target was significantly exceeded with an FMC operating margin of 57.5% . We note that this includes catch-up fees which are not expected to repeat next year to the same extent.

4. Net Gearing

How performance is measured and performance achieved this year

In light of shareholder guidance changing to a gearing target of <1x, the Committee has retained this KPI at <0.75x. The net gearing as at the end of FY23 is 0.50x, demonstrating prudent balance sheet management.

Non-Financial KPIs:

5. Strategic Development

How performance is measured

Key elements of ICG's strategic evolution as a market-leading alternative investment firm include the refinement of our positioning through selective diversification and growth; enhancing our presence in key geographies and distribution channels; and furthering our bench strength in terms of capabilities across all areas of the firm. This year, the Committee has set an additional focus on managing deteriorating market conditions.

Performance achieved this year

ICG has performed very well in upholding fundraising, growing new markets and clients, deploying selectively, exiting transactions very successfully thus enhancing its reputation for delivering for LPs, as well as continuing to future-proof its business infrastructure.

To further enhance our geographical footprint, two new investment teams were recruited in Asia focusing on Infrastructure Equity and Real Estate Equity respectively; the firm's Northern European coverage through establishing presence on the ground in Copenhagen; and, in the US, continuing to drive for growth in investment impact, assets and clients, underlined by the opening of a new, ambitious New York office.

Bench strength continues to be a critical component of strategic planning. Succession planning is very strong, with exceptional progress made on external hires who are settling well into their new roles, as well as, increasingly, internal step-up candidates coming into their own. We have seen particularly strong succession outcomes in the European Corporate team, Strategic Equity, SDP, Real Estate and MCR. Comprehensive talent development programmes are now strongly embedded. Pro-active engagement with external talent continues across all business units, with a view to selectively taking advantage of changing market conditions.

6. Culture, DE&I and Sustainability

How performance is measured

ICG's culture, inclusive environment and commitment to sustainability form the key building blocks of our success. We set stretching targets to cement our position as a DE&I leader within the alternative investment industry and uphold the significant progress made on diversity, including having at least 30% of senior leadership roles held by women; further enhancing an environment in which inclusion thrives through: employee engagement programmes; driving an impactful CSR agenda; and further establishing ICG as a leader in sustainability within our industry and progressing towards our net zero goal.

Performance achieved this year

Culture

ICG is moving to a more inclusive leadership model, away from narrow committee structures and towards somewhat larger, more representative groups sharing a vision, ideas and challenge as well as to create more cultural cohesion amongst senior leaders.

Engagement continues to be strong: our internal communication platform has a high 85% participation rate across the firm; several staff roundtables were held with NEDs to share views with the board; and two engagement pulse surveys were conducted over the year, showing continuously good scores, in particular in terms of Leadership, Inclusion and Recognition.

Opportunities to participate financially in the success of the firm have been very well received: the participation rate for our Sharesave plan is 63% and our fund co-investment programme is open to all permanent employees, with high take-up.

DE&I

ICG was delighted to be ranked #1 globally in Honordex, measuring DE&I efforts, initiatives and outcomes in the Private Equity industry, as well as ranked as a global leader in each sub-category. DE&I reporting, including our Sustainability & People Report, continues to be positively reviewed and the extent of our disclosures has contributed to high external rankings.

Our external visibility on DE&I initiatives continues to increase, positioning the firm as a thought leader across the industry.

In the UK, senior women in global leadership roles currently account for 32% of total, thus continuing to fulfil the goals set under the Women in Finance Charter; and our ethnic diversity outstrips the underlying UK population[1].

Employee networks play an integral part in the success of integrating DE&I fully and deeply in the firm. They are very well supported, visibly showcased and events are numerous and well-attended. This is complemented by a top-down approach which holds leaders at all levels to account culturally, financially and in career terms for their DE&I efforts and outcomes.

Hiring across all business units is approaching balance: women constituted 46% of global new joiners and 52% of new joiners in the UK, where the majority of our corporate functions are based. 33% of new hires in the UK identified as an ethnic minority.

Sustainability

Very strong progress has been made in further cementing ICG's position as a Sustainability leader, and we were delighted to further upscale and enhance the team under excellent leadership.

Progress towards net zero:

15% of relevant investments, by invested capital, and 28% by number, have set Science Based Targets (SBTs) within the first year across all five strategies in scope. There is a strong pipeline of submitted SBTs expected in FY24 as result of the work done this year.

99% of raised capital in scope of Sustainable Finance Disclosure Regulation (SFDR), since March 2021, has been in products that promote environmental and/or social characteristics (Article 8). Additionally, all relevant fund bridge financing, i.e. that for Europe VIII and Real Estate Debt VI, was linked to Sustainability KPIs, leading to a benefit in margin reductions of 5bps and 2bps respectively.

1. Our UK population make-up by the end of FY23 was 66% white, 23% BAME and 11% not specified; whereas the UK population according to ONS 2021 is 81% white, 13.8% Asian and Black, and 5.2% other.

Executive Director Performance continued

Report quality and thought leadership:
ICG's third TCFD report was published and recognised as a leading example by the BVCA & KPMG TCFD guidance for the Private Equity sector. ICG continued to take part in Carbon Disclosure Project Climate Change Assessment, regaining its A- leadership score, and S&P Corporate Sustainability Assessment, increasing its score from 59 to 65 which resulted in ICG's inclusion in the DJSI Europe Index for the first time. Our 2022 Sustainability & People report published to positive reactions, drawing on established sustainability/ESG reporting standards (GRI, SASB).

ICG maintained its leadership role in industry initiatives such as co-chairing the iCI Carbon Footprinting and Private Credit working groups and and joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, which is developing and delivering a risk management and disclosure framework for organisations to report and act on evolving nature-related risks.

Charity
The Committee was especially pleased with the firm's commitment to developing and expanding the support provided by ICG and its staff individually for a range of charities in the countries where the firm operates.

ICG successfully implemented its new charity framework focusing on education for talented, disadvantaged young people as well as on enhancing access to the investment industry for underprivileged groups. These programmes were implemented in partnership with The Access Project and UpReach in the UK, as well as SEO in the UK, France and the US. This was complemented by grass-roots efforts for local charities in local offices, individual donation matching and other ad-hoc donations such as to the Earthquake appeal.

In addition, through its #MillionMeals initiative, ICG provided free meals to individuals and families in need in the UK, continental Europe, the US and Singapore.

More than a third of all staff globally volunteered their time, with commitments ranging from one-off events in foodbanks to year-long, regular tutoring of underprivileged students.

In total, donations of £2.5mn were made to these efforts.

7. Operating Platform and Risk Management

How performance is measured

One of the critical performance indicators for our successful growth is continuously refining our operating platform as a driver for scale and excellence whilst ensuring that we maintain very high standards for our risk management and control environment.

Performance achieved this year

Efficiency and Scalability
To future-proof and scale our operational infrastructure efficiently, ICG has set up a hub in India through an outsourcing provider. First staff members, who will operate as members of our international teams, have joined, supporting a range of corporate functions.

Improvements in fund operations continue, with a particular focus on enhancing client service. This has included establishing a new, dedicated client onboarding function as well as upskilling and consolidating middle office and operations management.

Risk Management
Control functions were further enhanced in line with the firm's growth and complexity, and a Combined Assurance map was implemented to enable an assessment of governance, risk management and control processes provided by ICG's three lines of defence. The Compliance and Risk functions were combined under one leadership, with internal promotions into both the Head of Compliance and Risk and the Head of Risk roles.

No material control breakdowns during FY23 were noted by Risk, Compliance or Internal Audit.

Executive Director remuneration:

In considering the awards to be made to the Executive Directors, the Committee took into account overall performance as a leadership team as well as their individual contributions to the overall performance in relation to the quantitative and qualitative objectives.

Having considered his delivery across the range of KPIs, the Committee made a total variable pay award to Benoît Durteste of £5,850,000, comprising an annual Cash Bonus Award of £1,170,000 and a deferred PLC Equity Award of £4,680,000, reflecting his performance relative to the KPIs and targets set in his dual role as CEO and CIO of the Group.

For Vijay Bharadia, the Committee made a total variable pay award of £1,900,000. This comprises an annual Cash Bonus Award of £570,000 and a deferred PLC Equity Award of £1,330,000. For Antje Hensel-Roth, the Committee determined that an award of £1,425,000 was appropriate, comprising an annual Cash Bonus Award of £427,500 and a deferred PLC Equity Award of £997,500. These were slightly below the strictly formulaic calculation resulting from the performance relative to the KPIs and targets set.

Single total figure of remuneration table (audited)

The following table shows a single total figure of remuneration in respect of qualifying services for the financial year ended 31 March 2023 for each Executive Director who served during the year, together with comparative figures for the previous financial year:

Executive Directors	Salaries £000	Benefits[1] £000	Pension allowance £000	Fixed remuneration £000	Short-term incentives, available as cash[2] £000	Total emoluments £000	Short-term incentives, deferred[3] £000	Total variable remuneration £000	Total remuneration £000	Long-term Incentives[4,5] vested from prior years (legacy awards) £000	Single total figure of remuneration £000
Benoît Durteste											
2023	**410.0**	**14.8**	**45.3**	**470.1**	**1,170.0**	**1,640.1**	**4,680.0**	**5,850.0**	**6,320.1**	**947.5**	**7,267.6**
2022	394.0	23.8	43.8	461.6	1,176.0	1,637.6	4,704.0	5,880.0	6,341.6	1,509.4	7,851.0
Vijay Bharadia											
2023	**520.0**	**16.6**	**45.9**	**582.5**	**570.0**	**1,152.5**	**1,330.0**	**1,900.0**	**2,482.5**	**–**	**2,482.5**
2022	500.0	18.6	44.4	563.0	552.0	1,115.0	1,288.0	1,840.0	2,403.0	–	2,403.0
Antje Hensel-Roth											
2023	**442.0**	**15.8**	**48.8**	**506.6**	**427.5**	**934.1**	**997.5**	**1,425.0**	**1,931.6**	**–**	**1,931.6**
2022	425.0	16.7	47.2	488.9	405.0	893.9	945.0	1,350.0	1,838.9	–	1,838.9

See page 113 for details of payments to NEDs

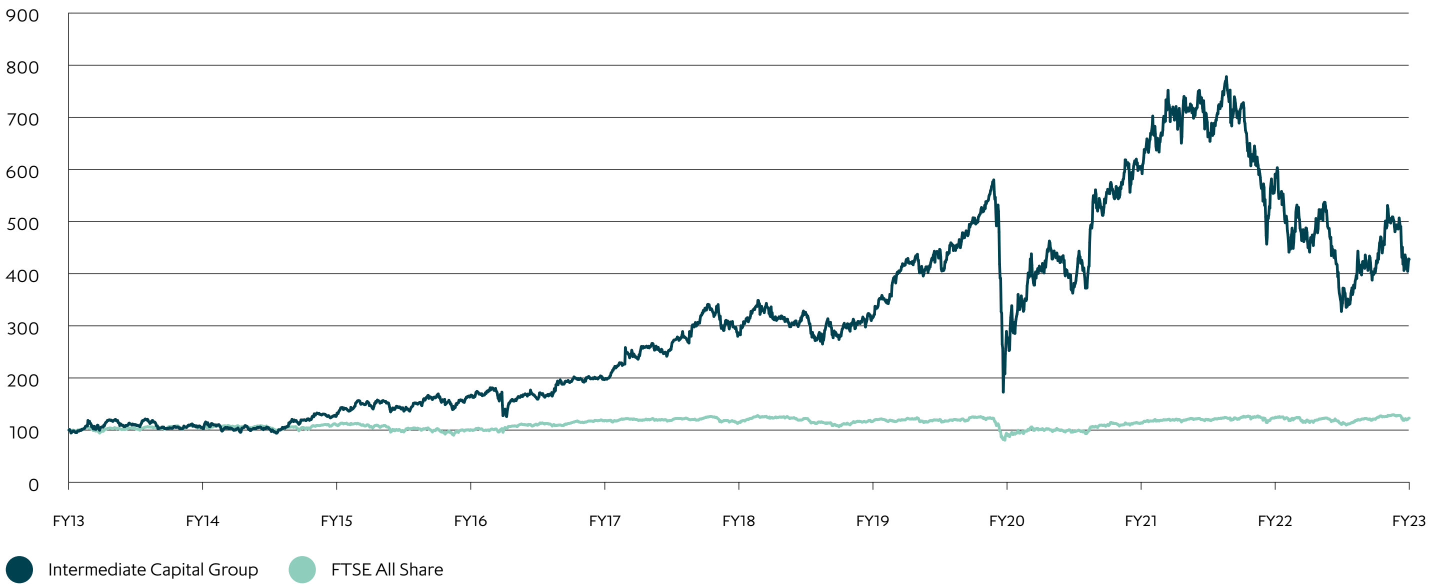
1. Each Executive Director's benefits include medical insurance, life insurance and income protection for the year ended 31 March 2023.
2. This represents the Cash Bonus Award element of the variable remuneration.
3. This represents the ICG PLC Equity Awards made for the year ended 31 March 2023 and deferred over five years vesting in years three, four and five following award.
4. The long-term incentive amounts are legacy award payments received during the year in respect of Deal Vintage Bonus and shadow carry. These awards were made in prior years and are no longer available to Executive Directors. FY12, FY14 and FY17 Deal Vintage Bonus awards were distributed in FY23.
5. Share price movements do not have any impact on the value of long-term incentives vesting during the current year (legacy awards).

Performance graph of Total Shareholder Return (ten years)

The graph below shows a comparison between the Group's total shareholder return performance and the total shareholder return for the FTSE All Share index. The graph compares the value at 31 March 2013 of £100 invested in Intermediate Capital Group plc with the FTSE All Share Index over the subsequent ten years. This index has been chosen to give a comparison with the average returns that shareholders could have received by investing in a range of other UK listed companies.

The TSR for the Company during this period has been 327.3%, compared to 23.0% for the Index.

Total shareholder return



Total remuneration of the Chief Executive Officer

The table below details the total remuneration of the CEO for the past ten years. The amounts are presented on the basis of the Single Total Figure of Remuneration Table (see page 107) and include some deferred compensation awarded in previous years but reported in the year received.

£000	Financial year	Total remuneration	Percentage of maximum opportunity of short-term incentives awarded	Percentage of maximum opportunity of long-term incentives awarded
Benoît Durteste	2023	7,268	97.5%	N/A
	2022	7,851	98%	N/A
	2021	7,530	95%	N/A
	2020	5,886	84%	N/A
	2019	9,526	87%	N/A
	2018[1]	3,412	77%	N/A
Christophe Evain	2018[1]	183	0%	N/A
	2017	6,888	102%	160%
	2016	4,295	76%	98%
	2015	5,103	80%	98%
	2014	4,797	97%	20%

1. The amounts above have been pro-rated to reflect the transition of the CEO role from Christophe Evain to Benoît Durteste on 25 July 2017.

A comparison of the change of pay of the CEO and the other Directors to that of all employees of the Group is shown on page 110.

Relative importance of spend on pay

The table below illustrates the relative importance of spend on pay compared with other disbursements from profit (namely distributions to shareholders) for the financial year under review and the previous financial year.

	Year ended 31 March 2022	Year ended 31 March 2023	Percentage change
Ordinary dividend paid (£m)	165.7	236.4	42.7%
Permanent headcount at year end	525	582	10.9%
Employee costs (£m)	**262.1**	**256.7**	**(2.0)%**

Directors' interests in shares (audited)

The Directors and their connected persons held the following interests in shares of the Company:

		As at 31 March 2023			
Directors	Shares held outright as at 31 March 2022	**Shares held outright as at 31 March 2023**	**Unvested ICG PLC Equity Award/DSA interests**	**Unvested or unexercised SAYE options**	**Shareholding requirement met?**
Benoît Durteste	1,141,580	**1,367,310**	**1,318,526**	**Nil**	**Yes**
Vijay Bharadia	29,744	**39,170**	**237,125**	**Nil**	**Yes**
Antje Hensel-Roth	2,434	**10,071**	**116,881**	**1,468**	**Build-up period**
William Rucker	Nil	**7,000**	**N/A**	**N/A**	**N/A**
Virginia Holmes	10,000	**10,000**	**N/A**	**N/A**	**N/A**
Rosemary Leith	1,705	**1,705**	**N/A**	**N/A**	**N/A**
Matthew Lester	4,863	**4,863**	**N/A**	**N/A**	**N/A**
Rusty Nelligan	150,000	**180,000**	**N/A**	**N/A**	**N/A**
Kathryn Purves	10,737	**20,737**	**N/A**	**N/A**	**N/A**
Amy Schioldager	20,000	**30,000**	**N/A**	**N/A**	**N/A**
Andrew Sykes	15,000	**20,000**	**N/A**	**N/A**	**N/A**
Stephen Welton	60,000	**60,000**	**N/A**	**N/A**	**N/A**

Under the Directors' Remuneration policy, the CEO is required to hold shares amounting to 300% of his annual salary and the other Executive Directors are each required to hold shares amounting to 200% of their annual salary, at the share price prevailing on 31 March 2023 with a build-up period for new Executive Directors. Antje Hensel-Roth is still within this build-up period. There are no set shareholding requirements for NEDs, although all are encouraged to purchase a holding to align themselves with shareholders.

As at 24 May 2023, there were no changes in the Directors' share interests from the figures set out in the tables above.

Total pension entitlements (audited)

No Executive Director had a prospective entitlement to a defined benefit pension by reason of qualifying services.

Executive Directors' co-investment in third-party funds

Fund investors expect the CEO/CIO to co-invest in funds to demonstrate his alignment, and as such he has made significant personal commitments from his own resources to 23 of the Group's closed-end strategies. At times, other Executive Directors may also make co-investments from their own resources to demonstrate alignment.

Carried interest on third-party funds

Certain professionals (including the Executive Directors) are expected to invest in carried interest arrangements under which a portion of the carried interest in respect of certain managed funds is available for allocation to investment professionals. Those investment professionals who participate in such arrangements pay full market value for the interests at the time of acquisition. Carried interest on third-party funds is an investment required by third-party fund clients to drive alignment and is not remuneration for services provided to the Group.

The current standard framework with third-party fund investors, which reflects industry standards in the UK and globally, meant that Executive Director carried interest commitments in the year ended 31 March 2023 have ranged between 10% and 15% per relevant fund. Further details of the funds managed by the Group (including an indication of those funds which have carried interest arrangements required by fund investors) can be found on page 215.

Scheme interests awarded during the financial year (audited)

The following table provides the details of scheme interests awarded to the Executive Directors during the year ended 31 March 2023:

Director	Award	Award date	Face value at grant (£000)	Number of shares awarded
Benoît Durteste	ICG PLC Equity Awards	26 May 2022	4,704.0	329,688
Vijay Bharadia	ICG PLC Equity Awards	26 May 2022	1,288.0	90,271
Antje Hensel-Roth	ICG PLC Equity Awards	26 May 2022	945.0	66,232

On 26 May 2022, ICG PLC Equity awards were granted to Executive Directors who had served in the year ended 31 March 2022 in relation to their performance in that year. 80% of the variable pay awarded to Benoît Durteste and 70% of the variable pay awarded to Vijay Bharadia and Antje Hensel-Roth in respect of that year was granted in the form of ICG PLC Equity. Awards vest in tranches of one third at the end of the third, fourth and fifth years following the year of grant. As awards are made on the basis of PICP generated and performance achieved, there are no further performance conditions. The share price on the date of award of ICG PLC Equity Awards was £14.268. This was the middle market quotation for the five dealing days prior to 26 May 2022.

CEO pay ratio

The table below compares the CEO's single total remuneration figure for FY23 to the remuneration of the Group's UK workforce as at 31 March 2023.

	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	Option A	56:1	34:1	20:1
2022	Option A	66:1	42:1	21:1
2021	Option A	74:1	46:1	24:1

Our ratio is lower than many FTSE companies due to a consistent remuneration approach. The median pay ratio has decreased from 42:1 to 34:1.

Consistent with our calculation methodology in prior years, employee pay is calculated on the basis of the CEO single figure, which is 'Option A' under the reporting requirements. Of the three possible methodologies which companies can adopt (Options A, B or C) we have chosen Option A which we consider the most robust. Option A requires the Group to calculate the pay and benefits of all its UK employees for the relevant financial year in order to identify the total remuneration at the 25th percentile, at the median and at the 75th percentile. Employee pay data are based on full-time equivalent pay for UK employees as at 31 March 2023, in line with the CEO single figure methodology. In calculating these ratios, we have annualised any part-time employees or new joiners to a full-time equivalent (where relevant).

Remuneration for quartile employees	Employee at 25th percentile	Median Employee	Employee at 75th percentile
Salary	75,000	110,000	157,000
Total pay and benefits	129,951	213,185	358,138

Percentage change in remuneration of Directors

The table below details how changes to the Directors' pay compare with the change in the average pay across all employees of the Group. Each figure is a percentage change of the values between the previous financial year and the financial year under review. The total permanent workforce has been selected as the comparator for salaries and fees and short-term incentives. The comparison of the increase in taxable benefits has been made for UK permanent employees only as their remuneration packages are most directly comparable to that of the Chief Executive.

	FY21			FY22			FY23		
Percentage change	Salaries/ fees	Taxable benefits	Short-term incentives	Salaries/ fees	Taxable benefits[1]	Short-term incentives[2]	Salaries/ fees[1]	Taxable benefits[2]	Short-term incentives[3]
Benoît Durteste	0.0%	1.7%	22.9%	0.0%	-9.5%	3.2%	**4.1%**	**20.4%**	**-0.5%**
Vijay Bharadia	0.0%	52.3%	23.0%	0.0%	26.7%	15.0%	**4.0%**	**6.3%**	**3.3%**
Antje Hensel-Roth	N/A	N/A	N/A	0.0%	26.7%	22.7%	**4.0%**	**6.3%**	**5.6%**
William Rucker	N/A	N/A	N/A	N/A	N/A	N/A	**N/A**	**N/A**	**N/A**
Andrew Sykes	0.0%	N/A	N/A	0.0%	N/A	N/A	**119.6%**	**N/A**	**N/A**
Virginia Holmes	0.0%	N/A	N/A	4.1%	N/A	N/A	**5.9%**	**N/A**	**N/A**
Rosemary Leith	N/A	N/A	N/A	N/A	N/A	N/A	**12.7%**	**N/A**	**N/A**
Matthew Lester	N/A	N/A	N/A	N/A	N/A	N/A	**15.2%**	**N/A**	**N/A**
Rusty Nelligan	0.0%	N/A	N/A	4.1%	N/A	N/A	**-4.7%**	**N/A**	**N/A**
Kathryn Purves	0.0%	N/A	N/A	4.1%	N/A	N/A	**18.2%**	**N/A**	**N/A**
Amy Schioldager	0.0%	N/A	N/A	0.0%	N/A	N/A	**2.8%**	**N/A**	**N/A**
Stephen Welton	0.0%	N/A	N/A	0.0%	N/A	N/A	**1.9%**	**N/A**	**N/A**
All employees	1.6%	27.4%	4.1%	4.3%	5.6%	18.8%	**6.5%**	**12.5%**	**3.9%**

1. The year-on-year increase in fees for the NEDs reflects the various movements in roles, in addition to any increase in underlying fee rates. Further details can be found in the Fees paid to NEDs table on page 113.
2. Excludes taxable business expenses for the Directors and all employees. The significant increase in taxable benefits for Benoît Durteste is due to an increase in medical insurance premiums largely as a result of a change in the GBP/EUR conversion of this premium.
3. The increases in short-term incentives for employees arise from demographic changes in the employee population including a number of senior hires over the last couple of years and improved performance. This demographic change means that employees are more likely to receive more substantial short-term incentives compared to a more junior population.

Gender pay

We are required by law to publish data on the following:

- Gender pay gap (mean and median)
- Gender bonus gap (mean and median)
- Proportion of men and women in each quartile of the Group's pay structure
- Proportion of men and women receiving bonuses

The gender pay gap is a UK comparison across the pay of all men and all women regardless of their level or role. This is different from an equal pay gap, an individual measure comparing the pay of a man and a woman in the same or a similar role. The Group has equal pay for equal work regardless of gender.

Both the pay and bonus gaps have decreased marginally during the financial year. The mean pay gap is now 34.4% and the mean bonus gap is 74.3%.

There has been an increase in women in all parts of the Group and promotions as a percentage of the overall population have been marginally higher for women. However, we note that given our relatively small headcount, small year-on-year changes in headcount at senior levels can have a significant impact on our gender pay gap.

We also note that the vast majority of these high-paying awards are highly deferred in the form of DSA, PLC Equity Awards and DVB. Therefore, our year-on-year gender pay gap comparison can change significantly as a function of long-term incentives granted several years ago and only being paid out now. As a result, whilst the underlying make-up of the firm continues to evolve towards greater balance, this is not necessarily reflected in the gender pay gap.

	2019	2020	2021	2022	**2023**
Mean pay gap	28.9%	26.2%	30.9%	35.7%	**34.4%**
Mean bonus gap	78.3%	66.6%	68.8%	77.2%	**74.3%**

The Group is pleased with the overall progress which continues to be made and continues to be committed to addressing our gender balance with a number of initiatives which are now well established. It continues to increase talent diversity and foster a culture of inclusivity:

- ICG was delighted to be ranked #1 globally in Honordex, measuring DE&I efforts, initiatives and outcomes in the Private Equity industry, as well as being ranked as a global leader in each sub-category
- In 2018, the Group committed to the Women in Finance Charter with a goal of having 30% of senior roles in the UK filled by women. Through our extensive work on diversity, we have reached and continue to exceed this target already and are pleased to report that 32% of our UK senior roles are currently filled by women
- Recruitment: improving hiring diversity through extending the reach of our search and selection activities; pressing for balanced candidate short lists for all roles; maximising diversity on our interview panels to moderate bias; continuously developing the interviewing skills of our staff; creating opportunities for returnships for women who had previously taken a break from the industry, especially in investment and client teams
- Development: supporting individuals in their career progression through extensive mentoring and training; as well as holding managers accountable for the development and progression of their teams through dedicated KPIs
- Retention: creating a culture of inclusion driven from both the top down and the bottom up, through formal initiatives and informal networks; continuously developing our market-leading offering in terms of parental benefits, mental and physical wellbeing, and career sustainability

Benchmarking

Remuneration awards are benchmarked against the following peers in the major jurisdictions where the Group operates:

- Listed and unlisted alternative asset managers
- Listed and unlisted asset managers
- Investment banks
- Listed financial service companies
- Other organisations as appropriate for the individual role

The Group carries out an extensive annual exercise to benchmark proposed salaries, bonuses and deferred awards for all employees globally.

Our Executive Directors are benchmarked against equivalent individuals at a range of relevant public and private companies globally. While it is extremely challenging to obtain publicly available data on many private companies, we are able to gain insight into this area by commissioning bespoke research by leading external compensation and recruitment consultants and other independent providers of compensation data.

Due to the unique nature of the Group's business as a UK-listed alternative asset manager, which competes for talent against other alternative asset managers which are not listed in the UK or indeed at all, it is imperative to obtain a wide range of benchmark data.

Hence, while we do consider other UK-listed financial services companies in our benchmarking, they can be a less relevant comparator.

Fees paid to NEDs (audited)

In the financial year under review, NEDs' fees were as follows:

Non Executive Directors	Date appointed	Board membership fees £000	Board and Committee Chair fees £000	Senior Independent Director fee £000	Audit Committee £000	Remuneration Committee £000	Risk Committee £000	Total for year ended 2022 £000	**Total for year ended 2023 £000**
William Rucker[1]	January 2023		63.9					N/A	**63.9**
Andrew Sykes[2]	March 2018	13.1	270.0	2.6	2.4	2.4		132.3	**290.5**
Virginia Holmes	March 2017	76.5	30.0				14.0	113.8	**120.5**
Rusty Nelligan[3]	September 2016	76.5	7.5		10.5		14.0	113.8	**108.5**
Rosemary Leith	February 2021	76.5			9.4	14.0	14.0	101.1	**113.9**
Matthew Lester[3]	April 2021	76.5	22.5		3.5		14.0	101.1	**116.5**
Kathryn Purves[4]	October 2014	76.5	30.0	14.0	14.0			113.8	**134.5**
Amy Schioldager[5]	January 2018	76.5	20.5		14.0		14.0	121.6	**125.0**
Stephen Welton	September 2017	76.5				14.0		88.8	**90.5**

1. The Board Chair does not receive a fee in respect of his membership of the Remuneration Committee. William Rucker joined as Board Chair effective 31 January 2023.
2. Andrew Sykes was appointed as Interim Board Chair effective from 5 March 2022. For the period during which he was Interim Board Chair, Andrew Sykes received the same fee rate as the outgoing Board Chair at the time in lieu of the fees he previously received as a Non-Executive Director and SID. From 31 January 2023 and following the appointment of William Rucker, Andrew returned to his previous role as a Non-Executive and SID and his fees returned to this relevant rate from this date.
3. Matthew Lester became Chair of the Audit Committee on 1 July 2022, at which point Rusty Nelligan stepped down to become a member of the Audit Committee. The fees in the table above reflect this change.
4. Kathryn Purves took on the responsibilities of the SID for the period Andrew Sykes was interim Board Chair, and received the relevant fees for this responsibility. This was effective from 23 March 2022. From 31 January 2023, Kathryn's fees returned to the previous rate.
5. This fee relates to Amy Schioldager's role as Board Director of Employee Engagement.
6. For the year ended 31 March 2023, there were £6.4k of taxable expenses paid to the NEDs.

NEDs do not have contracts of service and are not eligible to join the designated Group pension plan or receive payment for loss of office. All NEDs have a three-month notice period, are re-elected annually and were last re-elected in July 2022.

Payments made to past directors (audited)

The following payments (in excess of £500), in respect of DVB awards made whilst they were Executive Directors, were made in the financial year ended 31 March 2023 to former directors. These are deferred awards for performance in previous years and were retained on leaving service.

Employee	£
Philip Keller	633,671
Christophe Evain	230,250

Statement of implementation of Remuneration Policy in following financial year

The NEDs' fees have been benchmarked against fees of NEDs in comparable companies of similar size and nature. There have been no changes to the Board Chair or NED fees this year.

The salaries for the Executive Directors and fees for the NEDs for the coming year are set out below.

	Annual salaries and fees £000	
Role	Year ended 31 March 2023	**Year ended 31 March 2024**
CEO	410.0	**500.0**
CFOO	520.0	**520.0**
CPEAO	442.0	**467.5**
Board Chair	375.0	**375.0**
Non-Executive Director base fee (other than Board Chair)	76.5	**76.5**
Senior Independent Director	15.5	**15.5**
Remuneration Committee Chair	30.0	**30.0**
Audit Committee Chair	30.0	**30.0**
Risk Committee Chair	30.0	**30.0**
Member of the Audit Committee, Risk Committee or Remuneration Committee	14.0	**14.0**
Board Director for Employee Engagement	20.5	**20.5**

Committee composition is set out on pages 78 to 80 and in the relevant Committee reports on pages 84 to 124.

For the coming year, the AAP will be calculated as described in the Directors' Remuneration Policy. All incentives for qualifying services payable to Executive Directors and other employees of the Group will be funded out of the AAP. The Executive Directors' annual bonus and other incentives will be guided by their achievement of specific objectives.

The Executive Directors' annual variable pay awards will be based on a scorecard of KPIs, with an expected weighting of at least 65% on financial KPIs as for FY24. These KPIs take account of the key business priorities including, for example: fundraising, realised returns on investments and profitability. Part of the variable pay award will be based on strategic and operational KPIs, such as Culture, Diversity and Inclusion and Sustainability.

Statement of voting at Annual General Meeting

The table below sets out the votes cast on the Directors' Remuneration Report at the 2022 Annual General Meeting of the Company and on the Directors' Remuneration Policy when last tabled at the 2020 Annual General Meeting of the Company.

	Votes for	Votes against	Abstentions
Directors' Remuneration Report	96.42%	3.58%	14,014
Remuneration Policy	94.43%	5.57%	242,894

Payments for loss of office (audited)

No payments were made for loss of office in the financial year under review.

Governance of Remuneration

Committee governance

The Committee is authorised by the Board to determine and agree the remuneration of the Board Chair of the Group, the Executive Directors and such other members of the executive management (including all material risk takers).

Roles and responsibilities

The Committee is responsible for:

- Recommending to the Board the Group Remuneration Policy and share incentive schemes to be recommended to shareholders ensuring compliance with applicable laws, regulations and the Group's risk appetite
- Recommending the remuneration terms for any person proposed to join the Board as the Chair or as an Executive Director and, in consultation with the Board Chair, determining the contractual terms of employment of the Executive Directors
- Monitoring the level and structure of remuneration for Executive Directors and certain senior employees taking account of all relevant factors and having regard to views of shareholders and other stakeholders
- Determining targets or KPIs (consistent with the Group's strategy, budget and individuals' personal objectives) for performance-related pay schemes applicable to Executive Directors and determining the outcomes under such schemes
- Determining the remuneration of the Board Chair and, having taken advice from the Board Chair, the Executive Directors
- For all share incentive plans, determining when awards will be made, the aggregate quantum of such awards, the individual awards to certain senior employees and, having taken advice from the Board Chair, the individual awards to Executive Directors
- Making proportionate adjustments to any employee's remuneration for events that have been detrimental to the Group
- Overseeing any payments made on the termination of employment of an Executive Director or certain senior employees
- Approving the aggregate variable pay pool and any Business Growth Pool

Composition

The Committee consists entirely of NEDs. During the year, the members of the Committee were Virginia Holmes (Chair of the Committee), William Rucker, Rosemary Leith, Andrew Sykes and Stephen Welton.

Rosemary Leith (and formerly Kathryn Purves) and Matthew Lester (and formally Rusty Nelligan) are also able to provide relevant feedback to ensure that risk and audit matters are taken into account in determining the remuneration of Directors.

Biographical details can be found on pages 78 to 80

None of the Committee members has any personal financial interests (other than as a shareholder in ICG) which would lead to a conflict of interests or conflicts arising from cross directorships or day-to-day involvement in running the business. The Company therefore complies with the Corporate Governance Code recommendations regarding the composition of the Committee.

The Committee meets at least three times a year and more frequently if necessary. Executive Directors attend the meetings by invitation. The Committee consults the Executive Directors regarding its proposals and also has access to professional advice from outside the Group. The Head of Reward also attends meetings, and the Company Secretary attends as Secretary. No Director is involved in any decisions as to their own remuneration.

A table showing the number of Committee meetings held during the year and the attendance record of individual Directors can be found in the Corporate Governance section (see page 82).

Terms of reference

The Committee's terms of reference are approved and reviewed by the Board on a regular basis, most recently in November 2021.

The terms of reference are available on the Group's website www.icgam.com, or by contacting the Company Secretary.

Effectiveness

The operations of the Committee were reviewed as part of the internal Board evaluation led by the Chairman in March 2022; the Committee was found to be operating effectively. For more details of this exercise, please see page 83.

Advisers to the Committee

During the year, external advice to the Committee was provided by Alvarez and Marsal. Legal advisers (including Allen & Overy and Slaughter & May) have been available to the Committee during the year to 31 March 2023, and PwC and Deloitte are available for advice on certain taxation and other matters. Advisers are selected on the basis of their expertise in the area and with a view to ensuring independence from other advisers to the Group. Therefore, the Committee is confident that independent and objective advice is received from its advisers.

The fees charged for advice to the Committee were £143,444 payable to Alvarez and Marsal. Fees are charged on the basis of time spent.

This Annual Report on Remuneration is approved by the Board and signed on its behalf by

Virginia Holmes
Chair of the Remuneration Committee

24 May 2023

Directors' Remuneration Policy

This section describes the remuneration policy we propose to adopt from the date of the 2023 AGM, subject to shareholder approval at that meeting; it includes a note of the changes to the current policy that has been in operation since the 2020 AGM.

Further explanation of the background to the Policy, and the Committee's extensive consultation with shareholders on proposed changes is provided in the Committee Chair's introductory statement to this Report.

A copy of the previous Directors' Remuneration Policy approved by shareholders at the 2020 AGM is available in the shareholder centre on the ICG website at www.icgam.com.

Annual Award Pool (AAP) and Business Growth Pool (BGP)

A central feature of the Group's overall remuneration policy is the AAP. All incentives awarded across the Group are governed by an overall limit of 30% of Pre-Incentive Cash Profit (PICP) over a five-year period.

This percentage may be exceeded in any single year but must not be exceeded on an average basis over five years. Managing the AAP by reference to a five-year rolling average ensures that variable awards to employees are made in a considered way with a long-term perspective rather than as a reaction to a single year's exceptional performance.

The AAP is funded by PICP, so that:

- Interest income and capital gains are only recognised on a cash basis
- Impairments on investment principal are included
- Fair value movement of derivatives is excluded

The holding period for investments is typically four to eight years and a significant portion of the Group's fund management fees arise from committed closed-end funds and are payable over the life of the fund which can be up to 12 years. This means that the AAP is long-term in nature as it includes realisations from a number of investment vintages. By generating the award pool in this way, we ensure that employees are only rewarded once returns have crystallised.

Allocation of the award pool

The AAP is based on cash profits the Group has already realised from its fund management business and its investments, and it is capped at 30% annualised over a five-year period. The Committee exercises discretion over the actual amount to be awarded in variable compensation each year, based on an assessment of market levels of pay, Group KPIs, and individual performance (subject to the overall cap on the AAP).

In a strong year that has generated high PICP, the Committee may choose not to distribute the full AAP but can instead retain some of it for potential use in future years. In years where PICP is low, the Committee may distribute some of the retained AAP from previous years, if appropriate. The Committee applies a prudent approach to setting the actual size of variable pay pool, within the overall limits described above.

The ongoing appropriateness of the 30% limit for the existing business is kept under review.

Awards to the Executive Directors are funded from this pool, but are subject to specific KPIs, with detailed targets set by the Committee. They are paid as a mix of cash and ICG PLC shares. A significant proportion of the variable pay is made in the form of deferred shares, with at least 70% of the total variable pay for each Executive Director awarded in the form of ICG PLC shares deferred over three, four and five years.

Cash Bonus Awards for the Executive Directors are subject to clawback which applies for two years post award. ICG PLC Equity Awards are subject to both malus until vesting and clawback which applies for two years post-vesting.

Business Growth Pool (BGP)

The BGP, which does not apply to Executive Directors, is capped at 3% of the five-year rolling average PICP and is designed to support the establishment of new investment strategies, commensurate with the overall business strategy. The BGP is used to fund the incentives of relevant teams involved in developing such new strategies, and is ring-fenced and limited in duration to the period when the new investment strategy is being developed. Any awards made from the BGP are overseen by the Committee, and Executive Directors do not participate in any such awards.

Awards falling within the AAP

All cash and share awards are distributed from the AAP. Historically, there have been two different award types to be made over ICG shares: Deferred Share Awards and ICG PLC Equity Awards. We have also introduced a new award type this year, "Growth Incentive Awards", delivered in the form of market value options to a small group of certain eligible employees which are satisfied using shares purchased in the market by our Employee Benefit Trust. Deferred Share Awards and Growth Incentive Awards are not made to Executive Directors.

Certain performance fees (funded by third-party investors) and other fund performance incentives funded by ICG are also included in the overall limits set for the AAP.

Carried interest on third-party funds and similar arrangements in respect of ICG direct investment funds or business acquisitions that do not give rise to a cost or liability to the Group are not remuneration and are outside the AAP.

The following charts show the key elements of our proposed Remuneration Policy to apply for FY24, subject to approval at our 2023 AGM. Full details of the proposed Remuneration Policy are provided in the next section.

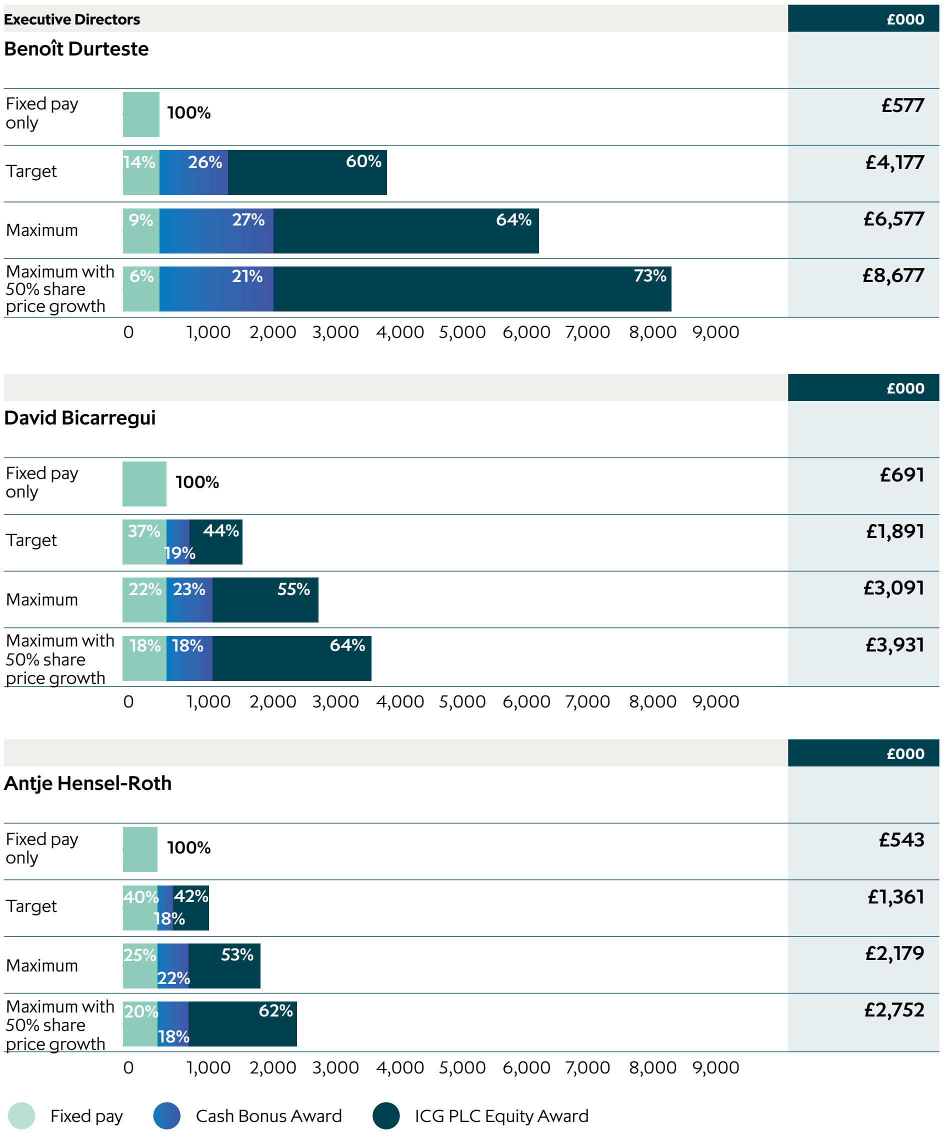


Illustration of application of Directors' Remuneration Policy

The total remuneration which could be awarded to each Executive Director under the proposed remuneration policy to apply from the year ended 31 March 2024 is shown in the charts under three different performance scenarios.

The annual variable award is split between the following elements:

- Cash Bonus Award
- ICG PLC Equity Award

The value of on-target variable remuneration for each Executive Director is based on the level which the Committee has agreed should be receivable to the extent to which the Group achieves its targets.

Following David Bicarregui's proposed appointment as an Executive Director at the AGM in July 2023, we have included the illustration of the application of the Directors' Remuneration Policy on his remuneration in the charts. Should any further Executive Directors be appointed during the period of the next policy, an illustrative chart will be published in the subsequent Annual Report.

It remains possible that remuneration earned over more than one financial year will be disclosed in future years' single figure table for the CEO, emanating from previous awards of Deal Vintage Bonus (DVB), (formerly known as Balance Sheet Carry (BSC)) or Shadow Carry. Since the adoption of the Remuneration Policy in 2017, Executive Directors have not been eligible to participate in these plans.

The charts above incorporate the following assumptions:

Fixed pay – Includes base salary (for the financial year ended 31 March 2024, benefits and a pension allowance of 12.5% for Benoît Durteste, David Bicarregui and Antje Hensel-Roth. The benefits figure is based on the 2023 single figure total for Benoît Durteste (excluding any future grant of SAYE options) and assuming a similar level of coverage for all Executive Directors in future years.

Target – Fixed pay plus the value that would arise from the incentives for achieving on-target performance (with an assumed deferral of 80% for Benoît Durteste and 70% for the other Executive Directors). The Target level of total variable pay for Benoît Durteste is unchanged from the current policy and practice, at £3.6m. The Target total variable pay for David Bicarregui is 2x base salary (or £1.2m) and the Target total variable pay for Antje Hensel-Roth is 1.75x base salary (or £818,125).

Maximum – Fixed pay plus the value that would arise from the incentives for achieving maximum performance with an assumed deferral of 80% for Benoît Durteste and 70% for the other Executive Directors). The Maximum level of total variable pay for Benoît Durteste is unchanged from the current policy and practice, at £6m (this will transition to a multiple of 8x salary from FY26 onwards). The Maximum total variable pay for David Bicarregui is 4x base salary (or £2.4m) and the Maximum total variable pay for Antje Hensel-Roth is 3.5x base salary (or £1,636,250).

Maximum with 50% share price growth – Maximum remuneration increased for the assumption that the share components of the package (ICG PLC Equity Award) increase in value by 50% from the share price at grant.

Directors' Remuneration policy table

The table below outlines each element of the remuneration policy for the Directors of the Company.

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions	Changes from previous Policy
1. Base salary • Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group • Designed to be sufficient to ensure that Executive Directors do not become dependent on their variable remuneration • Reflects local competitive market levels	• Paid monthly • Normally reviewed annually with any changes generally applying from the start of the financial year	• In considering increases, the Committee considers the range of salary increases applying across the Group, and local market levels • Any increase in salary for an Executive Director will not normally exceed the average salary increase across the Group unless there are exceptional reasons such as, but not limited to, a change in the role or responsibilities of the Executive Director	• None	• The salary for the CEO/CIO will be increased in the following three steps: £500k for FY24; £615k for FY25; and £750k for FY26. • The salary for the new CFO has been set at £600k for FY24. • The salary for the CPEAO will be increased in the following two steps: £467.5k for FY24; and £500k for FY25.
2. Benefits • Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group • Reflects local competitive market levels	• Benefits currently receivable by Executive Directors include life assurance, private medical insurance and income protection • Additional benefits (such as relocation assistance) may be offered in line with market practice if considered appropriate by the Committee	• Provision and level of benefits are competitive and appropriate in the context of the local market • The maximum opportunity will depend on the type of benefit and cost of its provision, which will vary according to the market and individual circumstances	• None	• None
3. Pension • Adequate to recruit and retain Executive Directors to deliver the strategic objectives of the Group Purpose and link to strategy	• All Executive Directors are entitled to a pension allowance payable each month at the same time as their salary	• A pension allowance of no more than the level available to the majority of the Group's workforce in the relevant location is provided. The current level for majority of the UK workforce is up to 12.5% of base salary	• None	• The pension for the new CFO will be 12.5% of base salary (i.e. equal to the current level for the majority of the UK workforce).

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions	Changes from previous Policy
4. Total variable pay award • The Total Variable Pay Award is split between Cash Bonus Award (4a) and ICG PLC Equity Award (4b) (see below)	• The total variable pay award consists of the Cash Bonus Award and ICG PLC Equity Award	• An Executive Director's annual variable award is drawn from the AAP which is determined as described on page 111 • Total variable pay awards to Executive Directors are subject to a cap, payable for outstanding performance only. This is £6m for the CEO/ CIO (from FY26 onwards, this will be 8x base salary), 4x base salary for the CFO and 3.5x base salary for the CPEAO. • Target variable awards to Executive Directors are £3.6m for the CEO/ CIO, 2x base salary for the CFO and 1.75x base salary for the CPEAO	• An Executive Director's annual variable award is drawn from the AAP, and so is directly funded by reference to the Group's cash profit for the relevant financial year • Executive Director's annual variable award entitlement is determined by reference to performance against performance objectives, which are derived from the Group's KPIs	• For the CFO and CPEAO, we will from FY24, express the total variable pay maximum as a multiple of base salary rather than a monetary amount.These multiples will be 4x base salary for the CFOO role and 3.5x base for the CPEAO role. • For the CEO, we will retain the current variable pay maximum of £6m for the Policy period FY2024-26, but transition to express this as a multiple of base salary from the start of FY26 once the phased salary increases, described above, have been completed. The planned increases will take the salary to £750k for FY26. The total variable pay maximum for the CEO will be 8x base salary (ie. £6m) for that year. This will then be reviewed for the next Policy.

Directors' Remuneration policy table continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions	Changes from previous Policy
4a. Cash Bonus Award • Rewards achievement of business KPIs, cash profits and employing sound risk and business management	• Awards are made after the end of the financial year • The maximum amount of an Executive Director's Total Variable Pay Award that can be paid as a Cash Bonus Award is 30% • Cash Bonus Awards are subject to clawback which applies for three years post award. Forfeiture of compensation may be triggered by, amongst other things, a misstatement of the accounts, fraud, regulatory breaches and serious breaches of contract	• See details above in relation to the overall annual variable award	• See details above in relation to the overall annual variable award	• See details above in relation to the overall annual variable award

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions	Changes from previous Policy
4b. ICG PLC Equity Award • Rewards achievement of business KPIs, cash profits and employing sound risk and business management • Aligns the interests of Executive Directors with those of shareholders	• Awards are made over shares in the Company after the end of the financial year • At least 70% of an Executive Director's Total Variable Pay Award shall be delivered in ICG PLC Equity • Shares normally vest by one third in each of the third, fourth and fifth years following the year of grant unless the Executive leaves for cause or to join a competitor, in which case the awards lapse. The Committee has discretion to vary the date of vesting if necessary or desirable for regulatory or legislative reasons • In the event of a change in control (other than an internal reorganisation) shares vest in full • Dividend equivalents accrue to participants during the vesting period and are paid at the vesting date • PLC Equity Awards made are subject to both malus, until vesting, and clawback which will apply for up to seven years post grant. Forfeiture of compensation may be triggered by, amongst other things, a misstatement of the accounts, fraud, regulatory breaches and serious breaches of contract	• See details above in relation to the overall annual variable award	• See details above in relation to the overall annual variable award	• See details above in relation to the overall annual variable award
5. Shareholding requirement • To align the interests of the Group's Executive Directors with those of shareholders. • To further enhance long-term alignment with shareholders, a post-cessation shareholding requirement has been introduced	• Executive Directors are required to build ownership of a number of ordinary shares in the Group, normally over five years from appointment, with a market value equal to a multiple of the Director's annual base salary. This multiple is three times for the CEO and two times for the other Executive Directors • Executive Directors are normally required to maintain this level (or the level so far accrued at cessation, if lower) of holding for two years after they cease to be employed	• N/A	• N/A	• None

Directors' Remuneration policy table continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions	Changes from previous Policy
6. The Intermediate Capital Group PLC SAYE Plan 2014 • Provides an opportunity for all employees to participate in the success of the Group	• All UK employees are offered the opportunity to save a regular amount each month over 36 months and may receive an uplift at the end of the saving contract (subject to HMRC legislation) • At maturity, employees can exercise their option to acquire and purchase shares in ICG PLC at the discounted price set at the award date or receive the accumulated cash	• Employees may save the maximum permitted by legislation each month	• The Plan is not subject to any performance conditions, as this is not permitted by the relevant legislation	• N/A
7. Fees paid to Non Executive Directors • To facilitate the recruitment of Non Executive Directors who will oversee the development of strategy and monitor the Executive Directors' stewardship of the business	• Fees are payable to Non Executive Directors for their services in positions upon the Board and various Committees • Fees for the Board Chair are determined and reviewed annually by the Committee and fees for Non Executive Directors are determined by the Board Chair and the Executive Directors • The Committee refers to objective research on up-to-date, relevant benchmark information for similar companies • Non Executive Directors are reimbursed for expenses, such as travel and subsistence costs, incurred in connection with their duties. Any tax costs associated with these benefits are paid by the Group	• Non Executive Directors cannot participate in any of the Group's variable pay plans or share schemes and are not eligible to join the designated Group pension plan • Fees are set and reviewed in line with market rates. Supllementary fees may be paid to reflect additional time commitments required of Non Executive Directors. Aggregate annual fees do not exceed the limit set out in the Articles of Association • Any benefits receivable by Non Executive Directors will be in line with market practice	• None of the Non Executive Directors' remuneration is subject to performance conditions	• N/A

Performance measures and targets

The AAP is determined based on the Group's financial performance. The Group's PICP provides a link between income generation for shareholders and employee compensation (see page 101).

Once the AAP has been calculated, it is then allocated based on business performance and an individual's performance as determined by the annual appraisal process.

Executive Directors have performance objectives set and KPIs are set by the Committee. Details of these KPIs are set out on page 103. Further management information is provided to the Committee on performance to ensure that financial results are put into the context of wider performance factors, compliance and risk appetite.

Co-investment and carried interest in third-party funds

Executive Directors and investment professionals in the Group may be required to invest in third-party funds through co-investment and carried interest. Where this applies, the relevant employee pays full market value for these interests at the time of acquisition, and takes the investment risk. These are personal investments that are expected by third-party fund clients, to drive financial alignment with third-party fund performance, rather than remuneration provided by ICG for services to the Group.

Committee discretion

The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation of the Policy. These include, but are not limited to, the following:

- the timing of awards or payments
- the size of awards (within the limits set out in the Policy table)
- the choice of weighting and assessment of performance metrics
- in exceptional circumstances, determining that a share-based award shall be settled (in full or in part) in cash
- the treatment of awards in the event of a change of control or restructuring
- determination of good leaver status, and treatment of awards for such leavers
- whether, and to what extent, malus and/or clawback should apply
- adjustments required in exceptional circumstances such as rights issues, corporate restructuring, or special dividends
- adjustments to performance criteria where there are exceptional events
- the size of annual salary increases, subject to the principles set out in the Policy table. In exceptional circumstances, the Committee may apply salary increases that are different from those set out in the table.

Service contracts and policy on payments for loss of office

Executive Directors

The Group's policy is for Executive Directors to have ongoing contracts which are deemed appropriate for the nature of the Group's business. Service contracts are held, and are available for inspection, at the Group's registered office. The details of the service contracts for Executive Directors serving during the year and the treatment of deferred share awards to Executive Directors are shown below.

Executive Director	Date of service contract	Last re-elected	Re-election frequency	Notice period	Non-compete provisions	Compensation on termination by the Company without notice or cause
Benoît Durteste	21 May 2012	July 2022	Annual	12 months	Restraint period of 12 months	The salary for any unexpired period of notice plus the cost to the Group (excluding National Insurance contributions) of providing insurance benefits for the same period. The Group may also make payments, where necessary, to mitigate any potential claims, and to compensate for legal fees or outplacement costs incurred
Vijay Bharadia	20 May 2019	July 2022	Annual	12 months	Restraint period of 9 months	
Antje Hensel-Roth	16 April 2020	July 2022	Annual	12 months	Restraint period of 9 months	

Deferred share award	Status	Death, disability, long-term ill health	Redundancy	Cause or competing	Any other reason
PLC Equity Award	Unvested	Retain with early vesting	Retain	Forfeit, subject to discretion	Retain, subject to discretion
Deferred Share Award	Unvested	Retain with early vesting	Retain	Forfeit, subject to discretion	Retain, subject to discretion

Exercise of discretion

The discretion available to the Committee under the variable pay plans is intended to provide the Committee with flexibility to deal fairly with every eventuality. In exercising its discretion, the Committee will take into account the circumstances in which the individual has left the Group, their performance and the impact that this has had on the Group's overall performance. The Committee reserves discretion to make a variable pay award to an Executive Director in respect of the final year of service, taking into account the circumstances of the individual's termination of office, the portion of the year served, and performance for the financial year concerned.

Approach to recruitment remuneration

The Group operates in a highly specialised and competitive market, and hence competition for talent is intense. The Committee's approach to recruitment remuneration is to pay what is appropriate to attract candidates to a role.

New Executive Directors are offered a remuneration package similar to that of existing employees in the same role. All Executive Directors are offered an appropriate annual salary, benefits and pension allowance and all participate in the Annual Award Pool and are subject to an overall cap on variable reward.

However, it may be necessary to offer a new Executive Director a remuneration package that differs from that currently provided to the Executive Directors in order to attract the best recruit. This could include a higher base salary and relocation and/or housing benefits and higher total variable pay, but not more than the CEO/CIO base salary multiple level set out in the policy table, unless there are exceptional circumstances.

Replacement of forfeited compensation such as deferred bonuses and long-term incentives is permitted.

This is subject to, as far as possible, the timing, delivery mechanism (i.e. shares or cash) and amounts paid out being set to reflect any former arrangement.

As far as possible, the value of any replacement awards will reflect the expected value of the forfeited awards.

In the event of an internal promotion to the Board, the Committee reserves the right to allow any pre-existing awards or arrangements to be retained until their normal maturity date, notwithstanding that these may not be consistent with the approved policy.

Statement of consideration of shareholder views

The Committee is responsible for the overall remuneration policy for all the Group's employees and ensures that the remuneration arrangements should take into account the long-term interests of shareholders, clients and other stakeholders.

The Group recognises the importance of communication with its shareholders, particularly through interim and annual reports and the AGM.

The CEO, CFOO and the Chairmen of the Board and each of its Committees will be available to answer shareholders' questions at the AGM. The CEO and the CFOO meet institutional shareholders on a regular basis, and the Board Chair periodically contacts the Group's major shareholders and offers to meet with them. The Board is kept fully informed of the views and concerns of the major shareholders and relevant NEDs attend meetings with major shareholders and shareholder advisory groups when requested to do so.

Statement of consideration of employment conditions elsewhere in the Group and employee views

The Committee considers the employment conditions and the remuneration structures in place for all employees of the Group when setting the Directors' Remuneration Policy.

The Committee also reviews the remuneration arrangements of senior investment and marketing employees and senior management and control function employees and oversees the remuneration structure and market positioning for other roles. The overall and average salary increase across the Group is approved by the Committee each year. The Board has established a process which is used to seek the opinions of employees when setting the Directors' Remuneration Policy by seeking feedback through a designated NED.

In addition employees' views are represented at Committee meetings through the Chief People and External Affairs Officer, who is also an Executive Director, and the Head of Reward.

Directors' Report

The Directors present their Annual Report and the audited financial statements for the financial year ended 31 March 2023. The risks to which the Group is subject, and the policies in respect of such risks, are set out on pages 66 to 72 and are incorporated into this report by reference. The Corporate Governance section set out on pages 75 to 124 is incorporated into this report by reference. The Strategic Report section set out on pages 2 to 74 is also incorporated by reference.

Throughout the financial year ended 31 March 2023 the Group was in compliance with the provisions of the 2018 UK Corporate Governance Code issued by the Financial Reporting Council. A copy of the Code (the Code) is available on the Financial Reporting Council's website: www.frc.org.uk. The Governance section of this report (page 75) sets out how we have applied the Code's principles and provisions throughout the year.

Significant shareholdings

As at 19 May 2023 the Company had been notified or otherwise become aware of the following interests pursuant to the Disclosure Rules and the Transparency Rules representing 3% or more of the issued share capital of the Company.

Institution	Number of shares	Percentage of voting rights
BlackRock Inc	24,777,479	8.41%
Aviva Investors	20,074,565	6.82%
abrdn Plc	13,917,347	4.73%
The Vanguard Group Inc	13,156,962	4.47%
Ameriprise/Threadneedle	11,758,785	4.00%
Franklin Resources Inc	11,747,190	3.99%
J.P. Morgan Asset Management	9,978,802	3.39%
Legal & General Investment Management	9,695,973	3.29%

Directors

The profiles of the Directors currently serving are shown on pages 78 to 80; those details are incorporated into this report by reference. All of the Directors served throughout the year. Kathryn Purves also served on the Board until 1 April 2023.

The composition of each of the Committees of the Board and the Chair of each Committee are detailed in the report of each Committee, found on pages 84 to 124.

Directors' interests

The interests of Directors who held office at 31 March 2023 and their connected persons, as defined by the Companies Act 2006, are disclosed in the report of the Remuneration Committee on page 109.

During the financial year ended 31 March 2023, the Directors had no options over or other interests in the shares of any subsidiary company.

The roles of the Chairman and Chief Executive

In accordance with the Code, the Board has adopted a formal division of responsibilities between the Chairman and the CEO, so as to establish a clear division of responsibilities between the running of the Board and the executive responsibility for the running of the Company's business.

The Chairman, William Rucker, was considered independent at the date of his appointment as Chairman.

The Board has delegated the following responsibilities to the Executive Directors:

- The development and recommendation of strategic plans for consideration by the Board
- Delivery of objectives and priorities determined by the Board
- Implementation of the strategies and policies of the Group as determined by the Board
- Monitoring of operating and financial results against plans and budgets
- Monitoring the quality of the investment process
- Developing and maintaining risk management systems

Disclosure documents

The terms of reference of each of the Board Committees, together with the Directors' service agreements, the terms and conditions of appointment of NEDs and Directors' deeds of indemnity, are available for inspection at the Company's registered office during normal business hours.

Committee proceedings

Each Committee has access to such external advice as it may consider appropriate. The terms of reference of each Committee are considered regularly by the respective Committee and referred to the Board for approval.

Delegation to Executive Directors

The Company has three Executive Directors, each of whom has a specific area of responsibility.

Benoît Durteste is Chief Executive Officer and, in addition to his strategic and operational remit, oversees the Group's Investment Committees in his role as the Chief Investment Officer.

Vijay Bharadia is Chief Financial and Operating Officer and is responsible for compliance, finance, treasury, tax, investor relations, legal, operations and IT, and risk. Vijay's responsibilities will pass to David Bicarregui when Vijay steps down in July 2023.

Antje Hensel-Roth is Chief People and External Affairs Officer and is responsible for human resources, communications and external affairs.

Board process

Each Board member receives a comprehensive Board pack at least five days prior to each meeting which incorporates a formal agenda together with supporting papers for items to be discussed at the meeting. Further information is obtained by the Board from the Executive Directors and other relevant members of senior management, as the Board, particularly its NEDs, consider appropriate.

A similar process is followed for each Committee.

Advice for Directors

All Directors have access to the advice and services of the Company Secretary and the Secretaries to each of the Committees on which they serve and may take independent professional advice at the Group's expense in the furtherance of their duties. The appointment or removal of the Company Secretary would be a matter for the Board.

Meetings with the Chairman

Time is allocated at the end of each Board meeting for the NEDs to hold meetings in the absence of Executive Directors. As appropriate (and at least once per year), the NEDs will also hold sessions in the absence of the Chairman.

In accordance with the Code, any shareholder concerns not resolved through the usual mechanisms for investor communication can be conveyed to the Senior Independent Director (SID). The SID acts as a sounding board for the Chairman and also leads the annual appraisal of the Chairman.

Directors' indemnity

The Group has entered into standard contractual indemnities with each of the Directors. The Group also provides Directors' and Officers' insurance for the Directors.

Conflicts of interest

Directors have a statutory duty to avoid conflicts of interest with the Group. The Company's Articles of Association allow the Directors to authorise conflicts of interest and the Board has adopted a policy and effective procedures for managing and, where appropriate, approving potential conflicts of interest. No material conflicts of interest exist.

Internal control

The Board has overall responsibility for the Group's internal control system and monitoring of risk management, the effectiveness of which is reviewed at least annually. Internal controls include giving reasonable, but not absolute, assurance that assets are safeguarded, transactions are authorised and recorded properly, and that material errors and irregularities are prevented or detected within a timely period.

Through the regular meetings of the Board and the schedule of matters reserved to the Board or its duly authorised Committees, the Board aims to maintain full and effective control over appropriate strategic, financial, operational and compliance issues. For further details of the Group's Committees, please see pages 84 to 124 and for further details of the Board, page 78.

The Board has put in place an organisational structure with clearly defined lines of responsibility and delegation of authority.

The Board annually considers and approves a strategic plan and budget. In addition, there are established procedures and processes in place for the making and monitoring of investments and the planning and controlling of expenditure.

The Board also receives regular reports from Executive Directors and other members of senior management on the Group's operational and financial performance, measured against the annual budget, as well as regulatory and compliance matters. For further details of the Group's Executive Directors, please see page 125.

The Group has in place arrangements whereby individuals may raise matters of concern in confidence about possible improprieties in matters of financial reporting or other matters.

The rationale for the system of internal control is to maximise effectiveness for the commercial management of the business and to provide the Board with regular and effective reporting on the identified significant risk factors. The Board is responsible for determining strategies and policies for risk control, and management is responsible for implementing such strategies and policies.

The Board confirms that an ongoing process for identifying, evaluating and managing the Group's significant risks has operated throughout the year and up to the date of the approval of the Directors' Report and financial statements. For further details of the risks relating to the Group, please see page 66 and the report of the Risk Committee on page 90.

Going concern statement

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 2 to 74. The financial position of the Group, its cashflows, liquidity position, and borrowing facilities are described in the Finance and Operating Review on page 54. In addition, the Directors have taken account of the Group's risk management process described on page 66. The Directors have made an assessment of going concern, taking into account both the Group's current performance and the Group's outlook, using the information available up to the date of issue of these financial statements.

The Group has good visibility on future management fees due to the long-term nature of our funds, underpinned by a strong and well capitalised balance sheet. At 31 March 2023, liquidity, which consists of unencumbered cash and undrawn debt facilities, was £1.1bn (31 March 2022: £1.3bn). This financial position and liquidity profile provide confidence that the Group has sufficient financial resources for the foreseeable future. As a consequence, the Directors believe that the Company and the Group are well positioned to manage its and their businesses and liabilities as they fall due.

The Directors have acknowledged their responsibilities in relation to the financial statements for the year to 31 March 2023. After making the assessment of going concern, the Directors have concluded that the preparation of the financial statements on a going concern basis to 30 November 2024, a 18 month from the date of signing of the financial statements, continues to be appropriate.

Forward-looking statements

This Annual Report includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking expressions, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or similar expressions, or by discussions of strategy, plans, objectives, goals, future events or intentions.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Annual Report and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Directors, the Company and the Group concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group's operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Annual Report. In addition, even if the results of operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Annual Report, those results or developments may not be indicative of results or developments in subsequent periods. Many of these factors are beyond the control of the Directors, the Company and the Group. Should one or more of these risks or uncertainties materialise, or should underlying assumptions on which the forward-looking statements are based prove incorrect, actual results may vary materially from those described in this Annual Report. Except to the extent required by laws and regulations, the Directors, the Company and the Group do not intend, and do not assume any obligation, to update any forward-looking statements set out in this Annual Report.

Change of control agreements

There are no significant agreements to which the Group is a party that take effect, alter or terminate upon a change of control of the Group, other than:

1. The Private Placement arrangements of $64m dated 8 May 2013, $80m and €44m dated 11 May 2015, $167m and €52m dated 29 September 2016, and $225m dated 26 March 2019 and $125m and €44m dated 24 April 2019, where a change of control of the Company gives rise to a prepayment offer, whereby the Company must make an offer to all holders of the Private Placement notes to prepay the entire unpaid principal amount of the Private Placement notes, together with accrued interest thereon.
2. The £550m committed syndicated Revolving Credit Facility agreement entered into on 22 January 2021 contains a change of control provision which provides, upon the occurrence of a change of control of the Company, for a 30-day negotiation period with the syndicate lenders to agree terms and conditions which are acceptable to syndicate lenders and the Company for continuing the facilities. If, at the end of the negotiation period, no such agreement is reached, the facilities agreement gives each lender the right, but not the obligation, upon applicable notice, to cancel their commitments under the facilities agreement and declare their participation in the loans then outstanding repayable immediately, together with accrued interest and all other amounts payable thereon.
3. The employee share schemes, details of which can be found in the report of the Remuneration Committee on note 25, and the SAYE Plan 2004, become exercisable for a limited period following a change of control. Awards and options under the Omnibus Plan and the BSC Plan vest immediately on a change of control.

4. Carried interest arrangements in respect of a number of funds vest fully in favour of the Company and certain of the Group's employees following a change of control event.

There are no agreements between the Group and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid apart from those described above and the usual payment in lieu of notice.

Information included in the Strategic Report

In accordance with section 414 C (11) of the Companies Act 2006, the following information otherwise required to be set out in the Directors' Report has been included in the Strategic Report: risk management objectives and policies (page 66); engagement with employees (page 22) and engagement with suppliers and other stakeholders (pages 22).

Dividend

The Directors recommend a final net ordinary dividend payment in respect of the ordinary shares of the Company at a rate of 52.2 pence per share (2022: 57.3 pence per share), which when added to the interim net dividend of 25.3 pence per share (2022: 18.7 pence per share) gives a total net dividend for the year of 77.5 pence per share (2022: 76.0 pence per share). The recommendation is subject to the approval of shareholders at the Company's AGM in July 2023.

The amount of ordinary dividend paid in the year was £236.4m (2022: £165.7m).

Distributable reserves

The distributable reserves of the Parent Company at 31 March 2023 were £448.5m (£564.6m at 31 March 2022).

Political contributions

No contributions were made during the current and prior year for political purposes.

Greenhouse gas emissions

All disclosures required by the SECR requirements set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 have been complied with and are detailed on page 50 which forms part of the Directors' Report disclosures.

Research and development activities

Details of the research and development activities undertaken are set out in note 17.

Disclosures required under Listing Rule 9.8.4

The Group's Employee Benefit Trust (EBT) has lodged standing instructions to waive dividends on shares held by it. Dividend waivers have also been issued for shares held as treasury shares. The total amount of dividends waived during the year ended 31 March 2023 was £6.6m.

Other than this, there are no disclosures required to be made under UK Listing Rule 9.8.4.

Compliance with Listing Rule 9.8.6R

The Group has complied with the requirements of LR 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures.

Disclosures can be found on the following pages:

Pillar	Disclosure	Page
Governance	a. Describe the Board's oversight of climate-related risks and opportunities b. Describe management's role in assessing and managing climate-related risks and opportunities	31
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning climate-related risks c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	34
Risk management	a. Describe the organisation's processes for identifying and assessing climate-related risks b. Describe the organisation's processes for managing climate-related risks c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	39
Metrics and targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	43

Read more on our TCFD disclosures on pages 30 to 52

Non-UK branches

A subsidiary of the Company, Intermediate Capital Managers Limited, operates a branch in France.

Auditor

EY were the auditor for the financial year ended 31 March 2023. A resolution for the appointment of EY as the auditor was passed at the AGM held on 21 July 2022. Details of auditor's remuneration for audit and non-audit work are disclosed in note 12 to the accounts.

Further details are set out in the Audit Committee report on page 84

Complex supplier arrangements

The Group does not use supplier financing arrangements.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware
- The Director has taken all reasonable steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to ensure that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Post balance sheet events

Material events since the balance sheet date are described in note 34 and form part of the Directors' Report disclosures.

Approach to discrimination and consideration of disabled employees

The Group is committed to creating an environment where all its employees are treated with dignity and respect at work and which is free from discrimination, victimisation, harassment and bullying. Such conduct is harmful to our employees and our business and we seek to address any form of discrimination, victimisation, harassment or bullying where it occurs in the workplace. All our employees and other third parties working for or with us, without exception, have a duty to comply with our policies to ensure that their colleagues are treated with dignity and respect and wherever possible to prevent discrimination, victimisation, harassment or bullying.

We aim to:

- ensure that all job applicants are treated fairly and judged on criteria relevant to a vacant position
- ensure that all employees are treated in a fair and equitable manner which allows each individual to reach their full potential
- ensure that decisions on recruitment, selection, training, promotion, career management, transfer, terms and conditions of employment and every other aspect of employment are based solely on objective and job-related criteria
- provide the Group with a workforce of the highest ability which reflects the population as a whole
- avoid any type of unlawful discrimination
- ensure all managers actively promote equal opportunities within the Group

We strongly disapprove of and will not tolerate unlawful discrimination, victimisation, harassment, bullying or any other inappropriate behaviour towards our employees by managers, other employees or any third party such as clients, suppliers, visitors, consultants or contractors. All our employees and third parties working for or with the Group are required to make sure they treat everyone fairly and without bias.

The Group treats applicants and employees with disabilities fairly and provides facilities, equipment and training to assist disabled employees to do their jobs. Arrangements are made as necessary to ensure support to job applicants who happen to be disabled and who respond to requests to inform the Group of any requirements.

Should an employee become disabled during their employment, efforts would be made to retain them in their current employment or to explore the opportunities for their retraining or redeployment within the Group.

Financial support is also provided by the Group to support disabled employees who are unable to work, as appropriate to local market conditions.

Diversity policy

The Group has adopted a Group Diversity policy, as can be found on the Group's website, www.icgam.com.

ICG as a group is committed to promoting equality and diversity as well as a culture that actively values differences and recognises that people from different backgrounds and experiences can bring valuable insights to the workplace and enhance the way we work. ICG expects its people to treat each other with dignity and respect, creating an inclusive culture to support equal opportunities.

ICG's firm principle is that each member of its Board and each Committee must have the skills, experience, knowledge and overall suitability that will enable each Director to contribute individually, and as part of the board team, to the effectiveness of the body on which they sit. Subject to that overriding principle, ICG believes that diversity of experience and approach, including background, gender, age and geographic provenance amongst board members is of great value when considering overall board balance in making new appointments to the boards. ICG's priority is to ensure that the board continues to have strong leadership and the right mix of skills to deliver the business strategy. Within this context, the composition of the Board and its Committees will necessarily vary from time to time. Currently 36% of the Board are women, which is a reduction from 42% in FY22 as a result of Kathryn Purves stepping down as a NED in March 2023 after over eight years of service. Her succession is currently being considered.

ICG was pleased to achieve its UK Women in Finance Charter commitment two years early in FY22. In FY23, the Group continues to exceed its commitment and currently 32% of senior employees with global leadership roles in the UK are women. ICG continues to make progress internally through recruitment, development and retention strategies, as well as externally through partnering with other organisations to help make successful and fulfilling careers in the investment industry accessible to a wide range of people irrespective of their ethnicity, gender, sexual orientation or socio-economic background.

Acquisition of shares by EBT

Acquisitions of shares by the ICG Employee Benefit Trust 2015 purchased during the year are as described in note 24 to the financial statements.

Share capital and rights attaching to the Company's shares

As at 31 March 2023 the issued share capital of the Company was 294,332,182 ordinary shares of 26¼p each (including 3,733,333 shares held by the Company as treasury shares).

Certain key matters regarding the Company's share capital are noted below:

- Under the Company's Articles of Association, any share in the Company may be issued with such rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise as the Company may from time to time by ordinary resolution determine or, in the absence of any such determination, as the Board may determine. All shares currently in issue are ordinary shares of 26¼p each carrying equal rights. The Articles of Association of the Company cannot be amended without shareholder approval
- At a General Meeting of the Company every member present in person or by a duly appointed proxy has one vote on a show of hands and on a poll one vote for each share held
- The ICG Employee Benefit Trust 2015 holds shares which may be used to satisfy options and awards granted under the Company's employee share schemes including its long-term incentive plans. The voting rights of these shares are exercisable by the trustees in accordance with their fiduciary duties
- The notice of any general meeting specifies deadlines for exercising voting rights either by proxy or present in person in relation to resolutions to be passed at a general meeting
- No shareholder is, unless the Board decides otherwise, entitled to attend or vote either personally or by proxy at a general meeting or to exercise any other right conferred by being a shareholder if:
  - They or any person with an interest in shares have been sent a notice under section 793 of the Companies Act 2006 (section 793 notice) (which confers upon public companies the power to require information with respect to interests in their voting shares)
  - They or any interested person have failed to supply the Company with the information requested within 14 days where the shares subject to the notice (the 'default shares') represent at least 0.25% of their class or in any other case 28 days after delivery of the notice. Where the default shares represent 0.25% of their class, unless the Board decides otherwise, no dividend is payable in respect of those default shares and no transfer of any default shares shall be registered. These restrictions end seven days after receipt by the Company of a notice of an approved transfer of the shares or all the information required by the relevant section 793 notice, whichever is the earlier
- The Directors may refuse to register any transfer of any share which is not a fully paid share, although such discretion may not be exercised in a way which the Financial Conduct Authority regards as preventing dealings in the shares of the relevant class or classes from taking place on an open and proper basis. The Directors may likewise refuse to register any transfer of a share in favour of more than four persons jointly
- The Company is not aware of any other restrictions on the transfer of ordinary shares in the Company other than:
  - Certain restrictions that may from time to time be imposed by laws and regulations (for example, insider trading laws or the UK Takeover Code)
  - Pursuant to the Listing Rules of the Financial Conduct Authority whereby certain employees of the Company require approval of the Company to deal in the Company's shares

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or voting rights.

At the 2022 AGM the Directors were given the power to allot shares and grant rights to subscribe for, or convert any security into, shares: up to an aggregate nominal amount of £25,423,341 and, in the case of a fully pre-emptive rights issue only, up to a total amount of £50,846,682.

A resolution will be proposed to renew the Company's authority to allot further new shares at the forthcoming AGM. In accordance with applicable institutional guidelines, the proposed new authority will allow the Directors to allot ordinary shares equal to an amount of up to one third of the Company's issued ordinary share capital as at 24 May 2023 plus, in the case of a fully pre-emptive rights issue only, a further amount of up to an additional one third of the Company's issued share capital as at 24 May 2023. The authority for Directors to allot the Company's shares is renewed annually and approval will be sought at the forthcoming AGM for its renewal.

The Directors' authority to effect purchases of the Company's shares on the Company's behalf is conferred by resolution of shareholders. At the 2022 AGM the Company was granted authority to purchase its own shares up to an aggregate value of approximately 10% of the issued ordinary share capital of the Company as at 19 May 2022.

During the year no shares were bought back. The authority to effect purchases of the Company's shares is renewed annually and approval will be sought at the forthcoming AGM for its renewal.

Powers of Directors

Subject to its Articles of Association and relevant statutory law and to such direction as may be given by the Company by special resolution, the business of the Company is managed by the Board, who may exercise all powers of the Company whether relating to the management of the business or not.

The Company's Articles of Association give power to the Board to appoint Directors. The Articles also require any Directors appointed by the Board to submit themselves for election at the first AGM following their appointment and for one third of the Company's Directors to retire by rotation at each AGM. Directors may resign or be removed by an ordinary resolution of shareholders. Notwithstanding the above, the Company has elected, in accordance with the UK Corporate Governance Code, to have all Directors reappointed on an annual basis (other than any who have decided to retire at the relevant AGM).

All Directors are standing for re-election at the upcoming AGM on 21 July 2023, the Chairman is satisfied that, following the conclusion of the Board evaluation described on page 83, each of the other Directors continues to be effective and demonstrates commitment to their role. In the case of the Chairman, the NEDs are satisfied that he continues to be effective and demonstrates commitment to his role.

Results of resolutions proposed at 2022 Annual General Meeting

Resolution	Votes for	Votes against	Votes withheld
1. To receive the Company's financial statements and reports of the Directors of the Company (the "Directors") and of the auditor for the financial year ended 31 March 2022.	**229,841,357**	**774**	**1,705,519**
2. To approve the Directors' Remuneration Report as set out on pages 98 to 109 of the annual report and accounts for the financial year ended 31 March 2022 (the "Annual Report and Accounts").	**223,244,545**	**8,289,091**	**14,014**
3. To re-appoint Ernst & Young LLP as auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next general meeting of the Company at which accounts are laid.	**230,085,269**	**1,414,285**	**48,362**
4. To authorise the Audit Committee, for and on behalf of the Board, to determine the remuneration of the auditors.	**231,459,946**	**44,253**	**43,717**
5. To declare a Final Dividend of 57.3 pence per ordinary share for the financial year ended 31 March 2022.	**231,503,584**	**774**	**43,558**
6. To reappoint Vijay Bharadia as a Director of the Company.	**230,611,056**	**934,263**	**2,597**
7. To reappoint Benoît Durteste as a Director of the Company.	**231,257,022**	**288,297**	**2,597**
8. To reappoint Virginia Holmes as a Director of the Company.	**225,146,513**	**6,355,868**	**45,535**
9. To reappoint Michael Nelligan as a Director of the Company.	**231,397,257**	**148,062**	**2,597**
10. To reappoint Kathryn Purves as a Director of the Company.	**229,712,456**	**1,829,363**	**6,097**
11. To reappoint Amy Schioldager as a Director of the Company.	**231,389,086**	**156,233**	**2,597**
12. To reappoint Andrew Sykes as a Director of the Company.	**227,635,876**	**2,545,150**	**1,366,890**
13. To reappoint Stephen Welton as a Director of the Company.	**229,715,656**	**1,829,663**	**2,597**
14. To reappoint Antje Hensel-Roth as a Director of the Company.	**231,252,984**	**288,835**	**6,097**
15. To reappoint Rosemary Leith as a Director of the Company.	**231,397,557**	**147,762**	**2,597**
16. To reappoint Matthew Lester as a Director of the Company.	**229,473,266**	**2,072,053**	**2,597**
17. That, in substitution for all existing authorities, the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot shares in the Company.	**222,154,378**	**9,390,516**	**3,022**
18. That, in substitution for all existing authorities and subject to the passing of Resolution 17, the Directors be generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560(1) of the Act) for cash and/ or pursuant to section 573 of the Act to sell ordinary shares held by the Company as treasury shares for cash, in each case free of the restriction in section 561 of the Act.	**229,234,587**	**814,833**	**1,498,496**
19. That, in addition to any authority granted under Resolution 18, and subject to the passing of Resolution 17, the Directors be generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560(1) of the Act) for cash and/or pursuant to section 573 of the Act to sell ordinary shares held by the Company as treasury shares for cash, in each case free of the restriction in section 561 of the Act.	**223,715,707**	**6,332,261**	**1,499,948**
20. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make one or more market purchases of ordinary shares in the capital of the Company.	**229,932,866**	**1,384,953**	**230,097**
21. To authorise the Directors to call a general meeting of the Company other than an annual general meeting on not less than 14 clear days' notice.	**210,058,849**	**21,444,809**	**43,658**

The issued share capital of the Company at the date of the Annual General Meeting was 290,522,471 ordinary shares of 26¼p each (excluding 3,733,333 treasury shares held by the Company).

2023 Annual General Meeting

The AGM of the Company is scheduled to take place at the Head Office of the Company on 20 July 2023 at 10:00am; the exact arrangements for the meeting will be subject to any restrictions on gatherings which may be in force. Details will be contained in the Notice of Meeting, and shareholders will be updated if arrangements change. Any shareholder who wishes to vote by proxy or raise a question to be answered in writing should refer to the Notice of Meeting for instructions on how to do so. Details of the resolutions to be proposed at the AGM along with explanatory notes are set out in the circular to be posted to shareholders in June 2023 convening the meeting. In line with market practice, if votes of more than 20% of those voting are cast against a resolution, the Company will make a statement when announcing the results of the vote to explain any actions it intends to take to understand the reasons behind the vote result.

This Directors' Report is approved by the Board and signed on its behalf by:

Andrew Lewis
Company Secretary

24 May 2023

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts 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 are required to prepare the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards (UK-adopted IAS) and, as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006. Under company law the Directors must not approve the accounts 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements of UK-adopted IAS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance
- In respect of the Group and Parent financial statements, state whether UK-adopted IAS have been followed and, as regards the Parent Company financial statements, applied in accordance with the provisions of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the Company and/or the Group will not 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Policy and Corporate Governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The Directors confirm, to the best of their knowledge:

- That the consolidated financial statements, prepared in accordance with UK-adopted IAS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- That the Annual Report and Accounts, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- That they consider that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's performance, business model and strategy.

Benoît Durteste
Chief Executive Officer

Vijay Bharadia
Chief Financial and Operating Officer

24 May 2023

Independent auditor's report to the members of Intermediate Capital Group plc

Opinion

In our opinion:

- Intermediate Capital Group plc's financial statements and Parent Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Intermediate Capital Group plc (the 'Parent Company') and its subsidiaries (together the 'Group') for the year ended 31 March 2023 which comprise:

Group	Parent Company
Consolidated income statement for the year ended 31 March 2023	Parent Company statement of financial position as at 31 March 2023
Consolidated statement of comprehensive income for the year ended 31 March 2023	Parent Company statement of cash flows for the year ended 31 March 2023
Consolidated statement of financial position as at 31 March 2023	Parent Company statement of changes in equity for the year ended 31 March 2023
Consolidated statement of cash flows for the year ended 31 March 2023	
Consolidated statement of changes in equity for the year ended 31 March 2023	
Related notes 1 to 34 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Independence

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of management and the Directors' processes for determining the appropriateness of the use of the going concern basis. This included discussions with management, corroborating our understanding with the Audit Committee and obtaining management's going concern assessment covering the period to 30 November 2024, which is eighteen months from the date these financial statements were authorised for issue;
- reviewing the Group's cashflow forecasts, considering if the appropriateness of the assumptions used in the models are appropriate to enable the Directors to make an assessment in respect of going concern, including the availability of existing and forecast cash resources and undrawn facilities;
- evaluating the regulatory capital and liquidity position of the Group, including reviewing the Internal Capital Adequacy and Risk Assessment ('ICARA'). This included verifying credit facilities available to the Group by obtaining third party confirmations;
- reviewing the appropriateness of the stress and reverse stress test scenarios, including assessing the completeness of the severe scenarios that consider the key risks identified by the Group, our understanding of the business and the external market environment. We also evaluated the analysis by testing the clerical accuracy and assessed the conclusions reached in the stress and reverse stress test scenarios;

- assessing the plausibility of available options to mitigate the impact of the key risks by comparing them to our understanding of the Group;
- performing enquires of management and those charged with governance to identify risks or events that may impact the Group's ability to continue as a going concern. We also reviewed the management paper approved by the Board, minutes of meetings of the Board and the Audit Committee and made enquiries of management and the Board; and
- assessed the appropriateness of the going concern disclosures by comparing them with management's assessment for consistency and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for the period to 30 November 2024.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• The Group is managed principally from one location, with core business functions, including finance and operations, located in London. All key accounting records are maintained in the UK. The Group operates international offices in Europe, Asia and North America, which are primarily responsible for deal origination, marketing and investment portfolio monitoring. • The Group comprises 248 consolidated subsidiaries, including 21 consolidated structured entities. • The Group audit team based in London, performed audit procedures on all balances material to the Group and Parent Company financial statements.
Key audit matters	• Valuation of investments in portfolio companies and real estate assets (including those held via fund structures and assets held for sale) • Valuation of investments in Collateralised Loan Obligations ('CLOs'), including debt (senior) and equity (subordinated) tranches and the assets and liabilities held by consolidated CLOs • Calculation and recognition of management and performance fees
Materiality	• Overall Group materiality of £21.3m which represents 5% of normalised profit before tax. Normalised profit before tax is calculated as the sum of the 2023 Fund Management Company's ('FMC') profit before tax and an average of the Investment Company ('IC') profit/loss before tax for the past five financial years. Our basis for calculating materiality has been updated for the current year to reflect stakeholder focus on the FMC and accounts for year-on-year fluctuations within the IC's profit/loss before tax resulting from fluctuations in investment valuation gains/losses.

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

Our assessment of audit risk and our evaluation of materiality determine our audit scope for the Group and Parent Company. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal Audit results when assessing the level of work to be performed for the Group.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we performed direct audit procedures on all items material to the Group and Parent Company financial statements. Our Group testing covered account balances material to the Group including balances of entities within the United Kingdom, Luxembourg, United States of America and Jersey, which represent the principal business units within the Group. The audit scope of these legal entities may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

As part of our Group audit procedures, we also perform analytical review procedures, testing of consolidation journals and intercompany eliminations, and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

Involvement with component teams

All audit work performed for the purposes of the Group audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on their operations will be from the adverse effects of the underlying portfolio investments. This is explained on pages 30-49 in the Task Force for Climate related Financial Disclosures and on page 72 in the Managing Risk section. All of these disclosures form part of the 'Other information', rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the General Information and basis of preparation section in Note 1 to the financial statements, on pages 150-151, their articulation of how climate change has been reflected in the financial statements, and how they have reflected the impact of climate change in their financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on assessing whether the effects of climate risks have been appropriately reflected by management in reaching their judgments and in relation to the assessment of the fair value of investments and the impact on performance fees. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, we have not identified the impact of climate change on the financial statements to be a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Valuation of investments in portfolio companies and real estate assets (including those held via fund structures and assets held for sale) *In the Consolidated and Parent Company statements of financial position, the Group's investments in portfolio companies (co-investments or alongside funds managed by ICG) of £1,560.1m, (2022: £1,642.5m) are included in Financial assets at fair value. Assets held for sale of £158.6m (2022: £79.2m) are included in Disposal groups held for sale.* *Refer to the Audit Committee Report (page 84-89); Accounting policies and Note 5 of the financial statements (page 158-165)* The Group's investment portfolio contains unquoted debt and equity securities, that are held either directly or through funds. These investments are held at fair value through profit and loss or investments held for sale in accordance with International Financial Reporting Standards ('IFRS') 5 — Non-current Assets Held for Sale and Discontinued Operations ('IFRS 5'). The Group adopts a valuation methodology based on the International Private Equity and Venture Capital Valuation Guidelines 2022 ('IPEV guidelines') and Royal Institution of Chartered Surveyors ('RICS') in conformity with IFRS 13 — Fair Value Measurements ('IFRS 13') and IAS 40 – Investment Property ('ISA 40'). The Group predominantly applies either an earnings based valuation technique or discounted cash flow model ('DCF') to value non-real estate investments. For certain real estate strategies, the Group engages external valuers to perform valuations. Owing to the unquoted and illiquid nature of these investments, the assessment of fair valuation is subjective and requires several significant and complex judgements to be made by management. The exit value will be determined by the market at the time of realisation and therefore despite the valuation policy adopted and judgements made by management, the final sales value may differ materially from the valuation at the year end. There is the risk that inaccurate judgements made in the assessment of fair value could lead to the incorrect valuation of investments in portfolio companies. In turn, this could materially misstate the financial assets at fair value in the Consolidated and Parent Company Statements of Financial Position, and the Net gains on investments in the Consolidated income statement. There is also a risk that management may influence the judgements and estimations in respect of the portfolio companies' valuations in order to meet market expectations of the Group.	We have: • Obtained an understanding of management's processes and controls for the valuation of investments in portfolio companies (including co-investments or alongside funds managed by ICG) by performing walkthrough procedures, in which we evaluated the design effectiveness of controls. This included discussing with management the valuation governance structure and protocols around their oversight of the valuation process, including the Group Valuation Committee. • Compared management's valuation methodologies to IFRS and the relevant IPEV and RICS guidelines. We sought explanations from management where there were judgments applied in their application of the guidelines and assessed their appropriateness. • With the assistance of our valuations specialists, we formed an independent view on the appropriateness of the key assumptions and inputs used in the valuation of a sample of portfolio company and real estate investments, with reference to relevant industry and market valuation considerations and data points. We derived a range of acceptable fair values through our analysis including taking into account other qualitative risk factors, such as company specific risk factors. We compared these ranges to management's fair values and discussed our results with both management and the Audit Committee. • On a sample basis, we agreed key inputs in the valuation models to source data, including portfolio company financial information. We also performed procedures on key judgements made by management in the calculation of fair value: • performed calculations to assess the appropriateness of discount rates used in DCF valuations, with reference to relevant industry and market data; • assessed the suitability of the comparable companies used in the calculation of the earnings multiples; • challenged management on the applicability and completeness of adjustments made to earnings multiples by obtaining rationale and supporting evidence for adjustments made; • assessed the appropriateness of the portfolio company financial information, including business plans, used in the valuation and any relevant adjustments made by obtaining rationale and supporting evidence; and • obtained the external valuation reports, where an external valuer has been engaged, and assessed their competence and objectivity. We checked the mathematical accuracy of the valuation models on a sample basis. We recalculated the unrealised gains/losses on revaluation of investments impacting the Net gains on investments in the Consolidated income statement. We have considered the impact of climate change throughout our procedures performed on the valuation of portfolio companies, by challenging whether the valuation methodologies and assumptions used are appropriate. We challenged management to understand the rationale for any material differences between the exit prices of investments realised during the year and the prior year fair value, to further verify the reasonableness of the current year valuation models and methodology adopted by management.

Key observations communicated to the Audit Committee

All valuations reviewed, were found to be materially carried in accordance with UK-adopted international accounting standards and the IPEV or RICS guidelines respectively.

Based on our procedures performed, we had no material matters to report the Audit Committee.

Risk	Our response to the risk
Valuation of investments in Collateralised Loan Obligations (‘CLOs’), including debt (senior) and equity (subordinated) tranches and the assets and liabilities held by consolidated CLOs *In the Consolidated and Parent Company statements of financial position, the Group’s investments in CLO debt (senior) (2023: £105.8m, 2022: £105.6m) and equity (subordinated debt) tranches (2023: £7.5m, 2022: £12.2m), and investments held by consolidated CLOs (2023: £4,669.1m, 2022: £4,612.6m) are included in Financial assets at fair value. The liabilities held by consolidated CLOs (2023: £4,572.7m, 2022: £4,364.7m) are included in Financial liabilities at fair value.* *Refer to the Audit Committee Report (page 84-89); Accounting policies and Note 5 of the Financial Statements (page 158-165)* The Group holds investments in CLOs in both the debt and equity tranches. These investments are accounted for at fair value through profit or loss. The Group consolidates the CLOs where it is deemed to have control in accordance with IFRS 10 — Consolidated financial statements (‘IFRS 10’). In particular, significant judgements are required where there is limited market activity to provide reliable observable inputs. There is the risk that inaccurate judgements made in the assessment of fair value could lead to the incorrect valuation of investments in CLOs which could materially misstate the Financial assets and Financial Liabilities at fair value in the Consolidated and Parent Company statements of financial position. In turn, this could materially misstate the Net gains on investments account in the Consolidated income statement. There is also a risk that management may influence the judgements and estimations of the investments in CLO debt and equity tranches in order to meet market expectations of the Group.	**Unconsolidated CLOs — Investments in Debt and Equity** We have: • Obtained an understanding of management’s processes and controls for the valuation of CLOs by performing walkthrough procedures, in which we evaluated the design effectiveness of controls; • Agreed each tranche size to observable market data (i.e., Fitch Ratings); • Obtained the available observable market data (i.e., Markit) and compared it to management’s fair valuations for positions with observable inputs; • Formed an independent range of fair values for a sample of the debt and equity tranches with the assistance of our valuation specialists where observable market data is not available. This included: • projecting cash flows using a cash flow model and market based assumptions such as default rates; • estimating a range of yields based on either recent trade data or comparable CLO securities; • performing independent comparative calculations using the cash flows and yields; and • recalculating the unrealised gain/loss on revaluation of investments impacting the Net gains on investments in the Consolidated income statement; • Assessed the mathematical accuracy of the equity models; and • Considered the impact of climate change throughout the procedures performed on the valuation by challenging whether the valuation methodologies and assumptions used remain appropriate. **Consolidated CLO balances** We have: • Agreed consolidated balances to underlying administrator accounts; • Reviewed the material assets and liabilities associated with each of the consolidated CLOs and tested the underlying balances; • Obtained the available observable market data (i.e., Markit) and compared it to management’s fair valuations for a sample of the financial assets and financial liabilities of the consolidated CLOs; • Assessed the mathematical accuracy of the equity models; and • Considered the impact of climate change throughout the procedures performed on the valuation by challenging whether the valuation methodologies and assumptions used remain appropriate.

Key observations communicated to the Audit Committee

The valuation of the CLOs, including debt and equity tranches reviewed by EY, were found to carried materially in accordance with UK-adopted international accounting standards.

Based on our procedures performed we had no material matters to report to the Audit Committee.

Risk	Our response to the risk
Calculation and recognition of management fees and performance fees *In the Consolidated income statement, management fees (2023: £481.6m, 2022: £429.4m), including performance fees (2023: £22.4m, 2022: £57.5m), are included in Fee and other operating income.* *Refer to the Audit Committee Report (page 84-89); Accounting policies and Note 3 of the Financial Statements (page 152)* The Group manages funds across numerous domiciles and investment strategies and receives management fees and performance fees from its performance of investment management services for third-party money it manages. Management fees are calculated based on an agreed percentage of either committed capital, invested capital or net asset value ('NAV'), depending on the contractual agreement of the underlying fund. The calculations are prepared by third-party administrators or ICG. Due to the manual nature of the process, there is a risk that management fees are incorrectly calculated. The accuracy and recognition of revenue is important to the Group's financial statements. Stakeholder expectations may place pressure on management to influence the recognition of revenue. This may result in overstatement or deferral of revenue to assist in meeting current or future revenue targets or expectations. Performance fees are calculated as a contractual percentage of a fund's return, once a specified hurdle rate is expected to be met. These amounts are specified in the underlying contract between the fund and the Group in its capacity as investment manager. Performance fees are only received when a triggering event, such as a realisation or refinancing a fund's investment, occurs. In respect of performance fees, management must apply judgment in accordance with IFRS 15 – Revenue from contracts with customers ('IFRS 15') to determine whether it is highly probable that a significant reversal will not occur in the future. The following are identified as the key risks or judgments in respect of the recognition of performance fees: • inappropriate judgments are made by management in the process, including whether a constraint is applied and in determining the forecast exit dates of underlying investments; • errors are made in performing complex manual calculations within the model; and • inappropriate inputs are used by management in the calculations. The accuracy and recognition of revenue is important to the Group's financial statements. Stakeholder expectations may place pressure on management to influence the recognition of revenue. This may result in overstatement or deferral of revenue to assist in meeting current or future revenue targets or expectations.	We obtained an understanding of management's processes and controls for the calculation and recognition of management fees and performance fees by performing walkthrough procedures, in which we evaluated the design effectiveness of controls. In respect of management fees, for a sample of funds, we: • agreed the fee terms used in the calculation, to the terms as specified in the relevant legal agreements, for example the Investment Management Agreement or Limited Partnership Agreement; • validated key inputs, such as committed capital, invested capital or NAV, to supporting evidence; • tested the arithmetical accuracy of the calculations prepared by ICG or the third-party administrators by performing independent recalculations; • traced management fees received during the year to bank statements; • reconciled the closing management fee debtor in the statement of financial position; and • traced the year end debtor balance to post year end bank statements to assess recoverability. In respect of performance fees, for a sample of funds, we: • agreed contractual terms such as hurdle rates and percentage receivable to underlying legal agreements; • recalculated the waterfall to test management's judgment that the relevant hurdles are expected to be met where performance fees are being accrued; • challenged the reasonableness of forecast exit dates with reference to our work performed over valuations of the investment portfolio and our understanding of the investment life cycle; • tested the arithmetical accuracy of the calculations by performing independent recalculations; • assessed whether each payment of performance fees was a result of a triggering event, such as a realisation or refinancing and verified cash flows to bank statements; and • reconciled the closing performance fee debtor in the statement of financial position. We compared the performance of the underlying funds used in the performance fee calculations to our understanding of the performance of the relevant funds' underlying investments gained through our valuation work. We challenged management to understand the rationale for any differences between the performance fee payments received during the year and the prior year estimates, to further assess the reasonableness of the current year performance fee models and methodology adopted by management. We have performed journal entry testing and have made enquiries of management in order to address the residual risk of management override. We have considered the impact of climate change on performance fees by challenging the impact on the valuations as outlined in the key audit matters above.

Key observations communicated to the Audit Committee

Our audit procedures did not identify any material matters regarding the calculation and recognition of management fees and performance fees. Revenue has been recorded in accordance with UK-adopted international accounting standards.

Based on our procedures performed we had no material matters to report to the Audit Committee.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £21.3m (2022: £28.3m), which is 5% of normalised profit before tax (2022: 5% of profit before tax). Normalised profit before tax is calculated as the sum of the 2023 FMC profit before tax and an average of the IC profit/loss before tax for the past five financial years. Our basis for calculating materiality has been updated in the current year to reflect fluctuations within the IC's profit/loss before tax resulting from fluctuations in investment valuation gains/losses. We believe that normalised profit before tax provides us with an appropriate basis for materiality due to stakeholder focus on the FMC and its contribution to business performance.

We determined materiality for the Parent Company to be £7.8m (2022: £9.4m), which is 1% (2022: 1%) of net assets.

During the course of our audit, we reassessed initial materiality based on 31 March 2023 normalised profit before tax, and net asset value in relation to the Parent Company, and adjusted our audit procedures accordingly.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgment was that performance materiality was 50% (2022: 50%) of our planning materiality, namely £10.6m (2022: £14.1m). We have set performance materiality at this percentage due to our observations of the control environment and the misstatements identified in the prior year. In determining performance materiality, we considered our risk assessments, together with our assessment of the Group's overall control environment.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.1m (2022: £1.4m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 127;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 73;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 127;
- Directors' statement on fair, balanced and understandable set out on page 132;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 66;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 92; and;
- The section describing the work of the Audit Committee set out on pages 84-89

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 132, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK-adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements, being the Listing Rules of the UK Listing Authority and relevant Financial Conduct Authority ('FCA') rules and regulations.
- We understood how the Group is complying with those frameworks by making enquiries of senior management, including the Chief Financial and Operating Officer, General Counsel and Company Secretary, Global Head of Compliance and Risk, Head of Internal Audit and the Chairman of the Audit Committee. We corroborated our understanding through our review of board and committee meeting minutes, papers provided to the Audit Committee, and correspondence with regulatory bodies.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by discussing with the Audit Committee and management to understand where they considered there was susceptibility to fraud. We considered performance targets and their potential influence on efforts made by management to manage or influence the perceptions of analysts. We considered the controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud, including in a hybrid working environment; and how senior management and those charged with governance monitor these controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: inquiries of management, internal audit and those responsible for legal and compliance matters. In addition, we performed journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of senior management, and focused testing, as referred to in the key audit matters section above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Parent Company on 21 July 2020 to audit the financial statements for the year ending 31 March 2021 and subsequent financial periods. Our appointment as auditor was approved by shareholders at the Annual General Meeting on 21 July 2020.
- The period of total uninterrupted engagement including previous renewals and reappointments is three years, covering the years ended 31 March 2021 to 31 March 2023.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Ashley Coups (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

24 May 2023

Notes:

1. The maintenance and integrity of the Intermediate Capital Group 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.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated income statement

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Fee and other operating income	3	**483.6**	434.0
Finance loss	8	**(17.1)**	(7.4)
Net gains on investments	10	**172.5**	555.5
Total Revenue		**639.0**	982.1
Other income	9	**15.5**	–
Finance costs	11	**(64.6)**	(53.1)
Administrative expenses	12	**(343.3)**	(363.1)
Share of results of joint ventures accounted for using the equity method	30	**4.4**	(0.5)
Profit before tax and discontinued operations		**251.0**	565.4
Tax charge	14	**(29.4)**	(31.1)
Profit after tax before discontinued operations		**221.6**	534.3
Profit/ (loss) after tax on discontinued operations	29	**56.8**	(9.2)
Profit for the year after discontinued operations		**278.4**	525.1
Attributable to:			
Equity holders of the parent		**280.6**	526.8
Non-controlling interests		**(2.2)**	(1.7)
		278.4	525.1
Earnings per share (pence)	16	**98.2p**	183.7p
Diluted earnings per share (pence)	16	**97.0p**	181.1p

Other than for amounts reported as discontinued operations, all activities represent continuing operations.

The accompanying notes 1 to 34 are an integral part of these financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2023

Group	Notes	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Profit after tax		**278.4**	525.1
Items that may be subsequently reclassified to profit of loss if specific conditions are met			
Exchange differences on translation of foreign operations		**19.5**	6.9
Deferred tax on equity investments translation		**3.9**	—
Total comprehensive income for the year		**301.8**	532.0
Attributable to:			
Equity holders of the parent		**304.0**	533.7
Non controlling interests		**(2.2)**	(1.7)
		301.8	532.0

The accompanying notes 1 to 34 are an integral part of these financial statements.

Consolidated statement of financial position

as at 31 March 2023

	Notes	31 March 2023 Group £m	31 March 2022 Group (Restated)[1] £m
Non-current assets			
Intangible assets	17	**14.9**	17.1
Property, plant and equipment	18	**88.2**	60.4
Investment property	19	**0.8**	1.5
Investment in Joint Venture accounted for under the equity method	30	**5.8**	2.2
Trade and other receivables	20	**37.1**	91.1
Financial assets at fair value	5	**7,036.6**	6,973.1
Derivative financial assets	5	**8.4**	1.3
Deferred tax asset	14	**17.6**	25.0
		7,209.4	7,171.7
Current assets			
Trade and other receivables	20	**232.0**	283.1
Current tax debtor		**57.0**	31.9
Financial assets at fair value	5	**4.7**	–
Derivative financial assets	5	**13.6**	137.3
Cash and cash equivalents	6	**957.5**	991.8
		1,264.8	1,444.1
Assets of disposal groups held for sale	29	**578.3**	256.7
Total assets		**9,052.5**	8,872.5
Non-current liabilities			
Trade and other payables	21	**71.1**	76.4
Financial liabilities at fair value	5, 7	**4,572.7**	4,364.7
Financial liabilities at amortised cost	7	**1,478.2**	1,452.3
Other financial liabilities	7	**79.6**	52.2
Derivative financial liabilities	5,7	**0.9**	2.9
Deferred tax liabilities	14	**35.5**	15.1
		6,238.0	5,963.6
Current liabilities			
Trade and other payables	21	**471.4**	434.4
Current tax creditor		**14.8**	14.5
Financial liabilities at amortised cost	7	**58.5**	201.1
Other financial liabilities	7	**5.8**	6.5
Derivative financial liabilities	5,7	**14.8**	153.4
		565.3	809.9
Liabilities of disposal groups held for sale	29	**204.0**	97.2
Total liabilities		**7,007.3**	6,870.7
Equity and reserves			
Called up share capital	23	**77.3**	77.3
Share premium account	23	**180.9**	180.3
Other reserves		**19.0**	0.2
Retained earnings		**1,742.6**	1,714.0
Equity attributable to owners of the Company		**2,019.8**	1,971.8
Non-controlling interest		**25.4**	30.0
Total equity		**2,045.2**	2,001.8
Total equity and liabilities		**9,052.5**	8,872.5

1. Retained earnings and Non-controlling interest have been restated. See Note 2 for more details.

The accompanying notes 1 to 34 are an integral part of these financial statements.

The financial statements of Intermediate Capital Group plc (Company Registration Number: 02234775) were approved and authorised for issue by the Board of Directors on 24 May 2023 and were signed on its behalf by:

William Rucker Chairman

Vijay Bharadia Chief Financial and Operating Officer

Consolidated statement of cash flows

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 Group £m	Year ended 31 March 2022 Group £m
Cash flows generated from operations		**324.0**	**287.3**
Taxes paid		(32.4)	(43.9)
Net cash flows from operating activities	32	**291.6**	**243.4**
Investing activities			
Purchase of intangible assets	17	(4.7)	(4.3)
Purchase of property, plant and equipment	18	(6.5)	(3.5)
Net cashflow from derivative financial instruments		(58.8)	22.4
Cashflow as a result of change in control of subsidiary		200.8	30.9
Net cash flows from investing activities		**130.8**	**45.5**
Financing activities			
Purchase of own shares		(38.9)	(20.9)
Payment of principal portion of lease liabilities		(6.8)	(4.1)
Proceeds from borrowings		–	413.5
Repayment of long-term borrowings		(194.6)	(111.5)
Dividends paid to equity holders of the parent	15	(236.4)	(165.7)
Net cash flows (used in)/generated from financing activities		**(476.7)**	**111.3**
Net (decrease)/increase in cash and cash equivalents		(54.3)	400.2
Effects of exchange rate differences on cash and cash equivalents		20.0	10.4
Cash and cash equivalents at 1 April	6	991.8	581.2
Cash and cash equivalents at 31 March	**6**	**957.5**	**991.8**

The Group's cash and cash equivalents include £407.5m (2022: £230.3m) of restricted cash held principally by structured entities controlled by the Group (see note 6).

The presentation of the consolidated statement of cash flows have been updated to improve the presentation of this information. The reconciliation of cash generated from/used in operations to profit before tax from continuing operations is now disclosed in note 32.

The accompanying notes 1 to 34 are an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 March 2023

Group	Share capital (note 23)	Share premium (note 23)	Capital redemption reserve[1]	Share based payments reserve (note 25)	Own shares[3] (note 24)	Foreign currency translation reserve[2]	Retained earnings[5]	Total	Non-controlling interest[5]	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 April 2022	**77.3**	**180.3**	**5.0**	**67.5**	**(93.0)**	**20.7**	**1,688.9**	**1,946.7**	**55.1**	**2,001.8**
Prior year adjustment[5]	–	–	–	–	–	–	25.1	25.1	(25.1)	–
Balance at 1 April 2022 (as restated)	**77.3**	**180.3**	**5.0**	**67.5**	**(93.0)**	**20.7**	**1,714.0**	**1,971.8**	**30.0**	**2,001.8**
Profit after tax	–	–	–	–	–	–	280.6	280.6	(2.2)	278.4
Exchange differences on translation of foreign operations	–	–	–	–	–	19.5	–	19.5	–	19.5
Deferred tax on equity investments translation	–	–	–	–	–	3.9	–	3.9	–	3.9
Total comprehensive income/ (expense) for the year	**–**	**–**	**–**	**–**	**–**	**23.4**	**280.6**	**304.0**	**(2.2)**	**301.8**
Adjustment of non-controlling interest on disposal of subsidiary	–	–	–	–	–	–	(1.3)	(1.3)	(31.1)	(32.4)
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	28.7	28.7
Issue of share capital	0.0	–	–	–	–	–	–	0.0	–	0.0
Own shares acquired in the year	–	–	–	–	(38.9)	–	–	(38.9)	–	(38.9)
Options/awards exercised[4]	–	0.6	–	(31.3)	28.5	–	(14.3)	(16.5)	–	(16.5)
Tax on options/awards exercised	–	–	–	(2.4)	–	–	–	(2.4)	–	(2.4)
Credit for equity settled share schemes	–	–	–	39.5	–	–	–	39.5	–	39.5
Dividends paid	–	–	–	–	–	–	(236.4)	(236.4)	–	(236.4)
Balance at 31 March 2023	**77.3**	**180.9**	**5.0**	**73.3**	**(103.4)**	**44.1**	**1,742.6**	**2,019.8**	**25.4**	**2,045.2**

Group	Share capital (note 23)	Share premium (note 23)	Capital redemption reserve[1]	Share based payments reserve (note 25)	Own shares[3] (note 24)	Foreign currency translation reserve[2]	Retained earnings	Total	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 April 2021	**77.2**	**180.2**	**5.0**	**60.5**	**(82.2)**	**13.8**	**1,362.7**	**1,617.2**	**5.0**	**1,622.2**
Profit after tax	–	–	–	–	–	–	526.8	526.8	(1.7)	525.1
Exchange differences on translation of foreign operations	–	–	–	–	–	6.9	–	6.9	–	6.9
Total comprehensive income/ (expense) for the year	**–**	**–**	**–**	**–**	**–**	**6.9**	**526.8**	**533.7**	**(1.7)**	**532.0**
Issue of share capital	0.1	–	–	–	–	–	–	0.1	–	0.1
Movement in control of subsidiary[5]	–	–	–	–	–	–	–	–	26.7	26.7
Own shares acquired in the year	–	–	–	–	(20.9)	–	–	(20.9)	–	(20.9)
Options/awards exercised[4]	–	0.1	–	(27.8)	10.1	–	(9.8)	(27.4)	–	(27.4)
Tax on options/awards exercised	–	–	–	5.2	–	–	–	5.2	–	5.2
Credit for equity settled share schemes	–	–	–	29.6	–	–	–	29.6	–	29.6
Dividends paid	–	–	–	–	–	–	(165.7)	(165.7)	–	(165.7)
Balance at 31 March 2022[5]	**77.3**	**180.3**	**5.0**	**67.5**	**(93.0)**	**20.7**	**1,714.0**	**1,971.8**	**30.0**	**2,001.8**

1. The capital redemption reserve is a reserve created when a company buys its own shares which reduces its share capital. £1.4m of the balance relates to the conversion of ordinary shares and convertible shares into ordinary shares in 1994. The remaining £3.6m relates to the cancellation of treasury shares in 2015.
2. Other comprehensive income/(expense) reported in the foreign currency translation reserve represents foreign exchange gains and losses on the translation of subsidiaries reporting in currencies other than sterling.
3. The movement in the Group Own shares reserve in respect of Options/awards exercised, represents the employee shares vesting net of personal taxes and social security.
4. The associated personal taxes and social security liabilities are settled by the Group with the equivalent value of shares retained in the Own shares reserve.
5. Retained earnings and Non-controlling interest brought forward as at 1 April 2022 have been restated. See Note 2 for more details.

The accompanying notes 1 to 34 are an integral part of these financial statements.

Parent company statement of financial position

as at 31 March 2023

	Notes	31 March 2023 Company £m	31 March 2022 Company £m
Non-current assets			
Intangible assets	17	**9.2**	12.1
Property, plant and equipment	18	**44.0**	49.9
Investment in subsidiaries	28	**1,868.9**	1,871.4
Trade and other receivables	20	**766.3**	574.1
Financial assets at fair value	5	**288.7**	362.8
Derivative financial assets	5	**8.4**	2.1
Deferred tax asset	14	**–**	0.9
		2,985.5	2,873.3
Current assets			
Trade and other receivables	20	**210.5**	211.2
Current tax debtor		**35.3**	23.7
Financial assets at fair value	5	**–**	80.6
Derivative financial assets	5	**13.6**	37.9
Cash and cash equivalents	6	**409.8**	707.1
		669.2	1,060.5
Total assets		**3,654.7**	3,933.8
Non-current liabilities			
Trade and other payables	21	**71.3**	76.4
Financial liabilities at amortised cost	7	**1,478.2**	1,452.3
Other financial liabilities	7	**39.3**	44.8
Derivative financial liabilities	5,7	**0.9**	3.1
Deferred tax liabilities	14	**2.9**	–
		1,592.6	1,576.6
Current liabilities			
Trade and other payables	21	**1,158.7**	1,155.5
Financial liabilities at amortised cost	7	**58.5**	201.1
Other financial liabilities	7	**4.3**	3.1
Derivative financial liabilities	5, 7	**14.8**	53.6
		1,236.3	1,413.3
Total liabilities		**2,828.9**	2,989.9
Equity and reserves			
Called up share capital	23	**77.3**	77.3
Share premium account	23	**180.9**	180.3
Other reserves		**44.5**	36.3
Retained earnings		**523.1**	650.0
Equity attributable to owners of the Company		**825.8**	943.9
Total equity		**825.8**	943.9
Total equity and liabilities		**3,654.7**	3,933.8

The Parent Company's total profit for the year was £109.5m (2022: Profit of £46.7m). The accompanying notes 1 to 34 are an integral part of these financial statements.

The financial statements of Intermediate Capital Group plc (Company Registration Number: 02234775) were approved and authorised for issue by the Board of Directors on 24 May 2023 and were signed on its behalf by:

William Rucker Chairman

Vijay Bharadia Chief Financial and Operating Officer

Parent company statement of cash flows

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 Company £m	Year ended 31 March 2022 Company £m
Cash flows used in operations		**(314.3)**	(60.7)
Taxes paid		**(20.8)**	(41.3)
Net cash flows used in operating activities	32	**(335.1)**	(102.0)
Investing activities			
Purchase of intangible assets	17	**(3.6)**	(3.4)
Purchase of property, plant and equipment	18	**(0.7)**	(2.6)
Net cashflow from derivative financial instruments		**(58.8)**	13.8
Cash paid in respect of group investing activities (acquisition of long-term assets)	20, 21	**(216.6)**	(561.9)
Cash received in respect of group investing activities (proceeds from long-term assets)	20, 21	**109.5**	145.9
Increase in amounts owed by subsidiaries	20, 21	**(147.7)**	(68.1)
Investment in subsidiaries		**–**	(231.7)
Net cash flows used in investing activities		**(317.9)**	(708.0)
Financing activities			
Payment of principal portion of lease liabilities		**(4.1)**	(3.6)
Proceeds from borrowings		**–**	413.5
Repayment of long-term borrowings		**(194.6)**	(111.5)
Dividends paid to equity holders of the parent	15	**(236.4)**	(165.7)
Increase in amounts owed to subsidiaries	20, 21	**483.2**	333.4
Repayment of amounts owed to subsidiaries	20, 21	**(239.7)**	(65.4)
Increase in amounts owed to subsidiaries (receipts of proceeds from long-term assets)	20, 21	**543.8**	848.4
Net cash flows from financing activities		**352.2**	1,249.1
Net (decrease)/increase in cash and cash equivalents		**(300.8)**	439.1
Effects of exchange rate differences on cash and cash equivalents		**3.5**	3.7
Cash and cash equivalents at 1 April	6	**707.1**	264.3
Cash and cash equivalents at 31 March	6	**409.8**	707.1

The presentation of the Parent Company statement of cash flows have been updated to improve the presentation of this information. The reconciliation of cash generated from/used in operations to profit before tax from continuing operations is disclosed in note 32. The prior year comparatives are consistent with those presented in the Parent Company statement of cash flows for the period to March 2022.

The accompanying notes 1 to 34 are an integral part of these financial statements.

Parent company statement of changes in equity

For the year ended 31 March 2023

Company	Share capital (note 23) £m	Share premium (note 23) £m	Capital redemption reserve[1] £m	Share -based payments reserve (note 25) £m	Own shares[2] (note 24) £m	Retained earnings £m	Total equity £m
Balance at 1 April 2022	**77.3**	**180.3**	**5.0**	**52.6**	**(21.3)**	**650.0**	**943.9**
Profit after tax	—	—	—	—	—	109.5	109.5
Total comprehensive income for the year						**109.5**	**109.5**
Issue of share capital	—	—	—	—	—	—	—
Options/awards exercised	—	0.6	—	(31.3)	—	—	(30.7)
Credit for equity settled share schemes	—	—	—	39.5	—	—	39.5
Dividends paid	—	—	—	—	—	(236.4)	(236.4)
Balance at 31 March 2023	**77.3**	**180.9**	**5.0**	**60.8**	**(21.3)**	**523.1**	**825.8**

Company	Share capital (note 23) £m	Share premium (note 23) £m	Capital redemption reserve[1] £m	Share- based payments reserve (note 25) £m	Own shares[2] (note 24) £m	Retained earnings £m	Total equity £m
Balance at 1 April 2021	**77.2**	**180.2**	**5.0**	**50.8**	**(21.3)**	**769.0**	**1,060.9**
Profit after tax	—	—	—	—	—	46.7	46.7
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**—**	**46.7**	**46.7**
Issue of share capital	0.1	—	—	—	—	—	0.1
Options/awards exercised	—	0.1	—	(27.8)	—	—	(27.7)
Credit for equity settled share schemes	—	—	—	29.6	—	—	29.6
Dividends paid	—	—	—	—	—	(165.7)	(165.7)
Balance at 31 March 2022	**77.3**	**180.3**	**5.0**	**52.6**	**(21.3)**	**650.0**	**943.9**

1. The capital redemption reserve is a reserve created when a company buys its own shares which reduces its share capital. This reserve is not distributable to shareholders. £1.4m of the balance relates to the conversion of ordinary shares and convertible shares into ordinary shares in 1994. The remaining £3.6m relates to the cancellation of treasury shares in 2015.
2. The movement in the Parent Company Own shares reserve in respect of Options/awards exercised, represents the employee shares vesting net of personal taxes and social security.

The accompanying notes 1 to 34 are an integral part of these financial statements.

Notes to the financial statements

1. General information and basis of preparation

General information

Intermediate Capital Group plc (the 'Parent Company', 'Company' or 'ICG plc') is a public company limited by shares, incorporated, domiciled and registered in England and Wales under the Companies Act, with the company registration number 02234775. The registered office is Procession House, 55 Ludgate Hill, New Bridge Street, London EC4M 7JW.

The consolidated financial statements for the year to 31 March 2023 comprise the financial statements of the Parent Company and its consolidated subsidiaries (collectively, the 'Group'). The nature of the Group's operations and its principal activities are detailed in the Strategic Report.

Basis of preparation

The consolidated financial statements of the Group and Company are prepared in accordance with UK-adopted international accounting standards ('UK-adopted IAS') and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The Company has taken advantage of section 408 of the Companies Act 2006 not to present the Parent Company profit and loss account.

The financial statements have been prepared on a going concern basis and under the historical cost convention, except for financial instruments that are measured at fair value through profit and loss at the end of the reporting period, as detailed in note 5, and certain investments in associates and joint ventures held for venture capital purposes, as detailed in note 30.

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Details of the critical judgements made, and key sources of estimation uncertainty, are included in note 1 and in the note to which the critical judgement or source of estimation uncertainty relates.

In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the climate change risks identified in the TCFD Report. The Directors' considerations included the medium and longer-term cash flow impacts of climate change on a number of key estimates within the financial statements, including:

- the valuation of financial assets; and
- the application of the Group's revenue recognition policy, primarily the impact on the net asset value ('NAV') of funds on which performance-related fees are generated.

These considerations did not have a material impact on the financial reporting judgements and estimates in the current year. This reflects the conclusion that climate change is not expected to have a significant impact on the Group's short-term cash flows including those considered in the going concern and viability assessments.

The accounting policies as set out in the notes to the accounts have been applied consistently to all periods presented in these consolidated financial statements.

Basis of consolidation

The Group's financial statements consolidate the results of Intermediate Capital Group plc and entities controlled by the Company for the period to 31 March each year. Control is achieved when the Company has power over the relevant activities, exposure to variable returns from the investee, and the ability to affect those returns through its power over the investee.

The assessment of control is based on all relevant facts and circumstances and the Group reassesses its conclusion if there is an indication that there are changes in facts and circumstances. Subsidiaries are included in the consolidated financial statements from the date that control commences, until the date that control ceases. See note 28 which lists the Group's subsidiaries and controlled structured entities.

Each component of other comprehensive income and profit or loss is attributed to the owners of the Company and to the non-controlling interests.

Adjustments are made where required to the financial statements of subsidiaries for consistency with the accounting policies of the Group. All intra-group transactions, balances, unrealised income and expenses are eliminated on consolidation.

1. General information and basis of preparation *continued*

Critical judgements in the application of accounting policies and key sources of estimation uncertainty

Critical judgement

In preparing the financial statements, apart from those involving estimations, two critical judgements have been made by the Directors in the application of the Group's accounting policies:

i. The Group's assessment as to whether it controls certain investee entities, including third-party funds and carried interest partnerships, and is therefore required to consolidate the investee, as detailed above. The Group's assessment of this critical judgement is discussed further in note 28.

ii. The application of the Group's revenue recognition policy in respect of the performance fee component of management fees. Judgement is primarily applied in considering the timings of when expected performance conditions will be met and the appropriate constraint to be applied. The Group's assessment of this critical judgement is discussed further in note 3.

Key sources of estimation uncertainty

The key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, results from the Group's assessment of fair value of its financial assets and liabilities (discussed further in note 5 and note 7) and the impact of this assessment on trade and other payables related to the Deal Vintage Bonus ('DVB') - see notes 13 and 21.

Critical judgements and key sources of estimation uncertainty are reviewed by the Audit Committee during the year and its involvement in the process is included in its report on page 84.

Foreign currencies

The functional currency of the Company is sterling as the Company's shares are denominated in sterling and the Company's costs are primarily incurred in sterling. The Group has determined the presentational currency of the Group is the functional currency of the Company. Information is presented to the nearest million (£m).

Transactions denominated in foreign currencies are translated using the exchange rates prevailing at the date of the transactions. At each reporting date, monetary assets and liabilities denominated in a foreign currency are retranslated at the rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the rate prevailing at the date the fair value was determined. Non-monetary items that are measured at historical cost are translated using rates prevailing at the date of the transaction.

The assets and liabilities of the Group's foreign operations are translated using the exchange rates prevailing at the reporting date. Income and expense items are translated using the average exchange rates during the year. Exchange differences arising from the translation of foreign operations are taken directly to the foreign currency translation reserve. On disposal of a foreign operation, exchange differences previously recognised in other comprehensive income are reclassified to the income statement.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of preparing the financial statements, as detailed in the Directors' report (page 127) and viability statement (page 73).

In assessing the Group's ability to continue in its capacity as a going concern, the Board and the Executive Directors of the Group considered:

- The impact of conflict in Ukraine and the macro-inflationary backdrop on investment performance
- The impact on the Group's fee income. Specifically, performance-related revenue, as part of this assessment the Group performed additional sensitivity analysis around performance fees and the impact this would have on overall fee income. This is discussed in note 3
- The adequacy of the Group's capital and liquidity and potential shortfalls in access to capital. As at 31 March 2023 the Group has available liquidity of £1.1bn, including £550m of undrawn debt facilities. The macro-economic stress scenarios were in line with those used in the Internal Capital Adequacy and Risk Assessment ('ICARA') stress test and are discussed in the viability statement on page 73
- The operational resilience of the Group's critical functions and key service providers to maintain risk management and compliance, including IT, finance, treasury and operations
- The regulatory and legal environment and any potential conduct risks which could arise
- The appropriateness of valuation techniques applied to determine the fair value of investments that are not quoted in an active market. This is discussed further in note 5
- Those entities which are not controlled by the Group but where the Group has a joint venture relationship or has significant influence over an associate and whether they have the ability to continue as a going concern. These risks have been captured in the Group's overall fair value assessments of the underlying assets described in note 5

The Directors have concluded based on the above assessment that the preparation of the financial statements on a going concern basis, to 30 November 2024, an 18 month period from the date of signing of the financial statements, continues to be appropriate.

Notes to the financial statements *continued*

2. Changes in accounting policies and disclosures

New and amended standards and interpretations

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. These new standards are not expected to have a material impact on the Group.

IFRS/IAS		Accounting periods commencing on or after
IAS 8	Definition of Accounting Estimates	1 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024

Changes in significant accounting policies

No changes to significant accounting policies were implemented.

Group restatements

The Group has restated the Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity as a result of the reversal of an allocation of retained earnings to non-controlling interest. As a result of the reversal the following has been restated:

a. Retained Earnings increased by £25.1m from £1,688.9m to £1,714.0m; and

b. Non-controlling interest reduced by £25.1m from £55.1m to £30.0m.

3. Revenue

Revenue and its related cash flows, within the scope of IFRS 15 'Revenue from Contracts with Customers', are derived from the Group's fund management company activities and are presented net of any consideration payable to a customer in the form of rebates. The significant components of the Group's fund management revenues are as follows:

Type of contract/service	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Management fees[1]	481.6	429.4
Other income	2.0	4.6
Fee and other operating income	**483.6**	**434.0**

1. Included within management fees is £22.4m (2022: £57.5m) of performance related fees.

Management fees

The Group earns management fees from its investment management services. Management fees are charged on third-party capital managed by the Group and are based on an agreed percentage of either committed capital, invested capital or NAV, dependent on the fund. Management fees comprise both non-performance and performance-related fee elements related to one contract obligation . Non-performance-related management fees for the year of £459.2m (2022: £371.9m) are charged in arrears and are recognised in the period services are performed.

Performance-related management fees (performance fees) are recognised only to the extent it is highly probable that there will not be a significant reversal of the revenue recognised in the future. This is generally towards the end of the contract period or upon early liquidation of a fund. The estimate of performance fees is made with reference to the liquidation profile of the fund, which factors in portfolio exits and timeframes. For certain funds the estimate of performance fees is made with reference to specific requirements. A constraint is applied to the estimate to reflect uncertainty of future fund performance. Performance fees of £22.4m (2022: £57.5m) have been recognised in the year. Performance fees will only be crystallised and received in cash when the relevant fund performance hurdle is met.

There are no other individually significant components of revenue from contracts with customers.

Critical judgement

A critical judgement for the Group is whether performance fees will meet their expected performance conditions within the expected timeframes. The Group bases its assessment on the best available information pertaining to the funds and the activity of the underlying assets within that fund. The valuation of the underlying assets within a fund will be subject to fluctuations in the future, including the impact of macroeconomic factors outside the Group's control. The information on which this judgement is based is the liquidation NAV of the relevant funds (which are subject to annual audit).

The Directors base their projected views on a 24-month look-forward basis, the 'forecast period', from the year end. The Directors believe they have a reasonable basis on which to judge expected exits and value within a 24-month horizon, but not beyond that.

Within this forecast period, the Directors will consider funds that have either reached their hurdle rate or are expected to reach the hurdle rate in the forecast period. In determining whether a fund is expected to reach the hurdle rate, the key inputs are the latest expected repayment dates of the underlying assets and expected proceeds on realisation, as approved by the Fund Investment Committees.

Where the hurdle date is expected to be reached within 24 months of the year end but performance fees are not yet paid, a constraint will be applied within the determination of the performance fee receivable. Application of the constraint limits the revenue recognised. This is assessed on a case-by-case basis.

The weighted-average constraint at the reporting date is 43% (2022: 46%). If the average constraint were to increase by 10 percentage points to 53% (2022: 56%) this would result in a reduction in revenue of £1.13m (2022: £0.62m). Conversely, a 10% decrease in constraint would result in an increase in revenue of £1.13m (2022: £0.55m) being recognised in the income statement. In certain limited circumstances performance fees received may be subject to clawback provisions if the performance of the fund deteriorates materially following the receipt of performance fees.

4. Segmental reporting

For management purposes, the Group is organised into two operating segments, the Fund Management Company ('FMC') and the Investment Company ('IC') which are also reportable segments. In identifying the Group's reportable segments, management considered the basis of organisation of the Group's activities, the economic characteristics of the operating segments, and the type of products and services from which each reportable segment derives its revenues. Total reportable segment figures are alternative performance measures ('APM').

The Executive Directors, the chief operating decision makers, monitor the operating results of the FMC and the IC for the purpose of making decisions about resource allocation and performance assessment. The Group does not aggregate the FMC and IC as those segments do not have similar economic characteristics. Information about these segments is presented below.

The FMC earns fee income for the provision of investment management services and recognises the fair value movement on any associated hedging derivatives and incurs the majority of the Group's costs in delivering these services, including the cost of the investment teams and the cost of support functions, primarily marketing, operations, information technology and human resources.

The IC is charged a management fee of 1% of the carrying value of the average balance sheet investment portfolio by the FMC and this is shown below as the Inter-segmental fee. It recognises the fair value movement on any associated hedging derivatives. The costs of finance, treasury and legal teams, and other Group costs primarily related to being a listed entity, are allocated to the IC. The remuneration of the Executive Directors is allocated equally to the FMC and the IC.

The amounts reported for management purposes in the tables below are reconciled to the UK-adopted IAS reported amounts on the following pages.

	Year ended 31 March 2023			Year ended 31 March 2022		
	FMC	IC	Reportable segments Total	FMC	IC	Reportable segments Total
	£m	£m	£m	£m	£m	£m
External fee income	501.0	2.6	503.6	448.7	0.5	449.2
Inter-segmental fee	25.0	(25.0)	—	24.8	(24.8)	—
Other operating income	0.5	1.7	2.2	1.7	2.1	3.8
Fund management fee income	**526.5**	**(20.7)**	**505.8**	**475.2**	**(22.2)**	**453.0**
Net investment returns	—	102.3	102.3	—	485.7	485.7
Dividend income	40.2	—	40.2	38.0	—	38.0
Net fair value loss on derivatives	(26.8)	16.8	(10.0)	(0.4)	(11.8)	(12.2)
Total revenue	**539.9**	**98.4**	**638.3**	**512.8**	**451.7**	**964.5**
Interest income	—	13.9	13.9	—	—	—
Interest expense	(2.2)	(61.8)	(64.0)	(1.7)	(50.5)	(52.2)
Staff costs	(85.0)	(20.0)	(105.0)	(76.0)	(16.7)	(92.7)
Incentive scheme costs	(92.2)	(59.6)	(151.8)	(87.2)	(82.5)	(169.7)
Other administrative expenses	(49.8)	(23.5)	(73.3)	(61.7)	(19.4)	(81.1)
Profit before tax and discontinued operations	**310.7**	**(52.6)**	**258.1**	**286.2**	**282.6**	**568.8**

Reconciliation of APM amounts reported for management purposes to the financial statements reported under UK-adopted IAS

Included in the following tables are statutory adjustments made to the following:

- All income generated from the balance sheet investment portfolio is presented as net investment returns for reportable segments purposes, whereas under UK-adopted IAS it is presented within gains on investments and other operating income.
- The structured entities controlled by the Group are presented as fair value investments for reportable segments (APM), whereas the statutory financial statements present these entities on a consolidated basis under UK-adopted IAS. The impact of this consolidation on profit before tax is shown in the table on the following page.
- The warehouse funds, their investments and other current assets within controlled entities are presented as fair value investments for reportable segments (APM), whereas the statutory financial statement present these entities on a consolidated basis under UK-adopted IAS. The impact of this consolidation is disclosed within 'Gain/(loss) after tax from discontinued operations' on the following page with further detail in note 29.

Notes to the financial statements *continued*

4. Segmental reporting *continued*

Consolidated income statement

Year ended 31 March 2023	Reportable segments £m	Consolidated entities £m	Financial statements £m
Fund management fee income	503.6	(22.0)	481.6
Other operating income	2.2	(0.2)	2.0
Fee and other income	**505.8**	**(22.2)**	**483.6**
Dividend income	40.2	(40.2)	–
Net fair value loss on derivatives	(10.0)	(7.1)	(17.1)
Finance income/(loss)	**30.2**	**(47.3)**	**(17.1)**
Net investment returns/gains on investments	**102.3**	**70.2**	**172.5**
Total revenue	**638.3**	**0.7**	**639.0**
Other income	**13.9**	**1.6**	**15.5**
Finance costs	**(64.0)**	**(0.6)**	**(64.6)**
Staff costs	(105.0)	(0.1)	(105.1)
Incentive scheme costs	(151.8)	0.2	(151.6)
Other administrative expenses	(73.3)	(13.3)	(86.6)
Administrative expenses	**(330.1)**	**(13.2)**	**(343.3)**
Share of results of joint ventures accounted for using equity method	**–**	**4.4**	**4.4**
Profit before tax and discontinued operations	**258.1**	**(7.1)**	**251.0**
Tax charge	(28.8)	(0.6)	(29.4)
Profit after tax from discontinued operations	–	56.8	56.8
Profit after tax and discontinued operations	**229.3**	**49.1**	**278.4**

Year ended 31 March 2022	Reportable segments £m	Consolidated entities £m	Financial statements £m
Fund management fee income	449.2	(19.8)	429.4
Other operating income	3.8	0.8	4.6
Fee and other income	**453.0**	**(19.0)**	**434.0**
Dividend income	38.0	(38.0)	–
Net fair value gain/(loss) on derivatives	(12.2)	4.8	(7.4)
Finance income/(loss)	**25.8**	**(33.2)**	**(7.4)**
Net investment returns/gains on investments	**485.7**	**69.8**	**555.5**
Total revenue	**964.5**	**17.6**	**982.1**
Finance costs	**(52.2)**	**(0.9)**	**(53.1)**
Staff costs	(92.7)	0.3	(92.4)
Incentive scheme costs	(169.7)	–	(169.7)
Other administrative expenses	(81.1)	(19.9)	(101.0)
Administrative expenses	**(343.5)**	**(19.6)**	**(363.1)**
Share of results of joint ventures accounted for using equity method	**–**	**(0.5)**	**(0.5)**
Profit before tax and discontinued operations	**568.8**	**(3.4)**	**565.4**
Tax charge	(30.8)	(0.3)	(31.1)
Loss after tax from discontinued operations	**–**	**(9.2)**	**(9.2)**
Profit after tax and discontinued operations	**538.0**	**(12.9)**	**525.1**

4. Segmental reporting *continued*

Consolidated statement of financial position

Year ended 31 March 2023	2023		
	Reportable segments £m	Consolidated entities £m	Financial statements £m
Non-current financial assets	2,642.2	4,402.8	7,045.0
Other non-current assets	158.4	6.0	164.4
Cash	550.0	407.5	957.5
Current financial assets	282.4	(264.1)	18.3
Other current assets	243.7	623.6	867.3
Total assets	**3,876.7**	**5,175.8**	**9,052.5**
Non-current financial liabilities	1,558.0	4,573.4	6,131.4
Other non-current liabilities	104.5	2.1	106.6
Current financial liabilities	79.1	–	79.1
Other current liabilities	157.7	532.5	690.2
Total liabilities	**1,899.3**	**5,108.0**	**7,007.3**
Equity	1,977.4	67.8	2,045.2
Total equity and liabilities	**3,876.7**	**5,175.8**	**9,052.5**

Year ended 31 March 2022	2022		
	Reportable segments £m	Consolidated entities £m	Financial statements £m
Non-current financial assets	2,728.4	4,246.0	6,974.4
Other non-current assets	193.3	4.0	197.3
Cash	761.5	230.3	991.8
Current financial assets	126.4	10.9	137.3
Other current assets	193.2	378.5	571.7
Total assets	**4,002.8**	**4,869.7**	**8,872.5**
Non-current financial liabilities	1,507.4	4,364.7	5,872.1
Other non-current liabilities	91.2	0.3	91.5
Current financial liabilities	256.4	104.6	361.0
Other current liabilities	152.8	393.3	546.1
Total liabilities	**2,007.8**	**4,862.9**	**6,870.7**
Equity	1,995.0	6.8	2,001.8
Total equity and liabilities	**4,002.8**	**4,869.7**	**8,872.5**

Notes to the financial statements *continued*

4. Segmental reporting *continued*

Consolidated statement of cash flows

	2023		
	Reportable segments £m	Consolidated structured entities £m	Financial Statements £m
Profit/(loss) before tax from continuing operations	**258.1**	**(7.1)**	**251.0**
Adjustments for non cash items:			
Fee and other operating (income)/expense	(505.8)	22.2	(483.6)
Net investment returns	(102.3)	(70.2)	(172.5)
Net fair value loss on derivatives	34.9	–	34.9
Impact of movement in foreign exchange rates	(24.9)	7.1	(17.8)
Interest income	(13.9)	(1.6)	(15.5)
Interest expense	64.0	0.6	64.6
Depreciation, amortisation and impairment of property, equipment and intangible assets	18.2	–	18.2
Share-based payment expense	39.5	–	39.5
Working capital changes:			
(Increase)/Decrease in trade receivables	(48.3)	36.3	(12.0)
Decrease in trade and other payables	(41.3)	(155.6)	(196.9)
Change in disposal groups held for sale	–	(8.8)	(8.8)
	(321.8)	**(177.1)**	**(498.9)**
Proceeds from sale of current financial assets and disposal groups held for sale	45.5	–	45.5
Purchase of current financial assets and disposal groups held for sale	(211.9)	–	(211.9)
Purchase of investments	(453.8)	(966.4)	(1,420.2)
Proceeds from sales and maturities of investments	689.4	1,032.8	1,722.2
Interest and dividend income received	106.8	256.0	362.8
Fee and other operating income received	573.3	14.6	587.9
Interest paid	(63.5)	(199.9)	(263.4)
Cash flow generated from/(used in) operations	**363.9**	**(39.9)**	**324.0**
Taxes paid	(32.4)	–	(32.4)
Net cash flows from/(used in) operating activities	**331.5**	**(39.9)**	**291.6**
Investing activities			
Purchase of intangible assets	(4.7)	–	(4.7)
Purchase of property, plant and equipment	(6.5)	–	(6.5)
Net cashflow from derivative financial instruments	(58.8)	–	(58.8)
Cashflow as a result of acquisition of subsidiaries	–	200.8	200.8
Net cash flows (used in)/from investing activities	**(70.0)**	**200.8**	**130.8**
Financing activities			
Purchase of Own Shares	(38.9)	–	(38.9)
Payment of principal portion of lease liabilities	(6.8)	–	(6.8)
Repayment of long-term borrowings	(194.6)	–	(194.6)
Dividends paid to equity holders of the parent	(236.4)	–	(236.4)
Net cash flows used in financing activities	**(476.7)**	**–**	**(476.7)**
Net (decrease)/increase in cash and cash equivalents	**(215.2)**	**160.9**	**(54.3)**
Effects of exchange rate differences on cash and cash equivalents	3.7	16.3	20.0
Cash and cash equivalents at 1 April	761.5	230.3	991.8
Cash and cash equivalents at 31 March	**550.0**	**407.5**	**957.5**

4. Segmental reporting *continued*

	2022		
	Reportable segments	Consolidated structured entities	Financial Statements
	£m	£m	£m
Profit/(loss) before tax from continuing operations	**568.8**	**(3.4)**	**565.4**
Adjustments for non cash items:			
Fee and other operating (income)/expense	(453.0)	19.0	(434.0)
Net investment returns	(485.7)	(69.8)	(555.5)
Net fair value loss/(gains) on derivatives	12.1	(4.8)	7.3
Impact of movement in foreign exchange rates	0.1	–	0.1
Interest expense	52.2	0.9	53.1
Depreciation, amortisation and impairment of property, equipment and intangible assets	19.5	–	19.5
Share-based payment expense	29.6	0	29.6
Working capital changes:			
Increase in trade receivables	(21.5)	(11.0)	(32.5)
Increase/(Decrease) in trade and other payables	35.5	(62.9)	(27.4)
	(242.4)	**(132.0)**	**(374.4)**
Proceeds from sale of current financial assets and disposal groups held for sale	185.2	–	185.2
Purchase of current financial assets and disposal groups held for sale	(204.0)	–	(204.0)
Purchase of investments	(748.3)	(2,784.5)	(3,532.8)
Proceeds from sales and maturities of investments	958.8	2,785.0	3,743.8
Interest and dividend income received	100.3	159.5	259.8
Fee and other operating income received	387.8	5.2	393.0
Interest paid	(55.7)	(127.6)	(183.3)
Cash flow generated from/(used in) operations	**381.8**	**(94.5)**	**287.3**
Taxes paid	(43.9)	–	(43.9)
Net cash flows from/(used in) operating activities	**337.9**	**(94.5)**	**243.4**
Investing activities			
Purchase of intangible assets	(4.3)	–	(4.3)
Purchase of property, plant and equipment	(3.5)	–	(3.5)
Net cashflow from derivative financial instruments	17.3	5.1	22.4
Cashflow as a result of acquisition of subsidiaries	1.6	29.3	30.9
Net cash flows from investing activities	**11.1**	**34.4**	**45.5**
Financing activities			
Purchase of Own Shares	(20.9)	–	(20.9)
Payment of principal portion of lease liabilities	(4.1)	–	(4.1)
Proceeds from borrowings	413.5	–	413.5
Repayment of long-term borrowings	(111.5)	–	(111.5)
Dividends paid to equity holders of the parent	(165.7)	–	(165.7)
Net cash flows from financing activities	**111.3**	**–**	**111.3**
Net increase/(decrease) in cash and cash equivalents	460.2	(60.0)	400.2
Effects of exchange rate differences on cash and cash equivalents	4.4	6.0	10.4
Cash and cash equivalents at 1 April	296.9	284.3	581.2
Cash and cash equivalents at 31 March	**761.5**	**230.3**	**991.8**

Notes to the financial statements *continued*

4. Segmental reporting *continued*

Geographical analysis of non-current financial assets at fair value

Asset Analysis by Geography	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Europe	3,730.3	3,613.8
Asia Pacific	247.2	244.0
North America	3,059.1	3,115.3
Total	**7,036.6**	**6,973.1**

Geographical analysis of Group revenue

Income Analysis by Geography	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Europe	415.3	693.3
Asia Pacific	58.6	84.0
North America	165.1	204.8
Total	**639.0**	**982.1**

5. Financial assets and liabilities

Accounting policy

Financial assets

Financial assets can be classified into the following categories: Amortised Cost, Fair Value Through Profit and Loss (‘FVTPL’) and Fair Value Through Other Comprehensive Income (‘FVOCI’). The Group has classified all invested financial assets as FVTPL.

Financial assets at FVTPL are initially recognised and subsequently measured at fair value. A valuation assessment is performed on a recurring basis with gains or losses arising from changes in fair value recognised through net gains on investments in the consolidated income statement. Dividends or interest earned on the financial assets are also included in the net gains on investments.

Where the Group holds investments in a number of financial instruments such as debt and equity in a portfolio company, the Group views their entire investment as a unit of account for valuation purposes. Industry standard valuation guidelines such as the International Private Equity and Venture Capital (’IPEV’) Valuation Guidelines - December 2022, allow for a level of aggregation where there are a number of financial instruments held within a portfolio company.

Recognition of financial assets

When the Group invests in the capital structure of a portfolio company, these assets are initially recognised and subsequently measured at fair value, and transaction costs are recognised in the consolidated income statement immediately.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the asset are transferred to another party. On derecognition of a financial asset in its entirety, the difference between the asset’s carrying value amount and the sum of the consideration received and receivable, is recognised in profit or loss.

Key sources of estimation uncertainty on financial assets

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm’s length transaction at the reporting date. The fair value of investments is based on quoted prices, where available. Where quoted prices are not available, the fair value is estimated in line with IFRS and industry standard valuation guidelines such as IPEV for direct investments in portfolio companies, and the Royal Institute of Chartered Surveyors Valuation – Global Standards 2020 for investment property. These valuation techniques can be subjective and include assumptions which are not supportable by observable data. Details of the valuation techniques and the associated sensitivities are further disclosed in this note on page 164.

Given the subjectivity of investments in private companies, senior and subordinated notes of Collateralised Loan Obligation vehicles and investments in investment property, these are key sources of estimation uncertainty, and as such the valuations are approved by the relevant Fund Investment Committees and Group Valuation Committee. The unobservable inputs relative to these investments are further detailed below.

5. Financial assets and liabilities *continued*

Fair value measurements recognised in the statement of financial position

The information set out below provides information about how the Group and Company determines fair values of various financial assets and financial liabilities, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

The following table summarises the valuation of the Group's financial assets and liabilities by fair value hierarchy:

	As at 31 March 2023				As at 31 March 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Group	£m	£m	£m	£m	£m	£m	£m	£m
Financial Assets								
Investment in or alongside managed funds[1]	7.2	1.8	2,144.3	2,153.3	9.8	—	2,112.9	2,122.7
Investments in loans held within structured entities controlled by the Group	—	4,101.4	567.7	4,669.1	—	4,467.4	145.2	4,612.6
Derivative assets	—	22.0	—	22.0	—	138.6	—	138.6
Investment in private companies[2]	—	—	100.4	100.4	—	—	122.7	122.7
Investment in public companies	5.1	—	—	5.1	0.4	—	—	0.4
Senior and subordinated notes of CLO vehicles	—	105.8	7.5	113.3	—	105.6	9.1	114.7
Disposal groups held for sale	—	—	163.2	163.2	12.7	—	89.2	101.9
Total assets	**12.3**	**4,231.0**	**2,983.1**	**7,226.4**	**22.9**	**4,711.6**	**2,479.1**	**7,213.6**
Financial Liabilities								
Liabilities of consolidated credit funds	—	(4,508.0)	(64.7)	(4,572.7)	—	(4,130.1)	(234.6)	(4,364.7)
Derivative liabilities	—	(15.7)	—	(15.7)	—	(156.3)	—	(156.3)
Disposal groups held for sale	—	—	—	—	—	—	(5.0)	(5.0)
Total liabilities	**—**	**(4,523.7)**	**(64.7)**	**(4,588.4)**	**—**	**(4,286.4)**	**(239.6)**	**(4,526.0)**

1. Level 3 Investments in or alongside managed funds includes £47.8m senior debt (2022: £41.1m), £1,319.8m subordinated debt and equity (2022: £1,487.7m), £284.5m of real estate assets (2022: £215.1m), and £492.2m private equity secondaries (2022: £369.0m).
2. Level 3 Investment in private companies includes £91.3m subordinated debt and equity (2022: £96.2m) and £9.1m of real estate assets (2022: £26.5m).

Notes to the financial statements *continued*

5. Financial assets and liabilities *continued*

Fair value hierarchy

The following table summarises the valuation of the Company's financial assets and liabilities by fair value hierarchy.

	As at 31 March 2023				As at 31 March 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Company	£m	£m	£m	£m	£m	£m	£m	£m
Financial Assets								
Investment in or alongside managed funds	7.2	–	171.6	178.8	110.7	–	160.7	271.4
Derivative assets	–	22.0	–	22.0	–	40.0	–	40.0
Investment in private companies	–	–	86.1	86.1	12.7	–	158.9	171.6
Senior and subordinated notes of CLO vehicles	–	–	23.8	23.8	–	–	0.2	0.2
Total assets	**7.2**	**22.0**	**281.5**	**310.7**	**123.4**	**40.0**	**319.8**	**483.2**
Financial Liabilities								
Derivative liabilities	–	15.7	–	15.7	–	56.7	–	56.7
Total liabilities	**–**	**15.7**	**–**	**15.7**	**–**	**56.7**	**–**	**56.7**

Valuations

Valuation process

The Group Valuation Committee ('GVC') oversees the valuation processes and provides independent review of the methodologies, models and assumptions used to value the Level 3 assets and liabilities, in accordance with the principles and guidelines set out in the Group Valuation Policy, and to assess the reasonableness of the resulting fair value measurement. The GVC reviewed valuations on a quarterly basis and reports to the Audit Committee semi-annually. The GVC is independent of the boards of directors of the funds and no member of the GVC is a member of either the Group's investment teams or Investment Committees ('IC's).

Valuation methodologies are identified for each category of Level 3 assets, based on the specific characteristics of each asset and liability and considering factors such as the nature, complexity, and risk profile of the investment. Each asset is attributable to a fund or investment strategy managed by the Group.

The IC of that fund or strategy is responsible for the review, challenge, and approval of the related funds' valuations of the assets managed by that strategy investment team. Sources of the valuation include the ICG investment team, third-party valuation services and third-party fund administrators. The IC provides those valuations to the Group, as an investor in the fund assets.

The IC is also responsible for escalating significant events regarding the valuation to the Group (as an investor in the fund assets), e.g. change in valuation methodologies, potential impairment events, material judgements etc.

The table in page 164 outlines in more detail the range of valuation techniques, as well as the key unobservable inputs for each category of Level 3 assets and liabilities.

Investment in or alongside managed funds

When fair values of publicly traded closed-ended funds and open-ended funds are based on quoted market prices in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Group values these investments at bid price for long positions and ask price for short positions.

The Group also co-invests with funds, including credit and private equity secondary funds, which are not quoted in an active market. The Group considers the valuation techniques and inputs used by these funds to ensure they are reasonable, appropriate and consistent with the principles of fair value. The latest available NAV of these funds are generally used as an input into measuring their fair value. The NAV of the funds are adjusted, as necessary, to reflect restrictions on redemptions, and other specific factors relevant to the funds. In measuring fair value, consideration is also given to any transactions in the interests of the funds. The Group classifies these funds as Level 3.

5. Financial assets and liabilities *continued*

Investment in private companies

The Group takes debt and equity stakes in private companies that are, other than on very rare occasions, not quoted in an active market and uses either a market-based valuation technique or a discounted cash flow technique to value these positions.

The Group's investments in private companies are held at fair value using the most appropriate valuation technique based on the nature, facts and circumstances of the private company. The first of two principal valuation techniques is a market comparable companies technique. The enterprise value ('EV') of the portfolio company is determined by applying an earnings multiple, taken from comparable companies, to the profits of the portfolio company. The Group determines comparable private and public companies, based on industry, size, location, leverage and strategy, and calculates an appropriate multiple for each comparable company identified. The second principal valuation technique is a discounted cashflow ('DCF') approach. Fair value is determined by discounting the expected future cashflows of the portfolio company to the present value. Various assumptions are utilised as inputs, such as terminal value and the appropriate discount rate to apply. Typically, the DCF is then calibrated alongside a market comparable companies approach. Alternate valuation techniques may be used where there is a recent offer or a recent comparable market transaction, which may provide an observable market price and an approximation to fair value of the private company. The Group classified these assets as Level 3.

Investment in public companies

Quoted investments are held at the last traded bid price on the reporting 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.

Investment in loans held in consolidated structured entities

The loan asset portfolios of the consolidated structured entities are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and from independent loan pricing sources. To the extent that the significant inputs are observable the Group classifies these assets as Level 2 and other assets are classified as Level 3. Level 3 assets are valued using a discounted cashflow technique and the key inputs under this approach are detailed on page 164.

Derivative assets and liabilities

The Group uses market-standard valuation models for determining fair values of over-the-counter interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own credit risk, foreign exchange spot and forward rates and interest rate curves. For these financial instruments, significant inputs into models are market observable and are included within Level 2.

Senior and subordinated notes of CLO vehicles

The Group holds investments in the senior and subordinated notes of the CLOs it manages, predominately driven by European Union risk-retention requirements. The Group employs DCF analysis to fair value these investments, using several inputs including constant annual default rates, prepayments rates, reinvestment rates, recovery rates and discount rates.

The DCF analysis at the reporting date shows that the senior notes are typically expected to recover all contractual cashflows, including under stressed scenarios, over the life of the CLOs. Unobservable inputs are used in determining the fair value of subordinated notes, which are therefore classified as Level 3 instruments. Observable inputs are used in determining the fair value of senior notes and these instruments are therefore classified as Level 2.

Liabilities of consolidated credit funds

Rated debt liabilities of consolidated CLOs are generally valued at par plus accrued interest, which we assess as fair value, as evidenced by the general availability of market prices and discounting spreads for rated debt liabilities of CLOs. This is consistent with the valuation approach of the rated debt assets held in the unconsolidated CLOs. As a result we deem these liabilities as Level 2.

Unrated/subordinated debt liabilities of consolidated CLOs are valued directly in line with the fair value of the CLOs' underlying loan asset portfolios. These underlying assets comprise observable loan securities traded in active markets. The underlying assets are reported in both Level 2 and Level 3. As a result of this methodology deriving the valuation of unrated/subordinated debt liabilities from a combination of Level 2 and Level 3 asset values, we deem these liabilities to be Level 3.

Real estate assets

To the extent that the Group invests in real estate assets, whether through an investment in a managed fund or an investment in a private company, the underlying assets may be a debt instrument or property classified as investment property in accordance with IAS 40 'Investment Property'. The fair values of the directly held investment properties have been recorded based on independent valuations prepared by third-party real estate valuation specialists in line with the Royal Institution of Chartered Surveyors Valuation – Global Standards 2020. At the end of each reporting period, the Group reviews its assessment of the fair value of each property, taking into account the most recent independent valuations. The Directors determine a property value within a range of reasonable fair value estimates, based on information provided.

All resulting fair value estimates for properties are included in Level 3.

Notes to the financial statements *continued*

5. Financial assets and liabilities *continued*

Reconciliation of Level 3 fair value measurements of financial assets

The following tables set out the movements in recurring financial assets valued using the Level 3 basis of measurement in aggregate. Within the income statement, realised gains and fair value movements are included within gains on investments, and foreign exchange gains/(losses) are included within finance costs. Transfers between levels are determined based on the year-end valuation and therefore take place at the end of the reporting period.

Group	Investment in or alongside managed funds £m	Investment in loans held in consolidated entities £m	Investment in private companies £m	Senior and subordinated notes of CLO vehicles £m	Disposal groups held for sale £m	Total £m
At 1 April 2022	2,112.9	145.2	122.7	9.1	89.2	2,479.1
Total gains or losses in the income statement						
– Net investment return[2]	172.9	(9.6)	(21.2)	(1.3)	(7.1)	133.7
- Foreign exchange	67.4	15.5	13.2	0.5	5.8	102.4
Purchases	416.2	60.2	6.7	—	158.7	641.8
Exit proceeds	(625.1)	(100.7)	(21.0)	(0.8)	(23.8)	(771.4)
Transfer between levels[1]	—	457.1	—	—	(59.6)	397.5
At 31 March 2023	**2,144.3**	**567.7**	**100.4**	**7.5**	**163.2**	**2,983.1**

1. During the year certain assets in Investments in loans held in consolidated entities were reassessed as Level 3 (from Level 2) and these changes are reported as a transfer in the year. Transfers out of Disposal groups held for sale represented the re-designation of an asset as Investment Property (see note 29)
2. Included within net investment returns are £141.8m of unrealised gains (which includes accrued interest).

Group	Investment in or alongside managed funds £m	Investment in loans held in consolidated entities £m	Investment in private companies £m	Senior and subordinated notes of CLO vehicles £m	Disposal groups held for sale £m	Total £m
At 1 April 2021	1,802.1	168.6	234.6	27.2	57.4	2,289.9
Total gains or losses in the income statement						
– Net investment return[2]	455.9	(10.8)	17.7	(5.2)	6.3	463.9
- Foreign exchange	2.7	—	4.5	0.5	0.7	8.4
Purchases	680.4	54.8	0.4	13.2	106.9	855.7
Exit proceeds	(824.2)	(37.6)	(134.5)	(26.6)	(82.1)	(1,105.0)
Transfer between levels	(4.0)	(29.8)	—	—	—	(33.8)
At 31 March 2022	**2,112.9**	**145.2**	**122.7**	**9.1**	**89.2**	**2,479.1**

1. During the year certain assets in Investments in or alongside managed fund and Investments in loans held in consolidated entities were reassessed from Level 3 and these changes are reported as a transfer in the year
2. Included within net investment returns are £439.7m of unrealised gains (which includes accrued interest)

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5. Financial assets and liabilities *continued*

Company	Investment in or alongside managed funds £m	Investment in private companies £m	Senior and subordinated notes of CLO vehicles £m	Total £m
At 1 April 2022	160.7	158.9	0.2	319.8
Total gains or losses in the income statement				
– Net investment return	3.1	10.1	(0.2)	13.0
– Foreign exchange	5.9	18.6	–	24.5
Purchases	49.8	120.9	23.8	194.5
Exit proceeds	(47.9)	(222.4)	–	(270.3)
At 31 March 2023	**171.6**	**86.1**	**23.8**	**281.5**

Company	Investment in or alongside managed funds £m	Investment in private companies £m	Senior and subordinated notes of CLO vehicles £m	Total £m
At 1 April 2021	176.3	192.8	9.2	378.3
Total gains or losses in the income statement				
– Net investment return	7.6	32.0	(9.3)	30.4
– Foreign exchange	(15.3)	4.8	0.3	(10.2)
Purchases	22.2	60.9	–	83.1
Exit proceeds	(30.1)	(128.1)	–	(158.2)
Transfer between levels	–	(3.6)	–	(3.6)
At 31 March 2022	**160.7**	**158.9**	**0.2**	**319.8**

Transfers in and out of Level 3 financial assets were due to changes to the observability of inputs used in the valuation of these assets.

Reconciliation of Level 3 fair value measurements of financial liabilities

The following tables sets out the movements in reoccurring financial liabilities valued using the Level 3 basis of measurement in aggregate. Within the income statement, realised gains and fair value movements are included within gains on investments, and foreign exchange gains/(losses) are included within finance costs.

During the year ended 31 March 2023 changes in the fair value of the assets of consolidated credit funds resulted in a reduction in the fair value of the financial liabilities of those consolidated credit funds, reported as a 'fair value gain' in the table below.

Group	2023 Financial liabilities designated as FVTPL £m	2022 Financial liabilities designated as FVTPL £m
At 1 April	239.6	268.2
Total gains or losses in the income statement		
– Fair value gains	(178.2)	(31.8)
– Foreign exchange losses	12.8	–
Purchases	23.8	25.9
Disposal groups held for sale	(5.0)	5.0
Transfer between levels	(28.3)	(27.7)
At 31 March	**64.7**	**239.6**

Transfers in and out of Level 3 financial liabilities were due to changes to the observability of inputs used in the valuation of these liabilities.

Notes to the financial statements *continued*

5. Financial assets and liabilities *continued*

Valuation inputs and sensitivity analysis

The following table summarises the inputs and estimates used for items categorised in Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis:

Group Assets	Fair Value As at 31 March 2023 £m	Fair Value As at 31 March 2022 £m	Primary Valuation Technique[1]	Key Unobservable Inputs	Range	Weighted Average/ Fair Value Inputs	Sensitivity/ Scenarios	Effect on Fair Value[4] 31 March 2023 £m
Corporate - subordinated debt and equity[2]	1,574.4	1,598.4	Market comparable companies	Earnings multiple	5.0x – 29.0x	15.1x	'+10% Earnings multiple[2]	192.5
			Discounted cash flow	Discount rate	7.5% - 26.4%	10.4%	'-10% Earnings multiple[2]	(192.7)
				Earnings multiple	6.6x – 19.8x	12.4x		
Real Assets	293.6	316.3	Third-party valuation	N/A	N/A	N/A	+10% Third-party valuation	29.4
			LTV-based impairment model	N/A	N/A	N/A	-10% Third-party valuation	(29.4)
Private Equity Secondaries	492.1	369.0	Third-party valuation	N/A	N/A	N/A	+10% Third-party valuation	49.2
							-10% Third-party valuation	(49.2)
Corporate - Senior debt	47.8	41.1	Discounted cash flow	Probability of default	2.0%-5.4%	2.4%	Upside case	0.1
				Loss given default	25.4%	25.4%	Downside case	(0.8)
				Maturity of loan	3 years	3 years		
				Effective interest rate	8.7%-9.5%	8.7%		
Subordinated notes of CLO vehicles[3]	7.5	9.1	Discounted cash flow	Discount rate	13.0% - 14.0%	13.5%		
				Default rate	3% - 4.5%	3.4%	Upside case[3]	21.6
							Downside case[3]	(23.0)
				Prepayment rate %	15% -20%	18.9%		
				Recovery rate %	75.0%	75.0%		
				Reinvestment price	99.5%	99.5%		
Investments in loans held in structured entities	567.7	145.2	Third-party valuation	N/A	N/A	N/A	+10% Third-party valuation	56.8
							-10% Third-party valuation	(56.8)
Total assets	**2,983.1**	**2,479.1**						
Liabilities of consolidated credit funds	(64.7)	(234.6)	Third-party valuation	N/A	N/A	N/A	+10% Third-party valuation	(6.5)
							-10% Third-party valuation	6.5
Disposal group held for sale	—	(5.0)						
Total liabilities	**(64.7)**	**(239.6)**						

1. Where the Group has co-invested with its managed funds, it is the type of the underlying investment, and the valuation techniques used for these underlying investments, that is set out here.
2. For investments valued using a DCF methodology (including Infrastructure investments) the imputed earnings multiple is used for this sensitivity analysis.
3. The sensitivity analysis is performed on the entire portfolio of subordinated notes of CLO vehicles that the Group has invested in with total value of £182.8m (2022: £174.2m). This value includes investments in CLOs that are not consolidated (2023: £7.5m (2022: £9.1m)) and investments in CLOs which are consolidated (2023: £175.3m (2022: £165.3m)). The upside case is based on the default rate being lowered to 2.5% p.a. for the next 24 months, keeping all other parameters consistent. The downside case is based on the default rate being increased over the next 24 months to 6.5% p.a., keeping all other parameters consistent.
4. The effect of fair value across the entire investment portfolio ranges from -£345.4m (downside case) to +£343.0m (upside case) (2022: -£281.0m (downside case) to + £279.3m (upside case).

5. Financial assets and liabilities *continued*

Derivative financial instruments

Accounting policy

Derivative financial instruments for economic hedging

The Group holds derivative financial instruments to hedge foreign currency and interest rate exposures. Derivatives are recognised at fair value determined using independent third-party valuations or quoted market prices. Changes in fair values of derivatives are recognised immediately in Finance loss in the Income Statement.

A derivative with a positive fair value is recognised as a financial asset while a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months from the reporting date, otherwise a derivative will be presented as a current asset or current liability.

	2023			2022		
	Contract or underlying principal amount	Fair values		Contract or underlying principal amount	Fair values	
		Asset	Liability		Asset	Liability
Group	£m	£m	£m	£m	£m	£m
Cross currency swaps	121.6	7.5	(8.5)	306.1	28.4	(30.1)
Forward foreign exchange contracts (excl those held in consolidated credit funds)	1,365.1	14.5	(7.2)	1,113.6	4.7	(22.5)
Forward foreign exchange contracts held in consolidated credit funds	—	—	—	102.6	105.5	(103.7)
Total	**1,486.7**	**22.0**	**(15.7)**	**1,522.3**	**138.6**	**(156.3)**

	2023			2022		
	Contract or underlying principal amount	Fair values		Contract or underlying principal amount	Fair values	
		Asset	Liability		Asset	Liability
Company	£m	£m	£m	£m	£m	£m
Cross currency swaps	121.6	7.5	(8.5)	306.1	28.4	(30.1)
Forward foreign exchange contracts	1,365.1	14.5	(7.2)	1,580.3	11.7	(26.6)
Total	**1,486.7**	**22.0**	**(15.7)**	**1,886.4**	**40.1**	**(56.7)**

The Group holds £8.5m of cash pledged as collateral by its counterparties as at 31 March 2023. As at 31 March 2022 the value of cash held in margin accounts and therefore pledged as collateral by the Group was £27.0m. The counterparties were: Citigroup Global Markets Limited, Citibank NA, Lloyds Bank Corporate Markets Plc and ANZ. All the Credit Support Annexes that have been agreed with our counterparties are fully compliant with European Market Infrastructure Regulation 'EMIR'.

There was no change in fair value related to credit risk, in relation to derivatives as at 31 March 2023 (31 March 2022: £nil).

Under the relevant International Swaps and Derivatives Association ('ISDA') Master Agreements in place with our counterparties, the close-out netting provision would result in all obligations under a contract with a defaulting party being terminated and there would be a subsequent combining of positive and negative replacement values into a single net payable or receivable. This reduces the credit exposure from gross to net.

Notes to the financial statements *continued*

6. Cash and cash equivalents

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Cash and cash equivalents				
Cash at bank and in hand	**957.5**	991.8	**409.8**	707.1

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as shown above.

The Group's cash and cash equivalents include £407.5m (2022 : £230.3m) of restricted cash, held principally by structured entities controlled by the Group. The Group does not have legal recourse to these balances as their sole purpose is to service the interests of the investors in these structured entities.

In the current year £5.5m cash and cash equivalents were included in disposal groups held for sale (2022: £11.1m) (note 29).

7. Financial liabilities

Accounting policy

Financial liabilities, which include borrowings and listed notes and bonds (with the exception of financial liabilities designated as FVTPL), are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Included within financial liabilities held at amortised cost is the Group's present value of its future lease payments. Lease liabilities are initially measured at the present value of all the future lease payments. The present value at the inception of the lease is determined by discounting all future lease payments at the Group's centrally determined incremental borrowing rate at the date of inception of the lease. In calculating the present value of lease payments, the Group uses its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Financial liabilities at FVTPL are initially recognised and subsequently measured at fair value on a recurring basis with gains or losses arising from changes in fair value and interest paid on the financial instruments recognised through gains on investments in the income statement. Interest paid on the financial instruments is included within net gains on investments.

Included within financial liabilities at FVTPL are derivative liabilities and other financial liabilities designated as FVTPL within structured entities controlled by the Group.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire.

			2023		2022	
Group	Interest rate %	Maturity	Current £m	Non-current £m	Current £m	Non-current £m
Liabilities held at amortised cost						
- Private placement	2.02% - 6.25%	2023 - 2029	56.8	604.8	39.2	617.2
- Listed notes and bonds	1.63% - 2.5%	2027 - 2030	2.5	874.9	162.9	836.8
- Unsecured bank debt[1]	SONIA +1.40%	2026	(0.8)	(1.5)	(1.0)	(1.7)
Total Liabilities held at amortised cost			58.5	1,478.2	201.1	1,452.3
Other financial liabilities[2]	2.85% - 7.09%	2023 - 2034	5.8	79.6	6.5	52.2
Liabilities held at FVTPL:						
- Derivative financial liabilities			14.8	0.9	153.4	2.9
- Structured entities controlled by the Group	0.6% - 9.93%	2030-2036	—	4,572.7	—	4,364.7
			79.1	**6,131.4**	**361.0**	**5,872.1**

1. Financial liabilities held at amortised cost within Disposal Groups Held for Sale are disclosed in Note 29.

Company	Interest rate %	Maturity	2023 Current £m	2023 Non-current £m	2022 Current £m	2022 Non-current £m
Liabilities held at amortised cost						
- Private placement	2.02% - 6.25%	2023 - 2029	56.8	604.8	39.2	617.2
- Listed notes and bonds	1.63% - 2.5%	2027 - 2030	2.5	874.9	162.9	836.8
- Unsecured bank debt[1]	SONIA +1.40%	2026	(0.8)	(1.5)	(1.0)	(1.7)
Total Liabilities held at amortised cost			58.5	1,478.2	201.1	1,452.3
Other financial liabilities[2]	2.85% - 7.09%	2023 - 2034	4.3	39.3	3.1	44.8
Liabilities held at FVTPL						
- Derivative financial liabilities			14.8	0.9	53.6	3.1
			77.6	**1,518.4**	**257.8**	**1,500.2**

1. Unsecured bank debt represents the value of associated fees which are amortised over the life of the facility.
2. Lease liabilities

Other financial liabilities are lease liabilities. Details of the cash outflows related to leases are in the Consolidated statement of cash flows, interest expenses associated with lease liabilities are in note 11, the Right of Use ('ROU') assets and the income from subleasing ROU assets are in note 18.

The fair value of the Listed notes and bonds, being the market price of the outstanding bonds, is £613.1m (2022: £956.4m) . Private placements and unsecured bank debt is held at amortised cost which the Group has determined to be the fair value of these liabilities.

Movement in financial liabilities arising from financing activities

The following tables sets out the movements in total liabilities held at amortised cost arising from financing activities undertaken during the year.

	Group 2023 £m	Group 2022 £m	Company 2023 £m	Company 2022 £m
At 1 April	1,712.1	1,380.1	1,701.3	1,369.8
Proceeds from borrowings	—	413.5	—	413.5
Repayment of long term borrowings	(194.6)	(111.5)	(194.6)	(111.5)
Payment of principal portion of lease liabilities	(6.8)	(4.1)	(4.1)	(3.6)
Establishment of lease liability	33.0	2.1	—	1.4
Net interest movement	1.0	6.2	0.3	5.9
Foreign exchange movement	77.4	25.8	77.4	25.8
At 31 March	**1,622.1**	**1,712.1**	**1,580.3**	**1,701.3**

8. Finance loss

Accounting policy

Changes in the fair value of derivatives used for economic hedging are recognised as finance income/loss (as appropriate) in the income statement as incurred.

	2023 £m	2022 £m
Fair value movements on derivatives	(17.1)	(7.4)
	(17.1)	**(7.4)**

Notes to the financial statements *continued*

9. Other income

Accounting policy

The Group earns interest on its bank deposits. These amounts are recognised as income on receipt.

	2023 £m	2022 £m
Interest income on bank deposits	15.5	—
	15.5	**—**

10. Net gains on investments

Accounting policy

The Group recognises net gains and losses on investments comprising realised and unrealised gains and losses from disposals and revaluations of financial assets and financial liabilities measured at fair value.

	2023 £m	2022 £m
Financial assets		
Change in fair value of financial instruments designated at FVTPL	167.6	643.1
Financial liabilities		
Change in fair value of financial instruments designated at FVTPL	4.9	(87.6)
Net gains arising on investments	**172.5**	**555.5**

11. Finance costs

Accounting policy

Interest expense on the Group's debt, excluding financial liabilities within structured entities controlled by the Group, is recognised using the effective interest rate method based on the expected future cash flows of the liabilities over their expected life. Arrangement and commitment fees amortised here are included within the carrying value of financial liabilities. Financial liabilities within structured entities controlled by the Group are accounted for within Net gains and losses arising on investment (see note 10).

Interest expense associated with lease obligations represents the unwinding of the lease liability discount, accounted for in accordance with IFRS 16 (see note 18).

Finance costs	2023 £m	2022 £m
Interest expense recognised on financial liabilities held at amortised cost	57.3	45.4
Arrangement and commitment fees	4.7	5.7
Interest expense associated with lease obligations	2.6	2.0
	64.6	**53.1**

12. Administrative expenses

Further detail in respect of material administrative expenses reported on the income statement is set out below:

	2023 £m	2022 £m
Staff costs	**256.7**	262.1
Amortisation and depreciation	**18.2**	18.1
Operating lease expenses	**2.8**	3.8
Auditor's remuneration	**2.3**	2.1

Auditor’s remuneration includes fees for audit and non-audit services payable to the Group’s auditor, Ernst and Young LLP, and are analysed as below.

	2023 £m	2022 £m
ICG Group		
Audit fees		
Group audit of the annual accounts	1.5	1.3
The audit of subsidiaries' annual accounts	0.4	0.5
Total audit fees	**1.9**	**1.8**
Non audit fees		
Non audit fees in capacity as auditor	0.3	0.2
Other non audit fees	0.1	—
Total non audit fees	**0.4**	**0.2**
Total auditor's remuneration incurred by the Group	**2.3**	**2.0**

Notes to the financial statements *continued*

13. Employees and Directors

Accounting policy

The Deal Vintage Bonus ('DVB') scheme forms part of the Group's Remuneration Policy for investment executives. DVB is reported within Wages and salaries.

Payments of DVB are made in respect of plan years, which are aligned to the Group's financial year. Payments of DVB are made only when the performance threshold for the plan year has been achieved on a cash basis and proceeds are received by the Group. An estimate of the DVB liability for a plan year is developed based on the following inputs: expected realisation proceeds; expected timing of realisations; and allocations of DVB to qualifying investment professionals. The Group accrues the estimated DVB cost associated with that plan year evenly over five years, reflecting the average holding period for the underlying investments. Payments of DVB are not subject to clawback.

	2023 £m	2022 £m
Directors' emoluments	**4.9**	**4.8**
Employee costs during the year including Directors:		
Wages and salaries	228.7	229.9
Social security costs	20.5	26.2
Pension costs	7.5	6.0
Total employee costs (note 12)	**256.7**	**262.1**
The monthly average number of employees (including Executive Directors) was:		
Investment Executives	268	244
Marketing and support functions	293	260
Executive Directors	3	3
	564	**507**

ICG plc, the Company, does not have any employees but relies on the expertise and knowledge of employees of ICG FMC Limited, Intermediate Capital Group Inc., Intermediate Capital Group SAS, Intermediate Capital Asia Pacific Limited and Intermediate Capital Group Polska Sp. z.o.o, subsidiaries of ICG plc.

Contributions to the Group's defined contribution pension schemes are charged to the consolidated income statement as incurred.

The performance related element included in employee costs is £151.6m (2022: £169.7m) which represents the annual bonus scheme, Omnibus Scheme, the Growth Incentive Scheme and the DVB Scheme. Please refer to the report of the Remuneration Committee on page 97.

In addition, during the year, third-party funds have paid £46.0m (2022: £62.0m) to former employees and £93.4m (2022: £123.2m) to current employees, including Executive Directors, relating to distributions from investments in carried interest partnerships made by these employees in prior periods. Such amounts become due over time if, and when, specified performance targets are ultimately realised in cash by the funds and paid by the carried interest partnerships ('CIPs') of the funds (see note 28). As these funds and CIPs are not consolidated, these amounts are not included in the Group's consolidated income statement.

14. Tax expense

Accounting policy

The tax expense comprises current and deferred tax.

Current tax assets and liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting periods, that are unpaid at the reporting date.

Deferred tax is provided in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction, other than a business combination, that affects neither the tax nor the accounting profit.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to be applied to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right of set off, when they relate to income taxes levied by the same tax authority and the Group intends to settle on a net basis.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

	2023 £m	2022 £m
Current tax:		
Current year	16.9	37.5
Prior year adjustment	(9.7)	(3.5)
	7.2	**34.0**
Deferred tax:		
Current year	14.1	1.9
Prior year adjustments	8.1	(4.8)
	22.2	**(2.9)**
Tax on profit on ordinary activities	**29.4**	**31.1**

The Group is an international business and operates across many different tax jurisdictions. Income and expenses are allocated to these jurisdictions based on transfer pricing methodologies set out both (i) in the laws of the jurisdictions in which the Group operates, and (ii) under guidelines set out by the Organisation for Economic Co-operation and Development (‘OECD’).

The effective tax rate reported by the Group for the period ended 31 March 2023 of 11.7% (2022: 5.5%) is lower than the statutory UK corporation tax rate of 19%.

The FMC activities are subject to tax at the relevant statutory rates ruling in the jurisdictions in which the income is earned. The lower effective tax rate compared to the statutory UK rate is largely driven by the IC activities. The IC benefits from statutory UK tax exemptions on certain forms of income arising from both foreign dividend receipts and gains from assets qualifying for the substantial shareholdings exemption. The effect of these exemptions means that the effective tax rate of the Group is highly sensitive to the relative mix of IC income, and composition of such income, in any one period.

Due to the application of tax law requiring a degree of judgement, the accounting thereon involves a level of estimation uncertainty which tax authorities may ultimately dispute. Tax liabilities are recognised based on the best estimates of probable outcomes and with regard to external advice where appropriate. The principal factors which may influence the Group’s future tax rate are changes in tax legislation in the territories in which the Group operates, the relative mix of FMC and IC income, the mix of income and expenses earned and incurred by jurisdiction and the timing of recognition of available deferred tax assets and liabilities. The Group accounts for future legislative change, to the extent that is enacted at the reporting date, in its recognition of deferred tax.

Notes to the financial statements *continued*

14. Tax expense *continued*

A reconciliation between the statutory UK corporation tax rate applied to the Group's profit before tax and the reported effective tax rate is provided below.

	2023 £m	2022 £m
Profit on ordinary activities before tax	**251.0**	565.4
Tax at 19% thereon	47.7	107.4
Effects of		
Prior year adjustment to current tax	(9.6)	(3.5)
Prior year adjustment to deferred tax	8.1	(4.8)
	46.2	**99.1**
Non-taxable and non-deductible items	(0.3)	(2.5)
Non-taxable investment company income	(22.5)	(69.6)
Trading income generated by overseas subsidiaries subject to different tax rates	4.0	1.0
Effect of changes in statutory rate changes	2.0	6.4
Release of Luxembourg tax provision	–	(3.3)
Tax charge for the period	**29.4**	**31.1**

Deferred tax

Deferred tax (asset)/liability Group	Investments £m	Share based payments and compensation deductible as paid £m	Derivatives £m	Other temporary differences £m	Total £m
As at 31 March 2021	11.9	(24.8)	1.2	3.7	(8.0)
Prior year adjustment	5.1	(0.5)	–	(9.4)	(4.8)
Impact of changes to statutory tax rates	8.7	(3.7)	(0.2)	1.6	6.4
Charge / (Credit) to equity	–	1.4	–	–	1.4
Charge / (Credit) to income	10.4	(10.5)	(1.8)	(2.6)	(4.5)
Movement in Foreign Exchange on retranslation	–	–	–	(0.4)	(0.4)
As at 31 March 2022	**36.1**	**(38.1)**	**(0.8)**	**(7.1)**	**(9.9)**
Prior year adjustment	2.0	0.2	–	7.4	9.6
Impact of changes to statutory tax rates	0.3	(1.1)	0.4	1.0	0.6
Charge / (Credit) to equity	2.2	3.4	–		5.6
Charge / (Credit) to income	5.2	(0.7)	1.6	8.0	14.1
Movement in foreign exchange on retranslation	–	–	–	(0.4)	(0.4)
Reclassification to current tax	–	–	–	(1.7)	(1.7)
As at 31 March 2023	**45.8**	**(36.3)**	**1.2**	**7.2**	**17.9**

Deferred tax (asset)/liability Company	Investments £m	Share based payments and compensation deductible as paid £m	Derivatives £m	Other temporary differences £m	Total £m
As at 31 March 2021	7.1	(10.7)	1.2	–	(2.4)
Prior year adjustment	(0.1)	–	–	(1.6)	(1.7)
Impact of changes to statutory tax rates	2.1	(2.0)	(0.2)	(0.1)	(0.2)
Charge / (Credit) to income	(0.5)	4.5	(1.8)	1.2	3.4
As at 31 March 2022	**8.6**	**(8.2)**	**(0.8)**	**(0.5)**	**(0.9)**
Prior year adjustment	–	–	–	0.6	0.6
Impact of changes to statutory tax rates	0.2	(0.3)	0.4	0.5	0.8
Charge / (Credit) to income	(0.5)	0.2	1.6	1.1	2.4
As at 31 March 2023	**8.3**	**(8.3)**	**1.2**	**1.7**	**2.9**

14. Tax expense *continued*

During the year deferred tax assets that reversed, due to timing differences, were mainly due to the utilisation of tax losses and unpaid interest expense in the Group's US business. As set out in the table above in column 'Share based payments and compensation deductible as paid', deferred tax assets at the reporting date were solely due to employee remuneration schemes in the UK and US.

The Group has undertaken a review of the level of recognition of deferred tax assets and is satisfied they are recoverable and therefore have been recognised in full.

Deferred tax (assets)/liabilities have been accounted for at the applicable tax rates enacted or substantively enacted, in the relevant jurisdictions at the reporting dated. There are no deferred tax assets recognised on the basis of losses.

In its March 2021 Budget, the UK Government announced that the UK rate of corporation tax would increase from 19% to 25% from 1 April 2023 . This legislative change has been substantively enacted, and has been considered when calculating the closing deferred tax balances at the reporting date.

The OECD Pillar II proposals for a global minimum tax rate of 15% are due to be implemented from 1 April 2024 (financial year ending 31 March 2025). The Group has performed an impact analysis and does not expect the implementation to be significant. It is expected that the IASB will treat any impact as a 'permanent in-the-year''difference for financial year ending 31 March 2025 onwards.

15. Dividends

Accounting policy

Dividends are distributions of profit to holders of Intermediate Capital Group plc's share capital and as a result are recognised as a deduction in equity. Final dividends are announced with the Annual Report and Accounts and are recognised when they have been approved by shareholders. Interim dividends are announced with the Half Year Results and are recognised when they are paid.

	2023		2022	
	Per share pence	£m	Per share pence	£m
Ordinary dividends paid				
Final	57.3	164.4	39.0	112.1
Interim	25.3	72.0	18.7	53.6
	82.6	236.4	57.7	165.7
Proposed final dividend	**52.2**	**148.8**	**57.3**	**162.0**

Of the £236.4m (2022: £165.7m) of ordinary dividends paid during the year, £4.3m (2022: £6.0m) were reinvested under the dividend reinvestment plan offered to shareholders.

Notes to the financial statements *continued*

16. Earnings per share

Earnings	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the Parent	280.6	526.8
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	285,613,961	286,759,806
Effect of dilutive potential ordinary share options	3,698,954	4,194,481
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**289,312,915**	**290,954,286**
Earnings per share (pence)	98.2p	183.7p
Diluted earnings per share (pence)	97.0p	181.1p

17. Intangible assets

Accounting policy

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition method involves the recognition of all assets, liabilities and contingent liabilities of the acquired business at their fair value at the acquisition date.

The excess of the fair value at the date of acquisition of the cost of investments in subsidiaries over the fair value of the net assets acquired which is not allocated to individual assets and liabilities is determined to be goodwill. Goodwill is reviewed at least annually for impairment.

Investment management contracts

Intangible assets with finite useful lives that are acquired separately, including investment management contracts, are carried at cost less accumulated depreciation and impairment losses. These are measured at cost and are amortised on a straight line basis over the expected life of the contract (eight years).

Computer software

Research costs associated with computer software are expensed as they are incurred.

Other expenditure incurred in developing computer software is capitalised only if all of the following criteria are demonstrated:

- An asset is created that can be separately identified;
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Following the initial recognition of development expenditure, the cost is amortised over the estimated useful life of the asset created, which is determined as three years. Amortisation commences on the date that the asset is brought into use. Work-in-progress assets are not amortised until they are brought into use and transferred to the appropriate category of intangible assets. Amortisation of intangible assets is included in administrative expenses in the income statement and detailed in note 12.

Impairment of non-financial assets and goodwill

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

17. Intangible assets *continued*

Group	Computer software 2023 £m	Computer software 2022 £m	Goodwill[1] 2023 £m	Goodwill[1] 2022 £m	Investment management contract 2023 £m	Investment management contract 2022 £m	Total 2023 £m	Total 2022 £m
Cost								
At 1 April	20.5	20.8	4.3	4.3	26.3	25.5	51.1	50.6
Reclassified[2]	—	—	—	—	—	(0.3)	—	(0.3)
Additions	4.7	3.4	—	2.5	—	1.1	4.7	7.0
Derecognised[3]	(0.3)	(3.8)	—	(2.4)	(7.1)	—	(7.4)	(6.2)
Exchange differences	0.1	0.1	—	(0.1)	(0.1)	—	—	—
At 31 March	**25.0**	**20.5**	**4.3**	**4.3**	**19.1**	**26.3**	**48.4**	**51.1**
Amortisation								
At 1 April	12.4	10.1	—	—	21.6	19.0	34.0	29.1
Charge for the year	4.0	6.1	—	—	2.7	2.6	6.7	8.7
Derecognised	—	(3.8)	—	—	(7.2)	—	(7.2)	(3.8)
At 31 March	16.4	12.4	—	—	17.1	21.6	33.5	34.0
Net book value	**8.6**	**8.1**	**4.3**	**4.3**	**2.0**	**4.7**	**14.9**	**17.1**

1. Goodwill was acquired in the ICG-Longbow Real Estate Capital LLP business combination and represents a single cash generating unit. The recoverable amount of the real estate cash generating unit is based on fair value less costs to sell where the fair value equates to a multiple of adjusted net income, in line with the original consideration methodology. The significant headroom on the recoverable amount is not sensitive to any individual assumption.
2. During the prior year, the Group carried out a review of its intangible assets relating to investment management contracts. £0.3m was reclassified from intangible assets to financial assets.
3. Investment management contracts derecognised represented fully amortised balances.

Company	Computer software 2023 £m	Computer software 2022 £m	Investment management contract 2023 £m	Investment management contract 2022 £m	Total 2023 £m	Total 2022 £m
Cost						
At 1 April	20.4	20.8	19.9	19.9	40.3	40.7
Additions	3.6	3.4	—	—	3.6	3.4
Derecognised	(0.2)	(3.8)	(1.6)	—	(1.8)	(3.8)
At 31 March	**23.8**	**20.4**	**18.3**	**19.9**	**42.1**	**40.3**
Amortisation						
At 1 April	12.5	10.2	15.7	13.4	28.2	23.6
Charge for the year	4.0	6.1	2.3	2.3	6.3	8.4
Derecognised	—	(3.8)	(1.6)	—	(1.6)	(3.8)
At 31 March	16.5	12.5	16.4	15.7	32.9	28.2
Net book value	**7.3**	**7.9**	**1.9**	**4.2**	**9.2**	**12.1**

During the financial year ended 31 March 2023, the Group recognised an expense of £0.5m (2022: £0.6m) in respect of research and development expenditure.

Notes to the financial statements *continued*

18. Property, plant and equipment

Accounting policy

The Group's property, plant and equipment provide the infrastructure to enable the Group to operate. Assets are initially stated at cost, which includes expenditure associated with acquisition. The cost of the asset is recognised in the income statement as an amortisation charge on a straight line basis over the estimated useful life, determined as three years for furniture and equipment and five years for short leasehold premises. Right of Use ('ROU') assets are amortised over the full contractual lease term.

Group as a lessee

Included within the Group's property, plant and equipment are its ROU assets. ROU assets are the present value of the Group's global leases and comprise all future lease payments, and all expenditure associated with acquiring the lease. The Group's leases are primarily made up of its global offices. The Group has elected to capitalise initial costs associated with acquiring a lease before commencement as a ROU asset. The cost of the ROU asset is recognised in the income statement as an amortisation charge on a straight line basis over the life of the lease term.

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its leasehold improvements and short-term leases (those that have a lease term of 12 months or less from the commencement date which do not contain a purchase option). The Group also applies the recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as administrative expenses on a straight line basis over the lease term.

	Furniture and equipment		ROU asset		Leasehold improvements		Total	
Group	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Cost								
At 1 April	4.5	3.8	67.7	73.0	11.3	10.6	83.5	87.4
Additions	3.1	0.6	33.8	2.4	3.4	0.7	40.3	3.7
Disposals	(0.4)	–	(11.7)	(7.7)	–	–	(12.1)	(7.7)
Exchange differences	0.3	0.1	0.2	–	–	–	0.5	0.1
At 31 March	**7.5**	**4.5**	**90.0**	**67.7**	**14.7**	**11.3**	**112.2**	**83.5**
Depreciation								
At 1 April	2.9	1.6	18.2	17.7	2.0	1.1	23.1	20.4
Charge for the year	1.4	1.2	9.1	7.3	1.0	0.9	11.5	9.4
Disposals	(0.1)	0.1	(10.5)	(6.8)	–	–	(10.6)	(6.7)
At 31 March	4.2	2.9	16.8	18.2	3.0	2.0	24.0	23.1
Net book value	**3.3**	**1.6**	**73.2**	**49.5**	**11.7**	**9.3**	**88.2**	**60.4**

	Furniture and equipment		ROU asset		Leasehold improvements		Total	
Company	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Cost								
At 1 April	2.8	2.6	50.1	50.9	9.5	8.9	62.4	62.4
Additions	0.3	0.2	–	1.3	0.4	0.6	0.7	2.1
Disposals	–	–	(2.6)	(2.1)	–	–	(2.6)	(2.1)
At 31 March	**3.1**	**2.8**	**47.5**	**50.1**	**9.9**	**9.5**	**60.5**	**62.4**
Depreciation								
At 1 April	1.6	0.6	9.8	5.2	1.1	0.3	12.5	6.1
Charge for the year	0.8	1.0	4.0	6.5	0.8	0.8	5.6	8.3
Disposals	–	–	(1.6)	(1.9)	–	–	(1.6)	(1.9)
At 31 March	2.4	1.6	12.2	9.8	1.9	1.1	16.5	12.5
Net book value	**0.7**	**1.2**	**35.3**	**40.3**	**8.0**	**8.4**	**44.0**	**49.9**

18. Property, plant and equipment *continued*

Group as Lessor

Accounting policy

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in other income in the consolidated income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Group has entered into sub-lease agreements of certain office buildings (see note 18 above). These leases have terms of between two and five years. Rental income recognised by the Group during the year was £0.4m (2022: £0.3m). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

Group	2023 £m	2022[1] £m
Within one year	0.4	0.4
After one year but not more than five years	0.8	1.1
At 31 March	**1.2**	**1.5**

1. The prior year figures have been re-presented to £0.4m receivable within one year, £1.1m receivable from one to five years.

19. Investment property

Accounting policy

The Group holds investment property for the development of the Group's long-term real assets strategy. Properties are being held with a purpose to earn rental income and/or for capital appreciation and are not occupied by the Group. IAS 40 Investment Property requires that the property be measured initially at cost, including transaction costs, and subsequently measured at fair value. The fair value of the investment properties has been recorded based on independent valuations prepared by third-party real estate valuation specialists in line with the Royal Institution of Chartered Surveyors Valuation – Global Standards 2020. A market and income approach was performed to estimate the fair value of the Group's investments. These valuation techniques can be subjective and include assumptions which are not supportable by observable data. Details of the valuation techniques and the associated sensitivities are further disclosed in note 5.

Group	2023 £m	2022 £m
Investment property at fair value		
At 1 April	1.5	1.8
Fair value loss	(0.7)	(0.3)
At 31 March	**0.8**	**1.5**

During the year, the Group held £284.0m (2022: £59.3m) of investment property within disposal groups held for sale (see note 29).

Notes to the financial statements *continued*

20. Trade and other receivables

Accounting policy

Trade and other receivables represent amounts the Group is due to receive in the normal course of business and are held at amortised cost. Trade and other receivables excluding structured entities controlled by the Group include performance fees, which are considered contract assets under IFRS 15 and will only be received after realisation of the underlying assets, see note 3. Trade and other receivables within structured entities controlled by the Group relate principally to unsettled trades on the sale of financial assets.

Amounts owed by Group companies are non-interest bearing and repayable on demand. Trade and other receivables from Group entities are considered related party transactions as stated in note 27.

The carrying value of trade and other receivables reported within current assets approximates fair value as these are short-term and do not contain any significant financing components. The carrying value of trade and other receivables reported within non-current assets approximates fair value as these do not contain any significant financing components.

The Company has adopted the simplified approach to measuring the loss allowance as lifetime Expected Credit Loss ('ECL'), as permitted under IFRS 9. The ECL of trade and other receivables arising from transactions with Group entities or its affiliates are expected to be nil or close to nil. The assets do not contain any significant financing components, therefore the simplified approach is deemed most appropriate.

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade and other receivables within structured entities controlled by the Group	43.7	125.3	–	–
Trade and other receivables excluding structured entities controlled by the Group	178.3	155.0	33.2	6.9
Amount owed by Group companies	–	–	169.2	199.4
Prepayments	10.0	2.8	8.1	4.9
Total current trade and other receivables	**232.0**	**283.1**	**210.5**	**211.2**
Non-current assets				
Trade and other receivables excluding structured entities controlled by the Group	37.1	91.1	7.6	7.4
Amounts owed by Group companies	–	–	758.7	566.7
Total non-current trade and other receivables	**37.1**	**91.1**	**766.3**	**574.1**

Non-current trade and other receivables excluding structured entities controlled by the Group comprises performance-related fees (see note 3).

21. Trade and other payables

Accounting policy

Trade and other payables are held at amortised cost and represent amounts the Group is due to pay in the normal course of business. Other payables in the table below relate principally to unsettled trades on the purchase of financial assets within structured entities controlled by the Group. Accruals represent costs, including remuneration, that are not yet billed or due for payment, but for which the goods or services have been received. Amounts owed to Group companies are non-interest bearing and repayable on demand. The carrying value of trade and other payables approximates fair value as these are short-term and do not contain any significant financing components.

Trade and other payables from Group entities are considered related party transactions as stated in note 27.

Key sources of estimation uncertainty on trade and other payables excluding structured entities controlled by the Group.
Payables related to the DVB scheme (see note 13) are critical estimates based on the expected realisation proceeds; expected timing of realisations; and allocations of DVB to executives.

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade and other payables within structured entities controlled by the Group	328.1	293.4	—	—
Trade and other payables excluding structured entities controlled by the Group	140.2	138.7	121.2	114.2
Amounts owed to Group companies	—	—	1,035.0	1,038.6
Social security tax	3.1	2.3	2.5	2.7
Total current trade and other payables	**471.4**	**434.4**	**1,158.7**	**1,155.5**
Non-current liabilities				
Trade and other payables excluding structured entities controlled by the Group	71.1	76.4	71.3	76.4
Total non-current trade and other payables	**71.1**	**76.4**	**71.3**	**76.4**

Current trade and other payables excluding structured entities controlled by the Group includes £31.4m (2022: £69.4m) in respect of DVB, (see note 13) and non-current Trade and other payables excluding structured entities controlled by the Group is entirely comprised of amounts payable in respect of DVB (2022: all DVB).

22. Financial risk management

The Group has identified financial risk, comprising market and liquidity risk, as a principal risk. Further details are set out on page 69. The Group has exposure to market risk (including exposure to interest rates and foreign currency), liquidity risk and credit risk arising from financial instruments.

Interest rate risk

The Group's assets include both fixed and floating rate loans and non-interest-bearing equity investments.

The Group's operations are financed with a combination of its shareholders' funds, bank borrowings, private placement notes, public bonds, and fixed and floating rate notes. The Group manages its exposure to market interest rate movements by matching, to the extent possible, the interest rate profiles of assets and liabilities and by using derivative financial instruments.

The sensitivity of floating rate financial assets to a 100 basis points interest rate increase is £56.5m (2022: £55.5m) and to a decrease is £(56.5)m (2022: £(55.5)m). The sensitivity of financial liabilities to a 100 basis point interest rate increase is £47.1m (2022: £46.0m) and to a decrease is £(47.1)m (2022: £(46.0)m). These amounts would be reported within Net gains on investments. There is an indirect exposure to interest rate risk through the impact on the performance of the portfolio companies of the funds that the Group has invested in, and therefore the fair valuations. There is no interest rate risk exposure on fixed rate financial assets or liabilities.

Notes to the financial statements *continued*

22. Financial risk management *continued*

Exposure to interest rate risk

Group	2023 Floating £m	2023 Fixed £m	2023 Total £m	2022 Floating[1] £m	2022 Fixed[1] £m	2022 Total £m
Financial assets (excl investments in loans held in consolidated entities)	744.4	3,049.1	3,793.5	995.2	2,719.1	3,714.3
Investments in loans held in consolidated entities	4,901.1	253.9	5,155.0	4,599.7	479.5	5,079.2
Financial liabilities (excl borrowings and loans held in consolidated entities)	—	(1,929.2)	(1,929.2)	—	(1,892.1)	(1,892.1)
Borrowings and loans held in consolidated entities	(4,706.6)	(371.5)	(5,078.1)	(4,604.1)	(374.5)	(4,978.6)
	938.9	**1,002.3**	**1,941.2**	**990.8**	**932.0**	**1,922.8**

1. The prior year has been re-presented, the Group previously reported £889.6m of floating rate financial assets and £2,824.7m of fixed rate financial assets, an increase of £105.6m and a decrease of £105.6m respectively.

Foreign exchange risk

The Group is exposed to currency risk in relation to non-sterling currency transactions and the translation of non-sterling net assets. The Group's most significant exposures are to the euro and the US dollar. Exposure to market currency risk is managed by matching assets with liabilities to the extent possible and through the use of derivative instruments.

The Group regards its interest in overseas subsidiaries as long-term investments. Consequently, it does not normally hedge the translation effect of exchange rate movements on the financial statements of these businesses.

The Group is also exposed to currency risk arising on the translation of fund management fee income receipts, which are primarily denominated in euro and US dollar.

The effect of fluctuations in other currencies is considered by the Directors to be insignificant in the current and prior year. The net assets/(liabilities) by currency and the sensitivity of the balances to a strengthening of foreign currencies against sterling are shown below:

Market risk - Foreign exchange risk	2023 Net statement of financial Position exposure £m	Forward exchange contracts £m	Net exposure £m	Sensitivity to strengthening %	Increase in net assets £m
Sterling	726.8	772.7	1,499.5		—
Euro	552.0	(259.3)	292.7	15 %	43.9
US dollar	564.5	(324.9)	239.6	20 %	47.9
Other currencies	195.6	(182.2)	13.4	10-25%	—
	2,038.9	**6.3**	**2,045.2**	**—**	**91.8**

	2022 Net statement of financial Position exposure £m	Forward exchange contracts £m	Net exposure £m	Sensitivity to strengthening %	Increase in net assets £m
Sterling	688.1	1,057.9	1,746.0	—	—
Euro	718.1	(624.3)	93.8	15 %	14.1
US dollar	326.9	(251.0)	75.9	20 %	15.2
Other currencies	207.4	(200.3)	7.1	10-25%	—
	1,940.5	**(17.7)**	**1,922.8**	**—**	**29.3**

The weakening of the above currencies would have resulted in an equal but opposite impact, being a decrease in net assets.

22. Financial risk management *continued*

Liquidity risk

The Group makes commitments to its managed funds in advance of that capital being invested. These commitments are typically drawn over a five-year investment period (see note 26 for outstanding commitments). Funds typically have a 10-year contractual life. The Group manages its liquidity risk by maintaining headroom on its financing facilities, particularly its bank facilities.

The table below shows the liquidity profile of the Group's financial liabilities, based on contractual repayment dates of principal and interest payments. Future interest and principal cash flows have been calculated based on exchange rates and floating rate interest rates as at 31 March 2023. It is assumed that Group borrowings under its senior debt facilities remain at the same level as at 31 March 2023 until contractual maturity. Included in financial liabilities are contractual interest payments. All financial liabilities, excluding structured entities controlled by the Group, are held by the Company.

Liquidity profile

	Contractual maturity analysis				
As at 31 March 2023	Less than one year £m	One to two years £m	Two to five years £m	More than five years £m	Total £m
Financial liabilities					
Private placements	78.2	273.5	282.2	106.7	740.6
Listed notes and bonds	18.1	18.1	486.8	461.5	984.5
Debt issued by controlled structured entities	176.3	204.6	2,430.4	3,748.0	6,559.3
Derivative financial instruments	(1.6)	(3.1)	(4.4)	0.0	(9.1)
Other financial liabilities	8.5	11.3	32.0	46.1	97.9
	279.5	**504.4**	**3,227.0**	**4,362.3**	**8,373.2**

Other financial liabilities are lease liabilities.

As at 31 March 2023 the Group has liquidity of £1,099.9m (2022: £1,311.5m) which consists of undrawn debt facility of £550m (2022: £550m) and £549.9m (2022: £761.5m) of unencumbered cash. Unencumbered cash excludes £407.6m (2022: £230.3m) of restricted cash held principally by structured entities controlled by the Group.

	Contractual maturity analysis				
As at 31 March 2022	Less than one year £m	One to two years £m	Two to five years £m	More than five years £m	Total £m
Financial liabilities					
Private placements	59.1	76.1	519.2	105.3	759.8
Listed notes and bonds	185.4	17.4	473.1	452.6	1,128.4
Debt issued by controlled structured entities	499.9	79.7	239.2	4,656.5	5,475.3
Derivative financial instruments	22.1	(2.5)	(4.7)	0.0	14.9
Other financial liabilities[1]	8.4	7.8	21.4	28.9	66.5
	774.9	**178.5**	**1,248.2**	**5,243.3**	**7,445.0**

1. Disclosure now includes liquidity profile of Other Financial Liabilities and the prior year has been re-presented accordingly.

The Group's policy is to maintain continuity of funding. Due to the long-term nature of the Group's assets, the Group seeks to ensure that the maturity of its debt instruments is matched to the expected maturity of its assets.

Credit risk

Credit risk is the risk of financial loss to the Group as a result of a counterparty failing to meet its contractual obligations. This risk is principally in connection with the Group's investments.

This risk is mitigated by the disciplined credit procedures that the relevant Fund Investment Committees have in place prior to making an investment and the ongoing monitoring of investments throughout the ownership period. In addition, the risk of significant credit loss is further mitigated by the Group's policy to diversify its investment portfolio in terms of geography and industry sector and to limit the amount invested in any single company.

The Group is exposed to credit risk through its financial assets (see note 5) and investment in joint ventures reported at fair value.

Notes to the financial statements *continued*

22. Financial risk management *continued*

Exposure to credit risk

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Investment in private companies	267.3	225.0	86.1	171.6
Investment in managed funds	2,153.4	2,122.7	178.8	271.4
Senior and subordinated notes of CLO vehicles	113.3	114.7	23.8	0.2
Investments in loans held within consolidated entities	4,669.1	4,612.6	–	–
Derivatives assets	22.0	138.6	22.0	40.0
Investment in joint venture	5.8	2.2	–	–
	7,230.9	**7,215.8**	**310.7**	483.2

The Group manages its operational cash balance by the regular forecasting of cashflow requirements, debt management and cash pooling arrangements. Credit risk exposure on cash and derivative instruments is managed in accordance with the Group's treasury policy which provides limits on exposures with any single financial institution. The majority of the Group's surplus cash is held in AAA-rated Money Market funds. Other credit exposures arise from outstanding derivatives with financial institutions rated from BBB to AA-.

The Group is exposed to credit risk as a result of financing guarantees provided. The maximum exposure to guarantees is £7.9m (2022: £7.4m). No liability has been recognised in respect of these guarantees.

The Directors consider the Group's credit exposure to trade and other receivables and current assets held for sale to be low and as such no further analysis has been presented. The Directors consider the credit risk of the investments within the structured entities controlled by the Group to be low.

The Group's investments in CLOs and loans held within structured entities controlled by the Group principally comprise senior loans. The Group's exposure to the credit risk of this collateral, in these consolidated entities, is limited to its investment into these entities, which at 31 March 2023 was £339.4m (2022: £426.0m).

The carrying amount of financial assets represents the Directors' assessment of the maximum credit risk exposure of the Group and Company at the balance sheet date. Decreases in fair value during the year reflect the decline in prices on individual assets, as a result either of company specific or of general macroeconomic conditions.

Other than the Group investments in CLOs and loans held within structured entities controlled by the Group, the Group has no direct exposure to defaulted and past due financial assets.

Capital management

Managing capital is the ongoing process of determining and maintaining the quantity and quality of capital appropriate for the Group and ensuring capital is deployed in a manner consistent with the expectations of our stakeholders. The primary objectives of the Group's capital management are (i) align the Group's interests with its clients, (ii) grow third-party fee income in the FMC and (iii) maintain robust capitalisation, including ensuring that the Group complies with externally imposed capital requirements by the Financial Conduct Authority (the FCA). The Group's strategy has remained unchanged from the year ended 31 March 2022.

(i) Regulatory capital requirements

The Group is required to hold capital resources to cover its regulatory capital requirements. The Group's capital for regulatory purposes comprises the capital and reserves of the Company, comprising called up share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity (see page 146). The full Pillar 3 disclosures are available on the Group's website: www.icgam.com.

(ii) Capital and risk management policies

The formal procedures for identifying and assessing risks that could affect the capital position of the Group are described in the Strategic Report on page 66. The capital structure of the Group under UK-adopted IAS consists of cash and cash equivalents, £957.5m (2022: £991.8m) (see note 6); debt, which includes borrowings, £1,536.7m, (2022: £1,653.4m) (see note 7) and the capital and reserves of the Company, comprising called up share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity, £825.8m (2022 : £943.9m). Details of the Reportable segment capital structure are set out in note 4.

23. Called up share capital and share premium

Share capital represents the number of issued ordinary shares in Intermediate Capital Group plc multiplied by their nominal value of 26¼p each.

Under the Company's Articles of Association, any share in the Company may be issued with such rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise as the Company may from time to time by ordinary resolution determine or, in the absence of any such determination, as the Board may determine. All shares currently in issue are ordinary shares of 26¼p each carrying equal rights. The Articles of Association of the Company cannot be amended without shareholder approval.

The Directors may refuse to register any transfer of any share which is not a fully paid share, although such discretion may not be exercised in a way which the Financial Conduct Authority regards as preventing dealings in the shares of the relevant class or classes from taking place on an open and proper basis. The Directors may likewise refuse to register any transfer of a share in favour of more than four persons jointly.

The Company is not aware of any other restrictions on the transfer of ordinary shares in the Company other than:

- Certain restrictions that may from time to time be imposed by laws and regulations (for example, insider trading laws or the UK Takeover Code)
- Pursuant to the Listing Rules of the Financial Conduct Authority whereby certain employees of the Company require approval of the Company to deal in the Company's shares

The Company has the authority limited by shareholder resolution to issue, buy back, or cancel ordinary shares in issue (including those held in trust, described below). New shares are issued when share options are exercised by employees. The Company has 294,332,182 authorised shares (2022: 294,285,804)

Group and Company	**Number of ordinary shares of 26¼p allotted, called up and fully paid**	**Share Capital £m**	**Share Premium £m**
1 April 2022	294,285,804	77.3	180.3
Shares issued	46,378.0	—	0.6
31 March 2023	**294,332,182**	**77.3**	**180.9**

Group and Company	Number of ordinary shares of 26¼p allotted, called up and fully paid	Share Capital £m	Share Premium £m
1 April 2021	294,276,532	77.2	180.2
Shares issued	9,272	0.1	0.1
31 March 2022	**294,285,804**	**77.3**	**180.3**

Notes to the financial statements *continued*

24. Own shares reserve

Accounting policy

Own shares are recorded by the Group when ordinary shares are purchased in the market by ICG plc or through the ICG Employee Benefit Trust 2015 ('EBT').

The EBT is a special purpose vehicle, with the purpose of purchasing and holding shares of the Company for the hedging of future liabilities arising as a result of the employee share-based compensation schemes, (see note 25) in a way that does not dilute the percentage holdings of existing shareholders.

Own shares are held at cost and their purchase reduces the Group's net assets by the amount spent. When shares vest or are cancelled, they are transferred from own shares to the retained earnings reserve at their weighted average cost. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own shares.

The movement in the year is as follows:

	2023 £m	2022 £m	2023 Number	2022 Number
1 April	93.0	82.2	7,734,849	8,389,246
Purchased (ordinary shares of 26¼p)	38.9	20.9	3,000,000	1,000,000
Options/awards exercised	(28.5)	(10.1)	(1,484,954)	(1,654,397)
As at 31 March	**103.4**	**93.0**	**9,249,895**	**7,734,849**

Of the total shares held by the Group, 3,733,333 shares were held by the Company in the Own Share Reserve at 31 March 2023 and 31 March 2022 at a cost of £21.3m. These shares were purchased through a share buy back programme in prior years.

The number of shares held by the Group at the balance sheet date represented 3.1% (2022: 2.6%) of the Parent Company's allotted, called up and fully paid share capital.

25. Share-based payments

Accounting policy

The Group issues compensation to its employees under both equity-settled and cash-settled share-based payment plans.

Equity-settled share-based payments are measured at the fair value of the awards at grant date. The fair value includes the effect of non-market based vesting conditions. The fair value determined at the date of grant is expensed on a straight line basis over the vesting period.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

The total charge to the income statement for the year was £39.5m (2022: £29.6m) and this was credited to the share-based payments reserve. Details of the different types of awards are as follows:

Intermediate Capital Group plc Omnibus Plan

The Omnibus Plan provides for three different award types: Deferred Share Awards, PLC Equity Awards and Special Recognition Awards.

Deferred Share Awards

Awards are made after the end of the financial year (and in a small number of cases during the year) to reward employees for delivering cash profits, managing the cost base, and employing sound risk and business management. These share awards typically vest one-third at the end of the first, second and third years following the year of grant, unless the individual leaves for cause or to join a competitor. Dividend equivalents accrue to participants during the vesting period and are paid at the vesting date. Awards are based on performance against the individual's objectives. There are no further performance conditions.

PLC Equity Awards

Awards are made after the end of the financial year to reward employees, including Executive Directors, for increasing long-term shareholder value. These share awards typically vest one-third at the end of the third, fourth and fifth years following the year of grant, unless the individual leaves for cause or to join a competitor. Dividend equivalents accrue to participants during the vesting period and are paid at the vesting date. Awards are based on performance against the individual's objectives. There are no further performance conditions.

25. Share-based payments *continued*

Special Recognition Awards

Awards are made after the end of the financial year to reward employees for delivering cash profits, managing the cost base, and employing sound risk and business management. These share awards vest at the end of the first year following the year of grant, unless the individual leaves for cause or to join a competitor. Dividend equivalents accrue to participants during the vesting period and are paid at the vesting date. Awards are based on performance against the individual's objectives. There are no further performance conditions.

Share awards outstanding under the Omnibus Plan were as follows:

	Number		Weighted average fair value	
Deferred share awards	2023	2022	2023	2022
Outstanding at 1 April	2,470,280	2,958,483	16.52	12.47
Granted	1,811,061	1,048,813	14.27	21.63
Vested	(1,316,825)	(1,537,016)	15.00	12.21
Outstanding as at 31 March	**2,964,516**	**2,470,280**	**15.75**	**16.52**

	Number		Weighted average fair value	
PLC Equity awards	2023	2022	2023	2022
Outstanding at 1 April	2,139,210	2,680,734	10.33	10.22
Granted	777,577	374,477	14.27	21.63
Vested	(774,535)	(916,001)	9.84	8.12
Outstanding as at 31 March	**2,142,252**	**2,139,210**	**12.21**	**10.33**

	Number		Weighted average fair value	
Special Recognition Awards	2023	2022	2023	2022
Outstanding as at 1 April	–	–	0.00	–
Granted	46,154	–	14.27	–
Vesting	–	–	0.00	–
Outstanding as at 31 March	**46,154**	**–**	**14.27**	**–**

The fair values of awards granted under the ICG plc Omnibus Plan are determined by the average share price for the five business days prior to grant.

Intermediate Capital Group plc Buy Out Awards

Buy Out Awards are shares awarded to new employees in lieu of prior awards forfeited. These share awards shall vest or be forfeited according to the schedule and terms of the forfeited awards, and any performance conditions detailed in the individual's employment contract. Buy Out Awards may be cash settled.

Buy Out Awards outstanding were as follows:

	Number		Weighted average fair value	
Buy Out Awards	2023	2022	2023	2022
Outstanding as at 1 April	155,940	245,423	12.85	12.06
Granted	1,294,801	33,965	12.68	13.85
Vesting	(366,768)	(123,448)	13.35	10.67
Outstanding as at 31 March	**1,083,973**	**155,940**	**12.96**	**12.85**

The fair values of the Buy Out Awards granted are determined by the average share price for the five business days prior to grant.

Notes to the financial statements *continued*

25. Share-based payments *continued*

Save As You Earn

The Group offers a Sharesave Scheme ('SAYE') to its UK employees. Options are granted at a 20% discount to the prevailing market price at the date of issue. Options to this equity-settled scheme are exercisable at the end of a three year savings contract. Participants are not entitled to dividends prior to the exercise of the options. The maximum amount that can be saved by a participant in this way is £6,000 in any tax year.

Fair value is measured using the Black–Scholes valuation model, which considers the current share price of the Group, the risk-free interest rate and the expected volatility of the share price over the life of the award. The expected volatility was calculated by analysing three years of historic share price data of the Group.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards and options at grant date, which is remeasured at each reporting date. The total amount to be expensed during the year is £210,031 (2022: £187,660).

	Number		Weighted average fair value	
Save As You Earn	2023	2022	2023	2022
Outstanding as at 1 April	199,737	137,395	4.54	3.19
Granted	–	96,136	–	5.95
Vesting	(46,378)	(9,272)	3.26	2.27
Forfeited	(49,541)	(24,522)	4.30	3.35
Outstanding as at 31 March	**103,818**	**199,737**	**5.00**	**4.54**

Growth Incentive Award

The Growth Incentive Award ('GIA') is a market-value share option. Grants of options are made following the end of the financial year to reward employees for performance and to enhance alignment of interests. The GIA is a right to acquire shares during the exercise period (seven years following the vesting date) for a price equal to the market value of those shares on the grant date. These options vest at the end of the third year following the year of grant, unless the individual leaves for cause or to join a competitor. Awards are based on performance against the individual's objectives. .

	Number		Weighted average fair value	
Growth Incentive Award	2023	2022	2023	2022
Outstanding as at 1 April	–	–	–	–
Granted	463,000	–	3.13	–
Vesting	–	–	–	–
Forfeited	–	–	–	–
Outstanding as at 31 March	**463,000**	**–**	**3.13**	**–**

26. Financial commitments

As described in the Strategic Report, the Group invests balance sheet capital alongside the funds it manages to grow the business and create long-term shareholder value. Commitments are made at the time of a fund's launch and are drawn down with the fund as it invests (typically over five years). Commitments may increase where distributions made are recallable. Commitments are irrevocable. At the balance sheet date the Group had undrawn commitments, which can be called on over the commitment period, as follows:

	2023 £m	2022 £m
ICG Europe Fund V	29.9	27.8
ICG Europe Fund VI	82.0	95.5
ICG Europe Fund VII	111.7	44.8
ICG Europe Fund VIII	185.5	191.6
ICG Mid-Market Fund	25.1	34.6
Intermediate Capital Asia Pacific Fund III	45.4	42.6
ICG Asia Pacific Fund IV	93.5	31.2
Nomura ICG Investment Business Limited Partnership A	—	18.8
ICG Strategic Secondaries Fund II	33.1	12.9
ICG Strategic Equity Fund III	72.3	28.2
ICG Strategic Equity Fund IV	38.8	91.3
ICG Recovery Fund II	34.3	58.4
LP Secondaries	47.4	—
ICG Senior Debt Partners II	3.8	5.4
ICG Senior Debt Partners III	5.8	5.5
ICG Senior Debt Partners IV	7.3	15.3
Senior Debt Partners V	42.3	—
ICG North American Private Debt Fund	27.5	30.4
ICG North American Private Debt Fund II	27.9	46.3
ICG North American Credit Partners III	38.1	—
ICG-Longbow UK Real Estate Debt Investments V	0.2	6.0
ICG-Longbow UK Real Estate Debt Investments VI	13.9	6.0
ICG-Longbow Development Fund	6.8	4.6
ICG Infrastructure Equity Fund I	59.8	128.8
ICG Living	21.8	—
ICG Private Markets Pooling - Sale and Leaseback	35.9	22.7
ICG Sale & Leaseback II	17.0	—
	1,107.1	**948.7**

Notes to the financial statements *continued*

27. Related party transactions

Subsidiaries

The Group is not deemed to be controlled or jointly controlled by any party directly or through intermediaries. The Group consists of the Parent Company, Intermediate Capital Group plc, incorporated in the UK, and its subsidiaries listed in note 28. All entities meeting the definition of a controlled entity as set out in IFRS 10 are consolidated within the results of the Group. All transactions between the Parent Company and its subsidiary undertakings are classified as related party transactions for the Parent Company financial statements and are eliminated on consolidation. Significant transactions with subsidiary undertakings relate to dividends received, the aggregate amount received during the year is £386.6m (2022: £163.0m) and recharge of costs to a subsidiary of £168.5m (2022: £166.7m)

Associates and joint ventures

An associate is an entity over which the Group has significant influence, but not control, over the financial and operating policy decisions of the entity. As the investments in associates are held for venture capital purposes they are designated at fair value through profit or loss. A joint venture is an arrangement whereby the parties have joint control over the arrangements, see note 30. Where the investment is held for venture capital purposes they are designated as fair value through profit. These entities are related parties and the significant transactions with associates and joint ventures are as follows:

	2023 £m	2022 £m
Income statement		
Net losses on investments	(17.2)	(15.8)
	(17.2)	**(15.8)**

	2023 £m	2022 £m
Statement of financial position		
Trade and other receivables	66.8	119.5
Trade and other payables	(52.3)	(60.4)
	14.5	**59.1**

Unconsolidated structured entities

The Group has determined that, where the Group holds an investment, loan, fee receivable, guarantee or commitment with an investment fund, carried interest partnership or CLO, this represents an interest in a structured entity in accordance with IFRS 12 Disclosure of Interest in Other Entities (see note 31). The Group provides investment management services and receives management fees (including performance-related fees) and dividend income from these structured entities, which are related parties. Amounts receivable and payable from these structured entities arising in the normal course of business remain outstanding. At 31 March 2023, the Group's interest in and exposure to unconsolidated structured entities are as follows:

	2023 £m	2022 £m
Income statement		
Management fees	473.5	382.2
Performance fees	19.4	55.4
Dividend income	0.1	3.4
	493.0	**441.0**

	2023 £m	2022 £m
Statement of financial position		
Performance fees receivable	37.5	91.0
Trade and other receivables	781.9	680.6
Trade and other payables	(718.3)	(621.1)
	101.1	**150.5**

27. Related party transactions *continued*

Key management personnel

Key management personnel are defined as the Executive Directors. The Executive Directors of the Group are Vijay Bharadia, Benoît Durteste and Antje Hensel-Roth.

The compensation of key management personnel during the year was as follows:

	2023 £m	2022 £m
Short-term employee benefits	3.7	3.5
Post-employment benefits	0.1	0.1
Other long-term benefits	0.9	1.5
Share-based payment benefits	7.0	6.9
	11.7	**12.0**

Fees paid to Non-Executive Directors were as follows:

	2023 £000	2022 £000
Andrew Sykes	**290.5**	132.3
Amy Schioldager	**125.0**	121.6
Kathryn Purves	**134.5**	113.8
Lord Davies of Abersoch	**–**	302.9
Matthew Lester	**116.5**	101.1
Rosemary Leith	**113.9**	101.1
Rusty Nelligan	**108.5**	113.8
Stephen Welton	**90.5**	88.8
Virginia Holmes	**120.5**	113.8
William Rucker	**63.9**	–

The remuneration of Directors and key executives and Non-Executive Directors is determined by the Remuneration Committee having regard to the performance of individuals and market rates. The Remuneration Policy is described in more detail in the Remuneration Committee Report on page 97.

Notes to the financial statements *continued*

28. Subsidiaries

Accounting policy

Investment in subsidiaries
The Group consists of the Parent Company, Intermediate Capital Group plc, and its subsidiaries, described collectively herein as 'ICG' or the 'Group'. Investments in subsidiaries in the Parent Company statement of financial position are recorded at cost less provision for impairments or at fair value through profit or loss.

Critical judgement
A critical judgement for the Group is whether the Group controls an investee or fund and is required to consolidate the investee or fund into the results of the Group. Control is determined by the Directors' assessment of decision making authority, rights held by other parties, remuneration and exposure to returns.

When assessing whether the Group controls any fund it manages (or any entity associated with a fund) it is necessary to determine whether the Group acts in the capacity of principal or agent for the third-party investor. An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties, whereas a principal is primarily engaged to act for its own benefit.

A critical judgement when determining that the Group acts in the capacity of principal or agent is the kick-out rights of the third-party fund investors. We have reviewed these kick-out rights, across each of the entities where the Group has an interest. Where fund investors have substantive rights to remove the Group as the investment manager it has been concluded that the Group is an agent to the fund and thus the fund does not require consolidation into the Group. We consider if the Group has significant influence over these entities and, where we conclude it does, we recognise them as associates. Where the conclusion is that the Group acts in the capacity of principal the fund has been consolidated into the Group's results.

Where the Group has Trust entities in investment deals or fund structures, a key judgement is whether the Trust is acting on behalf of the Group or another third party. Where the Trust is considered to act as an agent of the Group, the Trust and its related subsidiaries have been consolidated into the Group.

As a fund manager ICG participates in carried interest partnerships (CIPs), the participants of which are the Group, certain of the Group's employees and others connected to the underlying fund. These vehicles have two purposes: 1) to facilitate payments of carried interest from the fund to carried interest participants, and 2) to facilitate individual co-investment into the funds. The Directors have undertaken a control assessment of each CIP in accordance with IFRS10 and have considered whether the CIP participants were providing a service for the benefit of the Group. In undertaking this assessment the Directors took account of the following key considerations:

- the Group's exposure to the variable returns of the CIP is limited to the amounts allocated to the Group (see 'Other information'). Such allocations are typically 20% or less of total returns realised by the CIP with the balance attributable to other participants
- CIPs are used to facilitate substantial co-investment by individuals in the underlying funds. These individuals are exposed to the risk of personal financial loss
- fund investors can, in certain conditions, veto changes in the key persons managing the fund

The Directors have assessed that certain CIPs are controlled, and they are included within the list of controlled structured entities below. The Directors conclude that other CIPs are not controlled by the Group.

The Group consists of a Parent Company, Intermediate Capital Group plc, incorporated in the UK, and a number of subsidiaries held directly or indirectly by ICG plc, which operate and are incorporated around the world. The subsidiary undertakings of the Group are shown below. All are wholly owned, and the Group's holding is in the ordinary share class, except where stated. The Companies Act 2006 requires disclosure of certain information about the Group's related undertakings. Related undertakings are subsidiaries, joint ventures and associates.

The registered office of all related undertakings at 31 March 2023 was Procession House, 55 Ludgate Hill, New Bridge Street, London EC4M 7JW, unless otherwise stated.

The financial year end of all related undertakings is 31 March, unless otherwise stated.

All entities are consolidated as at 31 March.

28. Subsidiaries *continued*

Directly held subsidiaries

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
ICG Carbon Funding Limited		England & Wales	Investment company	Ordinary shares	100 %
ICG Debt Advisors (Cayman) Ltd	4	Cayman Islands	Advisory company	Ordinary shares	100 %
ICG FMC Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG Global Investment UK Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG IC Holdco Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG Japan (Funding 2) Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG Longbow Development (Brighton) Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG Longbow Richmond Limited		England & Wales	Holding company	Ordinary shares	100 %
ICG Longbow Senior Debt I GP Limited		England & Wales	General partner	Ordinary shares	100 %
ICG Re Holding (Germany) GmbH	11	Germany	Special purpose vehicle	Ordinary shares	100 %
ICG Watch Jersey GP Limited	19	Jersey	General partner	Ordinary shares	100 %
ICG-Longbow BTR Limited		England & Wales	Holding company	Ordinary shares	100 %
Intermediate Capital Group Espana SL	33	Spain	Advisory company	Ordinary shares	100 %
Intermediate Capital Investments Limited		England & Wales	Investment company	Ordinary shares	100 %
Intermediate Capital Nominees Limited		England & Wales	Nominee company	Ordinary shares	100 %
Intermediate Investments Jersey Limited	19	Jersey	Investment company	Ordinary shares	100 %
LREC Partners Investments No. 2 Limited		England & Wales	Investment company	Ordinary shares	54.8 %

Notes to the financial statements *continued*

28. Subsidiaries *continued*

Indirectly held subsidiaries

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
Avanton Richmond Developments Limited	7	England and Wales	Special purpose vehicle	Ordinary shares	70 %
ICG - Longbow Fund V GP S.à r.l.	26	Luxembourg	General Partner	Ordinary shares	100 %
ICG (DIFC) Limited	35	United Arab Emirates	Service company	Ordinary shares	100 %
ICG Alternative Credit (Cayman) GP Limited	5	Cayman Islands	General Partner	Ordinary shares	100 %
ICG Alternative Credit (Jersey) GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
ICG Alternative Credit (Luxembourg) GP S.A.	25	Luxembourg	General Partner	Ordinary shares	100 %
ICG Alternative Credit LLC	38	United States	Advisory company	Ordinary shares	100 %
ICG Alternative Credit Warehouse Fund I GP, LLC	38	United States	General Partner	Ordinary shares	100 %
ICG Alternative Investment (Netherlands) B.V.	30	Netherlands	Advisory company	Ordinary shares	100 %
ICG Alternative Investment Limited		England and Wales	Advisory company	Ordinary shares	100 %
ICG Asia Pacific Fund III GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
ICG Asia Pacific Fund III GP LP	19	Jersey	Limited Partner	N/A	— %
ICG Asia Pacific Fund IV GP LP SCSp	27	Luxembourg	Limited Partner	N/A	— %
ICG Asia Pacific Fund IV GP S.à r.l.	27	Luxembourg	General Partner	Ordinary shares	100 %
ICG Augusta Associates LLC	37	United States	General Partner	Ordinary shares	100 %
ICG Augusta GP LP	5	Cayman Islands	Limited Partner	N/A	— %
ICG Australian Senior Debt GP Limited	5	Cayman Islands	General Partner	Ordinary shares	100 %
ICG Centre Street Partnership GP Limited	18	Jersey	General Partner	Ordinary shares	100 %
ICG Debt Administration LLC	38	United States	Service company	Ordinary shares	100 %
ICG Debt Advisors LLC – Holdings Series	38	United States	Investment company	Ordinary shares	100 %
ICG Debt Advisors LLC - Manager Series	38	United States	Advisory company	Ordinary shares	100 %
ICG EFV MLP GP LIMITED		England and Wales	General Partner	Ordinary shares	100 %
ICG EFV MLP Limited	18	Jersey	General Partner	Ordinary shares	100 %
ICG Employee Benefit Trust 2015	12	Guernsey	N/A	Ordinary shares	100 %
ICG Enterprise Carry GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
ICG Enterprise Co-Investment GP Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG Europe Fund V GP Limited	18	Jersey	General Partner	Ordinary shares	100 %
ICG Europe Fund V GP LP	18	Jersey	Limited Partner	N/A	— %
ICG Europe Fund VI GP Limited	18	Jersey	General Partner	Ordinary shares	100 %
ICG Europe Fund VI GP Limited Partnership	18	Jersey	Limited Partner	N/A	— %
ICG Europe Fund VI Lux GP S.à r.l.	20	Luxembourg	General Partner	Ordinary shares	100 %
ICG Europe Fund VII GP LP SCSp	28	Luxembourg	Limited Partner	N/A	— %
ICG Europe Fund VII GP S.à r.l.	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG Europe Fund VIII GP LP SCSp	29	Luxembourg	Limited Partner	N/A	— %
ICG Europe Fund VIII GP S.à r.l.	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Europe Mid-Market Fund GP LP SCSp	28	Luxembourg	Limited Partner	N/A	— %
ICG Europe Mid-Market Fund GP S.à r.l.	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG Europe Mid-Market Fund II GP S.à r.l.	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Europe S.à r.l.	23	Luxembourg	Advisory company	Ordinary shares	100 %
ICG European Credit Mandate GP LP SCSp	28	Luxembourg	Limited Partner	N/A	— %
ICG European Credit Mandate GP S.à r.l.	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG European Fund 2006 B GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
ICG EXCELSIOR GP LP SCSp	29	Luxembourg	Limited Partner	N/A	— %
ICG Excelsior GP S.à r.l.	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Executive Financing Limited	19	Jersey	Service company	Ordinary shares	100 %
ICG Fund Advisors LLC	38	United States	Advisory company	Ordinary shares	100 %

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
ICG Global Investment Jersey Limited	18	Jersey	Investment company	Ordinary shares	100 %
ICG Global Nominee Jersey 2 Limited	18	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Global Nominee Jersey Limited	18	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Infrastructure Equity Fund I GP LP SCSp	29	Luxembourg	Limited Partner	N/A	— %
ICG Infrastructure Equity Fund I GP S.a.r.l	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Infrastructure Fund II GP S.à r.l	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Japan Cayman Performance GP Limited	5	Cayman Islands	General Partner	Ordinary shares	100 %
ICG Japan KK	16	Japan	Advisory company	Ordinary shares	100 %
ICG Life Sciences GP LP SCSp	27	Luxembourg	Limited Partner	N/A	— %
ICG Life Sciences GP S.à r.l.	27	Luxembourg	General Partner	Ordinary shares	100 %
ICG Living GP S.a r.l.	22	Luxembourg	General Partner	Ordinary shares	100 %
ICG Longbow Development Debt Limited		England and Wales	Investment company	Ordinary shares	100 %
ICG LP Secondaries Associates I LLC	37	United States	General Partner	Ordinary shares	100 %
ICG LP Secondaries Fund Associates I S.a. r.l.	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG LP Secondaries I GP LP SCSp	29	Luxembourg	Limited Partner	N/A	— %
ICG MF 2003 No. 3 EGP 1 Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG MF 2003 No.1 EGP 1 Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG MF 2003 No.1 EGP 2 Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG MF 2003 No.3 EGP 2 Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG NA Debt Co-Invest Limited		England and Wales	Investment company	Ordinary shares	100 %
ICG Nordic AB	34	Sweden	Advisory company	Ordinary shares	100 %
ICG North America Associates II LLC	38	United States	General Partner	Ordinary shares	100 %
ICG North America Associates III LLC	38	United States	General Partner	Ordinary shares	100 %
ICG North America Associates LLC	38	United States	General Partner	Ordinary shares	100 %
ICG North American Private Debt (Offshore) GP Limited Partnership	5	Cayman Islands	Limited Partner	N/A	— %
ICG North American Private Debt Fund GP LP	38	United States	Limited Partner	N/A	— %
ICG North American Private Debt II (Offshore) GP LP	5	Cayman Islands	Limited Partner	N/A	— %
ICG North American Private Debt II GP LP	38	United States	Limited Partner	N/A	— %
ICG North American Private Equity I GP LP	36	United States	Limited Partner	N/A	— %
ICG Private Credit GP S.à r.l.	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG Private Markets General Partner SCSp	27	Luxembourg	General Partner	N/A	— %
ICG Private Markets GP S.à r.l.	27	Luxembourg	General Partner	Ordinary shares	100 %
ICG RE AUSTRALIA GROUP PTY LTD	3	Australia	Service company	Ordinary shares	100 %
ICG RE CAPITAL PARTNERS AUSTRALIA PTY LTD	3	Australia	Advisory company	Ordinary shares	100 %
ICG RE CORPORATE AUSTRALIA PTY LTD	3	Australia	Service company	Ordinary shares	100 %
ICG RE FUNDS MANAGEMENT AUSTRALIA PTY LTD	3	Australia	Service company	Ordinary shares	100 %
ICG Real Estate Debt VI GP LP SCSp	22	Luxembourg	Limited Partner	N/A	— %
ICG Real Estate Debt VI GP S.à r.l.	22	Luxembourg	General Partner	Ordinary shares	100 %
ICG REO GP S.à r.l.	22	Luxembourg	General Partner	Ordinary shares	100 %
ICG Real Estate Senior Debt V GP S.à r.l.	27	Luxembourg	General Partner	Ordinary shares	100 %
ICG Recovery Fund 2008 B GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
ICG Recovery Fund II GP LP SCSp	29	Luxembourg	Limited Partner	N/A	— %
ICG Recovery Fund II GP S.à r.l.	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG SDP LG	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG Senior Debt Partners	28	Luxembourg	General Partner	Ordinary shares	100 %
ICG Senior Debt Partners GP S.à r.l.	21	Luxembourg	General Partner	Ordinary shares	100 %
ICG Senior Debt Partners Performance GP Limited	19	Jersey	General Partner	Ordinary shares	100 %

Notes to the financial statements *continued*

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
ICG Senior Debt Partners UK GP Limited		England and Wales	General Partner	Ordinary shares	100 %
ICG SLB GP II S.À R.L	22	Luxembourg	General Partner	Ordinary shares	100 %
ICG Strategic Equity Advisors LLC	38	United States	Advisory company	Ordinary shares	100 %
ICG Strategic Equity Associates II LLC	37	United States	General Partner	Ordinary shares	100 %
ICG Strategic Equity Associates III LLC	37	United States	General Partner	Ordinary shares	100 %
ICG STRATEGIC EQUITY ASSOCIATES IV LLC	37	United States	General Partner	Ordinary shares	100 %
ICG Strategic Equity Associates IV S.à r.l	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Strategic Equity III (Offshore) GP LP	5	Cayman Islands	Limited Partner	N/A	— %
ICG Strategic Equity III GP LP	37	United States	Limited Partner	N/A	— %
ICG Strategic Equity IV GP LP	37	United States	Limited Partner	N/A	— %
ICG Strategic Equity IV GP LP SCSp	29	Luxembourg	Limited Partner	N/A	— %
ICG Strategic Equity Side Car (Onshore) GP LP	37	United States	Limited Partner	N/A	— %
ICG Strategic Equity Side Car GP LP	5	Cayman Islands	Limited Partner	N/A	— %
ICG Strategic Equity Side Car II (Onshore) GP LP	37	United States	Limited Partner	N/A	— %
ICG Strategic Equity Side Car II GP LP	5	Cayman Islands	Limited Partner	N/A	— %
ICG Strategic Secondaries Carbon (Offshore) GP LP	5	Cayman Islands	Limited Partner	N/A	— %
ICG Strategic Secondaries Carbon Associates LLC	38	United States	General Partner	Ordinary shares	100 %
ICG Strategic Secondaries II (Offshore) GP LP	5	Cayman Islands	Limited Partner	N/A	— %
ICG Strategic Secondaries II GP LP	37	United States	Limited Partner	N/A	— %
ICG Structured Special Opportunities GP Limited	5	Cayman Islands	General Partner	Ordinary shares	100 %
ICG Total Credit (Global) GP, S.à r.l.	24	Luxembourg	General Partner	Ordinary shares	100 %
ICG US Senior Loan Fund GP Ltd	5	Cayman Islands	General Partner	Ordinary shares	100 %
ICG Velocity Co-Investor (Offshore) GP LP	5	Cayman Islands	Limited Partner	N/A	— %
ICG Velocity Co-Investor Associates LLC	37	United States	General Partner	Ordinary shares	100 %
ICG Velocity Co-Investor GP LP	37	United States	Limited Partner	N/A	— %
ICG Velocity GP LP	37	United States	Limited Partner	N/A	— %
ICG-Longbow B Investments L.P.		England and Wales	Investment company	N/A	50 %
ICG-Longbow Development GP LLP		England and Wales	General Partner	N/A	— %
ICG-Longbow Investment 3 LLP		England and Wales	Special purpose vehicle	N/A	— %
ICG-Longbow IV GP S.à r.l.	20	Luxembourg	General Partner	Ordinary shares	100 %
ICG-LONGBOW SENIOR GP LLP		England and Wales	General Partner	N/A	— %
Intermediate Capital Asia Pacific 2008 GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
Intermediate Capital Asia Pacific Limited	13	Hong Kong	Advisory company	Ordinary shares	100 %
Intermediate Capital Asia Pacific Mezzanine 2005 GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
Intermediate Capital Asia Pacific Mezzanine Opportunities 2005 GP Limited	19	Jersey	General Partner	Ordinary shares	100 %
Intermediate Capital Australia PTY Limited	1	Australia	Advisory company	Ordinary shares	100 %
Intermediate Capital GP 2003 Limited	19	Jersey	General Partner	Ordinary shares	100 %
Intermediate Capital GP 2003 No.1 Limited	19	Jersey	General Partner	Ordinary shares	100 %
Intermediate Capital Group (Italy) S.r.l	15	Italy	Advisory company	Ordinary shares	100 %
Intermediate Capital Group (Singapore) Pte. Limited	32	Singapore	Advisory company	Ordinary shares	100 %
Intermediate Capital Group Benelux B.V.	30	Netherlands	Advisory company	Ordinary shares	100 %
Intermediate Capital Group Beratungsgesellschaft GmbH	11	Germany	Advisory company	Ordinary shares	100 %
Intermediate Capital Group Dienstleistungsgesellschaft mbH	11	Germany	Service company	Ordinary shares	100 %
Intermediate Capital Group Inc.	38	United States	Advisory company	Ordinary shares	100 %

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
Intermediate Capital Group Polska Sp. z.o.o	31	Poland	Service company	Ordinary shares	100 %
Intermediate Capital Group SAS	9	France	Advisory company	Ordinary shares	100 %
Intermediate Capital Inc	38	United States	Dormant	Ordinary shares	100 %
Intermediate Capital Managers (Australia) PTY Limited	2	Australia	Advisory company	Ordinary shares	100 %
Intermediate Capital Managers Limited		England and Wales	Advisory company	Ordinary shares	100 %
Longbow Real Estate Capital LLP		England and Wales	Advisory company	N/A	— %
Wise Living Homes Limited	6	England and Wales	Special purpose vehicle	Ordinary shares	83 %
Wise Limited Amber Langley Mill Limited	6	England and Wales	Special purpose vehicle	Ordinary shares	83 %
ICG Strategic Equity GP V Sarl	29	Luxembourg	General Partner	Ordinary shares	100 %
ICG Life Sciences Debt Limited	19	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Life Sciences Feeder SCSp	27	Luxembourg	Special purpose vehicle	N/A	— %
ICG Life Sciences SCSp	27	Luxembourg	Limited Partner	N/A	— %
ICG North American Private Equity Associates I LLC	36	United States	General Partner	Ordinary shares	100 %
ICG North American Private Equity Debt Limited	19	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG North American Private Equity Fund I LP	36	United States	Special purpose vehicle	N/A	— %
Seaway Buyer, LLC	38	United States	Special purpose vehicle	Ordinary shares	73 %
Seaway Parent, LLC	38	United States	Special purpose vehicle	Ordinary shares	73 %
Seaway Plastics Engineering, LLC	38	United States	Special purpose vehicle	Ordinary shares	73 %
Seaway Plastics Holdings, LLC	38	United States	Special purpose vehicle	Ordinary shares	73 %
Seaway Topco, LP	38	United States	Special purpose vehicle	N/A	— %
Seaway, Guarantor, LLC	38	United States	Special purpose vehicle	Ordinary shares	73 %
Sertic Deal Co S.à.r.l.	22	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
Sertic Mezz Co S.à.r.l.	22	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
Wright Engineered Plastics LLC	38	United States	Portfolio Company	Ordinary shares	73 %
Wright Plastics Holdings, Inc.	38	United States	Portfolio Company	Ordinary shares	73 %
ICG REO (EUR) SCSp	22	Luxembourg	Special purpose vehicle	N/A	— %
AG Thames Investment Limited	8	England and Wales	Special purpose vehicle	Ordinary shares	100 %
Chessington Propco Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
Crayford Holdco Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
Crayford Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
Harlow Holdco Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
Harlow Propco Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Metropolitan Co-invest SCSp	22	Luxembourg	Special purpose vehicle	N/A	— %
ICG Metropolitan Last Mile Management Limited	17	Jersey	Special purpose vehicle	Ordinary shares	100 %
ICG Real Estate E Debt Limited	19	Jersey	Special purpose vehicle	Ordinary shares	100 %
Metropolitan Investment S.à r.l.	22	Luxembourg	Special purpose vehicle	Ordinary shares	100 %
Metropolitan SCSp	22	Luxembourg	Special purpose vehicle	N/A	— %
MME Group International IC-DISC, Inc.	38	United States	Portfolio Company	Ordinary shares	73 %
MME Group LLC	38	United States	Portfolio Company	Ordinary shares	73 %
New Orbit Holdco Sarl	22	Luxembourg	Special purpose vehicle	Ordinary shares	80 %
New Orbit JVCo Sarl	22	Luxembourg	Special purpose vehicle	Ordinary shares	80 %
New Orbit PropCo 1 Sarl	22	Luxembourg	Special purpose vehicle	Ordinary shares	80 %
New Orbit PropCo 2 Sarl	22	Luxembourg	Special purpose vehicle	Ordinary shares	80 %
Sertic Agen SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Alfortville SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Auray SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Cestas SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Coignieres SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Corbas SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Croissy SCI	10	France	Special purpose vehicle	Ordinary shares	100 %

Notes to the financial statements *continued*

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
Sertic Démouville SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Drancy SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Fleury SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic French Mid Co 1 SNC	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic French Mid Co II SNC	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic French Mid Co III SNC	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic La Chapelle SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Lanester SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Le Meux SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Le Rheu SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Lisses SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Osny SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Perpignan SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Pontault Combault SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Raismes SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Saint Laurent SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Saint Pierre SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Saint-Mitre SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Scherwiller SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Valenton SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
Sertic Vemars SCI	10	France	Special purpose vehicle	Ordinary shares	100 %
ICG Seed Asset Founder LP Limited	19	Jersey	Special purpose vehicle	Ordinary shares	100 %

28. Subsidiaries *continued*

	Registered offices
1	Level 18, 88 Phillip Street, Sydney, NSW 2000, Australia
2	Level 31, 88 Phillip Street, Sydney, NSW 2000, Australia
3	Level 9, 88 Phillip Street, Sydney, NSW 2000, Australia
4	75 Fort Street, Clifton House, c/o Estera Trust (Cayman) Limited, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands
5	PO Box 309, Ugland House, C/o Maples Corporate Services Limited, Grand Cayman, KY1-1104, Cayman Islands
6	17 Regan Way, Chetwynd Business Park, Chilwell, Nottingham, NG9 6RZ, England & Wales
7	Ground Floor Office South, 51 Welbeck St, London, W1G 9HL, England, United Kingdom
8	6th Floor 140 London Wall, London, England, EC2Y 5DN
9	1 rue de la Paix, Paris, 75002, France
10	36 rue Scheffer 75116 Paris 16 France
11	12th Floor, An der Welle 5, Frankfurt, 60322, Germany
12	c/o Zedra Trust Company (Guernsey) Limited, 3rd Floor, Cambridge House, Le Truchot, St Peter Port, GY1 1WD, Guernsey
13	Suites 1301-02, 13/F, AIA Central, 1 Connaught Road Central, Hong Kong
14	6th Floor South Bank House, Barrow Street, Dublin 4, Ireland
15	Corso Giacomo Matteotti 3, Milan, 20121, Italy
16	Level 23, Otemachi Nomura Building, 2-1-1 Otemachi, Chiyoda-ku, Tokyo, 100-0004, Japan
17	12 Castle Street, St. Helier, JE2 3RT, Jersey
18	IFC 1, The Esplanade, St. Helier, JE1 4BP, Jersey
19	Ogier House,44 The Esplanade, St. Helier, JE4 9WG, Jersey
20	12E, rue Guillaume Kroll, L - 1882 Luxembourg
21	2-4 Rue Eugène Ruppert, Grand Duchy of Luxembourg, L-2453, Luxembourg
22	3, rue Gabriel Lippmann, L - 5365 Munsbach, Luxembourg
23	32-36, boulevard d'Avranches L - 1160 Luxembourg, 1160, Luxembourg
24	49 Avenue John F. Kennedy, Luxembourg, L-1855, Luxembourg
25	5 Allée Scheffer, Luxembourg, L-2520, Luxembourg
26	5, Heienhaff, L - 1736 Senningerberg, Luxembourg
27	6, rue Eugene Ruppert, Luxembourg, L-2453, Luxembourg
28	60, Avenue J.F. Kennedy, Luxembourg, L-1855, Luxembourg
29	6H Route de Trèves, Senningerberg, L-2633, Luxembourg
30	Paulus Potterstraat 20, 2hg., Amsterdam, 1071 DA, Netherlands
31	Spark B, Aleja Solidarności 171, Warsaw, 00-877, Poland
32	#21-01, 20 Collyer Quay, 049319, Singapore
33	Serrano 30-3º, 28001 Madrid, Spain
34	David Bagares Gata 3, 111 38 Stockholm
35	Index Tower, Floor 4, Unit 404, Dubai International Financial Centre, Dubai, United Arab Emirates
36	c/o Intertrust Corporate Services Delaware LTD, Suite 210, 200 Bellevue Parkway, Wilmington, DE, 19809, United States
37	c/o Maples Fiduciary Services (Delaware) Inc., Suite 302, 4001 Kennett Pike, Wilmington, DE, 19807, United States
38	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States

Notes to the financial statements *continued*

28. Subsidiaries *continued*

The table below shows details of structured entities that the Group is deemed to control:

Name of subsidiary	Country of incorporation	% of ownership interests and voting rights
ICG Newground RE Finance Trust 1	Australia	100 %
ICG US CLO 2014-1, Ltd.	Cayman Islands	50 %
ICG US CLO 2014-2, Ltd.	Cayman Islands	72 %
ICG US CLO 2014-3, Ltd.	Cayman Islands	51 %
ICG US CLO 2015-1, Ltd.	Cayman Islands	50 %
ICG US CLO 2015-2R, Ltd.	Cayman Islands	83 %
ICG US CLO 2016-1, Ltd.	Cayman Islands	63 %
ICG US CLO 2017-1, Ltd.	Cayman Islands	60 %
ICG US CLO 2020-1, Ltd.	Cayman Islands	52 %
ICG US Senior Loan Fund	Cayman Islands	100 %
ICG Euro CLO 2021-1 DAC	Ireland	67 %
ICG Euro CLO 2023-1 DAC	Ireland	100 %
ICG High Yield Bond Fund	Ireland	100 %
St. Paul's CLO II DAC	Ireland	85 %
St. Paul's CLO III-R DAC	Ireland	62 %
St. Paul's CLO VI DAC	Ireland	53 %
St. Paul's CLO VIII DAC	Ireland	53 %
St. Paul's CLO XI DAC	Ireland	57 %
ICG Enterprise Carry (1) LP	Jersey	100 %
ICG Enterprise Carry (2) LP	Jersey	50 %
ICG Total Credit (Global) SCA	Luxembourg	100 %

The structured entities controlled by the Group include £5,160.8m (2022: £5,057.2m) of assets and £5,109.2m (2022: £4,992.8m) of liabilities within 21 funds listed above. These assets are restricted in their use to being the sole means by which the related fund liabilities can be settled. All other assets can be accessed or used to settle the other liabilities of the Group without significant restrictions.

The Group has not provided contractual or non-contractual financial or other support to a consolidated structured entity during the period. It is not the current intention to provide such support, including the intention to assist the structured entity in obtaining financial support.

28. Subsidiaries *continued*

Subsidiary audit exemption

For the period ended 31 March 2023, the following companies were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The member(s)[1] of the following companies have not required them to obtain an audit of their financial statements for the period ended 31 March 2023.

Company	Registered number	Member(s)
ICG FMC Limited	7266173	Intermediate Capital Group plc
ICG Global Investment UK Limited	7647419	Intermediate Capital Group plc
ICG Japan (Funding 2) Limited	9125779	Intermediate Capital Group plc
ICG Longbow Development (Brighton) Limited	8802752	Intermediate Capital Group plc
ICG Longbow Richmond Limited	11210259	Intermediate Capital Group plc
ICG Longbow BTR Limited	11177993	Intermediate Capital Group plc
ICG Longbow Senior Debt I GP Limited	2276839	Intermediate Capital Group plc
Intermediate Capital Investments Limited	2327070	Intermediate Capital Group plc
LREC Partners Investments No. 2 Limited	7428335	Intermediate Capital Group plc
ICG Longbow Development Debt Limited	9907841	ICG-Longbow Development GP LLP
Longbow Real Estate Capital LLP	OC328457	Intermediate Capital Group plc, ICG FMC Limited
ICG IC Holdco Limited	14542130	Intermediate Capital Group plc
ICG NA Debt Co-invest Limited	10091367	ICG Carbon Funding Limited
ICG-Longbow Development GP LLP	OC396833	Intermediate Capital Group plc, ICG FMC Limited
ICG-Longbow Investment 3 LLP	OC395389	ICG FMC Limited, Intermediate Capital Managers Limited
ICG-Longbow Senior GP LLP	OC427634	Intermediate Capital Group plc, ICG FMC Limited

1. Shareholders or Partners, as appropriate

Notes to the financial statements *continued*

29. Disposal groups held for sale and discontinued operations

Accounting policy

Non-current financial assets held for sale and disposal groups
The Group may make an investment and hold the asset on its balance sheet prior to it being transferred into a fund or sold to third-party investors. The assets are expected to be held for a period for up to a year, during which the asset will be classified as held for sale. Where the investment is held through a controlled investee the investee entity is classified as a disposal group held for sale.

The conditions for disposal groups held for sale are regarded as met only when the asset is available for immediate sale, the Directors are committed to the sale, and the sale is expected to be completed within one year from the date of classification.

Disposal groups held for sale are recognised at the lower of fair value less cost to sell and their carrying amount as required by IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, except where the asset is a financial instrument or investment property. The measurement of these assets is determined by IFRS 9 Financial Instruments and IAS 40 Investment Property respectively. The Group's measurement of these assets is detailed in note 5.

The Group holds interests in various disposal groups held for sale assets ("Warehouse Funds"), of which some have subsidiaries which were acquired with a view to resale and are expected to be sold. These subsidiaries are therefore assessed as discontinued operations.

Financial year ended 31 March 2023
During the year the Group has acquired interests in disposal groups held for sale assets and discontinued operations. Other than as described below, all interests have been acquired at fair value and therefore no loss or gain has been recognised on acquisition.

Management have assessed that it is highly probable that all investments reported within disposal groups held for sale and discontinued operations will be realised within 12 months.

During the year, one of the Group's Warehouse Funds, the US Mid-Market ("USMM") Warehouse Fund, ceased to control its subsidiary Ambient Enterprises LLC ("Ambient" – formerly Gil-bar Parent LLC) and subsequently retained a financial asset in respect of its investment in Ambient. The Group recognised a profit of £3.5m relating to Ambient over the period of control. Ambient was deemed a discontinued operation until the USMM Warehouse Fund ceased control.

As part of the cessation of control, the USMM Warehouse Fund has valued its investment in Ambient in accordance with IFRS 9, applying IPEV guidelines, and this has resulted in the Group recognising a post-tax gain of £64m, comprising £3.5m gain on disposal and £60.5m net fair value gain, which is recorded in the Consolidated entities segments of our Consolidated income statement, within 'Profit after tax on discontinued operations' (see note 4).

In the next 12 months, Management intends to sell the Group's interest in the USMM Warehouse Fund to third-party investors investing into the fund. The Group has a debt interest in the USMM Warehouse Fund and expects to sell its interest in the fund at cost plus an interest charge, where cost represents the original cost of the USMM Warehouse Funds' investments. As a result, the Group expects to receive less than the current fair value of Ambient recognised in the USMM Warehouse Fund and consequently, under APM, the Group has not recognised the fair value gain reported under UK-adopted IAS. This is therefore not included within the Group's Reportable segment (see note 4).

29. Disposal groups held for sale and discontinued operations *continued*

The assets and liabilities of the discontinued operations and disposal groups held for sale together with their contribution to the Group's profit after tax are as follows:

Group	2023 Discontinued Operations £m	2023 Disposal Groups £m	2023 Total £m	2022 Discontinued Operations £m	2022 Disposal Groups £m	2022 Total £m
Non-current assets						
Intangible assets	92.4	–	92.4	101.0	–	101.0
Property, plant and equipment	7.2	–	7.2	0.3	–	0.3
Investment property	284.0	–	284.0	–	59.3	59.3
Financial assets at fair value	0.9	162.3	163.2	–	36.9	36.9
Other debtors	0.3	–	0.3	–	–	–
	384.8	**162.3**	**547.1**	**101.3**	**96.2**	**197.5**
Current assets						
Inventory	12.3	–	12.3	0.8	–	0.8
Cash	5.5	–	5.5	5.4	5.7	11.1
Trade and other receivables	12.2	–	12.2	47.1	–	47.1
Other debtors	1.2	–	1.2	0.2	–	0.2
	31.2	**–**	**31.2**	**53.5**	**5.7**	**59.2**
Non-current liabilities						
Financial liabilities at amortised cost	174.8	–	174.8	65.8	5.0	70.8
Deferred tax liability	–	14.0	14.0	–	–	–
Other financial liabilities	3.0	–	3.0	(9.7)	–	(9.7)
	177.8	**14.0**	**191.8**	**56.1**	**5.0**	**61.1**
Current liabilities						
Trade and other payables	6.1	–	6.1	35.8	0.2	36.0
Other financial liabilities	6.1	–	6.1	–	0.1	0.1
	12.2	**–**	**12.2**	**35.8**	**0.3**	**36.1**
Statement of comprehensive income						
Sales	69.2	–	69.2	122.8	–	122.8
Cost of sales	(55.6)	–	(55.6)	(88.2)	–	(88.2)
Gross profit	**13.6**	**–**	**13.6**	**34.6**	**–**	**34.6**
Net gains on investments	78.0	–	78.0	–	–	–
Operating expenses	(8.6)	–	(8.6)	(22.9)	–	(22.9)
Depreciation and amortisation	–	–	–	(6.6)	–	(6.6)
Other expenses	(12.2)	–	(12.2)	(10.5)	–	(10.5)
Transaction costs	–	–	–	(3.8)	–	(3.8)
Gain / (loss) before tax	**70.8**	**–**	**70.8**	**(9.2)**	**–**	**(9.2)**
Tax expense	**(14.0)**	**–**	**(14.0)**	**–**	**–**	**–**
Gain / (loss) after tax	**56.8**	**–**	**56.8**	**(9.2)**	**–**	**(9.2)**

Notes to the financial statements *continued*

30. Associates and joint ventures

Accounting policy

Investment in associates

An associate is an entity over which the Group has significant influence, but no control, over the financial and operating policy decisions of the entity. As the investments in associates are held for venture capital purposes they are designated at fair value through profit or loss.

Investment in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control over the arrangement have rights to the net assets of the arrangements. The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting from the date on which the investee becomes a joint venture, except when the investment is held for venture capital purposes in which case they are designated as fair value through profit and loss. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost, and adjusted thereafter to recognise the Group's share of the joint venture's profit or loss.

The nature of some of the activities of the Group associates and joint ventures are investment related which are seen as complementing the Group's operations and contributing to achieving the Group's overall strategy. The remaining associates and joint ventures are portfolio companies not involved in investment activities.

Details of associates and joint ventures

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of associate	Principal activity	Country of incorporation	Proportion of ownership interest/voting rights held by the Group 2023	Income distributions received from associate 2023	Proportion of ownership interest/voting rights held by the Group 2022	Income distributions received from associate 2022
ICG Europe Fund V Jersey Limited[1]	Investment company	Jersey	20%	11	20%	58.6
ICG Europe Fund VI Jersey Limited[1]	Investment company	Jersey	17%	24.7	17%	114.2
ICG North American Private Debt Fund[2]	Investment company	United States of America	20%	5.5	20%	5.4
ICG Asia Pacific Fund III Singapore Pte. Limited[3]	Investment company	Singapore	20%	(1.2)	20%	32.1
Ambient Enterprises LLC[4]	Investment company	United States of America	50%	—	—%	—
KIK Equity Co-invest LLC[4]	Investment company	United States of America	25%	—	—%	—

During the year the Group's investments in Ambient Enterprises LLC (see note 29) and KIK Equity Co-invest LLC were assessed as associates. All associates are accounted for at fair value.

1. The registered address for this entity is IFC 1 – The Esplanade, St Helier, Jersey JE1 4BP.
2. The registered address for this entity is 600, Lexington Avenue, 24th Floor, New York, NY 10022, United States of America.
3. The registered address for this entity is #13-01 One Raffles Place, Singapore, 048616.
4. The registered address for this entity is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States.

The Group has a shareholding in each of ICG Europe Fund V Jersey Limited, ICG Europe Fund VI Jersey Limited, ICG North American Private Debt Fund, ICG Asia Pacific Fund III Singapore Pte. Limited and KIK Equity Co-invest LLC arising from its co-investment with a fund. The Group appoints the General Partner (GP) to each of these fund. The investors have substantive rights to remove the GP without cause. The Funds also each have an Advisory Council, nominated by the investors, whose function is to ensure that the GP is acting in the interest of investors. As the Group has a 17%–25% holding, and therefore significant influence in each entity, they have been considered as associates

Details of each of the Group's joint ventures at the end of the reporting period are as follows:

Name of associate	Accounting method	Principal activity	Country of incorporation	Proportion of ownership interest held by the Group 2023	Proportion of voting rights held by the Group 2023
Nomura ICG KK	Equity	Advisory company	Japan	50 %	50 %
Brighton Marina Group Limited	Fair value	Investment	United Kingdom	70 %	50 %

30. Associates and joint ventures *continued*

Nomura ICG KK is equity accounted as a joint venture in accordance with IFRS 11. Nomura ICG KK is not a portfolio company and was established to operate the Group's core business of fund management activities in Japan. Management therefore considers it more appropriate to equity account for this entity in the financial statements.

Brighton Marina Group Limited is accounted for at fair value in accordance with IAS28 and IFRS9 and the Group's accounting policy in note 5 to the financial statements.

The Group holds 70% of the ordinary shares of Brighton Marina Group Limited and the management of this entity is jointly controlled with a third party who the Group does not control and therefore the Group is unable to execute decisions without the consent of the third party.

Significant restriction

There are no significant restrictions on the ability of associates and joint ventures to transfer funds to the Group other than having sufficient distributable reserves.

Summarised financial information for associates material to the reporting entity

The Group's only material associates are ICG Europe Fund V Jersey Limited and ICG Europe Fund VI Jersey Limited which are associates measured at fair value through profit and loss. The information below is derived from the IFRS financial statements of the entities. Materiality has been determined by the carrying value of the associate as a percentage of total Group assets.

The entities allow the Group to co-invest with ICG Europe Fund V and ICG Europe Fund VI respectively, aligning interests with other investors. In addition to the returns on its co-investment the Group receives performance-related fee income from the funds (see note 3). This is industry standard and is in line with other funds in the industry.

	ICG Fund VI Jersey Limited		ICG Fund V Jersey Limited	
	2023 £m	2022 £m	2023 £m	2022 £m
Current assets	**8.1**	24.9	**3.8**	6.1
Non-current assets	**1,023.9**	1,910.0	**129.8**	122.5
Current liabilities	**(55.8)**	(49.7)	**(1.5)**	(1.6)
	976.2	1,885.2	**132.1**	127.0
Revenue	**47.3**	685.8	**(2.0)**	27.3
Profit from continuing operations	**23.2**	667.0	**(3.6)**	26.4
Total comprehensive income	**23.2**	667.0	**(3.6)**	26.4

Summarised financial information for equity accounted joint ventures

Nomura ICG KK made a profit from continuing operations and total comprehensive income of £8.8m for the year ended 31 March 2023 (2022: £1.0m), of which the Group's share of results accounted for using the equity method is £4.4m for the year ended 31 March 2023 (2022: £0.5m).

Notes to the financial statements *continued*

31. Unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. The Group has determined that it has an interest in a structured entity where the Group holds an investment, loan, fee receivable or commitment with an investment fund or CLO. Where the Group does not hold an investment in the structured entity, management has determined that the characteristics of control, in accordance with IFRS 10, are not met.

The Group, as fund manager, acts in accordance with the pre-defined parameters set out in various agreements. The decision-making authority of the Group and the rights of third parties are documented. These agreements include management fees that are commensurate with the services provided and performance fee arrangements that are industry standard. As such, the Group is acting as agent on behalf of these investors and therefore these entities are not consolidated into the Group's results. Consolidated structured entities are detailed in note 28.

At 31 March 2023, the Group's interest in and exposure to unconsolidated structured entities including outstanding management and performance fees are detailed in the table below, and recognised within financial assets at FVTPL and trade and other receivables in the statement of financial position:

	2023					
	Investment in Fund	Management fees receivable	Management fee rates	Performance fees receivable	Performance fee rates	Maximum exposure to loss
Funds	£m	£m	%	£m	%	£m
CLOs	298.3	4.1	0.19% to 0.50%	–	0.05% to 0.20%	302.4
Credit Funds	65.9	8.6	0.29% to 1.50%	(0.3)	20% of returns in excess of 0% for Alternative Credit Fund only	74.2
Corporate Investment Funds	1,341.5	55.9	0.43% to 1.50%	37.6	20%–25% of total performance fee of 20% of profit over the threshold	1,435.0
Real Asset Funds	288.5	12.0	0.30% to 1.24%	–	20% of returns in excess of 9% IRR	300.5
Secondaries Funds	441.1	20.2	0.75% to 1.37%	0.2	10%–20% of total performance fee of 8%–20% of profit over the threshold	461.5
Total	**2,435.3**	**100.8**		**37.5**		**2,573.6**

	2022					
	Investment in Fund	Management fees receivable	Management fee rates	Performance fees receivable	Performance fee rates	Maximum exposure to loss
Funds	£m	£m	%	£m		£m
CLOs	285.5	3.6	0.35% to 0.65%	–	0.05% to 0.20%	289.1
Credit Funds	162.0	9.7	0.40% to 1.50%	–	20% of returns in excess of 0% for Alternative Credit Fund only	171.7
Corporate Investment Funds	1,505.5	54.7	0.60% to 2.0%	86.1	20%–25% of total performance fee of 20% of profit over the threshold	1,646.3
Real Asset Funds	203.1	14.3	0.38% to 1.50%	0.1	20% of returns in excess of 9% IRR	217.5
Secondaries Funds	341.7	26.0	1.25% to 1.50%	4.9	10%–20% of total performance fee of 8%–20% of profit over the threshold	372.6
Total	**2,497.8**	**108.3**		**91.0**		**2,697.2**

The Group's maximum exposure to loss is equal to the value of any investments held and unpaid management fees and performance fees.

The Group has not provided non-contractual financial or other support to the unconsolidated structured entities during the year. It is not the current intention to provide such support, including the intention to assist the structured entity in obtaining financial support.

32. Net cash flows from operating activities

	Notes	Year ended 31 March 2023 Group £m	Year ended 31 March 2022 Group £m
Profit before tax from continuing operations		**251.0**	**565.4**
Adjustments for non cash items:			
Fee and other operating income	3	(483.6)	(434.0)
Net investment returns		(172.5)	(555.5)
Interest income		(15.5)	—
Net fair value loss on derivatives		34.9	7.3
Impact of movement in foreign exchange rates	7	(17.8)	0.1
Interest expense		64.6	53.1
Depreciation, amortisation and impairment of property, equipment and intangible assets	17, 18	18.2	19.5
Share-based payment expense	25	39.5	29.6
Working capital changes:			
Increase in trade and other receivables	20	(12.0)	(32.5)
Decrease in trade and other payables	21	(196.9)	(27.4)
Change in disposal groups held for sale		(8.8)	—
		(498.9)	**(374.4)**
Proceeds from sale of current financial assets and disposal groups held for sale		45.5	185.2
Purchase of current financial assets and disposal groups held for sale		(211.9)	(204.0)
Purchase of investments		(1,420.2)	(3,532.8)
Proceeds from sales and maturities of investments		1,722.2	3,743.8
Interest and dividend income received[1]		362.8	259.8
Fee and other operating income received		587.9	393.0
Interest paid		(263.4)	(183.3)
Cash flows generated from operations		**324.0**	**287.3**
Taxes paid		(32.4)	(43.9)
Net cash flows from operating activities		**291.6**	**243.4**

1. Comprises Interest income received of £322.6m (2022: £221.8m) and Dividend income received of £40.2m (2022: £38.0m).

Notes to the financial statements *continued*

32. Net cash flows from operating activities *continued*

	Notes	Year ended 31 March 2023 Company £m	Year ended 31 March 2022 Company £m
Profit before tax from continuing operations		**51.5**	**23.8**
Adjustments for non cash items:			
Fee and other operating income	3	(3.9)	(10.5)
Dividend income		(386.6)	(163.0)
Interest income		(53.7)	(50.5)
Net investment returns		(0.7)	(30.0)
Net fair value loss on derivatives		7.5	13.5
Impact of movement in foreign exchange rates	7	141.1	1.1
Interest expense		124.9	102.0
Depreciation, amortisation and impairment of property, equipment and intangible assets	17, 18	12.0	24.9
Write-down of intercompany loan balance		12.7	—
Share-based payment expense	25	39.5	29.6
Intragroup reallocation of incurred costs		(152.0)	(113.2)
Working capital changes:			
Decrease/(Increase) in trade and other receivables	20	4.5	(6.0)
(Decrease)/Increase in trade and other payables	21	(15.8)	23.5
		(219.0)	**(154.8)**
Proceeds from sale of current financial assets		34.2	158.4
Purchase of current financial assets		(134.6)	(165.1)
Purchase of investments		(73.1)	(29.9)
Proceeds from sales and maturities of investments		127.5	143.4
Interest received		6.0	9.8
Fee and other operating income received		5.0	26.7
Interest paid		(60.3)	(49.2)
Cash flows used in operations		**(314.3)**	**(60.7)**
Taxes paid		(20.8)	(41.3)
Net cash flows used in operating activities		**(335.1)**	**(102.0)**

33. Contingent liabilities

The Parent Company and its subsidiaries may be party to legal claims arising in the course of business. The Directors do not anticipate that the outcome of any such potential proceedings and claims will have a material adverse effect on the Group's financial position and at present there are no such claims where their financial impact can be reasonably estimated. The Parent Company and its subsidiaries may be able to recover any monies paid out in settlement of claims from third parties.

There are no other material contingent liabilities.

34. Post balance sheet events

There have been no material events since the balance sheet date.

Glossary

Non-IFRS alternative performance measures (APM) are defined below:

Term	Short Form	Definition		2023	2022
APM earnings per share	EPS	APM profit after tax (annualised when reporting a six-month period's results) divided by the weighted average number of ordinary shares as detailed in note 16.			
APM Group profit before tax		Group profit before tax adjusted for the impact of the consolidated structured entities. As at 31 March, this is calculated as follows:			
				2023	2022
		Profit before tax		**£251.0m**	£565.4m
		Plus/Less consolidated structured entities		**£7.1m**	£3.4m
		APM Group profit/(loss) before tax		**£258.1m**	£568.8m
APM Investment Company profit before tax		Investment Company profit adjusted for the impact of the consolidated structured entities. As at 31 March, this is calculated as follows:			
				2023	2022
		Investment Company profit before tax		**(£69.7m)**	£279.2m
		Plus/Less consolidated structured entities		**£7.1m**	£3.4m
		APM Investment Company profit/(loss) before tax		**(£52.6m)**	£282.6m
APM return on equity	ROE	APM profit after tax (annualised when reporting a six month period's results) divided by average shareholders' funds for the period. As at 31 March, this is calculated as follows:			
				2023	2022
		APM profit after tax		**£229.3m**	£538.0m
		Average shareholders' funds		**£1,911.3m**	£1,745.9m
		APM return on equity		**12.0 %**	30.8 %
Assets under management	AUM	Value of all funds and assets managed by the FMC. During the investment period third-party AUM is measured on the basis of committed capital. Once outside the investment period third-party AUM is measured on the basis of invested cost. AUM is presented in US dollars, with non-US dollar denominated converted at the period end closing rate.			
Balance sheet investment portfolio		The balance sheet investment portfolio represents financial assets from the statement of financial position, adjusted for the impact of the consolidated structured entities and excluding derivatives and other financial assets.			
				2023	2022
		Total non current and current financial assets	Note 4	**£2,924.6m**	£2,854.8m
		Derivative (assets)		**(£22.6m)**	(£32.8m)
		Total balance sheet investment portfolio		**£2,902m**	£2,822m
Cash profit	PICP	Cash profit is defined as internally reported profit before tax and incentive schemes, adjusted for non-cash items			
				2023	2022
		APM profit before tax		**£258.1m**	£568.8m
		Add back incentive schemes		**£151.8m**	£169.7m
		Other adjustments		**£121.9m**	(£172.4m)
		Cash profit		**£531.8m**	£566.1m
Dividend income		Dividend income represents distributions received from equity investments. Dividend income reported on an internal basis excludes the impact of the consolidated structured entities. See note 4 for a full reconciliation.			
Earnings per share	EPS	Profit after tax (annualised when reporting a six-month period's results) divided by the weighted average number of ordinary shares as detailed in note 16.			
EBITDA		Earnings before interest, tax, depreciation and amortisation.			
Equalisation		When new third-party clients subscribe to a closed-end fund after the first close, they pay a pre-agreed return to clients who subscribed to the fund at an earlier close. This compensates those clients for their capital being tied up for longer. This is referred to as 'equalisation' and can result in gain or loss for earlier investors compared to the latest fund valuation.			
Group cashflows from operating activities- APM		Group cashflows from operating activities – APM is net cash flows from operating activities adjusted for interest paid			
				2023	2022
		Group cashflows from operating activities- APM		**£395.0m**	£393.6
		Interest paid		**(£63.5)m**	(£55.7)m
		Net cash flows from/(used in) operating activities	Note 4	**£331.5m**	£337.9m

Glossary continued

Term	Short Form	Definition			
Group cashflows from financing activities - APM		Group cashflows from financing activities – APM is net cash flows from financing activities adjusted for interest paid and the payment of principal portion of lease liabilities			
				2023	2022
		Group cashflows from financing activities - APM		**(£533.4)m**	£59.3m
		Interest paid		**£63.5m**	£55.7m
		Payment of principal portion of lease liabilities		**(£6.8)m**	(£4.1)m
		Net cash flows from/(used in) financing activities	Note 4	**(£476.7)m**	£110.9m
Net cash flows used in investing activities		Other operating cashflows is net cash flows from investing activities adjusted for the payment of principal portion of lease liabilities			
				2023	2022
		Net cash flows used in investing activities		**(£70.0)m**	£11.3m
		Payment of principal portion of lease liabilities		**(£6.8)m**	(£4.1)m
		Other operating cashflows		**(£76.8)m**	£7.1m
Interest expense		Interest expense excludes the cost of financing associated with the consolidated structured entities. See note 11 for a full reconciliation.			
Net asset value per share		Total equity from the statement of financial position adjusted for the impact of the consolidated structured entities divided by the closing number of ordinary shares. As at 31 March, this is calculated as follows:			
				2023	2022
		Total equity (See note 4)		**£1,977.4m**	£1,995.0m
		Closing number of ordinary shares		**285,082,287**	286,550,955
		Net asset value per share		**694p**	696p
		On an IFRS basis Net Asset Value as follows:			
				2023	2022
		Total equity (See note 4)		**£2,045.2m**	£2,001.8m
		Closing number of ordinary shares		**285,082,287**	286,550,955
		Net asset value per share		**717p**	699p
Net current assets		The total of cash, plus current financial assets, plus other current assets, less current liabilities as internally reported. This excludes the consolidated structured entities. As at 31 March, this is calculated as follows:			
				2023	2022
		Cash		**£550.0m**	£761.5m
		Current financial assets		**£282.4m**	£126.1m
		Other current assets		**£243.7m**	£193.2m
		Current financial liabilities		**(£79.1m)**	(£256.4m)
		Other current liabilities		**(£157.7)m**	(£152.8m)
		Net current assets		**£839.3m**	£671.6m
		On an IFRS basis net current assets are as follows:			
				2023	2022
		Cash		**£957.5m**	£991.8m
		Current financial assets		**–**	–
		Other current assets		**£307.3m**	£452m
		Disposal groups held for sale		**£578.3m**	£256.7m
		Current financial liabilities		**(£64.3m)**	(£207.6m)
		Other current liabilities		**(£501.0m)**	(£602.3m)
		Liabilities directly associated with disposal groups held for sale		**(£204.0m)**	(£97.2m)
		Net current assets		**£1,073.8m**	£793.4m

Net financial debt	Net debt, along with gearing, is used by management as a measure of balance sheet efficiency. Net debt includes unencumbered cash whereas gearing uses gross borrowings and is therefore not impacted by movements in cash balances. Gross drawn debt less unencumbered cash of the Group, as at 31 March is calculated as follows:

	2023	2022
Total liabilities held at unamortised cost	**£1,536.7m**	£1653.4m
Impact of upfront fees/unamortised discount	**£1.3m**	£1.6m
Gross drawn debt (see page 64)	**£1,538.0m**	£1,655.0m
Less unencumbered cash	**(£550.0m)**	(£761.5m)
Net debt	**£988.0m**	£893.5m

Net gearing	Net gearing is used by management as a measure of balance sheet efficiency. Net debt, excluding the consolidated structured entities, divided by total equity from the statement of financial position adjusted for the impact of the consolidated structured entities. As at 31 March, this is calculated as follows:

	2023	2022
Net debt	**£988.0m**	£893.5m
Shareholders' equity	**£1,977.4m**	£1,995.0m
Net gearing	**0.50x**	0.45x

Net Investment Returns	Net Investment Returns is the total of interest income, capital gains, dividend and other income less asset impairments.
Operating cashflow	Operating cashflow represents the cash generated from operating activities from the statement of cashflows, adjusted for the impact of the consolidated structured entities. See note 4 for a full reconciliation.
Operating expenses of the Investment Company	Investment Company operating expenses are adjusted for the impact of the consolidated structured entities. See note 4 for a full reconciliation.
Operating profit margin	Fund Management Company profit before tax divided by Fund Management Company total revenue. As at 31 March this is calculated as follows:

	2023	2022
Fund Management Company profit before tax	**£310.7m**	£286.2m
Fund Management Company total revenue	**£539.9m**	£512.8m
Operating profit margin	**57.5 %**	55.8 %

Third Party AUM	Value of all funds and assets managed by the Group (including both invested and uninvested capital) on which the Group earns, or has the potential to earn, fees. During the investment period third-party AUM is measured on the basis of committed capital. Once outside the investment period, it is measured on the basis of invested cost.
Third Party Fee Earning AUM	AUM for which the Group is paid a management fee or performance fee. Fee-earning AUM is determined by the fee basis on which the fund earns fees, either commitments or investments.
Third Party Fee Income	Fees generated on fund management activities as reported in the Fund Management Company including fees generated by consolidated structured entities which are excluded from the IFRS consolidation position. See note 4 for a full reconciliation.
Total AUM	Total AUM is calculated by adding Third Party AUM and the value of the Balance Sheet Investment Portfolio, excluding seed investments:

	2023	2022
Third Party AUM	**$77.0bn**	$68.5bn
Balance Sheet Investment Portfolio (excluding seed investments)	**$3.2bn**	$3.6bn
Total AUM	**$80.2bn**	$72.1bn

Total available liquidity	Total available liquidity comprises unencumbered cash and available undrawn debt facilities.
Total fund size	Total fund size is the sum of third-party AUM and ICG plc's commitment to that fund. The aggregate of all total fund sizes is equal to Total AUM
Weighted-average fee rate	An average fee rate across all strategies based on fee earning AUM in which the fees earned are weighted based on the relative AUM.

Glossary continued

Other definitions which have not been identified as non-IFRS GAAP alternative performance measures are as follows:

Term	Short Form	Definition
Additions (of AUM)		Within third-party AUM: the aggregate of new commitments of capital by clients, and calls of capital from funds that have previously had a step-down and are therefore reflected in third-party AUM on a net invested capital basis. Within third-party fee-earning AUM: the aggregate of new commitments of capital by clients that pay fees on committed capital, and deployment of capital that charges fees on invested capital (including calls of capital from funds that have previously had a step-down and therefore charge fees on a net invested capital basis).
AIFMD		The EU Alternative Investment Fund Managers Directive.
Alternative performance measure	APM	These are non-IFRS financial measures.
CAGR		Compound Annual Growth Rate
Catch-up fees		Fees charged to investors who commit to a fund after its first close. This has the impact of backdating their commitment thereby aligning all investors in the fund.
Client base		Client base includes all direct investment fund and liquid credit fund investors.
Closed-end fund		A fund where investor's commitments are fixed for the duration of the fund and the fund has a defined investment period.
Co-investment	Co-invest	A direct investment made alongside or in a fund taking a pro-rata share of all instruments.
Collateralised Loan Obligation	CLO	CLO is a type of investment grade security backed by a pool of loans .
Close		A stage in fundraising whereby a fund is able to release or draw down the capital contractually committed at that date.
Default		An 'event of default' is defined as: A company fails to make timely payment of principal and/or interest under the contractual terms of any financial obligation by the required payment date A restructuring of the company's obligations as a result of distressed circumstances A company enters into bankruptcy or receivership
Deal Vintage Bonus		DVB awards are a long-term employee incentive, enabling certain investment teams, excluding Executive Directors, to share in the future realised profits from certain investments within the Group's balance sheet portfolio.
Direct investment funds		Funds which invest in self-originated transactions for which there is a low volume, illiquid secondary market.
DPI		Distribution to Paid- In Capital
Employee Benefit Trust	EBT	Special purpose vehicle used to purchase ICG plc shares which are used to satisfy share options and awards granted under the Group's employee share schemes.
Environmental, Social and Governance criteria	ESG	Environmental, social and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments.
Financial Conduct Authority	FCA	Regulates conduct by both retail and wholesale financial service companies in provision of services to consumers.
Financial Reporting Council	FRC	The UK's independent regulator responsible for promoting high quality corporate governance and reporting.
Fund		A pool of third-party capital allocated to a specific investment strategy or strategies, managed by ICG plc or its affiliates.
Fund Management Company	FMC	The Group's fund management business, which sources and manages investments on behalf of the IC and third-party funds.
Fund level leverage		Debt facilities utilised by funds to finance assets.
Gross money on invested capital	Gross MOIC	Total realised and unrealised value of investments (before deduction of any fees), divided by the total invested cost.
HMRC		HM Revenue & Customs, the UK tax authority.
IAS		International Accounting Standards.
IFRS		International Financial Reporting Standards as adopted by the United Kingdom.
Illiquid assets		Asset classes which are not actively traded.
Internal Rate of Return	IRR	The annualised return received by an investor in a fund. It is calculated from cash drawn from and returned to the investor together with the residual value of the asset.

Term	Short Form	Definition
Investment Company	IC	The Investment Company invests the Group’s balance sheet to seed and accelerate emerging strategies, and invests alongside the Group's more established funds to align interests between the Group's client, employees and shareholders. It also supports a number of costs including for certain central functions, a part of the Executive Directors' compensation and the portion of the investment teams' compensation linked to the returns of the balance sheet investment portfolio.
LTM EBITDA		Last twelve month's earning before interest, tax, depreciation and amortisation
Key Person		Certain funds have a designated Key Person. The departure of a Key Person without adequate replacement triggers a contractual right for investors to cancel their commitments or kick-out of the Group as fund manager.
Key performance indicator	KPI	A business metric used to evaluate factors that are crucial to the success of an organisation.
Key risk indicator	KRI	A measure used to indicate how risky an activity is. It is an indicator of the possibility of future adverse impact.
Liquid assets		Asset classes with an active, established market in which assets may be readily bought and sold.
Money multiple	MOIC or MM	Cumulative returns divided by original capital invested.
Net currency assets		Net assets excluding certain items including; trade and other receivables, trade and other payables, property plant and equipment, cash balances held by the Group’s fund management entities, derivative financial assets and liabilities on management fee FX hedges, and current and deferred tax assets and liabilities.
Open-ended fund		A fund which remains open to new commitments and where an investor’s commitment may be redeemed with appropriate notice.
Payment in kind	PIK	Also known as rolled-up interest. PIK is the interest accruing on a loan until maturity or refinancing, without any cashflows until that time.
Performance fees	Carried interest or Carry	Share of profits that the fund manager is due once it has returned the cost of investment and agreed preferred return to investors.
Realisation		The return of invested capital in the form of principal, rolled-up interest and/or capital gain.
Realisations (of AUM)		Reductions in AUM due to capital being returned to investors and / or no longer able to be called by the fund, and the reduction in AUM due to step-downs.
Recycle (of AUM)		Where the fund is able to re-invest capital that has previously been invested and then realised. This is typically only within a defined period during the fund's investment period and is generally subject to certain requirements.
Relevant investments		Relevant investment includes all investments within Structured and Private Equity and Real Assets where ICG has significant influence.
Step-down/ Step-up		A reduction in AUM resulting from the end of the investment period in an existing fund or when a subsequent fund starts to invest. Funds that charge fees on committed capital during the investment period will normally shift to charging fees on net invested capital post step-down. There is generally the ability to continue to call further capital from funds that have had a step-down in certain circumstances. In this instance, fees will be earned on that invested capital and it will be added to AUM through Additions and this is termed as step-up.
Sustainable Accounting Standards Board	SASB	The Sustainability Accounting Standards Board is an independent non-profit organisation that sets standards to guide the disclosure of financially material sustainability information by companies to their investors.
Securitisation		A form of financial structuring whereby a pool of assets is used as security (collateral) for the issue of new financial instruments.
SFDR		Sustainable Finance Disclosure Regulation
Separately Managed Account	SMA	Third-party capital committed by a single investor allocated to a specific investment strategy or strategies, managed by ICG plc or its affiliates.
Science Based Targets initiative	SBTi	The Science Based Targets initiative helps drives climate action in the private sector by approving and validating companies' science-based emissions reduction targets (SBT).
Structured entities		Entities which are classified as investment funds, credit funds or CLOs and are deemed to be controlled by the Group, through its interests in either an investment, loan, fee receivable, guarantee or commitment. These entities can also be interchangeably referred to as credit funds.
TCFD		Task Force on Climate-related Financial Disclosures
Total AUM		The aggregate of the Third Party AUM and the Balance Sheet investment portfolio.

Glossary continued

Term	Short Form	Definition
UK Corporate Governance Code	The Code	Sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.
UNPRI		UN Principles for Responsible Investing.
Weighted average		An average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average.
Seed investments (previously warehoused investments)		Investments within the balance sheet investment portfolio that the Group anticipates transferring to a fund in due course, typically made where the Group is seeding new strategies in anticipation of raising a fund.

Basis of preparation for GHG emissions statement

The Greenhouse gas emissions of the Group and Company are prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, aligned with the Scope 2 Guidance, and Corporate Value Chain (Scope 3) Standard. ICG has attempted to use as much actual data to calculate the carbon footprint as possible, but there are circumstances where data has been estimated through a variety of methods according to the emissions source and the data available. The information below provides further detail into the calculations, estimation approaches and limitations of data we had to calculate our operational CO_2e.

Reporting Period

ICG's GHG reporting period of 1 April to 31 March is in line with our Annual Filings and Accounts, however the carbon footprint was completed prior to 31 March for the purpose of disclosure in the Annual Report FY23. To align the periods, ICG calculated the footprint by utilising actual data across the determined emissions sources for the calendar year (1 January – 31 December 2022). The January – March 2022 data was then used as a proxy for the January – March 2023 period. This method was conducted in line with previous ICG GHG footprints and therefore provides comparability between each year. The exception for this approach was for the New York office data. This exception was driven by the relocation of the New York office during FY23. ICG began a new office lease on 31 August 2022, and occupied this property on the 1 February 2023. The lease of the old office expired on 31 January 2023. To ensure accuracy and account for the fact that ICG operated 2 large offices over a 6-month period (which would not happen under the calendar year methodology) we utilised actual data for the old office and measured from the 1 April 2022 – 31 January 2023 (site closure). We estimated the future consumption of the new office for the 31 August 2022 till 31 March 2023 period by using an energy profile model that was conducted by external consultants. At the time of conducting the footprint ICG had no access to actual data from the new site.

Fuel, electricity, water and waste

For all sites except for the newly opened New York office, we used actual data from periodic utility bills, and secondary data provided by landlords for service charge costs that were split by floor space rented. We acquired data for all sites except for the new facility in New York. In periods where we were unable to obtain actual data, we utilised an extrapolation method which calculated the average daily use from actual data and extrapolated it to replace missing data to ensure a full 365 days of readings. This approach was used for gas heating (when present), electricity, water and waste (when available). Serviced offices unable to obtain waste and water data from landlords were not included in this statement and are insignificant to the footprint.

Business travel

Business travel data is split into 4 groups – air, rail, taxis and hotels. At ICG, Air, rail and hotel bookings are booked through the company's central business travel booking agent providers who provide ICG with all necessary data as an output (individual trips, distance travelled, and stays in hotels, hotel locations) for calculating emissions. The booking systems have become the primary platform for booking air, rail and hotels at ICG and therefore has resulted in a shift in the data inputs and therefore emissions factors used to calculate some emissions activities from previous years (detailed below). The platform allows ICG to understand distances and origins rather than using spend based expenses claimed. Note that taxis continue to be measured through expense claims.

Air travel

Data such as the flight origin and destination cities, distances travelled, and class of travel were provided by the booking agent via the travel booking systems. ICG sourced the relevant emissions factors from the UK Government, DEFRA (a UK government department responsible for environmental protection) – *GHG Conversion Factors for Company Reporting – Business travel – Air 2022*. Flights were organised by haul length (domestic, short, long and international), along with the relevant class of travel. As per DEFRA guidance, we assumed those flights travelling from UK to continental Europe were short haul and used the appropriate emissions factor. Long haul emissions factors were used for flights from the UK to outside of Europe. For travel between other countries the international flights DEFRA factors were used. The class of travel was also used to associate the correct emissions factor. If DEFRA did not hold a seat class specific factor (for example, there is no class of travel factor for Domestic UK flights), then the average flight factor was used for the haul length. There were limitations on data quality from one of the central booking systems. The booking system output cannot differentiate which flights were upgraded and which flights were exchanged for new flights or had amended dates (but kept the same travel class). Therefore, in the carbon conversions the original travel class was kept for the calculations. 10% of flights in the data are labelled as "upgrade/exchange/reissue" – making it impossible to determine which flights were solely upgrades over reissues or flight exchanges. There were also limitations regarding the classification of "miscellaneous" costs from the data provider which could not be associated with additional travel beyond the current list of flights. These "miscellaneous" data points were excluded from the inventory as the provider stated that they were not related to travel but were additional costs associated with prior bookings.

Basis of preparation for GHG emissions statement continued

Rail Travel

Data utilised from booking providers included travel origins and destinations, and distances travelled. In previous carbon statements, carbon for rail travel was calculated by converting $ spend on rail travel in to carbon using a general inland travel emission factor. As the centralised booking system became the primary platform for booking trains in 2022 for rail travel in the USA, we were able to use more accurate distance based carbon emissions factors in place of the spend-based approach. For USA specific rail travel we used EPA emissions factors for the Amtrak Intercity rail – National average Northeast corridor. This was used because the ICG office is located in New York and rail travel is focussed within this region. For EU related travelled, we utilised the NTM for EU average rail emissions factors over spend based factors as European staff also have migrated to the central booking platform. The NTM emissions factor is more accurate than using spend factors or DEFRA factor international rail travel as it is focussed on EU travel and electricity grids, while incorporating well to wheel emissions as well. For rail travel in the UK, DEFRA factors were used.

Hotel stays

Emissions from hotel stays are included in the business travel activities. The travel bookings agent provided booking data that consisted of the country of the hotel, the number of nights stayed and the number of rooms. DEFRA sourced factors for hotel stays in specific countries were aligned with the country data. Any countries that did not have a DEFRA sourced emissions factor were allocated a “default factor”. This default factor was calculated as an average of the 29 countries that had factors. 3.1% of hotel stays fell into this default group.

Taxi travel

Travel by taxi was calculated differently to other business travel based on the limitations of the data. Taxi travel was also new to the business travel inventory in FY23. The data limitations were based on not having information pertaining to distance, origin to destination or type of vehicle data to estimate the emissions that stem from this source. Taxi travel is claimed by staff through the expenses system. Therefore, the total spend on travel from countries around the world was used as the basis for calculation. This spend on taxi travel was converted to GBP using FX rates for 31 December 2022, then converted to CO2e using an international spend-based carbon emissions factor for land-based travel.

Purchased goods and services

The baseline for emissions stemming from purchased goods and services were calculated using a purely spend-based approach. While the spend data is 100% actual data provided by the ICG procurement team for the period 1 January – 31 December. The emissions conversion factors are not based on actual supplier emissions in this baseline year. Therefore, emissions represent an estimate based on the industry that suppliers are categorised as rather than being specific to each supplier. The ICG suppliers were categorised based on the SICS industry that they reside within and were then mapped against BEIS emissions factors which are based on the UK carbon footprint from 2019. Approximately 98% of supplier spend was categorised to a SIC code. However, the 2% of small spend that was uncategorised was allocated an “office admin / business support” emissions factor because the majority of ICG suppliers will be business support service providers.

Carried interest earning funds (unaudited)

Fund	Third-party capital	Target money multiple	% Carried interest[1]
ICG Europe Fund IV 2006B	€940m	1.8x	20% of 5 over 8
ICG Europe Fund V	€2,000m	1.6x	20% of 20 over 8
ICG Europe Fund VI	€2,500m	1.6x	20% of 20 over 8
ICG Europe Fund VII	€4,000m	1.8x	20% of 20 over 8
ICG Europe Fund VIII	€7,705m	1.8x	20% of 20 over 8
Intermediate Capital Asia Pacific 2008	$600m	N/A	20% of 20 over 8
Intermediate Capital Asia Pacific Fund III	$491m	1.7x	20% of 20 over 7
Intermediate Capital Asia Pacific Fund IV	$905m	1.8x	20% of 20 over 7
ICG Recovery Fund 2008B	€308m	N/A	20% of 12.5 over 8 up to 20% of 15 over 20
ICG Recovery Fund II	€440m	N/A	20% of 20 over 8 up to 20
ICG Strategic Secondaries Fund II	$866m	N/A	20% of 12.5 over 8
ICG Strategic Equity Fund III	$1,650m	N/A	20% of 15 over 8 up to 20% of 20 over 20 and 1.5x money multiple
ICG Strategic Equity Fund IV	$4,047m	N/A	20% of 15 over 8 up to 20% of 20 over 20 and 1.5x money multiple
ICG Strategic Equity Fund V (USD Sleeve)	$155m	N/A	20% of 15 over 8 up to 20% of 20 over 20 and 1.5x money multiple
ICG Strategic Equity Fund V (EUR Sleeve)	€35m	N/A	20% of 15 over 8 up to 20% of 20 over 20 and 1.5x money multiple
ICG Europe Mid-Market Fund I	€898m	1.8x	20% of 20 over 8
ICG Europe Mid-Market Fund II	€129m	1.8x	20% of 20 over 8
ICG LP Secondaries	$202m	N/A	20% of 10 over 8 up to 20% of 12.5 over 11
ICG Enterprise Trust	£946.6m	N/A	50% or 100% of 10% subject to an 8% compound return on an investment by investment basis
ICG Senior Debt Partners Fund II	€1,492m	N/A	20% of 15 over 4 up to 20% of 20 over 7
ICG Senior Debt Partners III	€2,535m	N/A	20% of 15 over 4 up to 20% of 20 over 7
ICG Senior Debt Partners IV	€4,941m	N/A	20% of 15 over 4 up to 20% of 20 over 7
ICG Senior Debt Partners V	€973m	1.31	20% of 10 over 4
North American Private Debt Fund I	$590	N/A	20% of 20 over 8
North American Private Debt Fund II	$1,200m	N/A	20% of 20 over 8
ICG Alternative Credit Fund	€826m	N/A	20% of return on capital
ICG Alternative Credit Warehouse fund I	$100m	N/A	20% of realised investments
ICG Structured Special Opportunities	$161m	N/A	20% of realised investments
ICG-Longbow Fund III	£650m	N/A	20% of 20 over 9
ICG-Longbow Fund IV	£945m	N/A	10% of 20 over 8
ICG-Longbow Fund V	£927m	N/A	20% of 20 over 6
ICG-Longbow Fund VI	£555m	N/A	20% of 20 over 6
ICG-Longbow Development Fund I	£214m	N/A	20% of 20 over 7
ICG-Longbow Development Fund II	£107m	N/A	20% of 20 over 8
ICG Living Development Fund	£250m	N/A	20% of 20 over 8
ICG Sale and Leaseback Fund I	€1,100m	N/A	20% of 20 over 8
ICG Sale and Leaseback Fund II	€398m	N/A	20% of 20 over 7
ICG Infrastructure Equity Fund I	€1,269m	N/A	20% of 15 over 7
ICG Infrastructure Equity Fund II	€38m	N/A	20% of 10 over 8

1. Total carried interest is a fixed percentage of the fund gains. For example, in Intermediate Capital Asia Pacific 2005 the carry is 20% of gains and the Group is entitled to 25% of this. Carried interest is triggered when fund returns exceed a hurdle; for Intermediate Capital Asia Pacific 2005 this is 8%.

Third-Party AUM (unaudited)

Third-party AUM by fund ($m)	Status	FY23 AUM ($m)	FY22 AUM ($m)
Structured and Private Equity			
ICG Europe Fund V	Fully invested	**230.0**	219.5
ICG EF 2006B	Fully invested	**–**	4.4
ICG Europe Fund VI	Fully invested	**1,073.0**	877.9
ICG Europe Fund VII	Fully invested	**3,915.0**	3,862.4
ICG Europe Fund VIII	Investing	**8,310.0**	7,216.4
Europe Co-investment	–	**847.1**	833.6
Intermediate Capital Asia Pacific Fund 2008	Fully invested	**–**	60.1
Intermediate Capital Asia Pacific Fund III	Fully invested	**366.0**	250.8
Intermediate Capital Asia Pacific Fund IV	Investing	**905.0**	454.8
Nomura ICG Fund	Fully invested	**–**	14.0
ICG Recovery Fund 2008B	Fully invested	**339.0**	290.5
ICG Recovery Fund II	Investing	**578.0**	589.4
ICG Strategic Secondaries Fund II	Fully invested	**727.0**	211.7
ICG Strategic Equity Fund III	Fully invested	**1,534.0**	1,155.7
ICG Strategic Equity Fund IV	Investing	**4,022.0**	2,755.0
ICG Strategic Equity Fund V (USD Sleeve)	Fundraising	**154.8**	–
ICG Strategic Equity Fund V (EUR Sleeve)	Fundraising	**35.0**	–
Strategic Equity Co-investment	–	**1,822.2**	1,336.4
ICG Europe Mid-Market I	Investing	**967.0**	986.8
ICG Europe Mid-Market II	Fundraising	**140.0**	–
ICG LP Secondaries Fund I	Fundraising	**202.0**	60.0
ICG Enterprise Trust – listed fund	Investing	**1,562.0**	1,328.0
Structured and Private Equity total		**27,729.1**	22,507.4
Private Debt funds			
North American Private Debt Fund	Fully invested	**168.6**	101.2
North American Private Debt Fund II	Investing	**1,190.0**	1,200.0
North American Private Debt Fund III	Fundraising	**427.0**	–
North American Private Debt co-invest	–	**75.0**	75.0
ICG Senior Debt Partners II	Fully invested	**1,016.0**	777.5
ICG Senior Debt Partners III	Fully invested	**2,400.5**	1,961.6
ICG Senior Debt Partners IV	Investing	**5,250.0**	5,381.5
ICG Senior Debt Partners V	Fundraising	**1,637.0**	–
Senior Debt Partners Co-investment	–	**10,521.5**	9,287.3
ICG Australia Senior Loan Fund	Investing	**943.0**	1,022.0
Australian loans Co-investment	–	**12.0**	–
Private Debt funds total		**23,640.6**	19,806.1
Real Asset funds			
ICG-Longbow UK Real Estate Debt Investments III	Fully invested	**–**	68.1
ICG-Longbow UK Real Estate Debt Investments IV	Fully invested	**281.0**	408.2
ICG-Longbow UK Real Estate Debt Investments V	Fully invested	**1,135.0**	1,185.1
ICG-Longbow UK Real Estate Debt Investments VI	Fundraising	**682.2**	–
ICG Real Estate Debt Investments V	Investing	**618.9**	524.1
ICG-Longbow Senior Debt – listed fund	Fully invested	**100.3**	115.3
ICG-Longbow Senior Debt programme	Investing	**1,280.0**	2,236.1
ICG-Longbow Development Fund	Investing	**728.0**	834.0
ICG Private Markets Pooling – Sale & Leaseback	Investing	**1,207.0**	1,220.4
ICG Sale and Leaseback Fund II	Fundraising	**424.0**	–
Infrastructure Equity I	Investing	**1,365.0**	1,436.8
Infrastructure Equity II	Fundraising	**41.0**	–
Real Asset funds total		**7,862.4**	8,028.1
Credit funds			
Structured credit strategies	Open-ended	**1,434.9**	1,472.1
European credit strategies	Open-ended	**3,467.0**	4,649.6
Global credit strategies	Open-ended	**781.7**	993.2
European CLOs	Investing	**5,958.2**	5,191.2
US CLOs	Investing	**6,113.7**	5,821.0
Credit funds total		**17,755.5**	18,127.1
Total third-party AUM		**76,987.6**	68,468.7

Outstanding debt facilities

	Currency	Drawn £m	Undrawn £m	Total £m	Interest rate	Maturity
ESG-linked RCF	**GBP**	**–**	**550.0**	**550.0**	**SONIA +1.375%**	**January-26**
Eurobond 2020	EUR	440.0	–	440.0	1.60%	February-27
ESG Linked Bond	EUR	440.0	–	440.0	2.50%	January-30
Total bonds		**880.0**	**–**	**880.0**		
PP2013 – Class B	USD	51.0	–	51.0	6.30%	May-23
Private Placement 2013		**51.0**	**–**	**51.0**		
PP 2015 – Class C	USD	64.9	–	64.9	5.20%	May-25
PP 2015 – Class F	EUR	38.7	–	38.7	3.40%	May-25
Private Placement 2015		**103.5**	**–**	**103.5**		
PP 2016 – Class B	USD	91.6	–	91.6	4.70%	September-24
PP 2016 – Class C	USD	43.8	–	43.8	5.00%	September-26
PP 2016 – Class E	EUR	19.3	–	19.3	3.00%	January-27
PP 2016 – Class F	EUR	26.4	–	26.4	2.70%	January-25
Private Placement 2016		**181.1**	**–**	**181.1**		
PP 2019 – Class A	USD	101.3	–	101.3	4.80%	April-24
PP 2019 – Class B	USD	81.1	–	81.1	5.00%	March-26
PP 2019 – Class C	USD	101.3	–	101.3	5.40%	March-29
PP 2019 – Class D	EUR	38.7	–	38.7	2.00%	April-24
Private Placement 2019		**322.4**	**–**	**322.4**		
Total Private Placements		**658.0**	**–**	**658.0**		
Total		**1,538.0**	**550.0**	**2,088.0**		

Shareholder and Company Information

Timetable

Event	Date
• Ex-dividend date	• 15June 2023
• Record date	• 16 June 2023
• Last date for dividend reinvestment election	• 14 July 2023
• Last date and time for submitting Forms of Proxy	• 10.00am, 20 July 2023
• AGM and Trading statement	• 20July 2023
• Payment of ordinary dividend	• 4 August 2023
• Half year results announcement	• 15 November 2023

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Notes

Notes

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