Final Results

For the financial year ended 31 March 2023

Embargoed until 7:00am on 25 May 2023

Delivering growth through cycles

Highlights

- Total AUM of $80.2bn[1] and fee-earning AUM of $62.8bn[1], up 14% and 10% respectively compared to FY22 on a constant-currency basis, annualised growth of fee-earning AUM over the last five years of 20%[2]
- Fundraising in line with guidance at $10.2bn; $32.8bn raised since 31 March 2021 and on track to meet accelerated fundraising target of at least $40bn cumulatively between FY22 - FY24
- Sustained investment activity across our business, notable deployment in Private Debt and Strategic Equity
- Delivering for clients, strong fund returns across Structured and Private Equity, Private Debt and Infrastructure
- Fee income of £501.0m, an increase of 12% compared to FY22 with management fees up 23%
- Record Fund Management Company profit before tax of £310.7m, an increase of 9% compared to FY22
- Balance sheet investment portfolio generated NIR of 4% (five year average: 11.2%)
- Group profit before tax of £258.1m (FY22: £568.8m) and Group EPS of 80.3p (FY22: 187.6p)
- NAV per share of 694p (31 March 2022: 696p)
- Total dividends for FY23 of 77.5p per share, a year-on-year increase of 2.0% and the thirteenth consecutive annual increase in ordinary dividend per share; 21% annualised growth in dividend per share over the last five years

[1] Includes impact of policy change in FY23 which increased Total AUM and third-party AUM by $3.1bn and fee-earning AUM by $0.5bn

[2] Five year AUM growth on reported basis. Unless otherwise stated the financial results discussed herein are on the basis of APM - see page 2 and page 8

William Rucker

Chairman

"The results ICG is reporting are a testament to our long-term focus on building and broadening the ICG platform.

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

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

I am delighted to have joined ICG as Chairman, and look forward to working with the management team, our shareholders and wider stakeholders in the coming years."

Benoît Durteste

CEO and CIO

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

We have sustained business momentum across fundraising and investing activities, and have continued to focus on delivering value for our clients and portfolio companies. Rising interest rates and a more uncertain economic outlook are particularly suited to our substantial structured equity and private debt offerings – an important strategic benefit of our scale and breadth, which enables us to operate successfully across market cycles.

Our fund management company has delivered year-on-year growth in fee-earning AUM, fee income and profits. At the same time, the balance sheet has performed 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. As ICG continues to grow up and grow out, the strategic and economic benefits of our multiple levers of compounding growth will continue to become increasingly visible."

PERFORMANCE OVERVIEW

Historical performance

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. An explanation can be found on page 8 and a reconciliation of the APM to the UK-adopted IAS measures on page 43, along with the UK-adopted IAS consolidated financial statements and supporting notes, can be found on pages 34 to 92.

The Group's profit after tax on an UK-adopted IAS basis was below the prior period at £278.4m (FY22: £525.1m). On the APM basis it was below the prior period at £229.3m (FY22: £538.0m).

Unless stated otherwise, the financial results discussed herein are on the basis of APM, which the Board believes assists shareholders in assessing the financial performance of the Group.

Long-term growth

	Last five years CAGR[1]
Third-party AUM[2]	19 %
Fee-earning AUM[2]	20 %
Third-party fee income	25 %
Fund Management Company profit before tax	27 %
Net Investment Return (five year average)	11 %
NAV per share	10 %
Dividend per share	21 %

[1] FY18 - FY23. Dividend per share includes proposed FY23 final dividend.
[2] Includes impact of AUM policy change in FY23 which increased Total AUM and third-party AUM by $3.1bn and fee-earning AUM by $0.5bn - see page 8

AUM

	31 March 2023	31 March 2022	Change[1]
Total AUM[2]	$80.2bn	$72.1bn	14 %
Third-party AUM[2]	$77.0bn	$68.5bn	15 %
Fee-earning AUM[2]	$62.8bn	$58.3bn	10 %
Fundraising during period	$10.2bn	$22.5bn	(55)%
Realisations during period[3,4]	$5.3bn	$6.4bn	(17)%
Deployment during period[4]	$10.5bn	$15.0bn	(30)%

[1] On a constant currency basis
[2] Includes impact of policy change in FY23 which increased Total AUM and third-party AUM by $3.1bn and fee-earning AUM by $0.5bn - see page 8
[3] Realisations of third-party fee-earning AUM; [4] From direct investment funds

Financial

	31 March 2023	31 March 2022	Change
Third-party fee income	£501.0 m	£448.7 m	12 %
Fund Management Company profit before tax	£310.7 m	£286.2 m	9 %
Investment Company profit/(loss) before tax	£(52.6)m	£282.6 m	(119)%
Group profit before tax	£258.1 m	£568.8 m	(55)%
Group earnings per share	80.3 p	187.6 p	(57)%
Dividend per share	77.5p	76.0 p	2 %

	31 March 2023	31 March 2022	Change
Balance sheet investment portfolio	£2,902 m	£2,822 m	3 %
Net asset value per share	694 p	696 p	(0.3)%
Net gearing	0.50 x	0.45 x	0.05x

Medium-term guidance

Our medium-term guidance remains unchanged and is set out below:

Fundraising	Performance fees	FMC operating margin	Net Investment Returns
• At least $40bn fundraising in aggregate between 1 April 2021 and 31 March 2024	• Performance fees to represent 10 - 15% of third-party fee income over medium-term	• In excess of 50%	• Low double-digit percentage points over the medium-term

COMPANY PRESENTATION

A presentation for investors and analysts will be held at 09:00 BST today: sign up via the link on our website.

A recording and transcript of the presentation will be available on demand from the same location in the coming days.

COMPANY TIMETABLE

Ex-dividend date	15 June 2023
Record date	16 June 2023
Last date to elect for dividend reinvestment	14 July 2023
AGM and Q1 trading statement	20 July 2023
Payment of ordinary dividend	4 August 2023
Half year results announcement	15 November 2023

ENQUIRIES

Shareholders / analysts:

Chris Hunt, Head of Shareholder Relations, ICG +44(0)20 3545 2020

Media:

Fiona Laffan, Global Head of Corporate Affairs, ICG +44(0)20 3545 1510

ABOUT ICG

ICG provides flexible capital solutions to help companies develop and grow. We are a global alternative asset manager with over 30 years' history, managing $80bn of assets and investing across the capital structure. We operate across four asset classes: Structured and Private Equity, Private Debt, Real Assets, and Credit.

We develop long-term relationships with our business partners to deliver value for shareholders, clients and employees, and use our position of influence to benefit the environment and society. We are committed to being a net zero asset manager across our operations and relevant investments by 2040.

ICG is listed on the London Stock Exchange (ticker symbol: ICP). Further details are available at www.icgam.com.

LETTER FROM THE CHAIRMAN

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

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

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.

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

Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

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.

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.

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 (DE&I) 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

[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 - see page 8
[3] Return achieved on full realisations, weighted on original invested cost

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 DJSI Europe as a result of our assessment by 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.

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

FINANCIAL REVIEW

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 34 to 92.

AUM

Refer to the Datapack issued with this announcement for further detail on AUM (including fundraising, realisations and deployment).

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 20.

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 20 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 20 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

Refer to the Datapack issued with this announcement for further detail on fund performance.

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, set out on page 3, 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 20.

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:

£m	Twelve months to 31 March 2023		Twelve months to 31 March 2022	
	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 93).

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

RISK MANAGEMENT

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 Risk Management Framework 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.

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 Risk Management Framework.

- Improving the use of risk information and incorporating risk connectivity into the Group's Risk Management Framework 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.

External environment risk

Risk appetite: Moderate

Executive Director Responsible: Benoît Durteste

Risk Description	Key Controls and Mitigation	Trend and Outlook
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.	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.	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

Risk appetite: Moderate

Executive Director Responsible: Benoît Durteste

Risk Description	Key Controls and Mitigation	Trend and Outlook
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.	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.	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.

Financial Risk

Risk appetite: Low to moderate

Executive Director Responsible: Vijay Bharadia

Risk Description	Key Controls and Mitigation	Trend and Outlook
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.	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.	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 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.

Key Personnel Risk

Risk appetite: Low to moderate

Executive Director Responsible: Antje Hensel-Roth

Risk Description	Key Controls and Mitigation	Trend and Outlook
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.	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.	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.

Legal, Regulatory and Tax Risk

Risk appetite: Low

Executive Director Responsible: Vijay Bharadia

Risk Description	Key Controls and Mitigation	Trend and Outlook
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.	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	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

Risk appetite: Low to moderate

Executive Director Responsible: Vijay Bharadia

Risk Description	Key Controls and Mitigation	Trend and Outlook
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.	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	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.

Third-Party Provider Risk

Risk appetite: Moderate

Executive Director Responsible: Vijay Bharadia

Risk Description	Key Controls and Mitigation	Trend and Outlook
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.	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.	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

Risk appetite: Low to moderate

Executive Director Responsible: Vijay Bharadia

Risk Description	Key Controls and Mitigation	Trend and Outlook
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 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.	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 Risk Management Framework. 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.

Please refer to note 1 of the financial statements on page 39 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.

RESPONSIBILITY STATEMENT

The responsibility statement below has been prepared in connection with the Company's full annual report for the year ending 31 March 2023. Certain parts thereof are not included within this announcement.

We confirm to the best of our knowledge:

- the financial statements, prepared in accordance with UK-adopted international accounting standards, 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; and
- the management report, which is incorporated into the directors' 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 they face.

This responsibility statement was approved by the Board of Directors on 24 May 2023 and is signed on its behalf by:

Benoît Durteste	Vijay Bharadia
CEO	CFOO

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2023

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Fee and other operating income	483.6	434.0
Finance loss	(17.1)	(7.4)
Net gains on investments	172.5	555.5
Total Revenue	**639.0**	**982.1**
Other income	15.5	—
Finance costs	(64.6)	(53.1)
Administrative expenses	(343.3)	(363.1)
Share of results of joint ventures accounted for using the equity method	4.4	(0.5)
Profit before tax and discontinued operations	**251.0**	**565.4**
Tax charge	(29.4)	(31.1)
Profit after tax before discontinued operations	**221.6**	**534.3**
Profit/ (loss) after tax on discontinued operations	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)	**98.2p**	**183.7p**
Diluted earnings per share (pence)	**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	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 2022

	31 March 2023 £m	31 March 2022 (Restated)[1] £m
Non-current assets		
Intangible assets	14.9	17.1
Property, plant and equipment	88.2	60.4
Investment property	0.8	1.5
Investment in Joint Venture accounted for under the equity method	5.8	2.2
Trade and other receivables	37.1	91.1
Financial assets at fair value	7,036.6	6,973.1
Derivative financial assets	8.4	1.3
Deferred tax asset	17.6	25.0
	7,209.4	7,171.7
Current assets		
Trade and other receivables	232.0	283.1
Current tax debtor	57.0	31.9
Financial assets at fair value	4.7	—
Derivative financial assets	13.6	137.3
Cash and cash equivalents	957.5	991.8
	1,264.8	1,444.1
Assets of disposal groups held for sale	578.3	256.7
Total assets	**9,052.5**	**8,872.5**
Non-current liabilities		
Trade and other payables	71.1	76.4
Financial liabilities at fair value	4,572.7	4,364.7
Financial liabilities at amortised cost	1,478.2	1,452.3
Other financial liabilities	79.6	52.2
Derivative financial liabilities	0.9	2.9
Deferred tax liabilities	35.5	15.1
	6,238.0	5,963.6
Current liabilities		
Trade and other payables	471.4	434.4
Current tax creditor	14.8	14.5
Financial liabilities at amortised cost	58.5	201.1
Other financial liabilities	5.8	6.5
Derivative financial liabilities	14.8	153.4
	565.3	809.9
Liabilities of disposal groups held for sale	204.0	97.2
Total liabilities	**7,007.3**	**6,870.7**
Equity and reserves		
Called up share capital	77.3	77.3
Share premium account	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.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended 31 March 2022

	Year ended 31 March 2023	Year ended 31 March 2022
	£m	£m
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**
Investing activities		
Purchase of intangible assets	(4.7)	(4.3)
Purchase of property, plant and equipment	(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	(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	991.8	581.2
Cash and cash equivalents at 31 March	**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 2022

Group	Share capital £m	Share premium £m	Capital redemption reserve[1] £m	Share based payments reserve £m	Own shares[3] £m	Foreign currency translation reserve[2] £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £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 £m	Share premium £m	Capital redemption reserve[1] £m	Share based payments reserve £m	Own shares[3] £m	Foreign currency translation reserve[2] £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £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	**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.

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:

- 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.
- 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.

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.

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
- 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

1. General information and basis of preparation *continued*

- 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, a 18 month from the date of signing of the financial statements, continues to be appropriate.

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 by 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.

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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.

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**

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	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

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 54.

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).

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 54 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.

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.

5. Financial assets and liabilities *continued*

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 54.

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.

5. Financial assets and liabilities *continued*

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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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.

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	29.4
			LTV-based impairment model	N/A	N/A	N/A	-10% Third-	(29.4)
Private Equity Secondaries	492.1	369.0	Third-party valuation	N/A	N/A	N/A	+10% Third-party	49.2
							-10% Third-party	(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)**

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.

6. Cash and cash equivalents

	Group	
	2023	2022
	£m	£m
Cash and cash equivalents		
Cash at bank and in hand	957.5	991.8

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. A financial instrument is designated as FVTPL if it is a derivative that is not designated and effective as a hedging instrument, or the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

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.

7. Financial liabilities *continued*

			2023		2022	
	Interest rate	Maturity	Current	Non-current	Current	Non-current
Group			**£m**	**£m**	**£m**	**£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 liabilities2	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] Unsecured bank debt represents the value of associated fees which are amortised over the life of the facility.

1. Financial liabilities held at amortised cost within Disposal Groups Held for Sale are disclosed in Note 29.

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	**2022** £m
At 1 April	1,712.1	1,380.1
Proceeds from borrowings	—	413.5
Repayment of long term borrowings	(194.6)	(111.5)
Payment of principal portion of lease liabilities	(6.8)	(4.1)
Establishment of lease liability	33.0	2.1
Net interest movement	1.0	6.2
Foreign exchange movement	77.4	25.8
At 31 March	1,622.1	1,712.1

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)

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. 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

12. Expenses continued

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

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

13. Employees and Directors *continued*

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.

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**

14. Tax expense *continued*

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.

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**

14. Tax expense *continued*

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**

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	112.1
Interim	25.3	72	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.

16. Earnings per share

	Year ended 31 March 2023	Year ended 31 March 2022
Earnings	**£m**	**£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.

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.

	Computer software		Goodwill[1]		Investment management		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Group	£m	£m	£m	£m	£m	£m	£m	£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
Derecognised3	(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.

17. Intangible assets continued

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.

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. Leasehold improvements are amortised on a straight line basis over the lease term. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight line basis over the lease term.

	Furniture and equipment		ROU asset		Leasehold improvements		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Group	£m	£m	£m	£m	£m	£m	£m	£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

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

18. Property, plant and equipment *continued*

Group	2023 £m	2022 £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).

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.

20. Trade and other receivables *continued*

	Group	
	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
Amount owed by Group companies	—	—
Prepayments	10.0	2.8
Total current trade and other receivables	232.0	283.1
Non-current assets		
Trade and other receivables excluding structured entities controlled by the Group	37.1	91.1
Amounts owed by Group companies	—	—
Total non-current trade and other receivables	37.1	91.1

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	
	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
Amounts owed to Group companies	—	—
Social security tax	3.1	2.3
Total current trade and other payables	471.4	434.4
Non-current liabilities		
Trade and other payables excluding structured entities controlled by the Group	71.1	76.4
Total non-current trade and other payables	71.1	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

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 26. 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.

Exposure to interest rate risk

	2023			2022		
Group	Floating £m	Fixed £m	Total £m	Floating1 £m	Fixed1 £m	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

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:

22. Financial risk management *continued*

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.

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.

22. Financial risk management *continued*

As at 31 March 2022	Contractual maturity analysis 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.

Exposure to credit risk

	Group 2023 £m	Group 2022 £m	Company 2023 £m	Company 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

22. Financial risk management *continued*

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 38). 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 Risk Management on page 21. 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

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:

24. Own shares reserve *continued*

	2023 £m	2022 £m	2023 Number	2022 Number
1 April	93	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	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 equity-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.

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.

25. Share-based payments *continued*

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	—	—
Granted	46,154	—	14.27	—
Vesting	—	—	—	—
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.

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).

25. Share-based payments *continued*

	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:

26. Financial commitments *continued*

	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 Living	**21.8**	—
ICG Infrastructure Equity Fund I	**59.8**	128.8
ICG Private Markets Pooling - Sale and Leaseback	**35.9**	22.7
ICG Sale & Leaseback II	**17.0**	—
	1,107.1	948.7

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:

27. Related party transactions *continued*

	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

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:

27. Related party transactions continued

	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.

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 page 201). 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.

28. Subsidiaries *continued*

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

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 %

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,	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 %
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 %

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
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 %
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 %

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
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 %
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 %

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
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 %
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 %

Name	Ref	Country of incorporation	Principal activity	Share class	% Voting rights held
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

28. Subsidiaries *continued*

The table below shows details of structured entities that the Group is deemed to control:

Name of subsidiary	Country of incorporation	
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

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

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 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 probably 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).

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:

29. Disposal groups held for sale and discontinued operations *continued*

The non-current assets and liabilities of the disposal groups held for sale are as follows:

	2023			2022		
	Discontinued Operations	**Disposal Groups**	**Total**	Discontinued Operations	Disposal Groups	Total
Group	**£m**	£m	£m	£m	£m	£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	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						
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)

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[1]	Investment company	Jersey	20%	11	20%	58.6
ICG Europe Fund VI Jersey[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:

30. Associates and joint ventures *continued*

Name of associate	Principal activity	Country of incorporation	Proportion of voting rights held by the Group 2023	Proportion of voting rights held by the Group 2022
Nomura ICG KK	Advisory company	Japan	50 %	50 %
Brighton Marina Group	Investment Company	United Kingdom	70 %	50 %

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).

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

	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	(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	(17.8)	0.1
Interest expense	64.6	53.1
Depreciation, amortisation and impairment of property, equipment and intangible assets	18.2	19.5
Share-based payment expense	39.5	29.6
Working capital changes:		
Increase in trade and other receivables	(12.0)	(32.5)
Decrease in trade and other payables	(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).

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.

Other information

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**		

Glossary

Non-IFRS alternative performance measures (APM) are defined below:

Term	Short Form	Definition			
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.			
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**

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.			
APM 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		£1,977.4m	£1,995.0m
		Closing number of ordinary shares		285,082,287	286,550,955
		Net asset value per share		**694p**	**696p**
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**

Term	Short Form	Definition
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	£1,653.4m
Impact of upfront fees/unamortised discount	£1.3m	£1.6m
Gross drawn debt (see page 18)	£1,538.0m	£1,655.0m
Less unencumbered cash	(£550.0m)	(£761.5m)
Net debt	£988.0m	**£893.5m**

Term	Short Form	Definition
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**

Term	Short Form	Definition
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 %**

Term	Short Form	Definition
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 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**

Term	Short Form	Definition
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.

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

Term	Short Form	Definition
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.
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.
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.
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.

Term	Short Form	Definition
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.
RCF		Revolving credit facility
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
Term	Short Form	Definition
Total AUM		The aggregate of the Third Party AUM and the Balance Sheet investment portfolio.
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.