First Half Results

For the six months ending 30 September 2015

Embargoed until 7:00am on 17 November 2015

Intermediate Capital Group plc (ICG) announces its first half results for the six months ended 30 September 2015.

Operational highlights

- Total AUM up 12% to €20.2bn, with €3.2bn of new money raised; third party fee earning AUM up 18% to €14.4bn
- Our strong fundraising start to the year was mainly driven by our European funds – European Mezzanine and Senior Debt Partners – raising a total of €2.2bn. With these funds substantially raised, the pace of fundraising in the second half is expected to be slower
- Fundraising across multiple strategies and geographies continues with five first time funds and four successor funds being marketed
- All funds investing on target whilst maintaining credit discipline in a competitive market
- Resilient portfolio, net impairments at £18.1m (H1 2015: £21.1m), and unrealised capital gains remaining strong

Financial highlights

- Group profit before tax down 2% to £93.9m (H1 2015: £95.7m)
- Fund Management Company strategy delivering increased profits, up 9% to £29.0m (H1 2015: £26.7m)
- Investment company profit is 6% lower at £64.9m (H1 2015: £69.0m)
- Return on equity of 12.1% (H1 2015: 9.8%) and gearing of 0.80x (H1 2015: 0.39x), both up on prior year
- Interim ordinary dividend up 4.3% to 7.2 pence per share in addition to the £300m special dividend paid in July
- The Board reaffirms its commitment to increasing the Group's return on equity to over 13% through growth and, by July 2016, re-gearing the balance sheet to well within the range of 0.8-1.2 times

Commenting on the results, Christophe Evain, CEO, said:

"The first half of the financial year has been another period of successful execution of our strategy. We have generated over €3 billion of new fund inflows, identified and executed further good investment opportunities with discipline in a competitive environment, and continued to demonstrate the resilience of our investment portfolio. We have also returned £300m to shareholders by way of a special dividend, increasing our gearing, which together with our sustained growth are driving return on equity higher.

"ICG's fundraising focus in the second half will be principally on our newer strategies. Although these newer strategies take greater time and resource to raise, they set the foundations for us to increase the diversity and long term profitability of our fund management business.

"Our expectation remains that only those asset managers with proven track records, the deepest origination networks and most differentiated product offerings will continue to be able to deploy capital profitably in the current competitive investment environment. We remain well positioned to deliver our strategic objectives and generate improving returns for our shareholders."

Financials

	Unaudited **6 months to** **30 September 2015**	Unaudited* 6 months to 30 September 2014	Audited 12 months to 31 March 2015
Fund Management Company profit before tax	**£29.0m**	£26.7m	£52.0m
Investment Company profit before tax	**£64.9m**	£69.0m	£126.5m
Adjusted Investment Company profit before tax[1]	**£59.1m**	£61.4m	£132.1m
Adjusted Group profit before tax[1]	**£88.1m**	£88.1m	£184.1m
Group profit before tax	**£93.9m**	£95.7m	£178.5m
Adjusted earnings per share[1]	**22.2p**	18.9p	42.0p
Earnings per share	**24.2p**	20.7p	50.3p
Dividend per share	**7.2p**	6.9p	22.0p
Return on equity	**12.1%**	9.8%	11.0%
Gearing	**0.80x**	0.39x	0.49x
Investment portfolio	**€2,362m**	€2,343m	€2,340m
Third party assets under management	**€17,822m**	€11,359m	€15,672m
Net debt	**£803.7m**	£469.2m	£454.4m
Net asset value per share[2]	**£3.71**	£3.89	£4.02

[1]As internally reported and excluding the impact of fair value movements on derivatives (H1 2016: £3.5m; FY15: £7.1m; H1 2015: £2.8m). Internally reported numbers exclude the impact of the EBT settlement in the second half of FY15 and the consolidation of eight credit funds following the adoption of IFRS 10.

[2]Net asset value per share has reduced as a result of the £300m (81.6 pence per share) special dividend paid in July 2015.

*Restated following the clarification made to IFRS 10: Consolidated Financial Statements. See note 1 to the financial statements for further information.

The following period end foreign exchange rates have been used.

	30 September 2015	30 September 2014	31 March 2015
GBP:EUR	**1.3544**	1.2843	1.3833
GBP:USD	**1.5129**	1.6219	1.4850

Enquiries

A presentation for investors and analysts will be held at 09:30 GMT today at ICG's offices, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU. The presentation will also be streamed live at 09:30 GMT and be available on demand from 14:00 GMT at http://www.investis-live.com/icg/56264d10acca930f00027ffe/ir15.

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This Half Year Results statement may contain forward looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report and should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward looking information.

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About ICG

ICG is a specialist asset manager with over 26 years' history in all of private debt across the globe. Our objective is to generate income and consistently high returns whilst protecting against investment downside. We seek to achieve this through our expertise in investing across the capital structure. We combine flexible capital solutions, local access and knowledge and an entrepreneurial approach to give us insight into our markets. We are committed to innovation and pioneering new strategies to invest across the capital structure where we can deliver most value to our investors. ICG has €20.2bn of assets under management globally (as at 30 September 2015), we are listed on the London Stock Exchange (ticker symbol: ICP), and regulated in the UK by the Financial Conduct Authority (FCA). Intermediate Capital Group, Inc. is a wholly-owned subsidiary of ICG and is registered as an investment adviser under the U.S. Investment Advisers Act of 1940. Further information is available at: www.icgam.com. Past performance is no guarantee of future results.

Business review

Our strategy is to increase the scale, profitability and sustainability of our fund management business, and transition towards an optimal use of our capital to support that of third party investors. Whilst our most profitable source of fund management growth is raising and deploying more funds using our existing investment teams, we are committed to innovating and pioneering new strategies where we can deliver long term value to our shareholders. The first half of the financial year has continued to demonstrate the success of our business model and of the strategic direction of the Group.

Strong start to fundraising year

Our fundraising momentum has, as expected, continued in the first half of the financial year with €3.2bn of new money raised. Fundraising for our larger European funds – European Mezzanine and Senior Debt Partners – contributed 68% of the total money raised, following large first closes towards the end of the last financial year. Our European Mezzanine Fund VI was closed in the period at its maximum size of €3.0bn while our Senior Debt Partners II strategy has raised €2.5bn to date with further commitments expected in the coming months. These funds are 20% and 47% respectively larger than their predecessor funds, but as they are managed by the existing investment teams there is limited increase to the cost base.

As fundraising for these larger European funds is now substantially complete, our fundraising focus is now principally on our newer strategies. We are confident that the second half of the financial year will see final closes for our first Japanese Mezzanine Fund and North America Private Debt Fund, both at or above their target size, and further closes for our UK Real Estate and Asia Pacific Funds.

Elsewhere, we continue to raise CLOs, with our second US CLO of the current financial year closing today, and we are marketing our Strategic Secondaries Fund. Whilst our product pipeline remains strong, it is weighted towards our newer strategies where target fund sizes are smaller and the marketing lead time for fundraising is longer. Therefore, the pace of fundraising in the second half of the financial year will, as previously indicated, be slower. However, in raising money for our newer strategies we are laying the foundations to increase the diversity and long term profitability of our fund management business.

Deploying capital whilst maintaining investment discipline

Amidst a competitive investment environment we have maintained an appropriate investment pace across all our direct investment funds by continually identifying attractive opportunities. Of our funds currently in investment mode, 75% charge fees on an invested capital basis. Therefore the deployment of this capital contributes directly to the profitability of our fund management business.

The performance of our investment portfolio has been resilient, with specific net impairments of £18.1m in the period, in line with the comparative period and at a level we expect to continue in the second half of the financial year.

Dividends and capital return

The Board recommends an interim dividend of 7.2p, an increase of 4.3% on the prior year interim dividend. The Board has decided to maintain the dividend reinvestment plan (DRIP). The dividend will be paid on 7 January 2016 to shareholders on the register on 4 December 2015.

Following approval at the AGM, a special dividend of £300m, with an associated share consolidation, was paid in July 2015. The Board anticipates updating shareholders on the Group's capital structure plans at the time of its 2016 year end results including, subject to market conditions and gearing levels, any potential further capital return.

Outlook

Our healthy fundraising pipeline, our continued ability to access attractive investment opportunities and the resilient performance of our investment portfolio mean we are well placed to continue to deliver our strategic objectives and generate improving returns for our shareholders.

We are excited to be fundraising for our newer strategies as it allows us to access new pools of capital, deepen our relationships with existing investors and broaden our reach with consultants and other aggregators. The fundraising cycle for our newer strategies is typically longer than those for which we have an established track record, but they do result in a diversification of our fee streams and an increase in our sustainable fund management profits.

We remain committed to generating strong returns for our shareholders and to improve our return on equity to over 13% both by growing the business and, by July 2016, re-gearing the balance sheet to well within the range of 0.8x and 1.2x. We are on track to meet these targets.

Market review

In recent months we have seen the outlook for global growth pared back as expectations for GDP growth in China have fallen. As a result the US has deferred its decision to increase interest rates and Europe has proposed more quantitative easing. Not only has this caused significant volatility across all traditional asset classes but it has also reinforced low expectations for future investment returns on these asset classes.

As a consequence, the substantial appetite from institutional investors for alternative assets remains robust and the growth in the European private debt sector continues unabated. In September, the unutilised capacity of European focused private debt funds reached an all-time peak of $42bn.

While the private debt sector is more mature and the growth in capital raised has flattened off, liquidity and the appetite for alternative assets in the US remains strong, with available funds to invest reaching a record $144bn in September. However, greater uncertainty about the future and the distress in the energy sector has resulted in an increased level of uncertainty in the liquid debt market which has in turn benefitted the private debt market. In due course this may result in asset managers that specialise in private debt positioning themselves to raise distressed debt and special situations funds. The US CLO new issue market remains open for those asset managers who, like us, have access to regulatory capital.

The uncertainty about how much lower growth will be in Asia has made fundraising for local investment products more challenging as investors defer decisions whilst they observe market conditions.

It has always been harder to raise first time funds but with the current appetite for alternative assets there is no better time than now to diversify our range of strategies. This is especially the case as we use our differentiated investment approach to offer funds which target high returns and predictable cash flows making them attractive for our shareholders and third party investors.

The capacity for the proliferation of private debt managers to invest the increasing amounts of capital raised remains challenging in an era of abundant liquidity. Such liquidity inevitably puts pressure on investors to lower their return expectations or increase the risk they are prepared to take in an effort to invest the capital raised.

Despite this, private debt has continued to prove its worth in this period of heightened volatility, evidencing its lack of correlation to the risk profiles of more traditional assets classes and the hedge fund industry. Returns from private debt remain highly attractive on both a relative and absolute basis. However, within the European debt market the relative scale of the largest asset managers mean they are well positioned versus the smaller entrants to the market.

Our expectations are that those asset managers with the deepest origination networks and most differentiated product offerings will continue to be able to deploy the capital raised in such an investment environment. Periods of heightened volatility benefit private investors over public investors but patience and discipline are required to exploit these opportunities.

Overall we believe our proven ability to invest capital whilst maintaining our discipline and leveraging the breadth and depth of our investment teams, will continue to come to the fore in this market.

Operating review

We have continued to make good progress in creating shareholder value by delivering on our strategic objectives.

1. Grow assets under management

A key measure of the success of our strategy to generate value from our fund management business is our ability to grow assets under management. New AUM (inflows) is our best lead indicator to sustainable future fee streams and therefore increasing sustainable profits.

At €3.2bn, we have had a very strong start to the fundraising year, with €2.2bn raised across ICG Europe Fund VI and Senior Debt Partners II. As highlighted in our year end results announcement, our strong track record and investor demand for our European products have resulted in the pace of fundraising exceeding our expectations. ICG Europe Fund VI closed at its €3.0bn maximum size in June, a feat expected to be matched by Senior Debt Partners II shortly. We expect, as previously indicated, that the pace of fundraising in the second half of the financial year will be slower.

Realisations, for our balance sheet and third party funds, through the first half of the year of €904m were broadly in line with those in the second half of the last financial year (€837m), and we expect realisations to continue at around this level for the remainder of the financial year. The income and capital return generated from these realisations provides cash for the Group to reinvest in developing its product range and, in doing so, enhancing the fund management business.

In the six month period to 30 September 2015, AUM increased 12% to €20.2bn as fundraising inflows more than offset the outflows from realisations. Third party funds have increased 14% to €17.8bn, with the balance sheet portfolio up 1% to €2.4bn.

Mezzanine funds

Third party mezzanine funds under management have increased by 18% to €6.3bn with new AUM of €1.4bn outstripping the run off of our older funds.

ICG Europe Fund VI completed its successful fundraise with a final close in the first quarter of the financial year, only three months after its first close. The additional €1.2bn raised in the current financial year contributed to the fund reaching its maximum size of €3.0bn, including a €500m commitment from the balance sheet. Of the investors committing money to ICG Europe Fund VI, 41% committed money to an ICG fund for the first time, with 59% being existing investors, providing further evidence that our in house distribution team are broadening and deepening our client base.

As previously noted, fundraising for our third Asia Pacific fund has been much slower than anticipated as alternative asset allocations to the Asian market remain small. We are therefore pleased to have had a first close of €378m ($422m), including a $200m commitment from the balance sheet, during the period and anticipate that this will create the momentum required for further closes.

Fundraising for our US Private Debt Fund and our domestic Japanese Mezzanine Fund continues with final closes of both funds expected in the second half of the financial year at or above target. Since hiring a dedicated strategic secondaries team and the closure of our first deal in November 2014, we have been preparing to fundraise a Strategic Secondaries Fund. During the period we began marketing the fund and are hopeful of a first close in the second half of the financial year.

Credit funds

Third party credit funds under management have increased 14% to €8.7bn, with the new AUM of €1.6bn raised in the period.

Senior Debt Partners, our direct lending strategy, started the year on a strong note, raising €1.0bn, taking the total amount raised for Senior Debt Partners II to €2.5bn. A final close is expected in the second half of the financial year, taking the total amount of money raised to €3.0bn. At €2.5bn Senior Debt Partners II has already raised significantly more than the €1.7bn raised for the first vintage of the strategy and one of the largest of its kind.

Our CLO programme continues to raise new third party money, thereby increasing the operating leverage of our credit fund business. During the first half of the financial year we closed one US CLO raising €366m ($411m), including $22m committed from the balance sheet. Since 30 September, we have priced, and will today close, another US CLO raising €368m ($411m) which included a $23m investment from the balance sheet. We expect to price further CLOs in both Europe and the US before the end of the financial year.
Elsewhere, we raised €232m from segregated mandates into our credit strategies.

Real Estate funds

Third party real estate funds under management have increased 5% in the period to €2.8bn with a further mandate for our Senior Debt programme and another close for our real estate fund, ICG Longbow Fund IV. This takes the total amount of money raised for the fund to £414m, including £50m invested by the balance sheet. With the current pipeline of potential investors we expect further closes for this fund during the second half of the financial year.

2. Invest selectively

The competitive advantage of our local teams, sector specialism and ability to deploy capital flexibly has helped us in an increasingly competitive investment environment. We are therefore pleased to have maintained the pace of investment across our direct investment funds in the first half of the financial year.

The total amount of third party capital deployed on behalf of the direct investment funds was £1.4bn in the period, an 8% increase on the first half of the last financial year, a reflection of the increased levels of AUM available for deployment. In addition, our Investment Company invested a total of £154m in the period, compared to £271m in the comparative period. The investment rate for our Senior Debt Partners strategy, our Real Estate funds and our US Private Debt Fund has a direct impact on FMC income as fees are charged on an invested capital basis. Fee earning AUM has increased 18% to €14.4bn since the year end.

The direct investment funds are investing as follows:

Fund	% invested at 30 September 2015	% invested at 31 March 2015	Assets in fund at 30 September 2015	Deals completed in period
ICG Europe Fund V	n/a	88%	21	1
ICG Europe Fund VI	8%	n/a	2	1
Senior Debt Partners II	15%	n/a	7	7
Asia Pacific Fund III	28%	6%	3	1
North American Private Debt Fund	19%	19%	5	0
ICG Longbow Real Estate Fund IV	68%	14%	13	11

% invested is based on third party funds raised at 30 September 2015

In addition, we completed one Strategic Secondaries deal, which is being held for syndication, along with another, for our Strategic Secondaries fund which is in the process of being raised. Both assets are performing ahead of expectations.

3. Manage portfolios to maximise value

The ongoing availability of finance in the market during the first half of the financial year has resulted in the pace of realisations maintaining the level seen in the second half of the last financial year, with further realisations in the pipeline for the second half of the current financial year.

The Investment Company's portfolio continues to demonstrate resilience, with 65% of our portfolio companies by number (70% on a weighted average value basis) recording EBITDA above or at the same level as the previous year. The valuation of the portfolio as at 30 September 2015 was adversely affected by the weakness in global stock markets during the last six months, offset by the improved performance of a number of portfolio assets. Of the unrealised gains recognised in the period, 68% is in respect of two assets. The first, Parkeon, has continued its impressive EBITDA growth trajectory since being restructured; the second, Quorn, was in the advanced stages of a sale process at 30 September 2015, and has since been exited.

During the period we took asset specific impairments against our weaker assets of £18.1m compared to £36.4m in the first half of the last financial year. With no write backs in the period, net impairments were £18.1m compared to £21.1m in the comparative period. Based on the current performance of the portfolio we expect net impairments to be at a similar level in the second half. This will result in net impairments for the full year below 2.5% of the opening Investment Company portfolio.

Financial Review

The financial statements include the impact of those credit funds and CLOs required to be consolidated under IFRS 10 and the recognition of dividend income from our Secondaries investment in Diamond Castle. Internally reported information excludes these items. The first half numbers of the prior year have been restated following the clarification made to IFRS 10 as detailed in note 1 on page 21.

A reconciliation between the internally reported management information and the financial statements is shown below with more detail in note 3 on page 37.

	30 September 2015 Internally reported £m	**30 September 2015 Consolidate structured entities and joint venture £m**	**30 September 2015 Financial statements £m**	30 September 2014 Internally reported £m	30 September 2014 Consolidate structured entities and joint venture £m	30 September 2014 Restated Financial statements £m
Income Statement						
Revenue, net of interest expense	**176.8**	**2.0**	**178.8**	163.0	9.1	172.1
Profit before tax	**84.6**	**9.3**	**93.9**	85.3	10.4	95.7
Statement of financial position						
Total assets	**2,269.4**	**1,699.8**	**3,969.2**	2,159.5	1,319.8	3,479.3
Total equity and liabilities	**2,269.4**	**1,699.8**	**3,969.2**	2,159.5	1,319.8	3,479.3

The information in this review is presented on an internally reported basis and excludes the impact of these adjustments.

Overview

The Group's profit before tax for the period was down 1% at £84.6m (H1 2015: £85.3m), with FMC profit of £29.0m and IC profit of £55.6m.

We continue to make operational progress in developing our fund management franchise, with new strategies contributing to the growth in FMC profit. FMC profit in the period has benefited from £6.4m of performance fee income. Performance fee income in the first half of the prior year was £15.1m as a result of the realisation of European Mezzanine Fund 2006. IC profits were down compared to the first half of the prior year as a lower average loan book resulted in a reduction in interest income.

	Internally reported - Unadjusted	Restated	Internally reported - Adjusted	Restated
	6 months to 30 September 2015 £m	6 months to 30 September 2014 £m	**6 months to 30 September 2015 £m**	6 months to 30 September 2014 £m
Fund Management Company	**29.0**	26.7	**29.0**	26.7
Investment Company	**55.6**	58.6	**59.1**	61.4
Profit before tax	**84.6**	85.3	**88.1**	88.1
Tax	**(11.1)**	(15.9)	**(11.1)**	(15.9)
Profit after tax	**73.5**	69.4	**77.0**	72.2

The adjusted profit of the IC and Group in the above table excludes the impact of the fair value charge on hedging derivatives of £3.5m (H1 2015: £2.8m). Throughout this review all numbers are presented excluding this adjusting item, unless otherwise stated. The effective tax rate for the period is 13% (H1 2015 restated: 18%). The tax rate is lower than the standard corporation tax rate of 20%. This is principally due to the impact of differences in overseas tax rates where we invest directly into funds which are based offshore.

Based on the adjusted profit above, the Group generated an adjusted ROE of 12.1% (H1 2015: 9.8%), an increase on prior period reflecting lower shareholder funds following the £300m special dividend paid in July. Adjusted earnings per share for the period were 22.2p (H1 2015 restated: 18.9p).

Net current assets of £325.5m are down from £419.4m at 31 March 2015 as the Group used surplus cash to part fund the special dividend paid in July.

The Board has recommended an interim dividend of 7.2p per share (H1 2015: 6.9p). During the period a £300m special dividend was paid and 18.2m treasury shares were cancelled.

Assets under management

AUM as at 30 September 2015 increased to €20,184m (31 March 2015: €18,012m) driven by strong fundraising across our mezzanine and credit funds. AUM by business line is detailed below, where all figures are quoted in €m.

	As at 30 September 2015 €m	As at 31 March 2015 €m	Change %
Mezzanine and equity funds	6,338	5,394	18%
Credit funds	8,659	7,575	14%
Real estate funds	2,825	2,703	5%
Total third party AUM	17,822	15,672	14%
IC investment portfolio	2,362	2,340	1%
Total AUM	20,184	18,012	12%

The increase in AUM during the period is principally the result of a strong start to the fundraising year, partially offset by realisations. This is detailed in the AUM bridge below:

	Mezzanine and equity funds €m	Credit funds €m	Real estate funds €m	Total Third Party AUM €m
At 1 April 2015	5,394	7,575	2,703	15,672
Additions	1,440	1,587	205	3,232
Realisations	(427)	(451)	(26)	(904)
FX and other	(69)	(52)	(57)	(178)
At 30 September 2015	**6,338**	**8,659**	**2,825**	**17,822**

The €3.2bn of new AUM includes €2.2bn in respect of ICG Europe Fund VI and Senior Debt Partners II, thereby extending the fee streams of these strategies. Senior Debt Partners is a fairly recent addition to the Group's product portfolio and has introduced a new long term revenue stream to the business. Furthermore, given that a strategy will typically reach profitable maturity on its third fund, the fee stream growth from our new strategies will become more visible into the medium term. The end of ICG Europe Fund V's investment period resulted in a €0.3bn reduction in AUM as fees are charged on an invested capital basis during its realisation phase. This has been classified within realisations.

Fees on our new strategies are typically charged on invested capital so fee income ramps up as the fund is invested. The redeployment of realised capital, which is permitted during a fund's investment period, also helps maintain fee earning AUM, as was the case for our credit funds in the fee earning AUM bridge overleaf.

	Mezzanine and equity funds €m	Credit funds €m	Real estate funds €m	Total Third Party Fee Earning AUM €m
At 1 April 2015	5,064	5,447	1,766	12,277
Additions	1,346	1,440	634	3,420
Realisations	(427)	(693)	(23)	(1,143)
FX and other	(56)	(25)	(47)	(128)
At 30 September 2015	**5,927**	**6,169**	**2,330**	**14,426**

Profit and loss account

Fund Management Company

Fee income

Third party fee income of £49.9m was 2% below the prior year due to a £8.7m reduction in performance fees. Excluding performance fees, third party fee income increased 22% in the period to £43.5m (H1 2015: £35.7m). Details of movements are shown below:

	6 months to 30 September 2015 £m	6 months to 30 September 2014 £m	Change %
Mezzanine and equity funds	**29.6**	34.1	(13)%
Credit funds	**12.4**	12.1	2%
Real estate funds	**7.9**	4.6	72%
Total third party funds	**49.9**	50.8	(2)%
IC management fee	**9.1**	8.8	3%
Total fee income	**59.0**	59.6	(1)%

Mezzanine and equity third party fees include £6.4m of performance fees (H1 2015: £15.1m) as the realisation of assets from older vintages helped trigger the performance hurdles. Whilst performance fees are an integral recurring part of the fee income profile and profitability stream of the Group, the prior fees were unusually high due to the disposal of the remaining assets from European Mezzanine Fund 2006 in a single transaction.

Credit funds third party fee income increased 2% with fees from new funds partially offset by the decrease in fees on older credit funds that are in their realisation phase. The success of the US CLO programme is evidenced by this strategy contributing an additional £1.8m of fees compared to the prior period. In addition, fee income on Senior Debt Partners continues to rise as the capital raised is invested.

Fees for our real estate and credit products are typically charged on an invested basis, although this has little impact for the CLOs which are invested quickly. The 72% increase in real estate third party fee income reflects the investment of ICG Longbow Funds III and IV, and senior debt mandates.

The weighted average fee rate, excluding performance fees, across our fee earning AUM has reduced from 0.91% for FY15 to 0.86% as our senior debt funds, which charge lower fees, are invested.

Dividend income

Dividend income of £9.3m (H1 2015: £4.3m) reflects the increased number and improved performance of our US CLOs.

Operating expenses

Operating expenses of the FMC were £39.1m (H1 2015: £37.0m), including salaries and incentive scheme costs. Salaries were £14.2m (H1 2015: £13.5m) as average headcount increased from 182 to 205. This increase is directly related to investing in the growth areas of the business namely Strategic Secondaries and our operations infrastructure. Other administrative costs of £13.1m (H1 2015: £14.1m) have decreased by 7% due to a reduction in placement fees recognised in the period.

The FMC operating margin was 42.6% up from 41.9% in the first half of the prior year.

Investment Company

Balance sheet investments

The balance sheet investment portfolio increased 3% in the period to £1,744m at 30 September 2015, as the realisation of older assets was more than offset by new investments and fair value gains. This is illustrated in the investment portfolio bridge below:

	£m
At 1 April 2015	1,691
New and follow on investments	154
Accrued interest income	39
Realisations	(178)
Impairments	(18)
Fair value gains	62
FX and other	(6)
At 30 September 2015	**1,744**

Realisations comprise the return of £138.5m of principal, the crystallisation of £18.2m of rolled up interest and £21.7m of realised capital gains.

In the period £106.2m was co-invested alongside our mezzanine funds for new and follow on investments. In addition, £47.7m was invested across our CLOs and credit funds. The investment in our credit funds is lower risk as the funds are principally investing in senior debt assets.

The volatility in the Euro during the first half of the financial year had a £3.6m negative impact on interest income, compared to the first half of the prior year, as it is unhedged. In contrast, the impact on fund management fee income was more limited as it is hedged.

The sterling value of the portfolio decreased by £0.1m due to foreign exchange movements. The portfolio is 53% Euro denominated and 17% US dollar denominated. Sterling denominated assets account only for 16% of the portfolio. The Group minimises foreign exchange impact of non sterling assets through non sterling liabilities and derivative transactions. An analysis of the portfolio by instrument is outlined below:

	As at 30 September 2015 £m	**% of total**	As at 31 March 2015 £m	% of total
Senior mezzanine and senior debt	**446**	**26%**	433	26%
Junior mezzanine	**165**	**10%**	169	10%
Interest bearing equity	**163**	**9%**	164	10%
Non interest bearing equity	**477**	**27%**	414	24%
Co-investment portfolio	**1,251**	**72%**	1,180	70%
Investment in equity funds	**34**	**2%**	14	1%
Investment in credit funds	**218**	**12%**	274	16%
Investment in CLOs	**124**	**7%**	134	8%
Investment in real estate funds	**117**	**7%**	89	5%
Total balance sheet portfolio	**1,744**	**100%**	1,691	100%
Current assets held for syndication	**274**	**-**	244	-

Current assets held on the balance sheet at 30 September 2015 will be transferred to third party funds once their fundraising is complete. The use of the balance sheet in this way enables our investment teams to continue to source attractive deals whilst a fund is being raised, and in turn facilitates the fundraising as potential investors can see the types of assets they will be investing in. At 30 September 2015, 63% of these assets were held for syndication into our Strategic Secondaries and Asia Pacific Funds once raised.

Net interest income

Net interest income of £48.4m (H1 2015: £59.2m) comprised interest income of £71.1m (H1 2015: £81.6m), less interest expense of £22.7m (H1 2015: £22.4m). Included within the prior period interest expense is a £3.0m one-off tax related interest payment; excluding this item interest expense has increased as a result of higher average borrowings. Interest income was below the prior period principally due to an 8% decrease in the average IC portfolio and a reduction in the proportion of interest bearing assets. Cash interest income represented 32% (H1 2015: 28%) of the total.

Dividend income

Dividend income of £8.1m (H1 2015: £1.1m) was received from our secondaries investment in Diamond Castle and our real estate and senior debt funds, reflecting the success of those strategies.

Operating expenses

Operating expenses of the IC amounted to £28.0m (H1 2015: £19.6m), of which incentive scheme costs of £19.1m (H1 2015: £13.0m) were the largest component. The £6.1m increase is in part due to a higher national insurance cost in the current year reflecting the share price at the date of vesting, and an increase in the cash bonus accrual following the increase in headcount. Other staff and administrative costs were £8.9m compared to £6.6m in the first half of last year, a £2.3m increase. This increase includes the cost of expanding our risk and compliance function with the addition of a Chief Risk Officer and internal audit capability.

Capital gains

Net realised capital gains in the period were £21.5m (H1 2015: £22.5m), of which £11.7m (H1 2015: £8.9m) had previously been recognised as unrealised gains in the P&L with the remaining £9.8m (H1 2015: £13.6m) recognised in the current period.

Fair valuing the equity and warrants gave rise to a further £60.4m (H1 2015: £20.9m) of unrealised gains in the current period. Of this, £52.7m (H1 2015: £34.7m) is recognised in the income statement and £7.7m in reserves (H1 2015: £13.8m unrealised loss to reserves).

Impairments

During the period we took asset specific impairments against our weaker assets of £18.1m compared to £36.4m in the first half of the last financial year. With no write backs in the period (H1 2015: £15.3m), net impairments were £18.1m compared to £21.1m in the comparative period.

Increase in deferred consideration

The deferred consideration relating to the purchase of the remaining 49% of our UK real estate business, ICG Longbow, during the prior year has been revalued at 30 September 2015. The continued success of this business has resulted in a £7.0m increase, to £30.9m, in the amount expected to be paid as deferred consideration. The increase has been recognised through the income statement in the current period.

Group cash flow, debt and capital position

The Group has continued to actively manage its sources of financing, extending debt facilities and lowering pricing where possible. During the period, the Group established a further £256m equivalent of private placements with maturities of between five and ten years and £150m of new senior debt maturing in 2018. In addition, £350m of existing facilities were extended until 2018, and an existing debt facility was increased from £20m to £65m.

The new financing reduced the weighted average cost of debt from 4.3% at 31 March 2015 to 3.7% at 30 September 2015. Even after the payment of a £300m special dividend in July 2015, the balance sheet remains strong, with £819.5m of available cash and debt facilities at 30 September 2015.

The movement in the Group's unutilised cash and debt facilities during the period is detailed as follows:

	£m
Headroom at 1 April 2015	758.4
New bank facilities available	195.2
Increase in drawn bank facilities	2.3
New Private Placement notes issued	255.7
Private Placement notes matured	(14.8)
Secured floating rate notes matured	(23.8)
Movement in cash	(119.1)
Movement in drawn debt	(230.4)
Other (including FX)	(4.0)
Headroom at 30 September 2015	**819.5**

Total drawn debt at 30 September 2015 was £937m compared to £707m at 31 March 2015, with unencumbered cash of £133m compared to £253m at 31 March 2015.

Cashflow

Operating cash outflow for the period was £21.1m (H1 2015: £121.7m inflow).

	6 months to 30 September 2015 £m	6 months to 30 September 2014 £m
Cash in from realisations	166.4	293.4
Cash in from dividends	24.4	14.9
Cash in from fees	34.0	30.6
Cash in from cash interest	47.2	71.5
Total cash receipts	272.0	410.4
Cash interest paid	(24.5)	(17.6)
Cash paid to purchase loans and investments	(153.9)	(270.9)
Cash movement in assets held for syndication	(37.0)	50.8
Operating expenses paid	(77.7)	(51.0)
Total cash paid	(293.1)	(288.7)
Total cash generated from operating activities before taxes	(21.1)	121.7

The lower balance sheet portfolio has impacted the amount of cash interest received. Interest paid was 39% higher, reflecting the higher average borrowings but at a lower average cost of debt.

Capital position

Shareholders' funds decreased by £288.7m to £1,167.7m (31 March 2015: £1,456.4m) in the period as £300m was returned to shareholders by means of a special dividend, in addition to the final ordinary dividend of £55m. Total debt to shareholders' funds (gearing) as at 30 September 2015 increased to 0.80x from 0.49x at 31 March 2015.

Responsibility Statement

We confirm to the best of our knowledge:

- The condensed set of financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting';

- The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

- The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

This responsibility statement was approved by the Board of Directors on 16 November 2015 and is signed on its behalf by:

Christophe Evain	Philip Keller
CEO	CFO

Consolidated Income Statement

For the six months ended 30 September 2015

	Six months ended 30 September 2015 (Unaudited) £m	Restated Six months ended 30 September 2014 (Unaudited) £m	Year ended 31 March 2015 (Audited) £m
Finance income	**89.6**	99.5	193.3
Gains on investments	**91.0**	59.6	137.9
Fee and other operating income	**48.1**	51.0	95.0
Total revenue	**228.7**	210.1	426.2
Finance costs	**(49.9)**	(38.0)	(65.1)
Impairments	**(9.8)**	(21.1)	(37.6)
Administrative expenses	**(67.9)**	(55.1)	(144.5)
Share of results of joint ventures accounted for using equity method	**(0.2)**	(0.2)	(0.5)
Increase in deferred consideration	**(7.0)**	–	–
Profit before tax	**93.9**	95.7	178.5
Tax (charge)/credit	**(11.1)**	(15.9)	12.1
Profit for the period	**82.8**	79.8	190.6
Attributable to:			
Equity holders of the parent	**83.9**	79.0	189.3
Non controlling interests	**(1.1)**	0.8	1.3
	82.8	79.8	190.6
Earnings per share	**24.2p**	20.7p	50.3p
Diluted earnings per share	**24.2p**	20.7p	50.3p

All activities represent continuing operations.

The six month period ended 30 September 2014 has been restated following the clarification of IFRS10. For more information see note 1.

Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2015

	Six months ended 30 September 2015 (Unaudited) £m	Restated Six months ended 30 September 2014 (Unaudited) £m	Year ended 31 March 2015 (Audited) £m
Profit for the period	**82.8**	79.8	190.6
Available for sale financial assets:			
Gain/(loss) arising in the period	**7.3**	(16.6)	(7.3)
Reclassification adjustment for gains recycled to profit	**(5.0)**	(9.2)	(16.1)
Exchange differences on translation of foreign operations	**(0.8)**	(1.8)	(3.7)
	1.5	(27.6)	(27.1)
Tax on items taken directly to or transferred from equity	**(1.0)**	6.1	4.9
Other comprehensive income/(expense) for the period	**0.5**	(21.5)	(22.2)
Total comprehensive income for the period	**83.3**	58.3	168.4

The six month period ended 30 September 2014 has been restated following the clarification of IFRS10. For more information see note 1.

Consolidated Statement of Financial Position

As at 30 September 2015	30 September 2015 (Unaudited) £m	Restated 30 September 2014 (Unaudited) £m	31 March 2015 (Audited) £m
Non current assets			
Intangible assets	**6.1**	5.9	6.8
Property, plant and equipment	**7.4**	6.1	6.6
Financial assets: loans, investments and warrants	**3,341.9**	2,978.7	2,981.4
Deferred tax asset	**0.4**	–	–
Derivative financial assets	**13.1**	14.5	15.6
	3,368.9	3,005.2	3,010.4
Current assets			
Trade and other receivables	**100.2**	124.8	127.8
Financial assets: loans and investments	**273.6**	64.8	243.9
Derivative financial assets	**7.2**	28.7	11.3
Current tax debtor	**1.2**	0.2	13.9
Cash and cash equivalents	**218.1**	255.6	391.9
	600.3	474.1	788.8
Total assets	**3,969.2**	3,479.3	3,799.2
Equity and reserves			
Called up share capital	**77.0**	80.5	80.6
Share premium account	**677.2**	672.4	674.3
Capital redemption reserve	**5.0**	1.4	1.4
Own shares reserve	**(77.0)**	(98.3)	(162.0)
Other reserves	**65.9**	76.6	78.3
Retained earnings	**419.6**	728.9	783.8
Equity attributable to owners of the Company	**1,167.7**	1,461.5	1,456.4
Non controlling interest	**1.0**	4.8	2.2
Total equity	**1,168.7**	1,466.3	1,458.6
Non current liabilities			
Provisions	**2.3**	2.9	2.6
Financial liabilities	**2,502.8**	1,708.3	2,038.8
Derivative financial liabilities	**13.2**	3.7	0.7
Deferred tax liabilities	**41.5**	21.0	33.9
	2,559.8	1,735.9	2,076.0
Current liabilities			
Provisions	**0.7**	0.5	0.6
Trade and other payables	**189.3**	241.3	208.8
Financial liabilities	**38.2**	13.8	40.9
Current tax creditor	**2.1**	18.0	1.6
Derivative financial liabilities	**10.4**	3.5	12.7
	240.7	277.1	264.6
Total liabilities	**2,800.5**	2,013.0	2,340.6
Total equity and liabilities	**3,969.2**	3,479.3	3,799.2

The 30 September 2014 numbers have been restated following the clarification of IFRS10. For more information see note 1.

Consolidated Statement of Cash Flows

For the six months ended 30 September 2015	**Six months ended 30 September 2015 (Unaudited) £m**	Restated Six months ended 30 September 2014 (Unaudited) £m	Year ended 31 March 2015 (Audited) £m
Operating activities			
Interest received	**83.1**	95.2	183.4
Fees received	**31.6**	29.3	90.3
Dividends received	**16.5**	12.6	25.0
Interest paid	**(48.1)**	(30.2)	(67.3)
Payments to suppliers and employees	**(78.0)**	(53.6)	(97.8)
(Purchase)/realisation of current financial assets	**(37.0)**	50.8	(126.4)
Purchase of loans and investments	**(686.0)**	(833.0)	(1,684.0)
Recoveries on previously impaired assets	**–**	–	0.7
Proceeds from sale of loans and investments – principal	**536.6**	692.1	1,245.3
Proceeds from sale of loans and investments – gains on investments	**12.2**	21.6	42.3
Cash used in operations	**(169.1)**	(15.2)	(388.5)
Taxes received/(paid)	**8.6**	(14.6)	(5.2)
Net cash used in operating activities	**(160.5)**	(29.8)	(393.7)
Investing activities			
Purchase of property, plant and equipment	**(2.1)**	(2.2)	(3.8)
Purchase of intangible asset	**–**	(0.5)	(2.1)
Purchase of remaining 49% of Longbow Real Estate Capital LLP	**–**	–	(14.0)
Loss of control of subsidiary	**(9.2)**	–	–
Net cash used in investing activities	**(11.3)**	(2.7)	(19.9)
Financing activities			
Dividends paid	**(355.5)**	(55.5)	(81.0)
Increase in long term borrowings	**355.6**	86.4	592.6
Cash inflow from derivative contracts	**25.5**	49.9	152.9
Net purchase of own shares	**(27.5)**	(60.1)	(124.0)
Proceeds on issue of shares	**2.9**	–	1.0
Net cash generated from financing activities	**1.0**	20.7	541.5
Net (decrease)/increase in cash	**(170.8)**	(11.8)	127.9
Cash and cash equivalents at beginning of period	**391.9**	273.5	273.5
Effect of foreign exchange rate changes	**(3.0)**	(6.1)	(9.5)
Net cash and cash equivalents at end of period	**218.1**	255.6	391.9
Presented on the statement of financial position as:			
Cash and cash equivalents	**218.1**	255.6	391.9

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2015

(Unaudited)	Share capital £m	Share premium £m	Capital redemption reserve £m	Share based payments reserve £m	Available for sale reserve £m	Own shares £m	Retained earnings £m	Total £m	Non controlling interest £m	Total equity £m
Balance at 1 April 2015	80.6	674.3	1.4	45.8	32.5	(162.0)	783.8	1,456.4	2.2	1,458.6
Profit for the period	–	–	–	–	–	–	83.9	83.9	(1.1)	82.8
Available for sale financial assets	–	–	–	–	2.3	–	–	2.3	–	2.3
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(0.7)	(0.7)	(0.1)	(0.8)
Tax on items taken directly to or transferred from equity	–	–	–	–	(1.0)	–	–	(1.0)	–	(1.0)
Total comprehensive income for the period	–	–	–	–	1.3	–	83.2	84.5	(1.2)	83.3
Loss of control of subsidiary	–	–	–	–	–	–	(14.7)	(14.7)	–	(14.7)
Movement in control of subsidiary	–	–	–	–	–	–	10.2	10.2	–	10.2
Own shares acquired in the period	–	–	–	–	–	(24.7)	–	(24.7)	–	(24.7)
Options/awards exercised	–	2.9	–	(22.3)	–	30.4	(8.1)	2.9	–	2.9
Credit for equity settled share schemes	–	–	–	8.6	–	–	–	8.6	–	8.6
Cancellation of shares	(3.6)	–	3.6	–	–	79.3	(79.3)	–	–	–
Dividends paid	–	–	–	–	–	–	(355.5)	(355.5)	–	(355.5)
Balance at 30 September 2015	77.0	677.2	5.0	32.1	33.8	(77.0)	419.6	1,167.7	1.0	1,168.7

For the six months ended 30 September 2014

Restated (Unaudited)	Share capital £m	Share premium £m	Capital redemption reserve £m	Share based payments reserve £m	Available for sale reserve £m	Own shares £m	Retained earnings £m	Total £m	Non controlling interest £m	Total equity £m
Balance at 1 April 2014	80.4	672.4	1.4	53.3	51.0	(62.4)	713.3	1,509.4	4.7	1,514.1
Profit for the period	–	–	–	–	–	–	79.0	79.0	0.8	79.8
Change in ownership of non controlling interest	–	–	–	–	–	–	0.3	0.3	(0.3)	–
Available for sale financial assets	–	–	–	–	(25.8)	–	–	(25.8)	–	(25.8)
Exchange differences on translation of foreign operations	–	–	–	(0.1)	–	–	(1.3)	(1.4)	(0.4)	(1.8)
Tax on items taken directly to or transferred from equity	–	–	–	–	6.1	–	–	6.1	–	6.1
Total comprehensive income for the period	–	–	–	(0.1)	(19.7)	–	78.0	58.2	0.1	58.3
Own shares acquired in the period	–	–	–	–	–	(62.3)	–	(62.3)	–	(62.3)
Options/awards exercised	0.1	–	–	(19.1)	–	26.4	(6.9)	0.5	–	0.5
Credit for equity settled share schemes	–	–	–	11.2	–	–	–	11.2	–	11.2
Dividends paid	–	–	–	–	–	–	(55.5)	(55.5)	–	(55.5)
Balance at 30 September 2014	80.5	672.4	1.4	45.3	31.3	(98.3)	728.9	1,461.5	4.8	1,466.3

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

(Audited)	Share capital £m	Share premium £m	Capital redemption reserve £m	Share based payments reserve £m	Available for sale reserve £m	Own shares £m	Retained earnings £m	Total £m	Non controlling interest £m	Total equity £m
Balance at 1 April 2014	80.4	672.4	1.4	53.3	51.0	(62.4)	713.3	1,509.4	4.7	1,514.1
Profit for the year	–	–	–	–	–	–	189.3	189.3	1.3	190.6
Change in ownership of non controlling interest	–	–	–	–	–	–	3.3	3.3	(3.3)	–
Available for sale financial assets	–	–	–	–	(23.4)	–	–	(23.4)	–	(23.4)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(3.7)	(3.7)	–	(3.7)
Tax on items taken directly to or transferred from equity	–	–	–	–	4.9	–	–	4.9	–	4.9
Total comprehensive income for the year	–	–	–	–	(18.5)	–	188.9	170.4	(2.0)	168.4
Own shares acquired in the year	–	–	–	–	–	(126.0)	–	(126.0)	–	(126.0)
Options/awards exercised	0.2	1.9	–	(26.1)	–	26.4	–	2.4	–	2.4
Credit for equity settled share schemes	–	–	–	18.6	–	–	–	18.6	–	18.6
Acquisition of remaining 49% of Longbow Real Estate Capital LLP	–	–	–	–	–	–	(37.4)	(37.4)	(0.5)	(37.9)
Dividends paid	–	–	–	–	–	–	(81.0)	(81.0)	–	(81.0)
Balance at 31 March 2015	80.6	674.3	1.4	45.8	32.5	(162.0)	783.8	1,456.4	2.2	1,458.6

Notes to the Half Year Report

For the six months ended 30 September 2015

1. Basis of preparation

(i) Basis of preparation

The condensed set of financial statements included in this half year financial report have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union, and on the basis of the accounting policies and methods of computation set out in the consolidated financial statements of the Group for the year ended 31 March 2015.

While the financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs) as adopted by the European Union, this announcement does not itself contain sufficient information to comply with IFRSs.

The comparative figures for the financial year ended 31 March 2015 are not the Group's statutory accounts for the financial year. As defined in section 434 of the Companies Act 2006 those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Group as at and for the year ended 31 March 2015 which were prepared under International Financial Reporting Standards as adopted by the EU are available on the Group's website, www.icgam.com.

(ii) Adoption of IFRS 10 'Consolidated financial statements'

As at 30 September 2014, the Company met the definition of an Investment Entity per IFRS 10, and was required to account for subsidiaries, associates and joint ventures held for investment purposes only, at fair value through profit or loss. Subsidiaries that provided services related to the Investment Entity's activities continued to be consolidated. On 18 December 2014, the International Accounting Standards Board released an immediately effective clarification to the definition of an Investment Entity, which requires that the Investment Entity's business purpose and, therefore, its core activity is providing investment management services to its investors and investing the funds obtained from its investors solely for returns from capital appreciation, investment income, or both. The key change is the insertion that investment management services must be the core activity of the business. The Company's strategy is to grow its alternative asset manager franchise and to use its balance sheet to support this business development. This is at odds with a business whose core activities are the investment of the balance sheet for capital appreciation and investment income and therefore means that ICG plc no longer meets the definition of an Investment Entity.

The requirements have been retrospectively applied, in line with the transitional provision of the standard. Following the clarification, the 30 September 2014 financial statements have been restated to include the consolidation of seven credit funds which were not previously consolidated. The restatement resulted in an increase in the previously reported September 2014 revenue of £32.8m and profit after tax of £9.6m. Financial assets increased by £1,154.1m, cash by £116.4m and financial liabilities by £1,144.3m. The impact on total equity as at September 2014 was an increase of £14.5m.

iii) Going concern

The Directors have prepared the condensed financial statements on a going concern basis which requires the Directors to have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors made this assessment in light of the £819.5m cash and unutilised debt facilities, no significant bank facilities maturing within the next 18 months, and after reviewing the Group's latest forecasts for a period of 18 months from the period end.

(iv) Related party transactions

There have been no material changes to the nature or size of related party transactions since 31 March 2015.

For the six months ended 30 September 2015

2. Financial risk management

Financial assets – non current	**Six months ended 30 September 2015 (Unaudited) £m**	Restated Six months ended 30 September 2014 (Unaudited) £m	Year ended 31 March 2015 (Audited) £m
Loans and receivables held at amortised cost	**571.8**	784.4	625.1
AFS financial assets held at fair value	**144.0**	173.9	158.3
Financial assets designated as FVTPL	**2,026.0**	1,544.8	1,715.6
Associates designated as FVTPL	**578.1**	460.0	467.5
Investments in equity accounted joint ventures	**0.9**	1.1	1.1
Derivative financial instruments held at fair value – warrants	**21.1**	14.5	13.8
	3,341.9	2,978.7	2,981.4
Other derivative financial instruments held at fair value	**13.1**	14.5	15.6
	3,355.0	2,993.2	2,997.0

Included within associates designated as FVTPL is £447.6m (30 September 2014: £354.2m / 31 March 2015: £355.5m) relating to the Group's investment in ICG Europe Fund V, ICG Europe Fund VI, ICG North American Private Debt Fund and ICG Asia Pacific Fund III.

Included within financial assets designated as FVTPL is £77.9m (30 September 2014: £36.7m / 31 March 2015: £57.4m) related to the Group's joint venture investments in Via Location and Parkeon, and £1,753.4m (30 September 2014: £1,348.9m / 31 March 2015: £1,499.1m) relating to the structured entities controlled by the Group.

Fair value measurements recognised in the statement of financial position

The information set out below provides information about how the Group determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, 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)

This is followed by a more detailed analysis of the financial instruments which are based on unobservable inputs (Level 3 assets). The subsequent tables provide reconciliations of movement in their fair value during the period split by asset category and by geography. The Group is required to provide disclosures at a more detailed level than by asset category, segregating each asset category by sector or geography. The Group has chosen to present financial instruments by geography as the diverse nature of the Group's assets makes any disclosure of assets by industry less meaningful to the Group's risk profile than geographical factors.

2. Financial risk management continued

Fair value measurements recognised in the statement of financial position continued

Financial assets / Financial liabilities	**Fair value as at 30 September 2015 (Unaudited) £m**	Restated Fair value as at 30 September 2014 (Unaudited) £m	Fair value as at 31 March 2015 (Audited) £m	**Fair value hierarchy**	**Valuation techniques and inputs**	**Significant unobservable inputs**	**Relationship of unobservable inputs to fair value**
Listed portfolio investments	**17.8**	54.8	136.8	1	A small number of assets have been listed on various stock exchanges around the world, providing an external basis for valuing the Group's holdings	n/a	n/a
Listed credit fund investments	**59.5**	59.9	58.6	1	Quoted bid prices in an active market	n/a	n/a
Debt investments within structured entities controlled by the Group	**1,704.3**	1,276.5	1,349.1	2	The fair value has been determined using independent broker quotes based on observable inputs	n/a	n/a
Unquoted equities	**351.2**	259.5	270.2	3	Earnings based technique. The earnings multiple is derived from a set of comparable listed companies or relevant market transaction multiples. A premium or discount is applied to the earnings multiple to adjust for points of difference relating to risk and earnings growth prospects between the comparable company set and the private company being valued. Earnings multiples are applied to the maintainable earnings to determine the enterprise value. From this, the value attributable to the Group is calculated based on its holding in the company after making deductions for higher ranking instruments in the capital structure. To determine the value of warrants, the exercise price is deducted from the equity value	The discount applied is generally in a range of 5% - 35% and exceptionally as high as 66%. A premium has been applied to seven assets in the range of 5% - 60%. The earnings multiple is generally in the range of 9 - 15 and exceptionally as high as 20 and as low as 5	The higher the adjusted multiple, the higher the valuation
Illiquid debt investments within structured entities controlled by the Group	**49.1**	72.5	55.0	3	Where there are no recent transactions, fair value may be determined from the last market price adjusted for all changes in risks and information since that date. Where a close proxy instrument is quoted in an active market, then fair value is determined by adjusting the proxy value for differences in the risk profile of the instruments	A premium/discount is applied taking into account market comparisons, seniority of debt, credit rating, current debt, interest coupon, maturity of the loan and jurisdiction of the loan	The higher the premium, the higher the valuation. The higher the discount, the lower the valuation
Investments in unlisted CLOs	**32.3**	40.1	33.1	3	Discounted cash flow at a discount rate of 8% (debt at market rate). The following assumptions are applied to each investment's cashflows: 3% annual default rate, 20% annual prepayment rate, 70% recovery rate	Discounted cash flows	The higher the cash flows the higher the fair value. The higher the discount, the lower the fair value

2. Financial risk management continued

Fair value measurements recognised in the statement of financial position continued

Financial assets / Financial liabilities	**Fair value as at 30 September 2015 (Unaudited) £m**	Restated Fair value as at 30 September 2014 (Unaudited) £m	Fair value as at 31 March 2015 (Audited) £m	**Fair value hierarchy**	**Valuation techniques and inputs**	**Significant unobservable inputs**	**Relationship of unobservable inputs to fair value**
Investments in unlisted funds	**555.0**	429.9	452.4	3	The Net Asset Value (NAV) of the fund is based on the underlying investments which are held either as FVTPL assets or as loans and receivables initially recognised at fair value and subsequently valued at amortised cost. The carrying value of loans and receivables held at amortised cost are considered a reasonable approximation of fair value. We have reviewed the underlying valuation techniques and consider them to be in line with the Group's	The NAV of the underlying fund, typically calculated under IFRS	The higher the NAV, the higher the fair value
Loan notes within structured entities controlled by the Group	**(1,601.1)**	(1,144.3)	(1,373.4)	2	The fair value of debt securities issued at fair value through profit or loss is dependent upon the fair value of investment securities and derivative financial instruments. Any changes in the valuation have a direct impact on the fair value of debt securities issued	n/a	n/a
Derivatives	**(3.3)**	36.0	13.5	2	The Group uses widely recognised valuation models for determining the fair values of over-the-counter interest rate swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The valuations are market observable, internally calculated and verified to externally sourced data and are therefore included within level 2	n/a	n/a
Total	**1,164.8**	1,084.9	995.3				

2. Financial risk management continued

Fair value measurements recognised in the statement of financial position continued

(Unaudited)	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
	As at 30 September 2015			
Financial assets held at fair value				
Designated as FVTPL				
- US	–	1,057.1	57.2	1,114.3
- UK	59.5	113.1	578.7	751.3
- France	–	122.3	141.1	263.4
- Germany	–	110.5	4.1	114.6
- Netherlands	–	102.6	4.0	106.6
- Other	–	198.7	55.2	253.9
	59.5	1,704.3	840.3	2,604.1
Derivative financial instruments – warrants				
- UK	–	–	10.0	10.0
- France	–	–	5.9	5.9
- Germany	–	–	5.2	5.2
	–	–	21.1	21.1
AFS financial assets				
- Australia	–	–	47.3	47.3
- France	–	–	42.2	42.2
- US	11.2	–	13.7	24.9
- UK	–	–	22.5	22.5
- Other	6.6	–	0.5	7.1
	17.8	–	126.2	144.0
Other derivative financial instruments	–	20.3	–	20.3
	77.3	1,724.6	987.6	2,789.5
Financial liabilities at FVTPL				
- Structured entities controlled by the Group	–	1,601.1	–	1,601.1
Other derivative financial instruments	–	23.6	–	23.6
	–	1,624.7	–	1,624.7

During the period there have been a number of transfers between levels 2 and 3 within structured entities controlled by the Group reflecting the change in the availability of broker prices. In addition, £95.0m of assets have been transferred from level 1 to level 2 following a reassessment of valuation techniques.

for the six months ended 30 September 2015

2. Financial risk management continued

Fair value measurements recognised in the statement of financial position continued

Restated (Unaudited)	As at 30 September 2014 Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets held at fair value				
Designated as FVTPL				
- UK	64.7	167.1	454.9	686.7
- US	–	511.8	9.9	521.7
- France	–	149.4	100.2	249.6
- Netherlands	–	121.7	9.8	131.5
- Germany	–	117.2	9.2	126.4
- Other	0.4	209.3	79.2	288.9
	65.1	1,276.5	663.2	2,004.8
Derivative financial instruments – warrants				
- France	–	–	6.1	6.1
- Germany	–	–	4.5	4.5
- UK	–	–	3.9	3.9
	–	–	14.5	14.5
AFS financial assets				
- France	10.5	–	40.9	51.4
- US	30.0	–	12.5	42.5
- Australia	–	–	33.9	33.9
- UK	–	–	31.5	31.5
- Other	9.1	–	5.5	14.6
	49.6	–	124.3	173.9
Other derivative financial instruments	–	43.2	–	43.2
	114.7	1,319.7	802.0	2,236.4
Financial liabilities at FVTPL				
- Structured entities controlled by the Group	–	1,144.3	–	1,144.3
Other derivative financial instruments	–	7.2	–	7.2
	–	1,151.5	–	1,151.5

2. Financial risk management continued

Fair value measurements recognised in the statement of financial position continued

(Audited)	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
				As at 31 March 2015
Financial assets held at fair value				
Designated as FVTPL				
- US	–	814.4	37.9	852.3
- UK	85.9	101.5	464.3	651.7
- France	33.5	91.0	120.2	244.7
- Germany	5.8	98.1	6.7	110.6
- Netherlands	7.1	87.4	7.4	101.9
- Other	21.9	156.7	43.3	221.9
	154.2	1,349.1	679.8	2,183.1
Derivative financial instruments – warrants				
- France	–	–	5.4	5.4
- UK	–	–	4.8	4.8
- Germany	–	–	3.6	3.6
	–	–	13.8	13.8
AFS financial assets				
- France	9.2	–	37.8	47.0
- Australia	–	–	38.9	38.9
- US	21.4	–	12.5	33.9
- UK	1.3	–	25.9	27.2
- Other	9.3	–	2.0	11.3
	41.2	–	117.1	158.3
Other derivative financial instruments	–	26.9	–	26.9
	195.4	1,376.0	810.7	2,382.1
Financial liabilities at FVTPL				
- Structured entities controlled by the Group	–	1,373.4	–	1,373.4
Other derivative financial instruments	–	13.4	–	13.4
	–	1,386.8	–	1,386.8

2. Financial risk management continued

Reconciliation of Level 3 fair value measurements of financial assets

The tables detail the movements in financial assets valued using the Level 3 basis of measurement in aggregate and geographically by asset category.

Within the income statement, realised gains and fair value movements are included within gains on investments and foreign exchange is included within finance costs.

(Unaudited)	Financial assets at FVTPL £m	Derivative financial instruments - warrants £m	AFS assets £m	Total £m
At 1 April 2015	**679.8**	**13.8**	**117.1**	**810.7**
Total gains or losses in the income statement				
- Realised gains	**(1.7)**	**(0.3)**	**(2.0)**	**(4.0)**
- Unrealised gains	**48.0**	**7.4**	**–**	**55.4**
- Foreign exchange	**10.1**	**0.2**	**(2.7)**	**7.6**
Total gains or losses in other comprehensive income				
- Unrealised gains	**–**	**–**	**20.7**	**20.7**
Purchases	**129.9**	**–**	**0.1**	**130.0**
Realisations	**(31.5)**	**–**	**(7.0)**	**(38.5)**
Transfer between assets	**2.0**	**–**	**–**	**2.0**
Transfers between levels	**3.7**	**–**	**–**	**3.7**
At 30 September 2015	**840.3**	**21.1**	**126.2**	**987.6**

Restated (Unaudited)	Financial assets at FVTPL £m	Derivative financial instruments - warrants £m	AFS assets £m	Total £m
At 1 April 2014	553.5	18.5	176.4	748.4
Total gains or losses in the income statement				
- Realised gains	(11.4)	–	(8.4)	(19.8)
- Unrealised gains	40.8	(3.1)	–	37.7
- Foreign exchange	(12.5)	(0.9)	(5.8)	(19.2)
Total gains or losses in other comprehensive income				
- Unrealised losses	–	–	(12.8)	(12.8)
Purchases	230.6	–	1.8	232.4
Realisations	(44.8)	–	(5.4)	(50.2)
Transfer between assets	(1.6)	–	–	(1.6)
Transfers between levels	(91.4)	–	(21.5)	(112.9)
At 30 September 2014	**663.2**	**14.5**	**124.3**	**802.0**

2. Financial risk management continued

Reconciliation of Level 3 fair value measurements of financial assets continued

(Audited)	Financial assets at FVTPL £m	Derivative financial instruments - warrants £m	AFS assets £m	Total £m
At 1 April 2014	553.5	18.5	176.4	748.4
Total gains or losses in the income statement				
- Realised gains	(24.2)	(1.0)	(14.0)	(39.2)
- Unrealised gains	109.9	(2.0)	–	107.9
- Foreign exchange	(50.3)	(1.7)	(10.2)	(62.2)
Total gains or losses in other comprehensive income				
- Unrealised gains	–	–	1.0	1.0
Purchases	256.6	–	2.0	258.6
Realisations	(129.7)	–	(16.5)	(146.2)
Transfer between assets	3.5	–	–	3.5
Transfer between levels	(39.5)	–	(21.6)	(61.1)
At 31 March 2015	679.8	13.8	117.1	810.7

Reconciliation of Level 3 fair value movements by geography

(Unaudited) **Financial assets at FVTPL**	**US £m**	**UK £m**	**France £m**	**Germany £m**	**Netherlands £m**	**Other £m**	**Total £m**
At 1 April 2015	**37.9**	**464.3**	**120.2**	**6.7**	**7.4**	**43.3**	**679.8**
Total gains or losses in the income statement							
- Realised gains	**–**	**(1.3)**	**–**	**–**	**(0.4)**	**–**	**(1.7)**
- Unrealised gains	**4.0**	**22.3**	**20.3**	**(0.1)**	**(0.1)**	**1.6**	**48.0**
- Foreign exchange	**(0.6)**	**11.9**	**2.2**	**(0.2)**	**(0.2)**	**(3.0)**	**10.1**
Purchases	**2.4**	**113.6**	**1.4**	**1.5**	**0.2**	**10.8**	**129.9**
Realisations	**(2.0)**	**(20.4)**	**(2.2)**	**(3.8)**	**(2.9)**	**(0.2)**	**(31.5)**
Transfer between assets	**16.6**	**(14.6)**	**–**	**–**	**–**	**–**	**2.0**
Transfer between levels	**(1.1)**	**2.9**	**(0.8)**	**–**	**–**	**2.7**	**3.7**
At 30 September 2015	**57.2**	**578.7**	**141.1**	**4.1**	**4.0**	**55.2**	**840.3**

for the six months ended 30 September 2015

2. Financial risk management continued

Reconciliation of Level 3 fair value movements by geography continued

(Unaudited) **Derivative financial instruments – warrants**	**UK** **£m**	**France** **£m**	**Germany** **£m**	**Total** **£m**
At 1 April 2015	**4.8**	**5.4**	**3.6**	**13.8**
Total gains or losses in the income statement				
- Realised gains	**–**	**(0.3)**	**–**	**(0.3)**
- Unrealised gains	**5.2**	**0.7**	**1.5**	**7.4**
- Foreign exchange	**–**	**0.1**	**0.1**	**0.2**
At 30 September 2015	**10.0**	**5.9**	**5.2**	**21.1**

(Unaudited) **AFS assets**	**Australia** **£m**	**France** **£m**	**US** **£m**	**UK** **£m**	**Other** **£m**	**Total** **£m**
At 1 April 2015	**38.9**	**37.8**	**12.5**	**25.9**	**2.0**	**117.1**
Total gains or losses in the income statement						
- Realised gains	**–**	**(0.1)**	**–**	**(1.9)**	**–**	**(2.0)**
- Foreign exchange	**(3.6)**	**0.8**	**(0.2)**	**0.2**	**0.1**	**(2.7)**
Total gains or losses in other comprehensive income						
- Unrealised gains	**12.0**	**4.6**	**1.4**	**4.3**	**(1.6)**	**20.7**
Purchases	**–**	**–**	**–**	**0.1**	**–**	**0.1**
Realisations	**–**	**(0.9)**	**–**	**(6.1)**	**–**	**(7.0)**
At 30 September 2015	**47.3**	**42.2**	**13.7**	**22.5**	**0.5**	**126.2**

Restated (Unaudited) **Financial assets at FVTPL**	UK £m	US £m	France £m	Netherlands £m	Germany £m	Other £m	Total £m
At 1 April 2014	316.9	23.6	112.7	12.6	41.8	45.9	553.5
Total gains or losses in the income statement							
- Realised gains	(0.7)	(0.8)	(1.4)	–	0.1	(8.6)	(11.4)
- Unrealised gains	16.9	(3.6)	17.1	(0.5)	(0.1)	11.0	40.8
- Foreign exchange	(2.9)	(0.2)	(5.6)	–	(1.4)	(2.4)	(12.5)
Purchases	163.1	6.5	1.6	6.8	4.0	48.6	230.6
Realisations	(18.5)	(3.4)	(6.5)	(1.5)	(11.5)	(3.4)	(44.8)
Transfer between assets	(1.5)	–	–	–	–	(0.1)	(1.6)
Transfer between levels	(18.4)	(12.2)	(17.7)	(7.6)	(23.7)	(11.8)	(91.4)
At 30 September 2014	454.9	9.9	100.2	9.8	9.2	79.2	663.2

2. Financial risk management continued

Reconciliation of Level 3 fair value movements by geography continued

(Unaudited) **Derivative financial instruments - warrants**	France £m	Germany £m	UK £m	Denmark £m	Total £m
At 1 April 2014	8.7	3.8	2.2	3.8	18.5
Total gains or losses in the income statement					
- Unrealised gains	(2.1)	0.9	1.7	(3.6)	(3.1)
- Foreign exchange	(0.5)	(0.2)	–	(0.2)	(0.9)
At 30 September 2014	6.1	4.5	3.9	–	14.5

Restated (Unaudited) **AFS assets**	France £m	US £m	Australia £m	UK £m	Other £m	Total £m
At 1 April 2014	63.7	14.5	34.0	25.2	39.0	176.4
Total gains or losses in the income statement						
- Realised gains	1.7	–	–	–	(10.1)	(8.4)
- Foreign exchange	(2.9)	0.5	(1.0)	(1.0)	(1.4)	(5.8)
Total gains or losses in other comprehensive income						
- Unrealised gains	(8.5)	(2.5)	0.9	6.0	(8.7)	(12.8)
Purchases	0.1	–	–	1.7	–	1.8
Realisations	(1.9)	–	–	(0.3)	(3.2)	(5.4)
Transfer between levels	(11.3)	–	–	–	(10.2)	(21.5)
At 30 September 2014	40.9	12.5	33.9	31.6	5.4	124.3

(Audited) **Financial assets at FVTPL**	US £m	UK £m	France £m	Germany £m	Netherlands £m	Other £m	Total £m
At 1 April 2014	23.6	316.9	112.7	41.8	12.6	45.9	553.5
Total gains or losses in the income statement							
- Realised gains	0.5	(5.5)	(9.3)	–	–	(9.9)	(24.2)
- Unrealised gains	2.4	49.2	48.0	(0.5)	(0.7)	11.5	109.9
- Foreign exchange	3.9	(35.4)	(12.5)	(1.8)	–	(4.5)	(50.3)
Purchases	27.2	201.9	1.8	6.3	5.1	14.3	256.6
Realisations	(7.8)	(55.5)	(28.3)	(16.9)	(9.6)	(11.6)	(129.7)
Transfer between assets	–	(3.1)	6.3	–	–	0.3	3.5
Transfer between levels	(11.9)	(4.2)	1.5	(22.2)	–	(2.7)	(39.5)
At 31 March 2015	37.9	464.3	120.2	6.7	7.4	43.3	679.8

2. Financial risk management continued

Reconciliation of Level 3 fair value movements by geography continued

(Audited) **Derivative financial instruments - warrants**	France £m	UK £m	Germany £m	Denmark £m	Total £m
At 1 April 2014	8.7	2.2	3.8	3.8	18.5
Total gains or losses in the income statement					
- Realised gains	(0.3)	(0.5)	(0.2)	–	(1.0)
- Unrealised gains	(2.1)	3.1	0.6	(3.6)	(2.0)
- Foreign exchange	(0.9)	–	(0.6)	(0.2)	(1.7)
At 31 March 2015	5.4	4.8	3.6	–	13.8

(Audited) **AFS assets**	France £m	Australia £m	US £m	UK £m	Other £m	Total £m
At 1 April 2014	63.7	34.0	14.5	25.2	39.0	176.4
Total gains or losses in the income statement						
- Realised gains	1.2	(3.4)	–	(2.0)	(9.8)	(14.0)
- Foreign exchange	(5.7)	(2.0)	1.6	(2.4)	(1.7)	(10.2)
Total gains or losses in other comprehensive income						
- Unrealised gains	(7.3)	18.1	(3.6)	5.7	(11.9)	1.0
Purchases	0.1	–	–	2.0	(0.1)	2.0
Realisations	(2.9)	(7.8)	–	(2.2)	(3.6)	(16.5)
Transfer between levels	(11.3)	–	–	(0.4)	(9.9)	(21.6)
At 31 March 2015	37.8	38.9	12.5	25.9	2.0	117.1

Fair value sensitivity analysis

The following table shows the sensitivity of fair values grouped in Level 3 to adjusted earnings multiples in the valuation models, for a selection of the largest financial assets. It is assumed that the multiple was changed by 10% while all the other variables were held constant.

30 September 2015 **(Unaudited)**	**Value** **£m**	**+10%** **£m**	**-10%** **£m**
Investments designated as FVTPL	**840.3**	**973.4**	**677.6**
Derivative financial instruments held at fair value - warrants	**21.1**	**25.9**	**16.3**
AFS financial assets held at fair value	**126.2**	**150.2**	**102.2**
	987.6	**1,149.5**	**796.1**

2. Financial risk management continued

Fair value sensitivity analysis continued

Restated 30 September 2014 (Unaudited)	Value £m	+10% £m	-10% £m
Investments designated as FVTPL	663.2	799.9	526.5
Derivative financial instruments held at fair value - warrants	14.5	19.2	9.8
AFS financial assets held at fair value	124.3	137.2	111.4
	802.0	956.3	647.7

31 March 2015 (Audited)	Value £m	+10% £m	-10% £m
Investments designated as FVTPL	679.8	785.5	546.1
Derivative financial instruments held at fair value - warrants	13.8	18.7	8.9
AFS financial assets held at fair value	117.1	137.0	92.8
	810.7	941.2	647.8

Derivatives
The Group utilises the following derivative instruments for economic hedging purposes:

30 September 2015 **(Unaudited)**		Fair values	
Foreign exchange contracts	**Contract of underlying principal amount £m**	**Asset £m**	**Liability £m**
Forward foreign exchange contracts	**1,066.3**	**2.8**	**(13.2)**
Cross currency swaps	**490.1**	**15.0**	**(10.4)**
Interest rate swaps	**20.0**	**2.5**	**–**
Balance at 30 September 2015	**1,576.4**	**20.3**	**(23.6)**

Included in derivative financial instruments is accrued interest on swaps of £1.8m.

Restated 30 September 2014 (Unaudited)		Fair values	
Foreign exchange contracts	Contract of underlying principal amount £m	Asset £m	Liability £m
Forward foreign exchange contracts	1,394.1	32.2	(4.2)
Cross currency swaps	95.9	7.3	(3.0)
Interest rate swaps	33.5	3.7	–
Balance at 30 September 2014	1,523.5	43.2	(7.2)

Included in derivative financial instruments is accrued interest on swaps of £0.7m.

2. Financial risk management continued

Derivatives continued

31 March 2015
(Audited)

Foreign exchange contracts	Contract of underlying principal amount £m	Fair values Asset £m	Fair values Liability £m
Forward foreign exchange contracts	1,408.9	10.4	(12.7)
Cross currency swaps	74.6	13.3	(0.7)
Interest rate swaps	34.8	3.2	–
Balance at 31 March 2015	1,518.3	26.9	(13.4)

Included in derivative financial instruments is accrued interest on swaps of £0.7m.

Capital management

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements by the Financial Conduct Authority (FCA) and ensure that the Group maximises the return to Shareholders through the optimisation of the debt and equity balance. The Group's strategy has remained unchanged from the year ended 31 March 2015.

The capital structure comprises debts, which includes the borrowings disclosed in note 24 of audited Group Financial Statements for the year ended 31 March 2015, cash and cash equivalents, and capital and reserves of the Parent Company, comprising called up share capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity.

The Group has complied with the imposed minimum capital throughout the year. The full Pillar 3 disclosures are available on the Company's website www.icgam.com.

Credit Risk – Impairments

	Six months ended 30 September 2015 (Unaudited) £m	Six months ended 30 September 2014 (Unaudited) £m	Year ended 31 March 2015 (Audited) £m
Balance at 1 April	**306.0**	341.7	341.7
Charged to income statement	**9.8**	36.4	53.5
Recovery of previously impaired assets	**–**	(15.3)	(15.9)
Assets written off in year	**(48.9)**	(42.0)	(43.9)
Foreign exchange	**4.4**	(14.2)	(29.4)
Balance at 30 September / 31 March	**271.3**	306.6	306.0

The carrying amount of financial assets represents the Directors' assessment of the maximum credit risk exposure of the Group at the balance sheet date. Impairment losses taken during the period reflect the decline in recoverability on individual assets, either as a result of company specific or of general macroeconomic conditions.

The Directors believe that credit risk as a result of the concentration of significant counterparties is low as there is no individual counterparty comprising more than 10% of the Group's total exposure. The Group's largest individual exposure as at 30 September 2015 was £91.3m to Parkeon (30 September 2014: £95.2m to Gerflor / 31 March 2015: £64.0m to Gerflor).

For the six months ended 30 September 2015

3. Business segments

For management purposes, the Group is currently organised into the Fund Management Company (FMC) and the Investment Company (IC). Segment information about these businesses is presented below as reviewed by the Executive Committee.

The Group reports the profit of the FMC separately from the profits generated by the IC. The FMC is defined as the operating unit and as such incurs the majority of the Group's costs, including the cost of the investment network, i.e. the Investment Executives and the local offices, as well as the cost of most support functions, primarily information technology, human resources and marketing.

The IC is charged a management fee of 1% of the carrying value of the average investment portfolio by the FMC and this is shown below as fee income. The costs of finance, treasury, and portfolio administration teams and the costs related to being a listed entity are allocated to the IC. The remuneration of the Managing Directors is allocated equally to the FMC and the IC.

Six months ended 30 September 2015 (Unaudited)	Mezzanine & Equity £m	Credit Funds £m	Real Estate £m	Total FMC £m	IC £m	Total £m
External fee income	29.6	12.4	7.9	49.9	–	49.9
Inter-segmental fee	7.0	1.4	0.7	9.1	(9.1)	–
Fund management fee income	36.6	13.8	8.6	59.0	(9.1)	49.9
Other operating income				–	2.3	2.3
Gains on investments				–	62.5	62.5
Net interest income				(0.2)	48.4	48.2
Dividend income				9.3	8.1	17.4
Net fair value loss on derivatives				–	(3.5)	(3.5)
				68.1	108.7	176.8
Impairment				–	(18.1)	(18.1)
Staff costs				(14.2)	(4.0)	(18.2)
Incentive scheme costs				(11.8)	(19.1)	(30.9)
Other administrative expenses				(13.1)	(4.9)	(18.0)
Increase in deferred consideration				–	(7.0)	(7.0)
Profit before tax				29.0	55.6	84.6

For the six months ended 30 September 2015

3. Business segments continued

Restated Six months ended 30 September 2014 (Unaudited)	Mezzanine & Equity £m	Credit Funds £m	Real Estate £m	Total FMC £m	IC £m	Total £m
External fee income	34.1	12.1	4.6	50.8	–	50.8
Inter-segmental fee	7.4	1.4	–	8.8	(8.8)	–
Fund management fee income	41.5	13.5	4.6	59.6	(8.8)	50.8
Other operating income				–	2.3	2.3
Gains on investments				–	48.3	48.3
Net interest income				(0.2)	59.2	59.0
Dividend income				4.3	1.1	5.4
Net fair value loss on derivatives				–	(2.8)	(2.8)
				63.7	99.3	163.0
Impairment				–	(21.1)	(21.1)
Staff costs				(13.5)	(2.9)	(16.4)
Incentive scheme costs				(9.4)	(13.0)	(22.4)
Other administrative expenses				(14.1)	(3.7)	(17.8)
Profit before tax				26.7	58.6	85.3

Year ended 31 March 2015 (Audited)	Mezzanine & Equity £m	Credit Funds £m	Real Estate £m	Total FMC £m	IC £m	Total £m
External fee income	62.2	22.9	10.7	95.8	–	95.8
Inter-segmental fee	14.4	3.3	1.0	18.7	(18.7)	–
Fund management fee income	76.6	26.2	11.7	114.5	(18.7)	95.8
Other operating income				–	4.5	4.5
Gains on investments				–	111.6	111.6
Net interest income				(0.4)	118.8	118.4
Dividend income				13.2	3.4	16.6
Net fair value loss on derivatives				–	(7.1)	(7.1)
				127.3	212.5	339.8
Impairment				–	(37.6)	(37.6)
Staff costs				(27.4)	(9.3)	(36.7)
Incentive scheme costs				(19.0)	(30.5)	(49.5)
Other administrative expenses				(28.9)	(10.1)	(39.0)
Profit before tax				52.0	125.0	177.0

3. Business segments continued

Reconciliation of financial statements reported to the executive committee to the IFRS financial statements

Included in the table below are statutory adjustments made to the Investment Company for the following:

- For internal reporting purposes the interest earned and impairments charged on assets where we co-invest in funds (ICG Europe Fund V, ICG Europe Fund VI, ICG North America Private Debt Fund, ICG Asia Pacific Fund III) is presented within interest income/impairments whereas under IFRS it is included within the value of the investment

- The structured entities controlled by the Group are presented as fair value investments for internal reporting purposes, whereas the statutory financial statements present these entities on a fully consolidated basis

- The joint venture investment in Nomura ICG KK is presented internally on a proportional consolidation basis, whereas it is equity accounted under IFRS

- The one off impact of the Employee Benefit Trust (EBT) settlement in the year ended March 2015 was excluded for internal reporting purposes

- For internal reporting purposes, a portion of dividend income received from Diamond Castle Partners 2014, L.P., during the six months ended 30 September 2015, has been deferred. This is based on the Board's expectation of the portion of the Group's investment in the fund that is expected to be syndicated

Consolidated Income Statement

Six months ended 30 September 2015 (Unaudited)	**Internally reported £m**	**Reclass of interest and impairments to gains £m**	**Consolidated structured entities £m**	**Japan joint venture £m**	**Deferred dividend income £m**	**Total adjustments £m**	**Financial Statements £m**
Fund management fee income	**49.9**	**–**	**(4.3)**	**(0.3)**	**–**	**(4.6)**	**45.3**
Other operating income	**2.3**	**–**	**0.5**	**–**	**–**	**0.5**	**2.8**
Gains on investments	**62.5**	**3.1**	**25.6**	**(0.2)**	**–**	**28.5**	**91.0**
Net interest income	**48.2**	**(11.4)**	**(1.6)**	**–**	**(4.4)**	**(17.4)**	**30.8**
Dividend income	**17.4**	**–**	**(8.0)**	**–**	**8.5**	**0.5**	**17.9**
Net fair value loss on derivatives	**(3.5)**	**–**	**(5.5)**	**–**	**–**	**(5.5)**	**(9.0)**
	176.8	**(8.3)**	**6.7**	**(0.5)**	**4.1**	**2.0**	**178.8**
Share of results of joint ventures accounted for using equity method	**–**	**–**	**–**	**(0.2)**	**–**	**(0.2)**	**(0.2)**
Impairment	**(18.1)**	**8.3**	**–**	**–**	**–**	**8.3**	**(9.8)**
Staff costs	**(18.2)**	**–**	**–**	**0.2**	**–**	**0.2**	**(18.0)**
Incentive scheme costs	**(30.9)**	**–**	**–**	**–**	**–**	**–**	**(30.9)**
Other administrative expenses	**(18.0)**	**–**	**(1.2)**	**0.2**	**–**	**(1.0)**	**(19.0)**
Increase in deferred consideration	**(7.0)**	**–**	**–**	**–**	**–**	**–**	**(7.0)**
Profit before tax	**84.6**	**–**	**5.5**	**(0.3)**	**4.1**	**9.3**	**93.9**

For the six months ended 30 September 2015

3. Business segments continued

Consolidated Income Statement continued

Restated Six months ended 30 September 2014 (Unaudited)	Internally reported £m	Reclass of interest to gains £m	Consolidated structured entities £m	Japan joint venture £m	Total adjustments £m	Financial Statements £m
Fund management fee income	50.8	–	(2.9)	–	(2.9)	47.9
Other operating income	2.3	–	0.8	–	0.8	3.1
Gains on investments	48.3	5.5	5.8	–	11.3	59.6
Net interest income	59.0	(5.5)	5.4	–	(0.1)	58.9
Dividend income	5.4	–	–	–	–	5.4
Net fair value loss on derivatives	(2.8)	–	–	–	–	(2.8)
	163.0	–	9.1	–	9.1	172.1
Share of results of joint ventures accounted for using equity method	–	–	–	(0.2)	(0.2)	(0.2)
Impairment	(21.1)	–	–	–	–	(21.1)
Staff costs	(16.4)	–	–	0.1	0.1	(16.3)
Incentive scheme costs	(22.4)	–	–	–	–	(22.4)
Other administrative expenses	(17.8)	–	1.3	0.1	1.4	(16.4)
Profit before tax	85.3	–	10.4	–	10.4	95.7

Year ended 31 March 2015 (Audited)	Internally reported £m	Reclass of interest to gains £m	Consolidated structured entities £m	Japan joint venture £m	EBT settlement £m	Total adjustments £m	Financial Statements £m
Fund management fee income	95.8	–	(6.9)	(0.2)	–	(7.1)	88.7
Other operating income	4.5	–	1.8	–	–	1.8	6.3
Gains on investments	111.6	14.5	12.0	(0.2)	–	26.3	137.9
Net interest income	118.4	(14.5)	15.2	–	–	0.7	119.1
Dividend income	16.6	–	(10.2)	–	–	(10.2)	6.4
Net fair value loss on derivatives	(7.1)	–	9.8	–	–	9.8	2.7
	339.8	–	21.7	(0.4)	–	21.3	361.1
Share of results of joint ventures accounted for using equity method	–	–	–	(0.5)	–	(0.5)	(0.5)
Impairment	(37.6)	–	–	–	–	–	(37.6)
Staff costs	(36.7)	–	–	0.3	(17.6)	(17.3)	(54.0)
Incentive scheme costs	(49.5)	–	–	–	–	–	(49.5)
Other administrative expenses	(39.0)	–	(2.6)	0.9	(0.3)	(2.0)	(41.0)
Profit before tax	177.0	–	19.1	0.3	(17.9)	1.5	178.5

3. Business segments continued

Consolidated Statement of Financial Position

30 September 2015 (Unaudited)	**Internally reported £m**	**Reclass of interest to gains £m**	**Consolidated structured entities £m**	**Japan joint venture £m**	**Deferred dividend income £m**	**Total adjustments £m**	**Financial Statements £m**
Non current financial assets	**1,744.1**	**0.6**	**1,596.4**	**0.8**	**–**	**1,597.8**	**3,341.9**
Other non current assets	**26.1**	**–**	**0.9**	**–**	**–**	**0.9**	**27.0**
Cash	**135.3**	**–**	**83.9**	**(1.1)**	**–**	**82.8**	**218.1**
Current financial assets	**273.6**	**–**	**–**	**–**	**–**	**–**	**273.6**
Other current assets	**90.3**	**(0.6)**	**20.2**	**(1.3)**	**–**	**18.3**	**108.6**
Total assets	**2,269.4**	**–**	**1,701.4**	**(1.6)**	**–**	**1,699.8**	**3,969.2**
Non current financial liabilities	**901.7**	**–**	**1,601.1**	**–**	**–**	**1,601.1**	**2,502.8**
Other non current liabilities	**57.7**	**–**	**(0.7)**	**–**	**–**	**(0.7)**	**57.0**
Current financial liabilities	**38.2**	**–**	**–**	**–**	**–**	**–**	**38.2**
Other current liabilities	**135.5**	**–**	**72.8**	**(1.7)**	**(4.1)**	**67.0**	**202.5**
Total liabilities	**1,133.1**	**–**	**1,673.2**	**(1.7)**	**(4.1)**	**1,667.4**	**2,800.5**
Equity	**1,136.3**	**–**	**28.2**	**0.1**	**4.1**	**32.4**	**1,168.7**
Total equity and liabilities	**2,269.4**	**–**	**1,701.4**	**(1.6)**	**–**	**1,699.8**	**3,969.2**

Restated 30 September 2014 (Unaudited)	Internally reported £m	Reclass of interest to gains £m	Consolidated structured entities £m	Japan joint venture £m	Total adjustments £m	Financial Statements £m
Non current financial assets	1,824.5	(1.1)	1,154.2	1.1	1,154.2	2,978.7
Other non current assets	20.6	–	6.0	(0.1)	5.9	26.5
Cash	140.2	–	116.4	(1.0)	115.4	255.6
Current financial assets	64.8	–	–	–	–	64.8
Other current assets	109.4	1.1	43.2	–	44.3	153.7
Total assets	2,159.5	–	1,319.8	–	1,319.8	3,479.3
Non current financial liabilities	564.0	–	1,144.3	–	1,144.3	1,708.3
Other non current liabilities	27.7	–	(0.1)		(0.1)	27.6
Current financial liabilities	13.8	–	–	–	–	13.8
Other current liabilities	102.5	–	160.9	(0.1)	160.8	263.3
Total liabilities	708.0	–	1,305.1	(0.1)	1,305.0	2,013.0
Equity	1,451.5	–	14.7	0.1	14.8	1,466.3
Total equity and liabilities	2,159.5	–	1,319.8	–	1,319.8	3,479.3

3. Business segments continued

Consolidated Statement of Financial Position continued

31 March 2015 (Audited)	Internally reported £m	Reclass of interest to gains £m	Consolidated structured entities £m	Japan joint venture £m	Total adjustments £m	Financial Statements £m
Non current financial assets	1,690.7	(2.2)	1,291.8	1.1	1,290.7	2,981.4
Other non current assets	28.7	–	0.3	–	0.3	29.0
Cash	278.5	–	115.3	(1.9)	113.4	391.9
Current financial assets	243.9	–	–	–	–	243.9
Other current assets	93.3	2.2	58.8	(1.3)	59.7	153.0
Total assets	2,335.1	–	1,466.2	(2.1)	1,464.1	3,799.2
Non current financial liabilities	665.4	–	1,373.4	–	1,373.4	2,038.8
Other non current liabilities	37.7	–	(0.8)	0.3	(0.5)	37.2
Current financial liabilities	40.9	–	–	–	–	40.9
Other current liabilities	155.4	–	70.8	(2.5)	68.3	223.7
Total liabilities	899.4	–	1,443.4	(2.2)	1,441.2	2,340.6
Equity	1,435.7	–	22.8	0.1	22.9	1,458.6
Total equity and liabilities	2,335.1	–	1,466.2	(2.1)	1,464.1	3,799.2

For the six months ended 30 September 2015

3. Business segments continued

Consolidated Statement of Cash flows continued

30 September 2015 (Unaudited)	Internally reported £m	Consolidated structured entities £m	Japan joint venture £m	Financial Statements £m
Interest, fees and dividends received	105.6	25.7	(0.1)	131.2
Interest paid	(24.5)	(23.6)	–	(48.1)
Net purchase of current financial assets	(37.0)	–	–	(37.0)
Purchase of loans and investments	(153.9)	(532.1)	–	(686.0)
Cash in from realisations	166.4	382.4	–	548.8
Other operating expenses	(69.1)	(1.0)	0.7	(69.4)
Net cash (used in)/generated from operating activities	(12.5)	(148.6)	0.6	(160.5)
Net cash used in investing activities	(2.1)	(9.2)	–	(11.3)
Dividends paid	(355.5)	–	–	(355.5)
Increase in long-term borrowings	230.4	125.2	–	355.6
Net cash flow from derivatives	23.8	1.7	–	25.5
Purchase of own shares	(27.5)	–	–	(27.5)
Proceeds on issue of shares	2.9	–	–	2.9
Net cash (used in)/ from financing activities	(125.9)	126.9	–	1.0
Net (decrease)/ increase in cash	(140.5)	(30.9)	0.6	(170.8)
Cash and cash equivalent at beginning of period	278.5	115.3	(1.9)	391.9
FX impact on cash	(2.7)	(0.5)	0.2	(3.0)
Cash and cash equivalent at end of period	135.3	83.9	(1.1)	218.1

For the six months ended 30 September 2015

3. Business segments continued

Consolidated Statement of Cash flows continued

Restated 30 September 2014 (Unaudited)	Internally reported £m	Consolidated structured entities £m	Japan joint venture £m	Financial Statements £m
Interest, fees and dividends received	117.0	20.1	–	137.1
Interest paid	(17.6)	(12.6)	–	(30.2)
Net purchase of current financial assets	50.8	–	–	50.8
Purchase of loans and investments	(270.9)	(560.6)	(1.5)	(833.0)
Cash in from realisations	293.4	420.3	–	713.7
Other operating expenses	(65.6)	(2.9)	0.3	(68.2)
Net cash generated from/(used in) operating activities	107.1	(135.7)	(1.2)	(29.8)
Net cash used in investing activities	(2.7)	–	–	(2.7)
Dividends paid	(55.5)	–	–	(55.5)
Increase/(decrease) in long-term borrowings	(5.9)	92.3	–	86.4
Net cash flow from derivatives	47.1	2.8	–	49.9
Purchase of own shares	(60.1)	–	–	(60.1)
Net cash (used in)/from financing activities	(74.4)	95.1	–	20.7
Net increase/(decrease) in cash	30.0	(40.6)	(1.2)	(11.8)
Cash and cash equivalent at beginning of period	114.9	158.6	–	273.5
FX impact on cash	(4.7)	(1.6)	0.2	(6.1)
Cash and cash equivalent at end of period	140.2	116.4	(1.0)	255.6

3. Business segments continued

Consolidated Statement of Cash flows continued

31 March 2015 (Audited)	Internally reported £m	Consolidated structured entities £m	Japan joint venture £m	Financial Statements £m
Interest, fees and dividends received	254.4	45.7	(1.4)	298.7
Interest paid	(33.8)	(33.5)	–	(67.3)
Net purchase of current financial assets	(126.4)	–	–	(126.4)
Purchase of loans and investments	(359.8)	(1,324.2)	–	(1,684.0)
Cash in from realisations	505.6	782.7	–	1,288.3
Other operating expenses	(95.0)	(7.6)	(0.4)	(103.0)
Net cash generated from/(used in) operating activities	145.0	(536.9)	(1.8)	(393.7)
Net cash used in investing activities	(19.9)	–	–	(19.9)
Dividends paid	(81.0)	–	–	(81.0)
Increase in long-term borrowings	110.8	481.8	–	592.6
Net cash flow from derivatives	135.4	17.5	–	152.9
Purchase of own shares	(124.0)	–	–	(124.0)
Proceeds on issue of shares	1.0	–	–	1.0
Net cash from financing activities	42.2	499.3	–	541.5
Net increase/(decrease) in cash	167.3	(37.6)	(1.8)	127.9
Cash and cash equivalent at beginning of period	114.9	158.6	–	273.5
FX impact on cash	(3.7)	(5.7)	(0.1)	(9.5)
Cash and cash equivalent at end of period	278.5	115.3	(1.9)	391.9

4. Earnings per share

	Six months ended 30 September 2015 (Unaudited) £m	Restated Six months ended 30 September 2014 (Unaudited) £m	Year ended 31 March 2015 (Audited) £m
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to the equity holders of the parent	**83.9**	79.0	189.3
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	**346,159,885**	382,440,183	376,175,974
Effect of dilutive potential ordinary share options	**50,356**	112,424	37,402
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**346,210,241**	382,552,607	376,213,376
Earnings per share (EPS)	**24.2p**	20.7p	50.3p
Diluted earnings per share	**24.2p**	20.7p	50.3p

For the six months ended 30 September 2015

4. Earnings per share continued

Reconciliation of total number of shares allotted, called up and in issue

	Total number of shares allotted, called up and in issue	Number of shares in own share reserve
As at 1 April 2015	402,804,840	39,586,992
Purchased	–	4,209,858
Options/awards exercised	619,303	(7,974,109)
	403,424,143	35,822,741
Cancellation of treasury shares	(18,241,423)	(18,241,423)
	385,182,720	17,581,318
Options/awards exercised	53,767	–
	385,236,487	17,581,318
Share consolidation	(55,033,784)	(2,511,618)
	330,202,703	15,069,700
Options/awards exercised	8,446	(58,972)
As at 30 September 2015	**330,211,149**	**15,010,728**

On 23 July 2015, the Company undertook a share consolidation issuing six new ordinary shares at 23 ⅓ pence each for each holding of seven existing ordinary shares of 20 pence each, reducing shares in issue to 330,202,703.

As at 30 September 2014 the total number of shares allotted, called up and in issue was 402,258,370, of which 25,425,756 were held in the own shares reserve.

5. Dividends

The Board has approved an interim dividend of 7.2p per share (H1 2015: 6.9p).

6. Gains and losses arising on investments

(a) Gains and losses arising on AFS financial assets recognised in other comprehensive income

	Six months ended 30 September 2015 (Unaudited) £m	Restated Six months ended 30 September 2014 (Unaudited) £m	Year ended 31 March 2015 (Audited) £m
Realised gains on ordinary shares recycled to profit	**(5.0)**	(9.2)	(18.0)
Impairments of AFS financial assets recycled to profit	**–**	–	1.9
Net gains recycled to profit	**(5.0)**	(9.2)	(16.1)
Gains and losses arising on AFS financial assets			
- Fair value movement on equity instruments	**8.5**	(14.1)	(4.3)
- Fair value movement on other assets	**(0.8)**	0.1	1.5
Foreign exchange	**(0.4)**	(2.6)	(4.5)
Gains/(losses) arising in the AFS reserve in the period	**7.3**	(16.6)	(7.3)

For the six months ended 30 September 2015

6. Gains and losses arising on investments continued

(b) Gains and losses on investments recognised in the income statement

	Six months ended 30 September 2015 (Unaudited) £m	Restated Six months ended 30 September 2014 (Unaudited) £m	Year ended 31 March 2015 (Audited) £m
Realised gains on warrants	**0.3**	–	0.1
Realised gains on assets designated as FVTPL	**0.2**	3.7	6.6
Realised gains in structured entities controlled by the Group	**20.7**	8.2	11.2
Realised gains on AFS financial assets recycled from AFS reserves	**5.0**	9.2	18.0
Realised gains on other assets	**0.7**	1.0	0.3
	26.9	22.1	36.2
Unrealised gains and losses on assets designated as FVTPL:			
- On equity instruments	**43.4**	50.6	117.9
- On warrants	**8.5**	(2.9)	(1.9)
- In structured entities controlled by the Group	**(15.7)**	(3.1)	(1.7)
- On other assets	**–**	1.2	(0.9)
	36.2	45.8	113.4
Unrealised gains and losses on liabilities designated as FVTPL:			
- In structured entities controlled by the Group	**23.6**	(8.0)	(7.4)
Realised gains and losses on liabilities designated as FVTPL:			
- In structured entities controlled by the Group	**4.3**	–	(4.0)
Fair value movements on FVTPL financial assets	**91.0**	59.9	138.2
Realised losses on amortised cost assets	**–**	(0.3)	(0.3)
Gains on investments	**91.0**	59.6	137.9

7. Deferred Consideration

In the prior period, the Group acquired the remaining 49% of Longbow Real Estate Capital LLP, thereby giving it 100% of the equity of the UK real estate debt specialist. Cash consideration of £14.0m was paid on acquisition with a further £23.9m recognised as the fair value of contingent consideration as at 31 March 2015.

The contingent consideration arrangement is based on a multiple of adjusted net income as at 31 March 2016, less the £14.0m paid to acquire the 49% equity holding. The fair value of the contingent consideration, being the estimate of what will be paid, based on management projections of the adjusted net income as at 31 March 2016, discounted back to present day has been increased at 30 September 2015 to £30.9m. This has resulted in a £7.0m charge being recognised through the income statement in the current period. The final amount paid may be greater or lesser than the amount currently provided.

8. Tax expense

Analysis of tax on ordinary activities	**Six months ended 30 September 2015 (Unaudited) £m**	Restated Six months ended 30 September 2014 (Unaudited) £m	Year ended 31 March 2015 (Audited) £m
Current tax:			
Corporate tax	**4.6**	10.1	23.0
Prior year adjustment to current tax – EBT settlement	**–**	–	(38.2)
Prior year adjustment – other	**(0.5)**	–	(14.7)
	4.1	10.1	(29.9)
Deferred tax:			
Current period	**8.2**	7.0	16.5
Prior year adjustment	**(1.2)**	(1.2)	1.3
	7.0	5.8	17.8
Tax charge/(credit) on profit on ordinary activities	**11.1**	15.9	(12.1)

The current period tax charge is lower than the standard rate of UK corporate tax of 20% principally due to the impact of differences in overseas tax rates where we invest directly into funds, which are based offshore.

9. Financial liabilities

Non current and current financial liabilities have increased by £461.3m in the period since 31 March 2015 as a result of the Group establishing £256m equivalent of private placements with maturities of between five and ten years and the consolidation of another US CLO. In addition, £150m of new senior debt maturing in 2018 was raised and £350m of existing facilities were extended until 2018, with an existing debt facility increased from £20m to £65m.

The fair value of financial liabilities is £2,541.0m (30 September 2014: £1,722.1m / 31 March 2015: £2,079.7m), determined where applicable with reference to their published market price.

10. Subsidiaries, associates and joint ventures

The following changes are of note to the Group's subsidiaries during the period:

a. The Group holds 50.3% of the equity in US CLO 2015-1, a structured entity which has been consolidated from 30 June 2015
b. The Group's investment in ICG European Loan Fund was fully redeemed on 1 April 2015 from which point it has no longer been consolidated
c. The Group retains control of ICG High Yield Bond Fund although it has reduced its ownership interest to 85.8% following a partial redemption

The following changes are of note to the Group's associates during the period:

a. The Group holds 16.7% and therefore has significant influence over ICG Europe Fund VI (No 1) LP following the final close of the Fund in June 2015 and has been accounted for as an associate
b. The Group retains significant interest of ICG Total Credit Fund although it has increased its ownership interest to 39.6%, following a reduction in third party funds

There were no other changes in the Group's ownership interests in associates.

Independent Review Report to Intermediate Capital Group plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2015 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes 1 to 10. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
17 November 2015

Balance Sheet Investments

At 30 September 2015, the Investment Company's portfolio amounted to £1,744m, including £640m of equity investments.

Top 20 assets at 30 September 2015

The top 20 assets (excluding portfolios) account for 45% of the IC's investment portfolio and are listed below.

Company	Country	Industry	Investment year	£m*
Parkeon	France	Business Services	2007	91.3
Gerflor	France	Construction Materials	2006	71.4
AAS Link	Australia	Financial Services	2007	56.8
Minimax	Germany	Telecoms, Media & Technology	2014	54.0
N&W Global Vending	Italy	Retail	2008	51.4
SAG	Germany	Utilities & Waste Management	2008	45.0
Euro Cater	Denmark	Retail	2013	42.5
Fort Dearborn	USA	Packaging	2010	41.5
Education Personnel	UK	Business Services	2014	38.8
ATPI	UK	Entertainment & Leisure	2012	37.3
Loparex	Netherlands	Pharmaceuticals & Chemicals	2015	36.9
Fraikin	France	Transport	2007	29.2
Casa Reha	Germany	Healthcare	2008	27.3
Flaktwoods	France	Telecoms, Media & Technology	2007	27.2
Quorn	UK	Food & Consumer Products	2011	26.8
Menissez	France	Food & Consumer Products	2006	24.2
La Toulousaine	France	Construction Materials	2015	24.1
Tractel	France	Manufacturing & Engineering	2007	23.1
Nora	Germany	Construction Materials	2014	20.2
Apem	France	Telecoms, Media & Technology	2014	18.8
Total				**787.8**

*carrying value on ICG balance sheet at 30 September 2015, including equity stake listed below when relevant.

Top 10 equity assets at 30 September 2015

The top 10 equity positions (included in the above table) account for 20% of the IC's investment portfolio and 55% of our equity portfolio and are listed below.

Company	Country	Industry	Investment year	£m
Parkeon	France	Business Services	2007	82.0
Gerflor	France	Construction Materials	2006	71.4
AAS Link	Australia	Financial Services	2007	56.8
Loparex	Netherlands	Pharmaceuticals & Chemicals	2015	27.6
Quorn	UK	Food & Consumer Products	2011	26.8
Menissez	France	Food & Consumer Products	2006	24.2
Minimax	Germany	Telecoms, Media & Technology	2014	17.7
Euro Cater	Denmark	Retail	2013	17.0
ATPI	UK	Entertainment & Leisure	2012	16.4
La Toulousaine	France	Construction Materials	2015	15.2
Total				**355.1**

Glossary

Term	Short form	Definition
AIFMD		The EU Alternative Investment Fund Managers Directive.
Assets under management	AUM	Value of all funds and assets managed by the FMC.
Cash core income	CCI	Profit before tax excluding fair value movement on derivatives, capital gains, impairments and unrealised rolled up interest.
Catch up fees		Fees not previously recognised as either the fund commitment had not been contractually agreed or the income was otherwise uncertain.
Closed end fund		A fund where the amount of investable capital is fixed.
Co-investment	Co-invest	A direct investment made alongside or in a fund taking a pro-rata share of all instruments.
Collateralised Debt Obligation	CDO	Investment grade security backed by a pool of non mortgage based bonds, loans and other assets.
Collateralised Loan Obligation	CLO	CLO is a type of CDO, which is backed by a portfolio of loans.
Close		A stage in fundraising whereby a fund is able to release or draw down the capital contractually committed at that date.
EBITDA		Earnings before interest, tax, depreciation and amortisation.
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.
Financial Conduct Authority	FCA	Regulates conduct by both retail and wholesale financial service firms in provision of services to consumers.
Financial Reporting Council	FRC	UK's independent regulator responsible for promoting high quality corporate governance and reporting.
Fund Management Company	FMC	The Group's fund management business, which sources and manages investments on behalf of the IC and third party funds.
HMRC		HM Revenue & Customs, the UK tax authority.
IAS		International Accounting Standards.
IFRS		International Financial Reporting Standards as adopted by the European Union.
Illiquid assets		Asset classes which are not actively traded.
Investment Company	IC	The investment business of ICG plc. It co-invests alongside third party funds.
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.
Key Man		Certain funds have designated Key Men. The departure of a Key Man without adequate replacement triggers a contractual right for investors to cancel their commitments.

Liquid assets		Asset classes with an active, established market in which assets may be readily bought and sold.
Open ended fund		A fund which remains open to new commitments and where an investor's commitment may be redeemed with appropriate notice.
Operating margin		Total fee income less operating expenses divided by total fee income.
Payment in kind	PIK	Also known as rolled up interest. PIK is the interest accruing on a loan until maturity or refinancing, without any cash flows until that time.
Performance fees		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.
Return on assets	ROA	Returns divided by the average IC investment portfolio. Returns comprise interest and dividend income, plus net gains on investments, less impairments.
Return on equity	ROE	Profit after tax (annualised when reporting a six month period's results) divided by average shareholders' funds for the period.
Securitisation		A form of financial structuring whereby a pool of assets is used as security (collateral) for the issue of new financial instruments.
Senior debt		Senior debt ranks above mezzanine and equity.
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.

Company Information

Timetable

Ex-dividend date	3 December 2015
Record date for interim dividend	4 December 2015
Last date for dividend reinvestment election	14 December 2015
Payment of interim dividend	7 January 2016
Trading update	26 January 2016
Capital markets seminar	3 February 2016
Full year results announcement	24 May 2016

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Website
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